Australian Children's
Education & Care
Quality Authority

Annual Report
2017–2018

Contents

Australian Children's Education & Care Quality Authority

27 September 2018

The Hon John Gardner MP
Chair
Education Council
PO Box 202
Carlton South Vic 3053

Dear Minister

The Board of the Australian Children's Education and Care Quality Authority (ACECQA) has pleasure in submitting to the Education Council the 2017–18 ACECQA Annual Report.

The report is presented in accordance with section 279 of the Education and Care Services National Law ('the National Law') and conforms to its requirements.

The National Law requires that the Education Council make arrangements for the tabling of the ACECQA Annual Report in the Parliament of a participating jurisdiction, as determined by the Council. ACECQA is advised that South Australia has been confirmed as the participating jurisdiction for tabling purposes. Accordingly, the 2017–18 Annual Report has been prepared to meet the tabling requirements of that jurisdiction.

Yours sincerely

Judy Hebblethwaite
Chair

Foreword from the Chair

It has been a significant year for those of us working to deliver continuous quality improvement in education and care for the children and families of Australia.

Working in partnership with all governments and the sector is crucial to achieving our vision for improved outcomes and as Chair, I believe it is important to acknowledge the strong relationships between ACECQA, regulators and the sector that allowed the first major reforms to improve the quality of the National Quality Framework (NQF) since 2012.

The key deliverable required in our Letter of Expectation was to support the implementation of approximately 100 changes to legislative policy and in undertaking this activity we achieved a broad range of our strategic plan success indicators and priorities.

From this work and our engagement with the sector and our stakeholders, we know that support for the NQF remains high. We also know the sector is eager to have time to embed and improve their practice, and we are well-placed to continue to provide ongoing guidance in this regard.

As Chair, I am looking forward to identifying new opportunities to deliver on our key functions as outlined in the National Law. As an organisation we are exploring innovative ways to enhance our work with governments and services to support continuous development and growth under the NQF.

The Australian Government's recent decision to provide the sole operational funding for ACECQA for the next two years confirms their support for our role in overseeing the effective and efficient administration of the NQF. We see a range of emerging opportunities to work with our government partners and education and care providers to meet their needs and continue to deliver on our role, including:

- researching and promoting service practice that is most critical to quality improvement
- assisting providers to meet the NQS, including those operating services in rural and remote areas
- upgrading the national IT system
- enhancing training for regulatory authority staff
- publishing new sector guidance materials
- supporting governments to develop targeted programs to address emerging challenges
- building on research and analysis of families' understanding of quality and the benefits of early childhood education and care
- undertaking data analysis and research projects that track progress against the Education Council's agreed NQF evaluation framework.

With our statutory functions well embedded, the coming year offers exciting challenges to grow our role as we continue to champion the importance of high quality education and care and the goals of the NQF. I am very grateful to my colleagues on the Board and our CEO, Gabrielle Sinclair, for their leadership and commitment to the children of Australia, and extend my sincere thanks to ACECQA's dedicated staff.

The knowledge and expertise, and above all the commitment evident within our organisation, and mirrored by our government partners and services across Australia, is what truly makes a difference.

Judy Hebblethwaite
Chair

Report from the CEO

As we expect all high performing education services to do, this is the time when we report on our achievements in 2017–18, and assess the extent to which we have added value to the important work of government partners, providers, educators and families to achieve better outcomes for children.

One of our functions is to guide the implementation and administration of the NQF which commenced in 2012 to achieve and further develop quality care, education and development for children from birth to age 13. What constitutes quality is a complex concept and the sector's commitment to work together to lift quality nationally is essential for children to have the best start in life.

Since receiving the Education Council's Letter of Expectation, we have prioritised to complete our two year work plan on time and on budget. I would like to acknowledge our skilled Business Services Group, which provides the essential support that allows us to deliver on our functions and priorities. A few of our key achievements for this exceptionally busy reporting period are presented below.

Supporting changes to the NQF, reporting performance to Education Council and improving the national IT system

All teams have worked with governments to support the implementation of the changes to the National Law and Regulations, including the National Quality Standard (NQS). Our value was in the design and delivery of the communications strategy, modifications to the National Quality Agenda IT System (NQA ITS), the updated national authorised officer training package and the new *Guide to the National Quality Framework*.

The Policy Team co-ordinated detailed strategic and operational policy advice to support the development of effective and nationally consistent solutions to issues arising under the

NQF. This included legislative interpretation and the provision of guidance materials to the sector, particularly relating to the October 2017 changes to the National Law.

Our Enquiries Team was dedicated to keeping the sector updated on the changes to the NQF, providing a 'one stop shop' for reliable and timely information via telephone and email.

Our Research and Evaluation Team produced the inaugural national partnership annual performance report in January this year, providing analysis against the objectives and outcomes of the National Partnership Agreement on the National Quality Agenda for Early Childhood Education and Care. The report highlights system performance against such areas as the safety, health and wellbeing of children in education and care services, and the education and care workforce.

The Education and Care Systems Team works continuously to improve the functionality and the development of the national IT system which is used by governments and the sector to monitor and manage their online business processes. In addition to planned releases, this year we worked with the Australian Government to successfully integrate elements of the NQA ITS with the new Child Care Subsidy system to improve verification of provider and service information.

Supporting quality of educators' programs and practices through pre-service qualifications and in-service professional learning

We know structural and process qualities are essential to highly effective services, including the qualifications, experience and skills of educators.

The Sector Support and Digital Resources Development Teams assisted educators with access to in-service professional learning opportunities and advice through a diverse range of face to face and online programs and resources. These included the development and delivery of quality practice workshops, eLearning modules and podcasts, ACECQA newsletters, conference presentations and the *Quest For Quality* game series. We continue to target standards and elements many services find difficult to meet, and to mitigate the unique challenges facing stand-alone and rural and remote services.

The Qualifications Assessment Team worked with representatives from peak organisations, providers, higher education and training institutions, and regulatory authorities late last year to provide platforms to discuss

improvements in pre-service skills and qualifications; the sector's readiness for 2020 early childhood teacher requirements; understanding workforce data and trends to meet demand; and addressing duplication in qualifications accreditation processes.

In helping the sector meet demand for highly qualified educators, we processed more than 1000 applications from individuals seeking to have their qualifications assessed for equivalence to an approved qualification.

We've co-ordinated detailed submissions on a number of important national reviews, including the National Review of Teacher Registration, to increase awareness of the NQF and, particularly, the challenges facing teachers working in prior to school services in relation to their access to mentoring and in-service professional learning.

Our Communications and Engagement Team is also building awareness of our *Starting Blocks* website, which strengthens that important relationship between educators and families. It gives families a better understanding of quality in early childhood education and care, increasing their confidence as their child's

first teacher and providing them with the information they need to choose the best service for their child. We launched our new ACECQA website in January 2018 to make it easier for our sector and governments to find and use our services and resources.

Monitoring and assessment – contributing to national quality improvement

One challenge for the sector has been to identify which particular measures and actions best lead to significant improvements in quality and better outcomes at both the system level and within individual services.

This year, it was encouraging to see services aspiring to high quality and meeting the needs and interests of their children and families. We received 64 applications for the highest rating and the Excellence Team worked with applicants, and on advice from the relevant Regulatory Authority, to undertake thorough assessments against the Excellent rating criteria. The highest rating is a very high bar to achieve and 22 truly exceptional services were awarded the Excellent rating.

We were also pleased this year to be given the opportunity by the NSW Department of Education to deliver a quality support program for services rated as Working towards the NQS and lifting quality in the national system. The Quality Support Program Team is working with NSW providers and management teams in long day care and family day care to implement actions that will improve educational and developmental outcomes for children. In the interests of system support, the resources from this program will be available for all Australian services in 2019.

The Regulatory Authority Support Team continues to provide nationally agreed training to support the assessment and rating of education and care services. In 2017–18, we delivered face-to-face training to 87 new officers, as well as 25 bridging course sessions to more than 360 experienced authorised officers in preparation for the introduction of the 2018 NQS.

Acknowledgements

It is important to acknowledge our government partners and stakeholders for having trust in our contributions to this essential education sector. We look forward to the Education Council's next directions and our continuing strong partnerships with each of the nine Australian governments and the sector.

The work of our Chair and Board has been a significant factor in this year's achievements. Supported by our Board and Governance Team, they provide our strategic direction and expert advice to guide our accountability to the Education Council, as well as our performance against our statutory functions and the Strategic Plan. I would like to thank all members for their conscientious stewardship of ACECQA and their confidence in our role.

In conclusion, this report is on behalf of the Executive and the Leadership Group. Our staff at ACECQA are committed and hard working professionals who, individually and collectively, are dedicated to achieving each of the six objectives of the NQF. With their belief in the value we bring to children and families, we are able to better support and respond to Australia's continuously improving childhood education and care sector.

Gabrielle Sinclair
Chief Executive Officer

1 ACECQA's Governance and Operations

1.1 ACECQA

ACECQA's role

As an independent statutory authority, we work with our government partners and the education and care sector to effectively and efficiently administer the NQF.

The *Education and Care Services National Law* (the National Law) sets out the majority of our functions under section 225, including:

◆ promoting and fostering continuous quality improvement by education and care services

◆ educating and informing about the NQF and supporting parents and communities in understanding the importance of quality early education and care

◆ developing guidance materials for providers and educators to enhance their own professional development and focus on quality outcomes for children

◆ establishing the qualifications required to be an educator in our sector

◆ undertaking second tier review of quality ratings

◆ making determinations with respect to the highest level of rating for approved education and care services – the Excellent rating

◆ conducting national audits relating to the administration of the NQF.

We have responsibility for the training of authorised officers and for managing the National Quality Agenda IT System (NQA ITS), an online business tool for states and territories and the sector.

Working in collaboration with the nine governments of Australia, we support improved educational and developmental outcomes for children by informing policy decisions with advice based on evidence, research, audits and evaluations.

Our commitment to providing families and the community with service specific information,

such as the publication of national registers to help them make informed choices about their child's education and care, and to recognise the importance of quality education for the development of their child, is driven by our overarching vision that children in Australia have the best start in life.

The Education Council's Letter of Expectation 2016-18 (**Appendix A**), agreed by all governments, sets the focus areas and is the foundation for our current strategic plan 2017–21 and forward work plan 2017–18.

Reporting requirements

We produce the following reports, as required under the National Law, the National Partnership Agreement on the National Quality Agenda (NP NQA) and the Education Council's Letter of Expectation 2016–18.

Annual report

Our annual report includes:

◆ an audited financial statement for the period to which the report relates

◆ a report about our performance of our functions under this Law during the period to which the annual report relates

◆ an assessment of the implementation and administration of the NQF

◆ all directions given to us by the Ministerial Council and our response

◆ all directions given to the Regulatory Authorities by the Ministerial Council and the Regulatory Authorities' responses

◆ a report on any committees established by the Board and

◆ any other matter determined by the Ministerial Council.

NP NQA Annual Performance Report

This report to the Education Council assesses the implementation of the NQF against the objectives and outcomes of the NP NQA to:

- deliver an integrated and unified national system for education and care services, which is jointly governed and which drives continuous improvement in the quality of services
- ensure the safety, health and wellbeing of children attending education and care services
- improve educational and developmental outcomes for children attending education and care services under the NQF
- foster a joint system of governance to allow the perspective of all jurisdictions to be taken into account in the operation of the NQF where there is shared responsibility for the regulation of quality in education and care services

- improve the efficiency and cost effectiveness of the regulation of education and care services
- reduce regulatory burden for education and care service providers
- improve public knowledge about and access to information about the quality of education and care services for parents, carers and the general public to help inform their choices about the quality of education and care provided to their children and
- build a highly skilled workforce.

Strategic Plan

Our strategic plan for 2017–21 reflects our commitment and approach to working collaboratively with our government partners to effectively and efficiently administer the NQF. This five year plan articulates our operating environment and key strategic priorities, guiding us in the pursuit of our current and longer term goals.

Along with our priorities, strategy, role and framework, the strategic plan also outlines how we measure success. Our success indicators focus on ensuring families and parents are well informed, providing services and educators with targeted information to improve quality, conveying local and national perspectives of the NQF, and operating in accordance with statutory requirements.

Forward Work Plan

We have completed the majority of our forward work plan for 2017 and 2018, which documents our key deliverables and timelines for implementation. The work plan also demonstrates how we are meeting our obligations and functions as outlined in the National Law.

A substantial program of work outlined in our current forward work plan and completed in 2017–18 was preparing for and supporting the successful implementation of the NQF system changes agreed by the Education Council following the review of the NP NQA. Details of this work are provided in section 2 of this report.

A progress report on our forward work plan was provided to Education Council at the beginning of 2018, with a final report due at the end of 2018.

Ministerial directions

Under section 222 (1) of the National Law, the Education Council may give directions to the ACECQA Board in relation to carrying out its functions under the law. Section 222 (2) also permits the Education Council to give directions to a regulatory authority with respect to the administration of the NQF. No directions were given by the Education Council in 2017–18.

1.2 ACECQA Board and Committees

ACECQA Board

ACECQA is governed by a Board of up to 13 members appointed by, and accountable to, the Education Council. Membership of the Board is outlined at **Appendix C**, with Michael White, Jenni Perkins and Maree Bredhauer joining the Board in 2017–18.

The ACECQA Board held three meetings in 2017–18. Board meeting attendance is outlined at **Appendix D**.

Key undertakings for the Board in 2017–18 include overseeing and guiding:

◆ the staged implementation of the NQA review changes, including a major communications strategy to support sector awareness and understanding of the NQF changes

◆ the development and delivery of a new quality improvement program in conjunction with the NSW Department of Education, aimed at assisting identified services to Meet or Exceed the NQS

◆ the delivery of a Qualifications and Workforce Symposium and a Higher Education Roundtable in support of sector workforce development

◆ the development of our new website

◆ the conduct of three national audits as part of our role to monitor and promote consistency

◆ our performance against our strategic and forward work plans

◆ our financial performance and deciding the 2018–19 budget, which will see us continue to operate within our overall funding envelope.

The ACECQA Board. Back row (left-to-right): Catherine Hudson, Robyn Layton, Sandra Cheeseman, Michael White, Joce Nuttall and Maree Bredhauer.
Front row (left-to-right): Ann Farrell, Naomi Wilson. Judy Hebblethwaite, Jenni Perkins, Jackie Wilson.

Board Sub Committees

Audit, Finance and Risk Sub Committee

The Audit, Finance and Risk Sub Committee provides independent oversight and monitors the organisation's governance, risk and control frameworks, financial performance and external accountability requirements. Membership of the AFR Sub Committee and details of meetings held throughout 2017–18 are outlined at **Appendix E.**

Priorities for the Sub Committee during the reporting period included:

◆ reviewing and endorsing the financial statements
◆ reviewing and monitoring our financial and corporate governance policies and strategies, including the risk management plan, investment policies, procurement policies, fraud control plan, financial delegations, and legal and compliance reporting
◆ overseeing an internal audit of our compliance with the Australian Privacy Principles and *Privacy Act 1988.*

Performance and Remuneration Sub Committee

In 2017–18, the Performance and Remuneration Sub Committee provided advice on performance and remuneration matters for ACECQA. Membership of the Sub Committee and details of meetings held throughout 2017–18 are outlined at **Appendix E.**

Enterprise Agreement Sub Committee

There were no Enterprise Agreement Sub Committee meetings held in 2017–18. Membership of the Sub Committee is outlined at **Appendix E.**

Qualifications Working Group

The Qualifications Working Group provided direction on our qualifications and workforce symposium and higher education roundtable which brought together education and care providers, teacher registration bodies, governments and regulators, universities, registered training organisations and sector peaks.

The symposium collected valuable sector feedback about the quality of vocational education and training (VET) level qualifications and the sector's readiness and preferences in relation to the upcoming requirement for an additional early childhood teacher or other 'suitably qualified person' in larger long day care services and preschools/kindergartens.

Attendees at the higher education roundtable discussed workforce planning, qualifications accreditation processes and priorities for strengthening the quality of early childhood teaching degrees.

The Qualifications Working Group was formalised as a Sub Committee in June 2018. Membership of the Working Group and details of meetings held throughout 2017–18 are outlined at **Appendix E.**

Strategic Planning Working Group

In 2017–18 no Strategic Planning Working Group meetings were held. Membership of the Working Group is outlined at **Appendix E**. A decision was made in June 2018 to re-establish this working group as a sub committee in 2018–19.

1.3 ACECQA's operations

Organisational structure and staffing

As at 30 June 2018, ACECQA's Executive comprised:

- Chief Executive Officer – Gabrielle Sinclair
- Chief Operating Officer – Angela Buchanan
- General Manager Strategy, Communications and Consistency – Michael Petrie
- National Education Leader/General Manager Educational Leadership – Rhonda Livingstone
- General Manager Policy and Strategic Programs – John Mason.[1]

The Board and Governance team supports our Board and manages legal governance, planning, and reporting and accountability requirements across the organisation, including our participation in inter-governmental environments. Leading this team is the Board and Company Secretary, Michelle Edwards.

The Business Services group is led by Angela Buchanan and delivers corporate services functions including:

- Finance
- Human resources and facilities
- IT, information and records management.

This group also includes ACECQA's education and care systems team, which provides maintenance and development of the National Quality Agenda IT System (NQA ITS) for the NQF, including sector and regulatory authority support.

The Strategy, Communications and Consistency group is led by Michael Petrie and:

- develops and implements engagement and communication strategies to inform

stakeholders, the community and families about the benefits of early childhood education and care, and the role that the NQF plays in providing positive outcomes for children
- delivers information to stakeholders who contact us about the NQF
- undertakes research, audit and analysis activities which contribute to overseeing and reporting on the administration of the NQF, including that positive outcomes are being delivered for children
- approves educator qualification courses being offered by institutions, and determining the equivalence of individuals' qualifications who may want to work in the sector, particularly those with overseas qualifications
- in collaboration with stakeholders, works to develop and support a high quality early childhood education and care workforce.

The Educational Leadership group is led by Rhonda Livingstone and:

- works collaboratively with regulatory authorities and peak organisations to develop and deliver presentations, workshops, articles, training, guidance materials and resources to build a shared understanding of the requirements and expectations of the NQF for authorised officers, educators, approved providers and interested others
- assesses and promotes excellence in the delivery of early childhood and school age care services and supporting continual quality improvement
- provides advice on quality programs, practices and policies in early childhood education and school age care services and contributes to national reform processes.

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1. Following an internal reorganisation in 2018, a new business group was established in March to deliver ACECQA's policy and second tier review functions and strategic programs. In 2017–18 this included a separately funded program focussing on service quality in NSW.

The Policy and Strategic Programs group is led by John Mason and:

◆ leads our national policy and strategic programs to support governments, regulatory authorities and the sector

◆ works with governments and the sector to provide strategic advice and support in the effective implementation of the NQF, including operational policy advice

◆ manages our quality rating second-tier review function and development of new programs and services.

The number of FTE staff at 30 June 2018 was 96 inclusive of employees on parental and unpaid leave. A breakdown of the workforce profile by FTE, headcount and gender is at **Table 1**.

	Female	Male	Total
FTE	58.74	32.57	89.71
Headcount	64	32	96
% of workforce (headcount)	67%	33%	100%

Our organisational structure as at 30 June 2018 is outlined in **Figure 1**.

Human Resources

Our HR team continued to support the organisation strategically and operationally, including assisting staff through training programs to promote and enhance engagement, development and performance.

Figure 1: Organisational Structure, 30 June 2018


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ACECQA
BOARD

Chief Executive Officer          Board and Governance

Educational Leadership     Strategy, Communications & Consistency     Policy & Strategy Programs     Business Services

Sector Support             Communications & Engagement                Policy                         Information & Communications Technology
Excellence                 Research & Evaluation                      Quality Support Program        Finance
Digital Resource           Qualifications Assessment                  Second Tier Review             Human Resources
Development                Workforce Policy                                                          Education & Care Systems
Regulatory Authority Support
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In 2017–18, these initiatives and programs included:

- developing integrated compliance and induction training programs for commencing staff members and managers, as well as refreshing onboarding and induction materials to provide new starters with the best opportunity to make an effective contribution as quickly as possible
- refreshing our performance planning and review system to increase overall engagement with the process and improve the system's contribution towards the organisation's commitment to a high performance culture
- progressing the implementation of technology-enabled HR systems to reduce the administrative overheads for HR and management, providing for a stronger focus on adding value to our strategic and operational objectives.

The HR team also supported a number of significant organisational initiatives in 2017–18, including the establishment of the Quality Support Program and consolidation of ICT functions.

Information and Communication Technologies

Our IT team continues to support the wider organisation on information and communication technologies and has delivered a number of projects to enhance organisational ICT capabilities in 2017–18, including:

- conducting a full ICT Disaster Recovery test, simulating a failure of resources in the primary data centre and successfully confirming access and use of the secondary facility
- replacing all printer and multi-function devices, providing increased functionality, considerable cost savings, and improved energy efficiency
- guiding major projects across the organisation, including the implementation of our new website and selection and implementation of a new eLearning platform.

The IT and Education and Care Systems Teams were consolidated to form the ICT Team which resulted in streamlined management and better use of skill sets across the ICT systems.

Records and Information Management

We continue to maintain a strong focus on implementing best practice records and information management.

In 2017–18, major work was undertaken on progressing the implementation of an Information Security Management System (ISMS), aligned with the ISO 27001 framework. Work will continue on the review of existing policies and procedures to ensure alignment with our Information Security Policy.

Funding

In 2017–18, the majority of our funding was provided by the Australian Government and the state and territory governments under the National Partnership Agreement (NPA) on the National Quality Agenda for Early Childhood Education and Care.

In addition to this operational funding, additional streams in 2017–18 also included:

◆ fee revenue under the National Regulations relating to our functions of assessing qualifications and undertaking second tier reviews
◆ 10 per cent of NQF related transaction and annual fees levied by the state and territory governments for calendar year 2017 in accordance with the NPA
◆ operational funding from the Australian Government and states and territories for administering, maintaining and upgrading the NQA ITS, and
◆ one-off project funding for delivering specific projects for governments, including funding received in advance from the NSW Government to deliver a program to build quality in education and care services.

Financial performance 2017–18

We operated in accordance with the Board approved budget to deliver on the strategic priorities contained in the Letter of Expectation for 2016–18 from the Education Council. The operating result for the 2017–18 financial year was a surplus of approximately $2.9 million.

The surplus was largely due to recognising the funding received in advance from the NSW Government for a program to be delivered in 2018–19.

Funding from governments received in 2017–18 was approximately $16.4 million. We also received own source revenue of approximately $0.8 million, mainly from services delivered under the National Regulations on a fee for service basis, the sale of NQF educational resources and interest income.

The Financial Statements report a $16.2 million accumulated surplus as at 30 June 2018. This includes approximately $6.7 million funding received in advance from the Australian Government and $2.2 million net funding received in advance from the NSW Government, which will be progressively spent in 2018–19, as well as required working capital to remain solvent. As an independent statutory authority, adequate working capital is crucial to our financial viability to ensure the agency can arrange supplier contracts, declare solvency and cover any funding shortfall or funding delays.

The total expenditure for the 12 months was $14.3 million. The main expenditure items were:

◆ salaries and on-costs (approximately 69 per cent)
◆ ICT costs (approximately 9 per cent)
◆ occupancy costs (approximately 6 per cent).

At 30 June 2018, ACECQA's total financial assets were approximately $17.8 million, increased by $3.3 million compared with the previous financial year of $14.5 million. The increase was mainly due to the once-off funding received in advance for services to be delivered in 2018–19.

WHS and work environment

We remain committed to providing and maintaining a strong WHS management system that delivers a sound framework of WHS policies and procedures and other initiatives that support staff across the organisation. During 2017–2018, a comprehensive review of the WHS Policy was completed to ensure currency and compliance with better practice guidelines. In the workplace, ergonomic assessments

are regularly utilised by staff to reduce and eliminate hazards, systems are in place to regularly check key risk areas and information and training sessions are regularly attended by staff to increase awareness of their safety responsibilities.

During 2017–2018, our Reconciliation Action Plan (RAP) working group progressed the development of our 'Innovate' RAP. This is our second RAP. It builds on the previous 'Reflect' Plan and demonstrates our commitment to reconciliation and our continued support of Aboriginal and Torres Strait Islander cultures and perspectives within Australia.

We also continue to maintain a strong commitment to a supportive workplace through initiatives and events that engage staff and build community awareness. Our social committee held events to support International Women's Day, Reconciliation Week, NAIDOC Week, R U OK Day, Movember and Chris O'Brien Lifehouse. We are proud of the efforts of our staff to engage and support charities throughout the year. Through fundraising endeavours over recent years, our staff have donated more than $21,000 to a number of charities.

Freedom of Information

Freedom of information requests

Table 2 shows the status of Freedom of Information applications for access to information for the period 1 July 2017 to 30 June 2018.

Table 2: FOI applications

Applications considered	Number
On hand as at 1 July 2017	0
Received	4
Granted in full	0
Granted in part	2
Access refused	0
Withdrawn	2
Transferred	0
On hand as at 30 June 2018	0
Internal reviews	0
Appeals to the National Education and Care Services Freedom of Information Commissioner	0
Appeals to the relevant Administrative Tribunal	0

The National Law and the National Regulations apply and modify the *Commonwealth Freedom of Information Act 1982* (FOI Act).

As an agency subject to the FOI Act, we are required to publish information to the public as part of the Information Publication Scheme (IPS). Our IPS is on our website and includes the Information Publication Plan and details of our:

◆ organisational structure
◆ governance
◆ statutory appointments
◆ functions and powers
◆ reports
◆ consultative arrangements
◆ operational information.

Privacy

ACECQA must comply with the *Privacy Act 1988* as applied by the Education and Care Services National Law and Regulations.

Our Privacy Policy sets out relevant information on the way personal information about staff and stakeholders is collected, handled, used and disclosed, as well as how it can be accessed and corrected. The Privacy Policy was updated in 2017–18 to reflect new requirements for notifiable data breaches. Both the policy and our Privacy Statement are located on our website.

During 2017–18, we did not receive any privacy complaints. In addition, no investigations of ACECQA were undertaken by the National Education and Care Services Privacy Commissioner.

An internal audit on our compliance with the *Australian Privacy Principles and Privacy Act* was conducted by RSM in December 2017, assessing compliance over the following key areas:

◆ consideration of personal information privacy
◆ dealing with personal information
◆ integrity of personal information
◆ access to, and correction of, personal information.

The overall findings indicated that adequate controls are in place and operating effectively at ACECQA.

Privacy training was provided during the reporting period for staff dealing with personal information.

Education and Care Services Ombudsman

The National Law and the National Regulations apply and modify the Commonwealth *Ombudsman Act 1976*.

The Office of the Education and Care Services (ECS) Ombudsman is responsible for independently examining complaints and concerns about the administrative actions of ACECQA.

In 2017–18, we worked with the Office of the ECS Ombudsman to resolve any matters raised with the Ombudsman, with no formal investigations instigated.

2 ACECQA's Functions under the National Law

2.1 Guiding implementation of the National Quality Framework

Implementing the outcomes of the 2014 review of the National Quality Agenda

The Education Council's Letter of Expectation for ACECQA set implementing the outcomes of the 2014 review of the National Quality Agenda as a major strategic priority.

From mid-2016 to February 2018, we worked closely with representatives of all nine governments to support implementation of some 100 agreed changes to NQF legislation and policy. The project became our single largest deliverable in 2017, with major implications for the deployment of resources and the prioritisation of activity across our Education and Care Systems, Educational Leadership and Training, Policy, and Communications and Engagement teams.

ACECQA's role in supporting the changes agreed by governments aligned with our legislated obligations to:

◆ guide the implementation of the NQF and promote consistency in its implementation and administration

◆ establish consistent, effective and efficient procedures for the operation of the NQF

◆ educate and inform education and care services, and the community, about the NQF.

The project's major deliverables helped regulators and service providers to respond to the review changes in a timely and efficient manner.

Strengthening the NQA ITS

We developed and released changes to the NQA ITS to support regulatory authorities in their ongoing administration of the NQF, and to support streamlined business interactions between service providers and the eight regulators. NQA ITS upgrades were

"One of our key deliverables for 2017–18 was helping regulators and service providers to respond to the review changes."

also delivered to ensure Western Australia's continued use of the NQA ITS prior to adoption of amendments in Western Australia in October 2018.

Training for regulatory authority staff

Extensive work was undertaken to redevelop training and testing programs for regulatory authority staff. We created a new bridging program to support the existing regulator workforce in understanding the revised NQF. We also modified and updated NQS training for authorised officers, including reliability and drift testing materials, in advance of the start of a revised 2018 NQS.

Communicating change

To support the announcement of the changes, and their promotion to the sector and families, we led on communications planning, collateral production, and sector engagement services. This work involved online and social media communications with approved providers, services, universities, and registered training organisations; meetings with large providers and peak bodies; newsletter articles and a series of National Education Leader blog posts.

Developing operational policy

Our policy team developed operational policy content and provided a range of policy advisory services to government officials and to internal

clients. A major outcome was the review of all existing regulator and sector guidance and operational policy to align with legislation changes. This work led to the release of updated NQF publications, including our website content, sector resources and operational guidance. A new *Guide to the NQF* brought together two distinct sets of guidance that since 2012 had separately addressed service provider and regulator audiences. The new Guide was supported by tailored information sheets to various audiences, for example, family day care providers, co-ordinators, and educators.

We also agreed a new Information Sharing Protocol with governments to align with, and take advantage of changes to information sharing provisions within the National Law.

Evaluating our work

Post the project's implementation, we conducted an evaluation of our program of work. Our evaluation included surveys of government officials and regulatory authority staff. The surveys found strong agreement that we had delivered what was requested, on time, and to a high standard. In particular, feedback from governments commended us for the delivery of high-quality sector and regulator resources and communications, including the *Guide to the NQF*.

A survey of regulatory authority officers showed that more than 90 per cent of respondents agreed or strongly agreed that the *Guide to the NQF* is a helpful and relevant resource, and more than 70 per cent agreed or strongly agreed that the Guide uses clearer language and provides a 'one-stop shop' for information compared to previous resources. Our analysis of sector communications engagement showed a high level of engagement with posts on our social media platforms. Large service providers also found the new *Guide to the NQF* to be user-friendly, easy to understand and helpful for educators.

Working with our Government partners

Regulatory Practice Committee

Our role to guide the administration of a unified, national regulatory system is achieved in collaboration with all state and territory regulatory authorities and the Australian Government. To enable this, we formally engage with all state and territory regulatory authorities and the Australian Government through the NQF Regulatory Practice Committee (RPC). The RPC met three times in 2017–18 and consists of senior representatives from each of the regulatory authorities, the Australian Government and ACECQA. Chairing

is on a rotating basis and in 2017–18 the Chair was held by Queensland. The committee's purpose is to provide:

◆ all state and territory regulators and ACECQA with a 'community of practice' forum for improving regulatory practice, including through identifying emerging issues and developing mechanisms to minimise the risks these present to the objectives of the NQF and

◆ a forum for all state and territory regulators, the Australian Government and ACECQA to collectively authorise a range of functions and services provided by ACECQA to, and on behalf of, all governments.

Supported by its working groups, the RPC has a role to identify new trends and emerging issues within the sector and to develop mechanisms to minimise any risks to the objectives of the NQF. The RPC also works to promote quality improvement and consistent outcomes for children through agreement on shared operational policy.

Examples of RPC's work and outcomes in 2017–18 include:

◆ developing and maintaining key NQF guidance materials

◆ implementing national communication strategies

◆ the establishment of a national register of repealed qualifications assessment decisions

◆ the establishment of a Lead Investigator Network to support consistent practice with regard to investigations and areas of significant non compliance

◆ setting priorities for the ongoing development of the NQA ITS

◆ agreeing the subject of national audits and implementing key findings.

Early Childhood Policy Group

ECPG is one of three Australian Education Senior Officials Committee (AESOC) Standing Working Groups, reporting to and providing advice to AESOC on national early childhood matters. We contribute to the work of the ECPG through policy advice, attendance at meetings, where we have observer status, and participation in ECPG's working groups.

2.2 National quality improvement

NQF annual performance report

In line with the current National Partnership Agreement (2015–16 to 2017–18), we provided an annual performance report to the Education Council in December 2017 that included an assessment against the objectives and outcomes of the Agreement. After consideration and endorsement by Education Ministers, this inaugural annual performance report was published in January 2018 and is available on the research and reports page of our website.

The report contains eight chapters, examining areas such as the safety, health and wellbeing of children attending education and care services, and the education and care workforce. The report also includes an assessment of families' and general public knowledge and access to information about education and care service quality, and the regulatory burden for education and care service providers. The former is based upon research we conducted in 2017 via both a nationally representative survey, as well as supplementary surveys. The latter is based upon a survey of all approved providers of education and care services in 2017 that examined their perceptions of administrative burden under the NQF.

We will produce a second annual performance report for the Education Council during the 2018 calendar year, which will include the results of qualitative research with families, following on from the 2017 quantitative research, and another survey of all approved providers.

NQF Snapshots

Our NQF Snapshot provides analysis and information on the profile of the sector, the progress of quality rating and the quality ratings of services, including by service sub-type and provider management type. We published four quarterly NQF Snapshots during 2017–18, with additional data analysis provided across the period.

"Our audits align with our objectives of guiding the implementation and administration of the NQF, and monitoring and promoting national consistency."

An interactive online version of the NQF Snapshot is available for users to sort and search for information, along with an Excel workbook that includes comprehensive quality rating data.

Audits for 2017–18

In 2017–18 we completed three national audits in accordance with our responsibility under the National Law.

Our audits align with our objectives of guiding the implementation and administration of the NQF, and monitoring and promoting national consistency.

Our audit topics focus on areas that have been identified and agreed as high priority, and the outcomes, learnings and good practice are shared with state and territory regulatory authorities.

Quality rating reassessments

In September 2017 we completed our 13th national audit which examined quality improvement in services by analysing differences between a service's first assessment and rating against the NQS and any subsequent assessments. The audit analysed reassessment data for the period between 1 January 2016 and 30 June 2017.

The audit found that two thirds of services previously rated Working Towards NQS improved their overall quality rating to either Meeting or Exceeding NQS after reassessment. Furthermore, almost a third of services rated Meeting NQS improved their rating to Exceeding NQS after reassessment.

Providers and regulatory authority audit contacts interviewed for our audit indicated that factors that contribute to quality improvement include service leadership, staff familiarity with the regulatory system, and training and support offered to the sector. Conversely, the main barrier to quality improvement was the availability of high quality service staff members with a practical understanding of the quality improvement process.

Serious incidents – injury, illness or trauma

We completed our 14th audit in February 2018. This audit analysed serious incidents involving injury, illness or trauma to a child attending a service (as defined in Regulation 12 of the National Regulations) that were notified by providers between 1 January 2017 and 30 September 2017.

The audit found that long day care had the highest proportion of services notifying at least one serious incident involving injury, illness or trauma, which is unsurprising given the number and age of children attending long day care services, as well as the relatively high number of hours that they attend for. The audit also found that the most common type of injury, trauma or illness involved cuts, open wounds and bleeding, with the most common cause being a fall or trip. The most likely times of day for a serious incident to occur were mid morning (between 10–11am) and mid to late afternoon (between 3–4pm).

Through the audit we found that recent enhancements to the NQA ITS have enabled more efficient and detailed analysis of serious incidents data. Regulatory authorities and providers interviewed in the audit indicated a high degree of satisfaction with the enhancements and the online form for notifying serious incidents.

Conditions on approval

In June 2018 we completed our 15th audit. This audit examined conditions imposed by state and territory regulatory authorities on provider and service approvals between 1 January 2015

and 31 December 2017. It aimed to identify opportunities to improve consistency and efficiency in how regulatory authorities apply, monitor and review conditions. The audit also considered findings from our inaugural national audit on the same topic in 2013.

While the audit found that there have been significant improvements in the quality of conditions data since the 2013 audit, opportunities were also identified to minimise jurisdictional variations and improve consistency.

Research and evaluation strategy

In 2017–18 we continued to progress our research and evaluation strategy and implementation plan 2017–21.

This five year plan outlines our approach to research and evaluation under the NQF, providing a summary of progress to date, as well as our current and future priorities.

The plan also complements the NQF evaluation framework, a shared framework developed in collaboration with the Australian and state and territory governments, and endorsed by Education Ministers. The NQF evaluation framework provides all governments with a common way of understanding whether and how the NQF is meeting its objectives.

Universities, research institutions, government organisations and departments, and other stakeholders can all contribute to the NQF evidence base by commissioning and undertaking research in line with the NQF evaluation framework.

Our own research and evaluation activities, as detailed in our research and evaluation strategy, align to one or more of the objectives of the NQF, and contribute evidence towards answering the key evaluation questions and sub questions outlined in the evaluation framework.

Our research and evaluation strategy and the evaluation framework are available on the research and reports page of our website, which is designed to be a repository of NQF related research and evidence.

Occasional papers

Our fifth occasional paper, published in August 2017, analysed one of the more challenging areas of the 2012 NQS, Quality Area 7 – Leadership and Service Management. This paper emphasises the importance of effective leadership and administrative systems in supporting educators, co-ordinators, educational leaders and staff members to deliver quality education and care programs. It also explores contemporary research and theory relating to effective leadership and service management.

All of our occasional papers are available on the research and reports page of our website.

2.3 National information and registers

One of our key functions is to improve public knowledge and access to information about the quality of education and care services. Information about services, including their quality rating, helps families and communities make informed choices about education and care services for their children. We manage the national database and software solution which supports regulatory authorities and the sector to operate under the NQF.

National Registers

In accordance with the National Law, we publish national registers to provide open and transparent information about children's education and care services. There are three registers published on our website:

◆ Education and Care Services – this register lists the individual services granted approval to operate under the NQF and also includes the quality area rating as well as the service's overall rating

◆ Approved Providers – this register details individuals or entities authorised to operate an approved education and care service

◆ Certified Supervisors – this is a register of persons holding a supervisor certificate. Following changes to the National Law and Regulations in October 2017, this requirement only applies in Western Australia.

During 2017–18 we made various technical improvements to the registers including hosting them on a new website and increasing the frequency of data updates from weekly to daily. The registers are searchable via our website and can be exported into an excel file either at a national level or by states and territories. We also implemented a single system to ensure consistency across other websites hosting similar datasets. This includes the Australian Government's MyChild website and our Starting Blocks website.

"The NQA ITS allows efficient administration of the National Law and supports the goal of improving regulatory consistency."

National Quality Agenda IT System

The National Quality Agenda IT System (NQA ITS) is an online business tool that facilitates communication between children's education and care services and state and territory regulatory authorities, and is also the primary business system used by regulators to administer the broad spectrum of functions as prescribed in the National Law. The NQA ITS enables regulatory authorities to efficiently administer the National Law and also supports the goal of improving regulatory consistency across jurisdictional borders by creating a more efficient, cohesive and streamlined environment for business activity.

The system also provides valuable national and jurisdiction specific data to ACECQA, state and territory regulatory authorities, the Australian Government and other government agencies. We have made significant progress in the integration and automation of data transfer via technologies such as web services. The NQA ITS now seamlessly interacts with several state and territory regulatory IT systems, the Australian Government and other key systems. Some of this interaction has allowed for enhanced fraud detection such as through the Document Verification Service identity verification software.

National Law and Regulation Implementation

A major project for 2017–18 was the implementation of changes to the NQA ITS to support amendments to the National Law and Regulations which came into effect in October 2017 and February 2018. These changes required significant analysis and development as they spanned all core applications within the National IT solution.

Once the solution was developed and prior to implementation a number of training courses and materials were delivered. These activities ensured regulatory staff understood the technical changes to seamlessly continue with their work and support the sector. Training sessions were held with larger providers to preview the reporting improvements.

Positive feedback has been received on the system changes, including the reporting tools for sector users. These changes simplified processes and provided stronger guidance to users.

NQA ITS Releases

There were three system releases during 2017–18, with two of the releases focussed on upgrading the NQA ITS to reflect changes to the law and regulations. We also addressed

more than 300 issues and improvements suggested by regulatory authorities and sector users during this period. Major projects successfully completed across the 2017–18 period include:

- ◆ NQF review changes that came into effect on 1 October 2017 for all jurisdictions except Western Australia. The NQA ITS was updated to align with these changes to the law and regulations. Major areas of system development/change included nominated supervisors, certified supervisors, notification of incidents, waivers, amendments and service approval
- ◆ NQS review changes that came into effect in February, 2018 for all states and territories. The NQA ITS was updated to allow for a seamless transition to the revised standards, effectively catering for both versions during and after the transition. Additionally, enhancements such as improved editor and automatic calculation of ratings were made to streamline the assessment and rating process

- enabling mobile capability on tablets for regulatory authority users to assist with evidence capture in the assessment and rating process
- integration with the new Child Care Subsidy (CCS) IT system of the Australian Government. Verification of provider and service information in the NQA ITS is a pre-requisite for eligibility under the new Family Assistance Law.

NQA ITS Governance

The Regulatory Practice Committee (RPC) is the governing body responsible for the overall strategic direction of the NQA ITS and forms part of our broad governance framework. Under this committee sits a working group called the National IT Systems Steering Group (NSG). Membership of NSG comprises all state and territory regulatory authorities, the Australian Government and ACECQA. The NSG is responsible for:

- considering significant issues and operational decisions regarding the NQA ITS
- making recommendations to the RPC regarding strategic priorities for the system, and
- managing data quality and consistency issues.

The NSG meets at least twice a year to discuss the current status of the NQA ITS, its future direction and priorities, and other technical and operational matters. We report on the progress of the system and changes via the annual *State of the System* report.

We produce an annual forward work plan which outlines agreed system enhancements as well as a delivery schedule for the year. NQA ITS priorities are formulated and agreed through discussions with NSG, workshops, technological changes and high level direction from the RPC. In addition, our own strategic plan and Letter of Expectation are considered during this process. Both the *State of the System* report and NQA ITS forward work plan are agreed by NSG and then endorsed by RPC prior to commencement.

NQA ITS usage

The NQA ITS public portal allows providers to:

- register and link a provider, service and certified supervisor (in case of WA)
- view their details
- submit applications and notifications
- pay annual fees or any application related invoice.

Usage of the public portal by sector users continued to increase in 2017–18. Table 3 below shows the percentage of approved providers registered in the NQA ITS at the end of June 2018. Nationally, approximately 94 per cent of approved providers are registered with one or more user accounts to use the NQA ITS, which is an increase of more than 5 percentage points from 2016–17.

The number of individual users registered to use the NQA ITS continued to increase in 2017–18, with a 23 per cent increase in the total number of registered sector users in 2017–18 from 31,845 to 39,268.

Table 3: Approved providers registered in the NQA ITS, 30 June 2018

Jurisdiction	Registered	Unregistered	Total	Percentage
ACT	121	2	123	98.4%
NSW	3,950	45	3,995	98.9%
NT	80	13	93	86.0%
QLD	1,776	106	1,882	94.4%
SA	416	114	530	78.5%
TAS	71	19	90	78.9%
VIC	2,288	238	2,526	90.6%
WA	635	44	679	93.5%
Totals	**9,337**	**581**	**9,918**	**94.1%**

Annual fee invoices

As part of the administration of the NQA ITS, we create and deliver annual fee invoices to each provider for all their services in each jurisdiction on behalf of regulatory authorities. In May–June 2018, we issued a total of 7,706 annual fee invoices for the 2018–19 financial year.

Applications and notifications

Ongoing system enhancements to application and notification forms have provided the sector with a simpler and more efficient mechanism to submit forms online. Together with NQF review changes that were implemented on 1 October 2017, regulatory authorities agreed to the removal of the paper forms that were available on our website, thereby encouraging providers to submit through the NQA ITS.

In 2017–18, approximately 97 per cent of application and notification forms were submitted to regulatory authorities nationally via the NQA ITS, with only 3 per cent submitted via paper. This was an increase of 10 per cent of online line forms submitted from last year. Table 4 below shows the number of applications and notifications submitted by providers in 2017–18.

Table 4: Applications and notifications submitted 2017–18

Applications	Notifications	Total
10,849	57,354	68,203

NQA ITS service desk and training/support

Our in-house NQA ITS service desk caters to queries and requests from both the sector and regulatory authorities seeking assistance in using the system. The service desk provides email and phone-based support to the user base.

In 2017–18, the service desk answered more than 6,300 enquiries from users of the system. This represents a comparative increase in call volumes of 3 per cent from 2016–17.

We provide training and support to the sector and regulatory authorities in the form of on-premise training, online webinars, help documentation, training videos and quick reference guides. We

produced a suite of help materials and hosted web training sessions for regulatory authority users to help with the system changes in line with the NQF review changes in October 2017 and NQS review changes in February 2018. By mid-2018, more than 400 regulatory authority staff had attended training sessions, reporting an 86 per cent overall satisfaction rate.

Each year sector and regulatory authority users of the NQA ITS are asked to complete a satisfaction survey. This includes questions about the NQA ITS portals, system functionality and NQA ITS Service Desk.

Approximately 3000 responses were received from sector users, with most having used the NQA ITS for more than one year. 70 per cent of respondents reported that the NQA ITS satisfied most, if not all, of their needs. 95 per cent of the respondents were satisfied or very satisfied with the support provided by the NQA ITS service desk.

A total of 342 responses were received from regulatory authority users. 81 per cent of regulatory authority users were satisfied or very satisfied with the NQA ITS and 97 per cent were satisfied or very satisfied with the support they receive from the NQA ITS service desk.

The NQA ITS user survey is a valuable instrument for gauging user satisfaction with the IT system and highlighting ways in which the NQA ITS can improve. Analysis of responses and feedback are used to inform the forward work plan and guide the development of new features.

2.4 Excellent rating and second tier review

Excellent rating

Applications, service profile, reapplications

Under the National Law, we are responsible for developing and managing the Excellent rating application process and for awarding the rating. To be eligible to apply for the Excellent rating, a service must be quality rated as Exceeding NQS by a state or territory regulatory authority. Under the 2018 NQF, as of 1 February 2018 (except Western Australia) services must be rated Exceeding NQS across all seven quality areas to be eligible to apply for the Excellent rating.

We write to approved providers of services that have been awarded a rating of Exceeding NQS, providing them with information on their eligibility to apply for the Excellent rating. In 2017–18, we wrote to more than 590 services about their eligibility to apply.

Applications

2017–18 saw the continuance of reapplications being received for the Excellent rating, with 22 services eligible to reapply. Reapplications for the Excellent rating are subject to the same application and assessment process as for the original application. We received a total of 64 applications for the Excellent rating in 2017–18. Of these, 17 were reapplications and 47 were new applications.

Following assessment, we re-awarded the Excellent rating to six services in 2017–18:

- Doveton College Early Learning Centre
- Globe Wilkins Preschool
- Wesley College Melbourne Glen Waverley Early Childhood Learning Centre
- Jindi Woraback Children's Centre
- AIS Caretakers Cottage Child Care Centre
- Uniting Preschool Grafton.

We also awarded the Excellent rating to 13 new services in 2017–18:

- Goodstart Early Learning Parafield Gardens
- Indooroopilly Montessori Children's House
- Bonkers Beat Music Kinder and Childcare Aspendale
- Mount Gambier Children's Centre for Early Childhood Development and Parenting
- Inspire Carlingford
- Darlington Children's Centre for Early Childhood Development and Parenting
- KU Lance Children's Centre
- Waratah Cottage Early Learning Centre
- Lansvale Public School Preschool
- Uniting Frederick Street Preschool Rockdale
- Millville Childcare Centre
- Awakabal Preschool Wickham
- Tigger's Honeypot.

Of the 64 applications for the Excellent rating, 40 were assessed as unsuccessful in 2017–18, one was withdrawn and four were being assessed as at 30 June 2018.

64 Excellent Rating applications 2017–18

52 services rated excellent at 30 June 2018

Excellent rated service profile

As at 30 June 2018, we had received a total of 219 applications for the Excellent rating since the proclamation of legislative provisions enabling this function in April 2013. Over time, 88 services have been awarded the Excellent rating, 15 for the second time. As at 30 June 2018, 52 services were rated Excellent. Those services include long day care, preschool/kindergarten, family day care and outside school hours care services from across Australia.
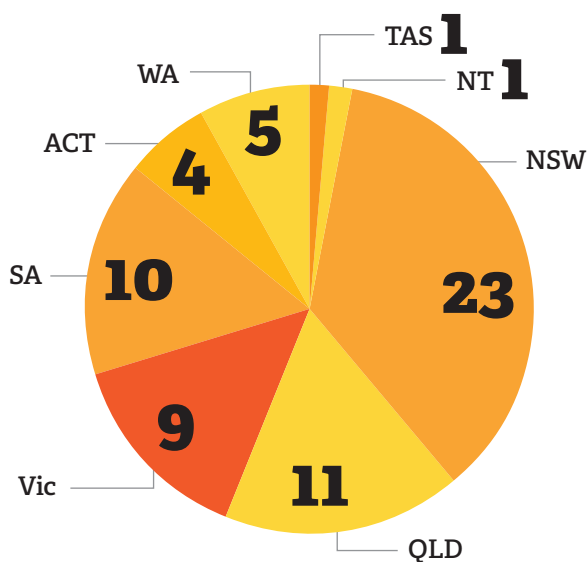
Figure 2: Origin of applications received 2017–18

"The Excellent rating criteria identify exceptional practice in education and care services across all service types, with Excellent rated services located in metropolitan, regional and rural areas."

Services demonstrate excellence through their applications in a range of different ways. During 2017–18, more than 85 per cent of the services that achieved the Excellent rating demonstrated excellence in the theme of 'practice and environments that enhance children's learning and growth'. An overview of each Excellent rated service is published on our website.

Excellent rating criteria

The range of services awarded Excellent suggests that the aims of the criteria are being met. The criteria identify exceptional practice in education and care services across all service types and Excellent rated services are located in metropolitan, regional and rural areas.

In 2017 the Board decided to streamline the themes in Criteria 1 from six to five. Themes four and six were combined under the new theme of '*Positive workplace culture, organisational values, support of educators and sustained commitment to professional development*'.

Criterion 1: The service exemplifies and promotes exceptional education and care that improves outcomes for children and families across at least three of the agreed themes.

Criterion 2: The service demonstrates leadership that contributes to the development of a community, a local area, or the wider education and care sector.

Criterion 3: The service demonstrates commitment to sustained excellent practice through continuous improvement and comprehensive forward planning.

Second tier review

If an approved provider of an education and care service disagrees with the rating level awarded through the quality assessment and rating process, they can apply to the relevant regulatory authority for review. This first tier review will often resolve concerns approved providers have with the assessment and ratings process and awarded ratings levels. If the first tier review does not resolve an approved provider's concerns, they may apply to ACECQA for a second tier review, which is conducted by a ratings review panel.

Each panel has three members, including at least one early childhood or school aged education and care expert, and is responsible for confirming or amending the rating level awarded by the regulatory authority. We manage applications for second tier review and provide administrative support to the panel.

A list of current panel members is available on our website. In accordance with the National Law and National Regulations, panel members have expertise or knowledge in one or more of the following areas:

- early learning and development research or practice
- law
- a prescribed area, such as the assessment of quality in education and care services or other relevant services
- best practice regulation.

In 2017–18, we received three applications for second tier review. As at 30 June 2018, we have received and finalised 29 applications since quality assessment and rating began. The ratings review panels have, by consensus, decided to:

- amend the service's overall rating in five cases
- partially amend the service's ratings in nine cases which did not impact the service's overall rating
- confirm the rating of the service in 15 cases.

De-identified decision notices, setting out the panel's reasons, are published on our website. Guidelines and an information sheet are also published to help applicants submit a second tier review application.

2.5 Educate and inform

NQF communications

In partnership with all governments we developed a comprehensive communications plan and toolkit of resources to assist providers and educators with the implementation of changes to the NQF from 1 October 2017. The communications campaign commenced in July 2017 and ended in February 2018 with the launch of the 2018 NQS.

The new *Guide to the National Quality Framework* was developed with key stakeholders and was first published on our website during September 2017, and then updated in February 2018 to incorporate the 2018 NQS.

Other resources and key communications developed and published during, and following, the campaign period included: social media posts on all our platforms; newsletter articles; updates to key stakeholders; information sheets and presentation materials on key changes; a series of posters on the NQS for families, educators and service staff sent to every education and care service in Australia; website content and online videos and podcasts.

ACECQA's Family Strategy – *Starting Blocks*

Starting Blocks, our family focused initiative, supports new families taking their first step into early childhood education and care and raises awareness and importance of quality assessments and ratings when choosing a service.

In 2017–18, Facebook and Google Adwords campaigns increased awareness about the changes to the NQF and the 2018 NQS. Digital campaigns were also created to increase the number of users of the *Starting Blocks* website, with a particular focus on information about finding education and care services and resources for families. Facebook Live videos were created and posted in the second half of

"Our customer service team is an essential part of our communication and engagement with the sector. In 2017–18 they managed 30,791 enquiries."

the financial year to reinforce the changes to the NQF and website resources.

At the end of June 2018, *Starting Blocks* had more than 28,100 Facebook fans and 413,502 website page views – a 58 per cent increase from 2016–17.

The *Starting Blocks* website was updated to meet accessibility standards and over 15,000 indexable pages created for all the services to be reflected in Google's search results. Ongoing work on search engine optimisation is expected to increase *Starting Blocks*' organic search ranking on Google.

We promoted *Starting Blocks* at five parenting expositions in the past year and sponsored Playgroup Victoria's The Big Playgroup Meetup. A number of bloggers were engaged to promote *Starting Blocks*' presence at these expos. We also partnered with Health Direct's Pregnancy, Birth & Baby website to display *Starting Blocks* articles in its related search results.

Stakeholder engagement

We work collaboratively with a range of stakeholders to inform our NQF functions. Throughout the year we met regularly with national peak bodies and large providers to discuss topics of interest and ensure our services continue to meet expectations. We also met with the departments of education at a federal and state/territory level and inter-governmental working groups.

We held two forums in October and November 2017, bringing together a broad representation of sector and government partners. Discussions at these forums focused on sector readiness for the second Early Childhood Teacher or Other Suitably Qualified Person requirement of the National Regulations, workforce planning issues for the early childhood education and care sector, including the qualification accreditation process, and embedding the NQF in early childhood teaching degrees.

Throughout 2017–18, our staff presented at 134 conferences and sector events both nationally and internationally. These events provided important opportunities for sector professional development and a continued focus on continuous improvement.

Partnerships with key sector organisations

In partnership with Family Day Care Australia (FDCA), we delivered 22 presentations in 11 locations around Australia between July 2017 and June 2018. The FDCA National Engagement Program (NEP) presentations are part of the FDCA commitment to drive continuous improvement in the delivery of quality family day care. The two-day NEP was targeted at service providers/co-ordinators and educators and in some locations included presentations from the Australian Government and state and territory regulatory authorities.

Our National Education Leader delivered 33 presentations in collaboration with state and territory regulatory authorities at Inclusion expos and forums in NSW, Queensland and Victoria. These presentations focused on the NQS and regulatory requirements (including showcasing and promoting the 2018 NQS and regulations) that support inclusion, identifying data and resources to support quality service delivery (such as the Australian Early Development Census data), and identifying examples of evidence authorised officers look for when assessing against the standards.

Website

Our new website went live on 31 January 2018, in preparation for the commencement of the 2018 NQS on 1 February 2018. Since the refresh, stakeholder feedback has been positive. Redeveloping the website has resulted in easier navigation, improved search functionality and better information architecture to provide a much improved experience for stakeholders.

ACECQA Facebook
38,000 👍

Starting Blocks Facebook
28,100 👍

Newsletter subscribers
27,000 ✉️

Average monthly website visits
85,500
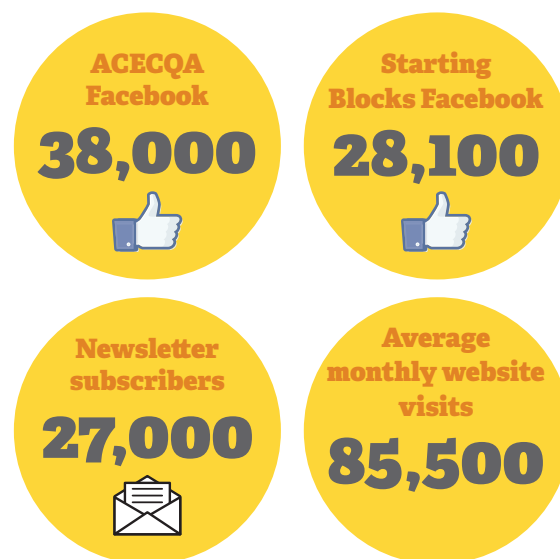
134 conferences & sector events

Social media

Our social media presence continues to grow, with more than 38,000 Facebook followers (an increase of almost 9,000 on the previous year) and more than 4346 Twitter followers (up by more than 500). Engaging content shared with followers is regularly reaching more than 45,000 people a week, with more than 90,000 people viewing some high interest content.

Newsletters

Our monthly newsletter and *We Hear You* and National Education Leader blogs are other channels to keep the sector informed and provide useful information about meeting the requirements of the NQF. The newsletter has more than 27,000 subscribers and the *We Hear You blog* has been viewed more than 263,000 times in the past year. Articles that proved

popular on the blog include the five-part series 'The cycle of self-assessment and continuous improvement: What do you need to consider?' and 'Are you exceeding the 2018 National Quality Standard?'.

Sector resources

In 2017–18, we continued to provide a suite of guides and resources to support the education and care sector's understanding of the NQF, with a continued focus on the changes to the NQF. This includes the new *Guide to the National Quality Framework* for approved providers, educators and authorised officers, additional information sheets on the seven quality areas, a series of quality area posters, and a video providing updated guidance on the topic of Exceeding NQS. We also developed a number of extension packs for the Quest for Quality knowledge game exploring inclusion, Exceeding NQS, environmental sustainability, the National 24-Hour Movement Guidelines, family day care and outside school hours care.

Enquiries service

Our customer service team is an essential part of our communication and engagement with the sector. The team responds to public queries by telephone and email and is often people's first point of contact with the organisation. In 2017–18, the customer service team received a total of 30,791 enquiries. This consisted of 18,776 phone enquiries and 12,015 email enquiries. The highest number of enquiries related to interpretation of legislation, including the NQS.

As part of our Customer Service Charter, the team has a goal to respond to email enquiries within five days. The average rate of response in 2017–18 was 1.4 days. We also draw on our enquiries to inform newsletter articles, information sheets, blogs, social media posts and website content to share relevant information with a broader audience.

Quality Support Program

In March 2018, the NSW Department of Education announced a partnership with us to deliver a Quality Support Program for eligible education and care services.

ACECQA's Enquiries Service

30,791 enquiries

– **18,776** phone calls

– **12,015** emails

Under the Program, we are providing free professional development and support to a group of long day care and family day care services across NSW. In May 2018, we extended invitations to eligible services to join the program. To be eligible, services need to have been rated Working Towards NQS in the past two and a half years due to not meeting six or more elements of the 2012 NQS.

Three rounds of the program, each for 16 weeks, allows for each cohort of services to attend workshops, experience face-to-face visits from education and care experts, undertake bespoke training, and receive tailored resources and other support. The support will seek to enhance service quality, improve safety standards, and implement quality programs that lift learning outcomes and optimise the health and wellbeing of children. The shared goal, over time, is that all services will Meet or Exceed the NQS, leading to improved outcomes for children and their families.

Funded by the NSW Department of Education, the program enables us to expand our offerings under our legislated function to 'promote and foster continuous quality improvement'. This is in addition to broadening our collaboration with regulatory authorities to produce resources to support services to Meet and Exceed the NQS and to understand and comply with their obligations under the NQF. Resources developed in the course of the program will later be made available to all services and regulatory authorities.

2.6 Support and training for authorised officers

Training

Under the National Law, ACECQA is responsible for the delivery of training, testing and support to state and territory regulatory authorities to undertake tasks including the assessment and rating of education and care services against the NQS. A key focus is on promoting and maintaining a consistent approach with the implementation of the NQF.

Lead assessor network

The Lead Assessor Network is a working group of the Regulatory Practice Committee (RPC) and comprises nominees from each state and territory as key jurisdictional representatives. We work with lead assessors with a focus on identifying emerging issues and informing development and review of national training, guidance and support resources and materials for all authorised officers. Our Educational Leadership and Training team provide secretariat support to the lead assessor network and facilitated two workshops in 2017–18.

Training portal

Our online training portal comprises a suite of 59 interactive eLearning modules covering topics such as Assessing Family Day Care, Cultural Competence, Assessing Outside School Hours Care and alternative philosophies such as Steiner and Montessori. Authorised officers are also required to complete their post-training reliability testing and annual drift testing via the training portal which is an automated system designed to closely replicate the officers' understanding and application of the NQS. The other significant component of the portal is the resource library. The resources library includes guidance notes, sample assessment and rating reports, monthly and quarterly ACECQA publications and sector focused research.

> *"Our online training portal assists in the delivery of consistent and effective authorised officer testing and training."*

As at June 2018, almost 700 authorised officers and lead assessors are registered on the portal. eLearning resources have been accessed more than 15,000 times and more than 2,200 reliability drift tests have been completed since the training portal was developed.

Reliability and annual drift testing

Prior to conducting assessment and rating visits, all authorised officers must complete the national training program and demonstrate they can reliably assess quality against the NQS. Ongoing reliability is demonstrated by successfully completing annual drift testing. This is a key element in supporting consistency and validity in respect to assessment and rating nationally, and we have worked with regulatory authorities to develop and conduct online reliability and drift testing for all authorised officers.

Since the commencement of the revised NQS in 2018, we have updated the suite of testing materials to include two updated drift tests, three new drift tests and four new reliability tests.

During 2017–18, we delivered face-to-face training to, and managed reliability testing for, 87 new officers from six jurisdictions.

Revised training and bridging program

From November 2017 onwards, authorised officers received a revised training package in line with the changes to the NQF that came into effect 1 February 2018. The revisions were completed in close consultation with each of the states and territories to ensure a robust and high quality product was implemented that maintained the integrity of the initial NQF assessment and rating system introduced in 2012.

In collaboration with all states and territories, we developed and delivered 25 bridging program presentations to more than 360 authorised officers in all states and territories on the changes to the 2018 NQS. The bridging program was delivered in the four months before the 2018 NQS came into effect on 1 February 2018. The bridging program ensured that authorised officers were provided with information on the changes to the NQF, allowing their assessment and rating visits to continue as scheduled using the 2018 NQS.

2.7 Educator qualifications

Applications from individuals

ACECQA is responsible for determining and approving the qualifications that need to be held by educators working in children's education and care services. These include:

◆ early childhood teaching qualifications
◆ diploma level education and care qualifications
◆ certificate III level education and care qualifications
◆ first aid qualifications
◆ anaphylaxis management training
◆ emergency asthma management training.

We maintain lists of current and formerly approved qualifications on our website, as well as lists of qualifications for working with children over preschool age.

Individuals who do not hold qualifications on our approved lists and are not recognised by former state and territory laws can apply to us to have their qualifications assessed for equivalence.

Between 1 July 2017 and 30 June 2018, we received 1095 applications from individuals seeking to have their qualifications assessed for equivalence to an approved qualification. This compares to the 1153 applications we received in the 2016–17 financial year. More than half (56 per cent) of the applications were from individuals seeking equivalence to early childhood teaching qualifications. Around one quarter (28 per cent) were for diploma level qualifications, and the remainder were for certificate III level and working with children over preschool age qualifications.

559 approvals, including

225 ECTs **167** Diplomas **126** Cert. III

"We approved 559 individuals for equivalence – 225 early childhood teachers, 167 diploma level educators and 126 certificate III level educators."

Most applications were from individuals with qualifications from overseas, notably the UK (29 per cent of all applicants), New Zealand (12 per cent) and Ireland (8 per cent).

More than one quarter (28 per cent) of the applications were from individuals looking to work in NSW, followed by Victoria (17 per cent), Queensland (17 per cent) and Western Australia (16 per cent).

In 2017–18, we approved 559 individuals for equivalence. This included 225 early childhood teachers, 167 diploma level educators and 126 certificate III level educators. The overall approval rate for finalised applications was 74 per cent, slightly higher than the percentage (72 per cent) for the 2016–17 financial year.

Applications from organisations

Organisations, such as universities and registered training organisations, can apply to have an early childhood education program or relevant training added to our approved lists.

Between 1 July 2017 and 30 June 2018, we received a total of 16 applications from organisations wanting their qualifications or training assessed for equivalence.

Most applications were from organisations seeking to have early childhood teaching qualifications added to our published lists, with the remainder seeking approval of diploma

level qualifications, anaphylaxis management training and emergency asthma training.

Of the 16 applications received, 13 had been finalised by 30 June 2018. All of the finalised applications were approved.

We publish quarterly updates of data relating to our applications from individuals and organisations on our website as part of our online operational activity report. The report is available on the research and reports page of our website.

Collaboration with partner bodies

Australian Institute for Teaching and School Leadership (AITSL)

In the reporting period, we continued our collaborative work with AITSL to promote national consistency in the recognition and assessment of early childhood teachers in Australia, notably as a member of AITSL's Teacher Qualification Expert Standing Committee (TQESC) and through supporting and engaging with the national review of teacher registration.

SkillsIQ

SkillsIQ embarked upon a review of the children's education and care sector qualifications in 2017. These qualifications include the Certificate III and Diploma in Early Childhood Education and Care, as well as the Certificate IV and Diploma in School Age Education and Care, and the Certificate III and IV in Education Support.

We are a member of both SkillsIQ's Industry Reference Committee and Technical Advisory Committee, with SkillsIQ scheduled to seek endorsement of the revised qualifications in 2019. Once endorsed, our Board will determine whether the revised qualifications should be included on our published list of approved qualifications.

3 Implementation of the National Quality Framework

3. Assessment of the Implementation and Administration of the NQF

Sector overview

There were 15,763 education and care services approved to operate under the NQF at the end of the 2017–18 financial year, representing an annual increase of one per cent.

◆ There were 15,007 centre-based[1] services and 756 family day care[2] services.

◆ Since the end of the 2016–17 financial year, the number of approved family day care services has decreased by 15 per cent.

◆ There were 7386 approved providers of services, most of whom (82 per cent) were approved to operate one education and care service.

Figure 3: **The number of approved services under the NQF**

Total Centre-based (CB)[1]
15,007 (95%)
2%
increase on Q2 2017

Total Family Day Care (FDC)[2]
756 (5%)
15%
decrease on Q2 2017

Total
15,763
1%
increase on Q2 2017

NT
225
CB 221
FDC 4

WA
1,182
CB 1,146
FDC 36

SA
1,172
CB 1,157
FDC 15

QLD
2,917
CB 2,798
FDC 119

NSW
5,428
CB 5,181
FDC 247

ACT
358
CB 344
FDC 14

VIC
4,249
CB 3,940
FDC 309

TAS
232
CB 220
FDC 12
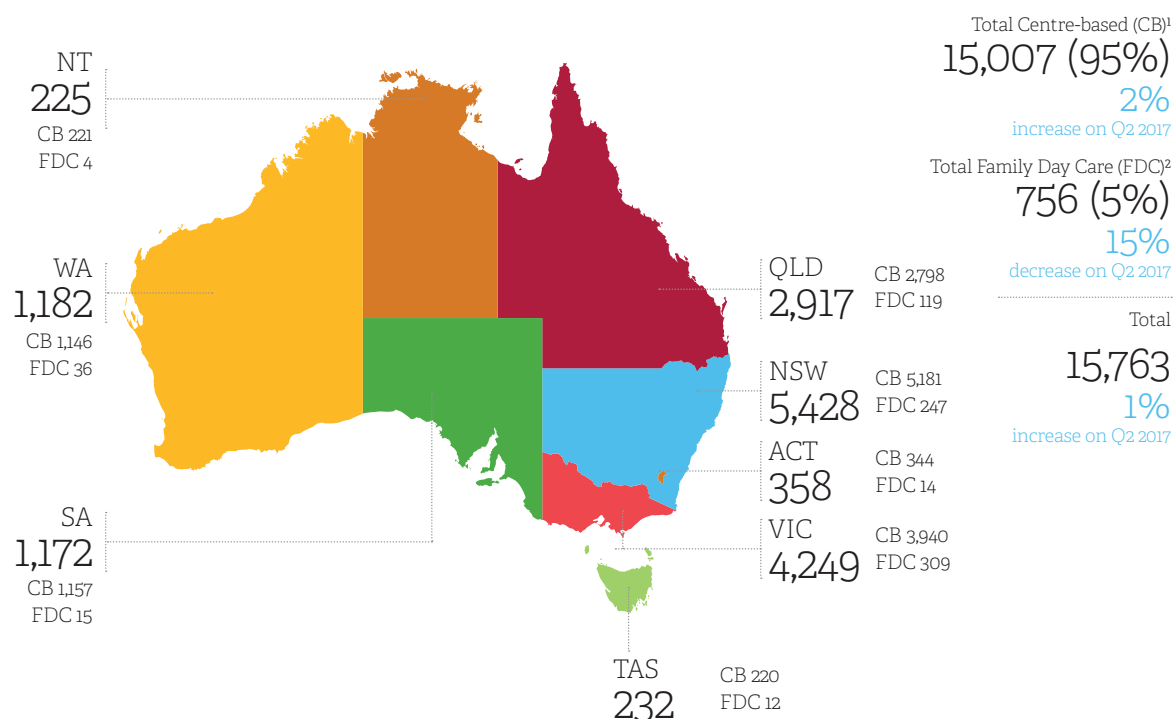
1. Centre-based services include most long day care, preschool/kindergarten and outside school hours care services. They do not include preschools in Tasmania or Western Australia that are outside of the scope of the NQF, or other services that aren't regulated under the National Law.

2. Family day care services provide education and care in residences or venues. They are sometimes known as family day care schemes and are administered and supported by central co-ordination units.

The proportion of education and care services assessed and rated against the National Quality Standard (NQS)

Under the NQF, in addition to ongoing compliance, monitoring, enforcement and investigation activities, regulatory authorities in each state and territory quality assess and rate children's education and care services against the NQS.

As at 30 June 2018, 14,794 services (94 per cent) had received a quality rating, up from 14,106 services (91 per cent) at 30 June 2017.

Table 5: The number and proportion of services with a quality rating

	Number of services with a quality rating	Number of approved services	Proportion of services with a quality rating
ACT	320	358	89%
NSW	5221	5428	96%
NT	210	225	93%
Queensland	2768	2917	95%
SA	1066	1172	91%
Tasmania	220	232	95%
Victoria	3904	4249	92%
WA	1058	1182	92%
TOTAL	14,794	15,763	94%

Figure 4: The seven quality areas and five quality ratings of the NQS

1 Educational program and practice
2 Children's health and safety
3 Physical environment
4 Staffing arrangements
5 Relationships with children
6 Collaborative partnerships with families and communities
7 Governance and leadership

Significant Improvement Required

Service does not meet one of the seven quality areas or a section of the legislation and there is a significant risk to the safety, health and wellbeing of children.

The regulatory authority will take immediate action.

Working Towards National Quality Standard

Service provides a safe education and care program, but there are one or more areas identified for improvement.

Meeting National Quality Standard

Service meets the National Quality Standard.

Service provides quality education and care in all seven quality areas.

Exceeding National Quality Standard

Service goes beyond the requirements of the National Quality Standard in at least four of the seven quality areas.

Excellent

Service promotes exceptional education and care, demonstrates sector leadership, and is committed to continually improving.

This rating can only be awarded by ACECQA.

Services rated Exceeding National Quality Standard in all seven quality areas may choose to apply for this rating.

Table 6: Overall quality ratings by jurisdiction and nationally

	Significant improvement required	Working Towards NQS	Meeting NQS	Exceeding NQS	Excellent rated	TOTAL
ACT	0	86 (27%)	85 (27%)	144 (45%)	5	**320**
NSW	19	1259 (24%)	2372 (45%)	1555 (30%)	16	**5221**
NT	0	80 (38%)	95 (45%)	34 (16%)	1	**210**
Queensland	3	508 (18%)	1356 (49%)	887 (32%)	14	**2768**
SA	0	282 (26%)	262 (25%)	515 (48%)	7	**1066**
Tasmania	0	45 (20%)	91 (41%)	84 (38%)	0	**220**
Victoria	4	632 (16%)	1932 (49%)	1327 (34%)	9	**3904**
WA	0	352 (32%)	445 (41%)	288 (27%)	0	**1085**
TOTAL	**26**	**3244 (22%)**	**6638 (45%)**	**4834 (33%)**	**52**	**14,794**

NQS ratings

Authorised officers from state and territory regulatory authorities assess and rate services against the quality areas, standards and elements that make up the NQS. A revised version of the NQS (the 2018 NQS) came into effect on 1 February 2018. The 2018 NQS has fewer elements and standards than the original version of the NQS (the 2012 NQS). It also uses clearer language to describe the elements and standards.

As at 30 June 2018, 78 per cent of services were rated Meeting NQS or above, up from 73 per cent as at 30 June 2017.

Centre-based and family day care services

As at 30 June 2018, family day care services (54%) were more likely to be rated Working Towards NQS than centre-based services (20%).

Figure 5: Overall quality ratings by service type

- ⬜ Significant Improvement Required
- 🟩 Working Towards NQS
- 🟦 Meeting NQS
- 🟧 Exceeding NQS
- ⬛ Excellent

Centre-based care: 0.1% (11), 20.5% (2,897), 45.7% (6,461), 33.4% (4,729), 0.4% (50)

Family day care: 2.3% (15), 53.7% (347), 27.4% (177), 16.3% (105), 0.3% (2)
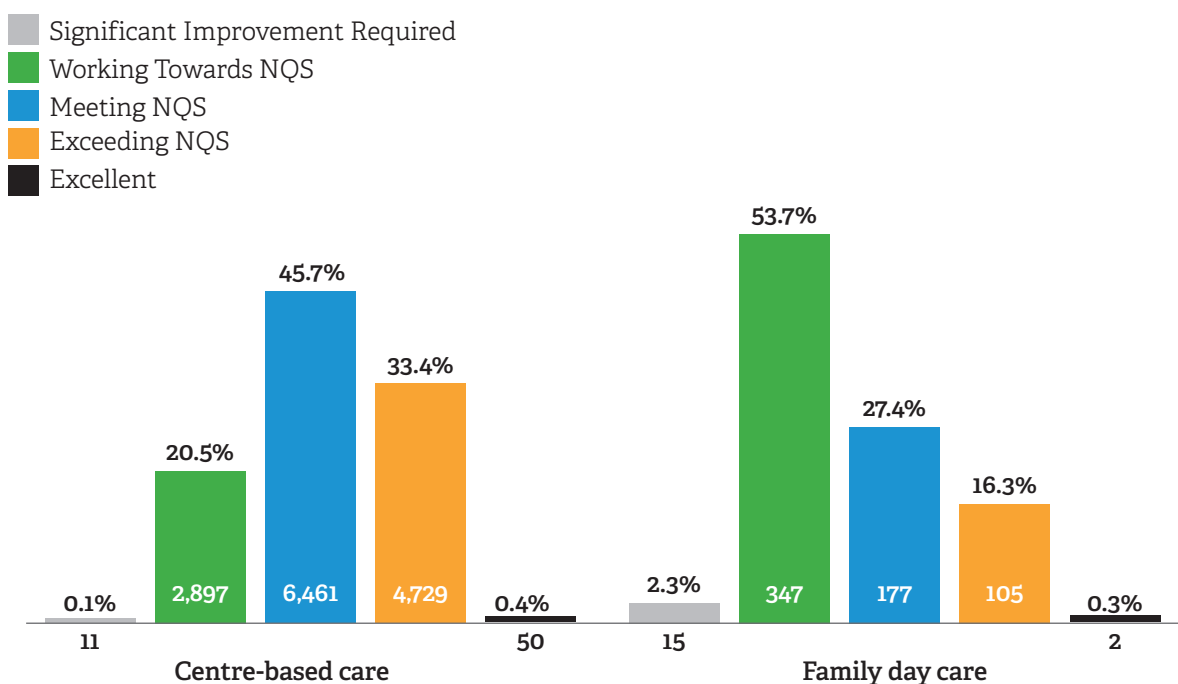
Accessibility/Remoteness Index of Australia (ARIA+)

The Accessibility/Remoteness Index of Australia (ARIA+) is a geographical approach to defining remoteness in Australia.

Analysis of assessment and rating data for centre-based services as at the end of the 2017–18 financial year suggests that geographic remoteness has an effect on the distribution of quality ratings, notably at the Exceeding NQS rating level.

Table 7: **Overall quality ratings by geographic remoteness – centre-based services**

ARIA+ location	Working Towards NQS	Meeting NQS	Exceeding NQS
Major Cities of Australia	20%	45%	34%
Inner Regional Australia	19%	49%	32%
Outer Regional Australia	21%	48%	31%
Remote Australia	24%	52%	24%
Very Remote Australia	43%	42%	14%
TOTAL	**20%**	**46%**	**33%**

Quality areas

As at 30 June 2018, the quality areas of the NQS with the highest proportion of services rated Working Towards NQS were:

◆ Quality Area 1 (Educational program and practice) – 17%
◆ Quality Area 7 (Governance and leadership) – 15%
◆ Quality Area 2 (Children's health and safety) – 14%
◆ Quality Area 3 (Physical environment) – 13%

More information

Our quarterly NQF Snapshot reports provide analysis and information on the profile of the education and care sector, the progress of assessment and rating, and the quality ratings awarded to services, including examining the distribution of ratings by provider management type, service sub-type and geographically. The online and PDF reports are available on the research and reports page of our website.

NQS data for all services that have received a quality rating is also available to download as an Excel workbook.

Figure 6: **Quality area ratings**

	Working Towards NQS	Meeting NQS	Exceeding NQS
QA 1	20%	54%	29%
QA 7	15%	53%	32%
QA 2	14%	62%	24%
QA 3	13%	59%	28%
QA 6	8%	53%	39%
QA 4	6%	61%	33%
QA 5	5%	54%	41%

Working Towards NQS
Meeting NQS
Exceeding NQS
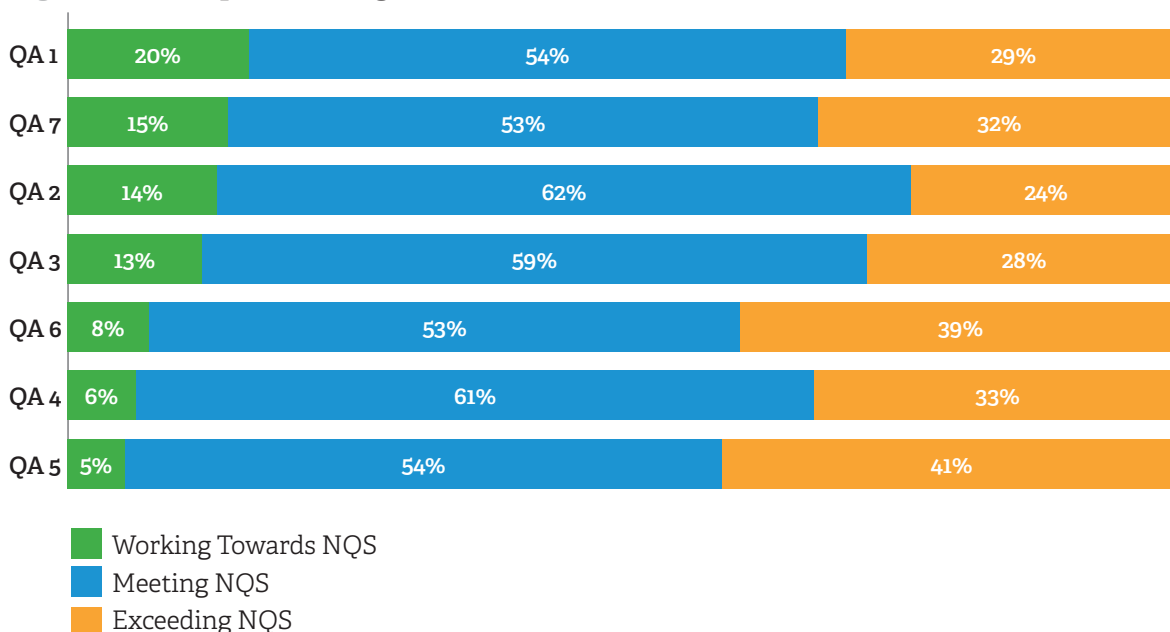
4 Financial Report and Financial Statements

AUSTRALIAN CHILDREN'S EDUCATION AND CARE QUALITY AUTHORITY

Financial Statements
for the period ended 30 June 2018

Contents

INDEPENDENT AUDITOR'S REPORT

To the Education Council

Opinion

In my opinion, the financial statements of the Australian Children's Education and Care Quality Authority for the year ended 30 June 2018 are based on properly maintained financial records and present a true and fair view, in all material respects, of the financial position of the Australian Children's Education and Care Quality Authority as at 30 June 2018 and its financial performance and cash flows for the year then ended in accordance with Australian Accounting Standards – Reduced Disclosure Requirements, as required by subsection 279(3) of the *Education and Care Services National Law Act 2010*.

The financial statements of the Australian Children's Education and Care Quality Authority, which I have audited, comprise the following statements as at 30 June 2018 and for the year then ended:

• Statement by Chair, Chief Executive Officer and Chief Operating Officer;
• Statement of Comprehensive Income;
• Statement of Financial Position;
• Statement of Changes in Equity;
• Cash Flow Statement; and
• Notes to the financial statements, comprising an Overview and other explanatory information.

Basis for Opinion

I conducted my audit in accordance with the Australian National Audit Office Auditing Standards, which incorporate the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Australian Children's Education and Care Quality Authority in accordance with the relevant ethical requirements for financial statement audits conducted by the Auditor-General and his delegates. These include the relevant independence requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) to the extent that they are not in conflict with the *Auditor-General Act 1997*. I have also fulfilled my other responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Board's Responsibility for the Financial Statements

The Board of the Australian Children's Education and Care Quality Authority is responsible for the preparation of financial statements that give a true and fair view and that comply with Australian Accounting Standards – Reduced Disclosure Requirements, as required by subsection 279(3) of the *Education and Care Services National Law Act 2010*. The Board is also responsible for such internal control as the Board determines is necessary to enable the preparation of the financial statements that give a true and fair view and that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board is responsible for assessing the Australian Children's Education and Care Quality Authority's ability to continue as a going concern, disclosing, as applicable, matters related to going concern as applicable and using the going concern basis of accounting unless the Board either intends to liquidate the entity or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

My objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian National Audit Office Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with the Australian National Audit Office Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board;
- conclude on the appropriateness of the Board's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern; and
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Australian National Audit Office

Peter Kerr

Executive Director

Delegate of the Auditor-General

Canberra

27 September 2018

Financial Statements
for the period ended 30 June 2018
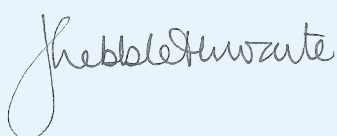
STATEMENT BY CHAIR, CHIEF EXECUTIVE OFFICER AND CHIEF OPERATING OFFICER

In our opinion, the attached general purpose financial statements for the Australian Children's Education and Care Quality Authority ('ACECQA'):

- ◆ comply with Section 279 subsection (3) of the *Education and Care Services National Law Act 2010* and relevant Australian accounting standards;

- ◆ are based on properly maintained financial records; and

- ◆ present a true and fair view of the financial position of ACECQA as at 30 June 2018 and the results of its financial performance and cash flows for the financial year ended 30 June 2018.

In our opinion, at the date of this statement, there are reasonable grounds to believe that the Australian Children's Education and Care Quality Authority will be able to pay its debts as and when they fall due.

This statement is made in accordance with a resolution of the Board.

Judy Hebblethwaite
Chair of the Board
27 September 2018

Gabrielle Sinclair
Chief Executive Officer
27 September 2018

Angela Buchanan
Chief Operating Officer
27 September 2018

AUSTRALIAN CHILDREN'S EDUCATION AND CARE QUALITY AUTHORITY

Statement of Comprehensive Income
for the period ended 30 June 2018

	Notes	2018 $'000	2017 $'000
NET COST OF SERVICES			
Expenses			
Employee benefits	1.1A	**9,390**	8,777
Suppliers	1.1B	**4,758**	4,734
Unwinding of discount – make good provision		**2**	2
Depreciation and amortisation	2.2A	**181**	229
Write-down and impairment of assets		**–**	2
Total expenses		**14,331**	13,744
Own-source revenue			
Sale of goods and rendering of services	1.2A	**569**	206
Interest	1.2B	**227**	192
Other revenue		**4**	3
Total own-source revenue		**800**	401
Gains			
Gains from sale of assets		**4**	1
Total gains		**4**	1
Net cost of services		**13,527**	13,342
Funding and other revenue from Governments	1.2C	**16,380**	13,681
Surplus / (Deficit)		**2,853**	339
Total comprehensive income		**2,853**	339

The above statement should be read in conjunction with the accompanying notes.

AUSTRALIAN CHILDREN'S EDUCATION AND CARE QUALITY AUTHORITY

Statement of Financial Position
as at 30 June 2018

	Notes	2018 $'000	2017 $'000
ASSETS			
Financial Assets			
Cash and cash equivalents	2.1A	**2,485**	2,007
Trade and Other Receivables	2.1B	**58**	26
Investments	2.1C	**15,289**	12,489
Total financial assets		**17,832**	14,522
Non-Financial Assets			
Leasehold improvements	2.2A	**568**	688
Plant and equipment	2.2A	**171**	160
Prepayment		**288**	342
Total non-financial assets		**1,027**	1,190
Total assets		**18,859**	15,712
LIABILITIES			
Payables			
Suppliers – trade creditors		**50**	37
Other payables	2.3	**1,341**	1,101
Total payables		**1,391**	1,138
Provisions			
Employee provisions	3.1A	**1,229**	1,190
Other provisions	2.4	**72**	70
Total provisions		**1,301**	1,260
Total liabilities		**2,692**	2,398
Net assets		**16,167**	13,314
EQUITY			
Retained surplus		**16,167**	13,314
Total equity		**16,167**	13,314

The above statement should be read in conjunction with the accompanying notes.

AUSTRALIAN CHILDREN'S EDUCATION AND CARE QUALITY AUTHORITY
Statement of Changes in Equity
for the period ended 30 June 2018

	Total Equity	
	2018 **$'000**	2017 $'000
Opening balance as at 1 July	**13,314**	12,975
Comprehensive income		
Surplus / (Deficit) for the period	**2,853**	339
Total comprehensive income	**2,853**	339
Closing balance as at 30 June	**16,167**	13,314

The above statement should be read in conjunction with the accompanying notes.

Cash Flow Statement
for the period ended 30 June 2018

	Notes	2018 $'000	2017 $'000
OPERATING ACTIVITIES			
Cash received			
Revenue from Commonwealth, States and Territories		**17,956**	17,717
Sales of goods and rendering of services		**611**	229
Interest		**207**	172
Total cash received		**18,774**	18,118
Cash used			
Employees		**(9,305)**	(8,590)
Suppliers		**(5,010)**	(5,348)
Net GST paid		**(1,125)**	(1,217)
Total cash used		**(15,440)**	(15,155)
Net cash from (used by) operating activities		**3,334**	2,963
INVESTING ACTIVITIES			
Cash received			
Proceeds from sale of property, plant and equipment		**3**	–
Total cash received		**3**	–
Cash used			
Purchase of property, plant and equipment		**(59)**	(53)
Investments		**(2,800)**	(6,200)
Total cash used		**(2,859)**	(6,253)
Net cash from (used by) investing activities		**(2,856)**	(6,253)
Net increase (decrease) in cash held		**478**	(3,290)
Cash and cash equivalents at the beginning of the reporting period		**2,007**	5,297
Cash and cash equivalents at the end of the reporting period	2.1A	**2,485**	2,007

The above statement should be read in conjunction with the accompanying notes.

AUSTRALIAN CHILDREN'S EDUCATION AND CARE QUALITY AUTHORITY
Overview

The Basis of Preparation

The financial statements are general purpose financial statements and are required by Section 279 subsection (2) of the National Law.

The financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations – Reduced Disclosure Requirements issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period.

The financial statements have been prepared on an accrual basis and are in accordance with the historical cost convention, except for certain assets and liabilities at fair value. Except where stated, no allowance is made for the effect of changing prices on the results or the financial position.

The financial statements are presented in Australian Dollars and values are rounded to the nearest thousand dollars unless otherwise specified.

New Accounting Standards

Adoption of New Australian Accounting Standard Requirements

No accounting standard has been adopted earlier than the application date as stated in the standard.

All new/revised/amending standards and/or interpretations that were issued prior to the sign-off date and are applicable to the current reporting period did not have a material effect on ACECQA's financial statements.

Future Australian Accounting Standard Requirements

The following new standard was issued by the Australian Accounting Standards Board prior to the sign-off date and is expected to have a material impact on ACECQA's financial statements for future reporting periods.

ACECQA will apply AASB 16 Leases from 2019–20. The standard will require the net present value of payments under most operating leases to be recognised as assets and liabilities. An initial assessment indicates that the implementation of the standard will have an impact on the financial statements. ACECQA will undertake a detailed review in the 2018–19 financial year.

All other new/revised/amending standards and/or interpretations that were issued prior to the sign-off date and are applicable to future reporting periods are not expected to have a future material impact on ACECQA's financial statements.

Taxation

ACECQA is not subject to income tax. ACECQA is liable for Payroll Tax, Fringe Benefits Tax (FBT) and Goods and Services Tax (GST).

Events After the Reporting Period

No events have occurred after balance date that should be brought to account or noted in the 2017–18 financial statements.

AUSTRALIAN CHILDREN'S EDUCATION AND CARE QUALITY AUTHORITY
Financial Performance

This section analyses the financial performance of ACECQA for the year ended 2018.

1.1: Expenses

	2018 $'000	2017 $'000
1.1A: Employee Benefits		
Wages and salaries	**8,506**	7,921
Superannuation	**841**	788
Leave and other entitlements	**43**	68
Total employee benefits	**9,390**	8,777

> **Accounting Policy**
>
> Accounting policies for employee related expenses are contained in the People and Relationships section.

	2018 $'000	2017 $'000
1.1B: Supplier		
Goods and services		
Consultants	**533**	346
Contractors	**153**	48
Travel	**245**	326
Information and communication technology	**1,259**	1,602
Publishing	**342**	162
Other	**804**	870
Total goods and services	**3,336**	3,354

Other expenses are general administration costs including stakeholder engagement, professional development and recruitment.

	2018 $'000	2017 $'000
Other suppliers		
Operating lease rentals	**916**	916
Workers compensation expenses	**43**	36
Payroll tax expenses	**463**	428
Total other suppliers	**1,422**	1,380
Total suppliers	**4,758**	4,734

Leasing commitment – office accommodation

ACECQA has one operating lease for its office accommodation. The lease commenced on 1 January 2016 for a period of 7 years and 3 months. There is an option to terminate the lease on 31 December 2020 if ACECQA ceases to be a statutory authority or does not receive government funding. At the end of lease, ACECQA is required to pay $80k in lieu of a makegood clause.

Note 1.1B *(continued)*

Accounting Policy

Operating lease payments are expensed on a straight-line basis, which is representative of the pattern of benefits derived from the leased accommodation.

	2018 $'000	2017 $'000
Commitments for operating lease		
Within 1 year	**972**	921
Between 1 to 5 years	**4,124**	4,211
More than 5 years	**–**	885
Total operating lease commitments	**5,096**	6,017

Commitments are GST inclusive where relevant.

1.2: Own-Source Revenue

	2018 $'000	2017 $'000
Own-source revenue		
1.2A: Sale of Goods and Rendering of Services		
Sale of goods	**390**	26
Rendering of services	**179**	180
Total sale of goods and rendering of services	**569**	206

Accounting Policy

Revenue from the sale of goods is recognised when:

a) the risks and rewards of ownership have been transferred to the buyer;
b) the entity retains no managerial involvement or effective control over the goods.

Revenue from rendering of services is recognised when:

a) the amount of revenue can be reliably measured; and
b) the probable economic benefits associated with the transaction will flow to the entity.

Receivables for goods and services are recognised at the nominal amounts due less any impairment allowance account. Collectability of debts is reviewed at end of the reporting period. Allowances are made when collectability of the debt is no longer probable.

1.2B: Interest

Deposits	**227**	192
Total interest	**227**	192

Accounting Policy

Interest revenue is recognised using the effective interest method.

	2018 $'000	2017 $'000
1.2C: Funding and other revenue from Commonwealth, State and Territory Governments		
Funding and other revenue from Commonwealth Government	**7,137**	6,635
Funding and other revenue from State and Territory Governments	**9,243**	7,046
Total funding from Governments	**16,380**	13,681

In 2017–18, the majority of ACECQA's funding was provided by the Commonwealth, State and Territory Governments under the National Partnership on the National Quality Agenda for Early Childhood Education and Care.

In addition, revenue was received from some governments for the delivery of programs and services.

Accounting Policy

Funding is recognised as revenue when ACECQA obtains control of the contribution or the right to receive the contribution, except for certain amounts that relate to activities that are reciprocal in nature, in which case revenue is recognised only when it has been earned.

Funding receivables are recognised at their nominal amounts.

AUSTRALIAN CHILDREN'S EDUCATION AND CARE QUALITY AUTHORITY
Financial Position

This section analyses ACECQA's assets used to conduct its operations and the operating liabilities incurred as a result.

Employee related information is disclosed in the People and Relationships section.

2.1: Financial Assets

	2018 $'000	2017 $'000
2.1A: Cash and Cash Equivalents		
Cash on hand or on deposit	2,485	2,007
Total cash and cash equivalents	**2,485**	2,007

> **Accounting Policy**
>
> Cash is recognised at its nominal amount. Cash and cash equivalents includes:
>
> a) cash on hand;
> b) demand deposits in bank accounts with an original maturity of 3 months or less that are readily convertible to known amounts of cash and subject to insignificant risk of changes in value.

2.1B: Trade and Other Receivables		
Goods and services	17	–
Interest	41	26
Total trade and other receivables	**58**	26

> **Accounting Policy**
>
> Trade receivables and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'Trade and other receivables' and recorded at face value less any impairment. Trade and other receivables are recognised where ACECQA has a legal right to receive cash. Collectability of receivables is reviewed on an on-going basis. Provision for doubtful debts is raised when there is objective evidence that the debts are not collectable. Bad Debts are written off when identified.

2.1C: Investments		
Term deposits	15,000	12,200
Security deposit for bank guarantee	289	289
Total investments	**15,289**	12,489

> **Accounting Policy**
>
> Investments are term deposits held at fixed interest rates to maturity. Interest income from investments is recognised on an effective interest rate basis.

2.2: Non-Financial Assets

2.2A: Property, Plant and Equipment

Reconciliation of the opening and closing balances of property, plant and equipment for 2018

	Leasehold Improvements $'000	Plant & equipment $'000	Total $'000
As at 1 July 2017			
Gross book value	868	271	**1,139**
Accumulated depreciation and impairment	(180)	(111)	**(291)**
Net book value 1 July 2017	**688**	**160**	**848**
Additions – by purchase	–	72	**72**
Depreciation expense	(120)	(61)	**(181)**
Disposals	–	–	**–**
Net book value 30 June 2018	**568**	**171**	**739**
Net book value as of 30 June 2018 represented by:			
Gross book value	868	339	**1,207**
Accumulated depreciation and impairment	(300)	(168)	**(468)**
Net book value 30 June 2018	**568**	**171**	**739**

Accounting Policy

Assets are recorded at cost on acquisition except as stated below. The cost of acquisition includes the fair value of assets transferred in exchange and liabilities undertaken. Financial assets are initially measured at their fair value plus transaction costs where appropriate.

Assets acquired at no cost, or for nominal consideration, are initially recognised as assets and income at their fair value at the date of acquisition.

Asset Recognition Threshold

Purchase of property, plant and equipment are recognised initially at cost in the statement of financial position, except for purchases costing less than $1,000, which are expensed in the year of acquisition (other than where they form part of a group of similar items which are significant in total).

The initial cost of an asset includes an estimate of the cost of dismantling and removing the item and restoring the site on which it is located. This is particularly relevant to the accommodation sublease taken up by ACECQA where there exists an obligation to pay a fixed amount in lieu of a 'make good' clause. The cost is included in the value of ACECQA's Leasehold Improvements with a corresponding provision for the recognition of payment.

Revaluations

Following initial recognition at cost, property, plant and equipment are carried at fair value. Carrying amounts are reviewed every year to determine if an independent valuation is required. The regularity of independent valuations is depended upon the volatility of movements in market values for the relevant assets.

Revaluation adjustments are made on a class basis. Any revaluation increment is credited to equity under the heading of asset revaluation reserve except to the extent that it reversed a previous revaluation decrement of the same asset class that was previously recognised in the surplus/deficit. Revaluation decrements for a class of assets are recognised directly in the

surplus/deficit except to the extent that they reversed a previous revaluation increment for that class. Upon revaluation, any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the asset is restated to the revalued amount.

Depreciation

Depreciable property, plant and equipment assets are written-off to their estimated residual values over their estimated useful lives to ACECQA using, in all cases, the straight-line method of depreciation. Leasehold improvements are depreciated over the lease term.

Depreciation rates (useful lives), residual value and methods are reviewed at each reporting date and necessary adjustments are recognised in the current, or current and future reporting periods, as appropriate.

Depreciation rates applying to each class of depreciable asset are based on the following useful lives:

Asset Class	2018	2017
Leasehold improvements	Lease term	Lease term
Plant and equipment	3 to 20 years	3 to 20 years

Impairment

All assets were assessed for impairment as at 30 June 2018. Where indications of impairment exist, the asset's recoverable amount is estimated and an impairment adjustment made if the asset's recoverable amount is less than its carrying amount.

The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use. Value in use is the present value of the future cash flows expected to be derived from the asset. Where the future economic benefit of an asset is not primarily dependent on the ability to generate future cash flows, and the asset would be replaced if ACECQA was deprived of the asset, its value in use is taken to be its depreciated replacement cost.

Derecognition

An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal.

Intangibles

ACECQA's intangibles comprise purchased software for internal use. These assets are carried at cost less accumulated amortisation and accumulated impairment losses. Purchases costing less than $100,000 (2017: $100,000) are expensed in the year of acquisition other than where they form part of a group of similar items which are significant in total.

Software is amortised on a straight-line basis over its anticipated useful life.

All software assets were fully depreciated as at 30 June 2018.

2.2B: Fair Value Measurements

	Fair value measurements at the end of the reporting period	
	2018 **$'000**	2017 $'000
Non-financial assets		
Leasehold improvements	**568**	688
Plant and equipment	**171**	160
Total non-financial assets	**739**	848
Total fair value measurements of assets in the statement of financial position	**739**	848

All property, plant and equipment is measured at fair value in the Statement of Financial Position. When estimating fair value, market prices were used where available. Where market prices were not available, depreciated replacement cost was used.

The remaining non-financial assets and liabilities reported by ACECQA in the Statement of Financial Position do not apply the fair value hierarchy.

2.3: Payables

	2018 $'000	2017 $'000
2.3: Other Payables		
Salaries and wages	97	72
Superannuation	87	71
Net GST payable	628	530
Lease Liability	307	221
Accruals and other payables	222	207
Total other payables	1,341	1,101

Accounting Policy

Suppliers and other payables are recognised at amortised cost. Liabilities are recognised to the extent that the goods or services have been received (and irrespective of having been invoiced).

2.4: Other Provisions

	2018 $'000	2017 $'000
2.4: Provision for make good		
As at 1 July	70	68
Additional provisions made	–	–
Unwinding of discount	2	2
As at 30 June	72	70

ACECQA has a sublease agreement which requires ACECQA to pay a fixed amount ($80k) in lieu of a make good clause at the conclusion of the lease. ACECQA has made the provision to reflect the present value of this obligation.

AUSTRALIAN CHILDREN'S EDUCATION AND CARE QUALITY AUTHORITY
People and Relationships

This section describes a range of employment and post employment benefits provided to ACECQA's staff and ACECQA's relationships with other key people.

3.1: Employee Provisions

	2018 $'000	2017 $'000
3.1A: Employee Provisions		
Leave	1,229	1,190
Total employee provisions	**1,229**	1,190

Accounting Policy

Liabilities for short-term employee benefits and termination benefits expected within twelve months of the end of reporting period are measured at their nominal amounts.

The nominal amount is calculated with regard to the rates expected to be paid on settlement of the liability.

Unless otherwise stated, other long-term employee benefits are measured as the net total of the present value of the defined benefit obligation at the end of the reporting period.

Leave

The liability for employee benefits includes provision for annual leave and long service leave.

The leave liabilities are calculated on the basis of employees' remuneration at the estimated salary rates that will apply at the time the leave is taken, including the employer superannuation contribution rates and applicable on-costs, to the extent that the leave is likely to be taken during service rather than paid out on termination.

The liability for long service leave has been determined using the shorthand method. The estimate of the present value of the liability takes into account attrition rates and pay increases through promotion and inflation.

Superannuation

The amount charged to the Statement of Comprehensive Income represents the contributions made or to be made by ACECQA to employees' externally managed superannuation funds as nominated by them.

The liability for superannuation recognised as at 30 June 2018 represents outstanding contributions due but not yet paid.

AUSTRALIAN CHILDREN'S EDUCATION AND CARE QUALITY AUTHORITY

3.2: Key Management Personnel Remuneration

	2018 $	2017 $
3.2A: Senior Executive Remuneration		
Short-term employee benefits	**1,024,247**	972,943
Post-employment benefits	**120,369**	119,224
Other long-term benefits	**24,383**	18,337
Total employment benefits	**1,168,999**	1,110,504

ACECQA's key management personnel are ACECQA Board members and Senior Executives.

The total number of Senior Executives that are included in the above table are 5 (2017: 5). The total employment benefits (on a pro rata basis) includes Senior Executives who commenced or departed during the reporting period. Staff who have acted in a Senior Executive role for a period of less than three months have been excluded in the note.

Short-term employee benefits include salaries, paid annual leave and sick leave, accrued annual leave entitlements, benefits under salary sacrifice arrangements and non-monetary benefits. Other long-term benefits include accrued long service leave entitlements.

3.2B: Board Member Remuneration

Total Board remuneration	182,343	198,479

Board remuneration is the payments received or due and receivable by ACECQA Board members in 2017–18.

Remuneration for the Board is determined by the Education Council.

There were changes to the composition of the ACECQA Board in 2017–18. The highest number of Board members in 2017–18 was 11 (2016–17: 12).

3.3: Related Party Disclosures

Related party relationship

ACECQA is a national statutory body funded by the Australian Government and State and Territory Governments. Its Board Members are appointed by the Council of Australian Governments' Education Council. Related parties to ACECQA are Board Members and Senior Executives.

Transactions with related parties

Transactions with the Australian and State & Territory Government entities mainly relate to ACECQA's funding.

Giving consideration to relationships with related entities, and transactions entered into during the reporting period by ACECQA, it has been determined that there are no related party transactions to be separately disclosed.

3.4: Remuneration of Auditors

	2018 $'000	2017 $'000
Remuneration payable to the Australian National Audit Office (ANAO) for auditing the financial statements for the reporting period.	**55**	55

No other services were provided by the ANAO.

Managing Uncertainties

This section analyses how ACECQA manages financial risks within its operating environment.

4.1: Contingent Assets and Liabilities

A bank guarantee was provided by ACECQA to the sublessor in relation to its leased premises. The value of the bank guarantee is $289,124 (2017: $289,124) and will be released upon termination of the sublease agreement.

The bank guarantee is secured by a term deposit of the same amount.

ACECQA had no other quantifiable or unquantifiable contingent assets or liabilities as at 30 June 2018 (2017: nil).

4.2: Financial Instruments

	2018 $'000	2017 $'000
4.2A: Categories of Financial Instruments		
Financial Assets		
Held-to-maturity investments		
Term Deposits	**15,000**	12,200
Security deposit for bank guarantee	**289**	289
Total held-to-maturity investments	**15,289**	12,489
Loans and receivables		
Cash and cash equivalents	**2,485**	2,007
Trade and other receivables	**58**	26
Total loans and receivables	**2,543**	2,033
Total financial assets	**17,832**	14,522
Financial Liabilities		
Financial liabilities measured at amortised cost:		
Trade creditors	**50**	37
Other payables	**1,341**	1,101
Total financial liabilities measured at amortised cost:	**1,391**	1,138
Total financial liabilities	**1,391**	1,138
4.2B: Net Gains or Losses on Financial Assets		
Net gains/(losses) on financial assets		
Interest revenue	**227**	192
Net gains/(losses) on financial assets	**227**	192

End of Financial Statements

Appendices

Appendix A
Letter of Expectation 2016–18

Ms Judy Hebblethwaite
Acting Chair
Australian Children's Education and Care Quality Authority Board
PO Box A292
Sydney NSW 1235

Education Council

Dear Ms Hebblethwaite

Australian Children's Education and Care Quality Authority:
Letter of Expectation for 2016-18

I am writing to set out the Education Council's[1] priorities and expectations for the Australian Children's Education and Care Quality Authority (ACECQA) to 31 December 2018.

This Letter of Expectation (Letter) aligns with the current *National Partnership on the National Quality Agenda for Early Childhood Education and Care 2015-16 to 2017-18* (National Partnership) and the provisions of the Education and Care Services National Law Act 2010 (National Law) and associated regulations.

It replaces the previous Letter approved by the Council on 30 September 2014.

Purpose

The Education Council is responsible for overseeing the implementation and administration of the National Quality Agenda (NQA).

ACECQA is an independent statutory authority established under National Law, with its functions detailed under section 225.

The Letter sets the Education Council's strategic directions and key performance expectations for ACECQA, and recognises that the ACECQA Board and Chief Executive Officer play a key role in guiding how ACECQA exercises its functions to achieve these directions and expectations.

The Letter provides direction about the nature of activities ACECQA is expected to undertake and should inform the development of ACECQA's strategic plan and a forward Work Plan, with detailed information regarding the key deliverables, budget and timelines for addressing the strategic directions and expectations established by the Council.

Context

This Letter is developed in the context of evidence demonstrating that engagement in quality education and care, particularly in the early years, leads to better health, education and employment outcomes in later life.

It is for this reason all jurisdictions are committed to the NQA, which includes the National Quality Framework (NQF) as a consistent national regulatory system for the early childhood education and care sector.

Since the inception of the NQA, considerable expertise, particularly in relation to the NQF, has been acquired within ACECQA and state and territory Regulatory Authorities (RAs). Execution of this Letter is predicated on ACECQA utilising and capitalising on expertise that resides in RAs in the delivery of its functions. Recognising the primacy of RAs in regulating the early childhood education and care sector, ACECQA and RAs are expected to meaningfully collaborate and support one another in pursuit of the aims of the NQF.

The success of the NQA will be highly influenced by the quality of collaborative efforts between ACECQA and its key stakeholders. Noting this, ACECQA's relationship with the Early Childhood Policy Group (ECPG) is critical to the delivery of the requirements of the Letter. ECPG is entrusted by Council to provide high-level strategic policy advice

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[1] Education Council, or any successor Council with responsibility for early childhood

on all early childhood matters, therefore ACECQA must consult with ECPG prior to progressing any policy matters to Education Council. Within this context, the relationship between ACECQA and the ECPG is vital to successful administration of the NQA. This Letter stipulates a specific role for ECPG in guiding ACECQA in prioritising Education Council's strategic directions and developing a forward Work Plan for addressing these priorities.

ACECQA's relationship with RAs, which have operational responsibility for the NQF, is critical to effective regulation of early childhood services and national consistency under the National Law. Productive and meaningful collaboration between RAs, ACECQA, and its various working groups (e.g. Quality and Consistency Committee) is essential to identify ways to support RAs in regulating the sector. This collaboration is therefore paramount to improving outcomes for children and successful implementation of the NQF.

Term

This Letter outlines the Education Council's expectations for ACECQA for the period 1 July 2016 to 31 December 2018. As it is provided to ACECQA at the conclusion of negotiations that led to the endorsement of the National Partnership, it reflects the point-in-time priorities emphasised in that agreement.

The early childhood development environment is changing, with an evolving and complex service profile and rapid expansion. As such, the aims and efficacy of the NQA are constantly being reviewed by jurisdictions. This process of review will influence future decisions regarding the NQA, and therefore the regulatory system environment beyond 2018 is not certain.

Future Letters of Expectation will reflect resultant changes in the strategic directions of the Education Council.

Principles

The health, safety and wellbeing of children is the paramount consideration of the strategic directions articulated in this Letter, and are the critical foundation to improved outcomes for life and learning through quality education and care experiences.

In carrying out its functions, ACECQA will have regard to the objectives (Part 2, clause 10) and guiding principles (Part 2, clause 11) of the National Partnership. The governance ideals (Schedule A, clause 5) underpinning the NQF are also of particular relevance. Core ideals include:

- a transparent, fair, accountable, efficient and effective system

- streamlined governance arrangements and clearly defined accountabilities

- collaboration with jurisdictions in decision making

- a single NQF with consistent national assessment and rating, to apply to all early childhood education and care services within the system

- consistent application of the National Quality Standard (NQS)

- ongoing investment in research and evaluation, reflecting Education Council priorities and taking into account work underway in jurisdictions, as essential to providing an evidence base for national decision making

- a continuous focus on quality improvement.

In performing its functions, ACECQA will:

- ensure it acts in accordance with the decisions of the Education Council; and

- progress advice to the Council in accordance with protocols, procedures and/or arrangements agreed to by the Education Council, or the Australian Education Senior Officials Committee (AESOC) on behalf of the Council.

Strategic Directions

The strategic directions outlined below acknowledge the commitment to ensuring the NQF is an integrated and consistent national system. In collaboration with the ECPG, ACECQA will prioritise pursuit of these directions through the development of a forward Work Plan. This plan will detail key deliverables, timeframes and budgets for approval by Education Council, and determine key actions for immediate delivery compared to those with a longer lead time.

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ACECQA Annual Report 2017–2018

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Achieving NQF system and reporting improvements	○ Evaluate the NQF within an evaluation framework agreed by the Council, in collaboration with all parties to the National Partnership, and report on whether, and to what degree, the NQF is delivering its intended outcomes and strategic objectives. • identify and report on potential refinements and improvements to the NQF, with a particular focus on achieving increased return on investment on ACECQA's deliverables. • Develop streamlined and reliable systems, including the identification and collection of relevant data in the NQA IT System (NQA ITS), to monitor and identify any emerging issues or risks and develop practical operational solutions in collaboration with jurisdictions. • Explore changes to the NQA ITS to increase support for jurisdictions in undertaking regulatory activities, including record keeping and archiving, investigations, compliance capabilities and sharing appropriate information with and between RAs.
Implementing outcomes from the 2014 NQA Review	• Implement necessary changes arising from the 2014 NQA Review effectively and efficiently, including system changes to the NQA ITS, new and updated training materials and resources for RAs, and delivery of high quality training to authorised officers, as required by states and territories. • As an active member of the Education Council's Implementation Working Group, support the development of a consistent and comprehensive sector communication strategy on the outcomes of the 2014 NQA Review, noting that RAs have the lead responsibility to communicate with providers they regulate and ACECQA plays a key role in communication with parents and the community about the NQF and understanding quality.

Provision of ongoing support to jurisdictions to improve quality outcomes for children, including support for Regulatory Authorities to enable regulatory best practice	The following strategic directions are predicated on the notion that ACECQA has a critical role in supporting RAs to improve quality outcomes for children, noting the recent exponential growth in early childhood education and care services, particularly family day care services, and the impact of a tight fiscal environment.

As such, ACECQA will recognise that different operating environments across jurisdictions require flexible and nuanced approaches to effectively support RAs. In doing so, ACECQA should avoid duplicating work already undertaken by RAs and capitalise on their existing expertise to ensure effective use of resources.

- Implement effectively and efficiently any actions agreed by Education Council to improve compliance and provider understanding in family day care.

- In collaboration with ECPG, develop evidence-based guidance in line with the NQS for approved kindergarten/preschool program providers on the experiences and activities that form part of an approved program to help children successfully transition to school.

- Critically review internal advisory and support structures, including the Quality and Consistency Committee (QaCC), in collaboration with states and territories to promote transparency and accountability, with a view to ensuring outcomes are maximised and participation achieves a net benefit for all parties.

- In collaboration with jurisdictions, identify ways to better support RAs to coordinate and manage key issues, deliver best practice regulation and achieve comparable outcomes in the administration of approvals, assessment and rating, compliance and enforcement, and ad hoc requests for advice about the NQF.

- In collaboration with the ECPG, develop options for promoting consistency and validity in respect to assessment and rating nationally, including proposals for leveraging lead assessor skills, experience, capabilities and understandings across jurisdictions.

- Review existing training in collaboration with RAs to ensure high quality, flexible and risk-based professional development is provided for jurisdictions. This review should include:
  - consideration of who is best placed to deliver (e.g. ACECQA in-house provision/resourcing jurisdictional collaboration) and whether commissioning external expertise is a more effective and/or efficient option;
  - authorised officer training to ensure it meets the needs of RAs. Specifically, ways to increase capability and maintain consistency of regulatory practice and understanding across the authorised officer workforce, recognising the full scope of regulatory functions should be identified; and
  - consideration of flexible IT training arrangements in respect to NQA ITS to support jurisdictions in their work.

- Implement, in consultation with all jurisdictions, a mutually agreed national audit program aimed at promoting national consistency, operational enhancements and improved outcomes for children.

- Develop and maintain an evidence base to inform early childhood education and care policy decision making and improve quality outcomes for children.

- As owner on behalf of jurisdictions, manage the NQA ITS, including: day-to-day administration; resolving data quality issues; consideration and facilitation of enhancements, including potential new reporting capabilities (e.g. dashboards).

- Provide RAs with information and tools, where required, to enhance their regulatory activities.

Promoting education and awareness	Given education and awareness is a key mechanism to increasing visibility and consistent implementation of the NQF, ACECQA is primarily responsible for communicating with parents and the community. From an operational perspective, RAs are directly responsible for communicating and engaging with providers.
	The strategic directions below acknowledge and reflect the respective roles of ACECQA, RAs and ECPG in promoting education and awareness of the NQF.
	• In consultation with ECPG, continue to progress and build a comprehensive and innovative communication and engagement strategy directly targeting parents and the community, regarding the NQF and the importance of quality early childhood education and care.
	• In collaboration with RAs, develop and publish appropriate additional resources for RAs to support services to meet and exceed the NQS, and to understand and comply with their obligations under the NQF.
	• In collaboration with jurisdictions, promote approved learning frameworks as identified by RAs.
Developing and supporting a high quality workforce	• Work with the ECPG to develop options for strengthening the quality of early childhood education and care qualifications for consideration by Council, including identifying potential:
	o mechanisms for providers to identify fraudulent qualifications
	o ways in which the overall quality of qualifications can be strengthened.
	As part of this work, ACECQA should explore the extent of the reach of its powers under the National Law. ACECQA should avoid duplicating work already undertaken by RAs and capitalise on existing projects and expertise to ensure effective use of resources.
	• Support quality improvements in early childhood education and care workforce training with an immediate focus on family day care, as determined by the Council.
	• Work to reduce overlap and misalignment of approval processes, in collaboration with higher education providers, teacher registration authorities and the Australian Institute for Teaching and School Leadership.
	• Work with all jurisdictions to maximise the availability of suitably qualified educators for the sector and inform decisions about qualification provisions in the National Law.
	• Work with the Australian Skills Quality Authority to address relevant recommendations of its review of training for early childhood education and care.
	• Assist the Australian Government to address relevant recommendations arising from its review of the quality of assessment in vocational education and training.
	• Undertake the necessary preparatory work in consultation with ECPG to assist with the introduction of early childhood teacher and "another suitably qualified person" (as per Regulation 133) requirements in 2020, with a particular focus on assessment of sector preparedness.

Governance

Responsibilities of the ACECQA Board

The Board is responsible for ensuring ACECQA meets its statutory requirements and undertakes the range of functions detailed in the National Law efficiently and effectively. The Board will provide strategic direction and leadership for ACECQA and formulate strategies for discharging its functions within a tight fiscal environment and with regard to the administrative burden for services and jurisdictions (including RAs). The Board must ensure ACECQA focuses its activities and resources on the strategic directions identified within, and on the basis of the principles enunciated in, this Letter.

Relationship with the Education Council and the Australian Education Senior Officials Committee

The relationship between the Education Council and ACECQA is guided by the *Decision Making and Governance Protocols for Education Authorities and Companies*, which were originally approved by Ministers on 8 July 2011.

The Chair of the Board will report to and advise the Education Council, on behalf of the Board, about any matters of concern in the administration of the NQF.

From time to time, the Education Council may choose to seek advice from ACECQA regarding quality issues related to early childhood education and care and school aged care. In undertaking its activities, ACECQA may also refer issues of strategic national significance to the Education Council for its consideration, through AESOC, following initial consultation with the ECPG.

Working collaboratively with the Australian, State and Territory governments

As reflected throughout the Letter, the Education Council expects ACECQA to work collaboratively and maintain strong working relationships with AESOC, ECPG and jurisdictions (including RAs), to ensure effective implementation of the NQF.

With this in mind, ACECQA will provide regular advice to RAs, ECPG and AESOC in relation to the collection of information and the evaluation of the NQF. Importantly, in an expanding early childhood market, it is expected ACECQA will identify ways in which RAs can be better supported, given challenging fiscal constraints, to effectively regulate the early childhood education and care sector.

In recognition of ECPG's ongoing policy role in relation to the NQF, ACECQA must consult with ECPG on policy issues that have implications for the NQF, prior to progressing these issues to AESOC and Education Council.

Planning and Reporting

The accountability framework for ACECQA includes the Letter of Expectation, a forward Work Plan and budget approved by the Education Council, and monitoring by the Council through regular reporting.

In collaboration with ECPG, ACECQA will develop a forward Work Plan, which is to contain detailed information regarding the key deliverables, milestones, budget and timelines for addressing the strategic directions and expectations established by the Council through this Letter. ECPG will guide ACECQA in prioritising key actions for immediate delivery compared to those with a longer lead time.

As part of its planning, ACECQA must identify operational efficiencies, with a particular focus on achieving increased return on investment on ACECQA's deliverables. Such practice is consistent with efficiency measures undertaken by jurisdictions (including RAs) in recent years.

ACECQA will provide a written progress report against its forward Work Plan to the Education Council (via AESOC) at least once per year. The progress report should outline ACECQA's performance in relation to its functions specified in the National Law and the strategic objectives and priorities identified in this Letter.

ACECQA will also provide:

- an annual report to the Council in accordance with the requirements of the National Law
- an annual NQF performance report in accordance with the current National Partnership (Part 4, clause 23)
- a budget update in its progress report, identifying any proposed changes to the forward Work Plan that may be required to ensure it is able to deliver on Education Council priorities.

Timeframes for the submission of reports to Ministers will be guided by Education Council meeting dates.

Conclusion

On behalf of the Education Council, I look forward to continuing to work with you in improving the quality of early childhood education and care nationally and promoting children's health, safety and well-being.

Yours sincerely

The Hon. Eva Lawler MLA
Education Council Chair

5 December 2016

Appendix B
Chair's response to Letter of Expectation 2016–18

21 December 2016

The Hon Eva Lawler, MLA
Chair
Education Council
PO Box 202
Carlton South Vic 3053

Dear Minister

Thank you for the Letter of Expectation 2016-18, dated 5 December, outlining the Education Council's priorities and expectations for the Australian Children's Education and Care Quality Authority (ACECQA).

ACECQA's Board has been anticipating this opportunity to review the National Authority's strategic direction, to ensure it continues to reflect the changing and emerging priorities in the implementation of the National Quality Framework (NQF).

It has been five years since the implementation of the NQF – a significant milestone and a timely opportunity to acknowledge the work that has been undertaken by all stakeholders to raise the status and quality of education and care.

Your letter acknowledges the considerable expertise acquired within regulatory authorities and ACECQA during this time and the importance of meaningful collaboration, as all jurisdictions strive to achieve the aims of the NQF.

ACECQA also places great value on the knowledge and experience gained by those in the sector working to improve outcomes for children and families, and will continue to work in partnership with all our stakeholders, recognising that significant quality improvement can only be achieved through shared goals and understanding.

Facilitating agreement among eight states and territories and the Australian Government to deliver improvements in national consistency is a demanding task, but vital if the NQF is to remain a truly national system. One of the ongoing challenges in working to identify and negotiate solutions to complex policy and operational issues is to maintain support among all jurisdictions to act in the collective best interests of the NQF.

In establishing a national authority, governments recognised the unique insights and benefits that come with having an agency with national oversight and goals. ACECQA looks forward to continuing this work and supports the renewed emphasis on research, data collection, evaluation and reporting, workforce support and education and engagement.
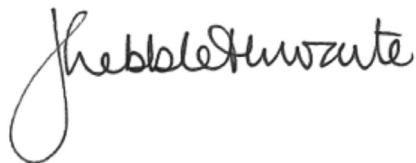
The five areas of strategic direction outlined in the Letter of Expectation provide scope for ACECQA to respond to the complex and evolving needs of the sector while continuing to meet its obligations under the National Law and the National Partnership on the National Quality Agenda. The activities identified represent a balance between extending existing areas of work already undertaken by ACECQA and identifying new opportunities to support families, educators and regulatory authorities.

ACECQA's Board and Executive welcome the opportunity to continue and further develop our strong relationships with the Australian Education Senior Officials Committee (AESOC), the Early Childhood Policy Group (ECPG) and jurisdictions and their regulatory authorities, identifying new ways to support our joint work of improving learning and life outcomes through quality early childhood education and care.

In collaboration with ECPG, ACECQA will develop a comprehensive forward work plan and budget for submission to Education Council, detailing the work ACECQA will undertake to meet the priorities and expectations outlined by Education Council.

To be successful in our endeavours ACECQA will continue to rely on the ongoing commitment and cooperation of all jurisdictions at both the policy and operational levels and looks forward to the ongoing collaboration of all governments in delivering our shared vision for Australia's children.

Yours sincerely

Judy Hebblethwaite
Chair

Appendix C
ACECQA Board membership

Ms Judy Hebblethwaite
Chair

Judy Hebblethwaite worked for more than 35 years in education, including more than 13 years in various roles associated with early childhood. She was a teacher before holding a number of senior positions in the Tasmanian Department of Education. These included Director, Early Years as well as managing the child care regulatory unit in the Department.

Judy has a strong commitment to quality early childhood education and care. She oversaw the final development, introduction and implementation of the state Child Care Act in 2000 and was responsible for much of the establishment phase of the Child and Family Centre program in Tasmania. Judy also led Tasmania's participation in the development of the National Quality Agenda framework and the Universal Access to Early Childhood Education initiative. Until recently Judy was also President of the Board Link Youth Health Service in Tasmania.

Ms Catherine Hudson
Deputy Chair

Catherine Hudson has extensive high-level experience in government, at federal, state and territory levels, across a range of social and economic areas.

Catherine specialises in providing advice on governance, policy development and implementation, strategic planning, and change management. She is also a Commissioner with the Safety, Rehabilitation and Compensation Commission and an Independent Member of the Wollongong City Council Corporate Governance Committee.

She was a Deputy Director-General in ACT Government and held a key integrity and governance position as the ACT Public Service Commissioner and Deputy Director-General Governance, Chief Minister's Directorate. This role included membership, as Commissioner, of the ACT Public Service Strategic Board with all Directorate Chief Executives.

Catherine was Deputy within the Economic Development Directorate in the ACT Government, with responsibility for business development; ministerial, cabinet and policy co-ordination; workforce and governance; and media and communication.

In her previous work for the Queensland Government, Catherine gained a deep understanding of the importance of evidence, prevention and collaboration in improving child and youth well-being, and the importance of the early years to life outcomes.

Ms Maree Bredhauer[1]

Maree Bredhauer has worked for more than 35 years in both the private and public sector in early childhood in the Northern Territory, including time as a primary school principal in both urban and rural schools.

Maree has been President of the NT Schools Principals' Association, with an executive role in the creation of the Centre for School Leadership. This centre is a partnership organisation between Charles Darwin University and the Department of Education. In June 2014, Maree left her position in Early Childhood Policy and Regulations in the NT Department of Education to work in the not-for-profit sector. Maree is currently Manager of Early Childhood Australia NT Branch, is a member of the Early Childhood Australia Board and holds an elected position in local government as Mayor of Litchfield Municipality.

1. *Appointed from 30 April 2018.*

Dr Sandra Cheeseman

Sandra Cheeseman is a senior lecturer in early childhood policy, leadership and professional experience at Macquarie University, Sydney. She brings to the ACECQA Board more than 30 years of experience as an early childhood teacher, director and senior executive in a range of early childhood settings and organisations. Sandra was a member of the core writing team which developed the Early Years Learning Framework (EYLF) for Australia and has since worked on a number of related research and professional projects. These include the DEEWR Professional Learning Projects (PLP) and, more recently, the Quality Interactions Study (QIS) for the NSW Department of Education. She is also co-author of the book *Leadership Contexts and Complexities in Early Childhood Education* and is a regular contributor to a range of early childhood publications. Sandra is currently working on a multi-disciplinary research project investigating infant and toddler language development in early childhood settings.

Sandra is also actively involved in a number of community outreach and advocacy organisations. She has been a member of executive boards for Community Child Care Co-op NSW, Lady Gowrie Sydney and was Vice President of Early Childhood Australia NSW Branch. She is currently on the board of the Infants Home, Ashfield and is a member of the Scientific Advisory Group for the Raising Children Network.

Professor Ann Farrell

Ann Farrell is Professor and Head of the School of Early Childhood, Faculty of Education, Queensland University of Technology. Earning a PhD from The University of Queensland in 1996, she received an Honorary Doctorate from Gothenburg University (Sweden) in 2012.

Her expertise is in early childhood education and care, children's rights to protection and participation and research ethics.

Professor Farrell serves as an Australian Research Council International Reader, an External Assessor for the National Health and Medical Research Council, the Social Sciences and Humanities Research Council of Canada, and South Africa's National Research Foundation, Reviews and Evaluation Directorate. She also serves as an expert panellist with Australia's Tertiary Education Quality Standards Agency.

Dr Robyn Layton AO QC

Robyn Layton is an Adjunct Professor at the University of South Australia, School of Law. She also works as an education and development consultant both nationally and internationally.

Robyn was a Judge of the Supreme Court of South Australia. During her extensive legal career she has been a barrister and a judge in a broad range of jurisdictions, including a Judge and Deputy President of the Industrial Court and Commission in South Australia and a Deputy President of the Administrative Appeals Tribunal (Cth). She has been a member or chair of multiple government and non-government boards across a variety of industry groups, both state and national.

Since undertaking an assessment of whole of Government approaches to improve child protection in South Australia in 2003, Robyn has continued her involvement in child protection and the education sector. She is Chair of the Advisory Council for the Australian Centre for Child Protection; has ongoing involvement with Reconciliation South Australia, having been Co-Chair until 2016 and is a Patron of the Migrant Resource Centre in South Australia. Robyn is also a patron or chair of a number of committees and non-government organisations involved with various aspects of child protection, childcare, education and services as well as standards and training, which particularly address equity concerns, including gender, Aboriginal and Torres Strait Islander, and CALD issues.

Professor Joce Nuttall

Joce Nuttall is a Professor at Australian Catholic University, Melbourne, where she leads the Teacher Education, Quality, and Professional Practice Research Concentration in the Learning Sciences Institute Australia. Joce has more than 25 years' experience as a leader and educator in primary and early childhood settings (principally early childhood education and care) and as a teacher educator and researcher.

Joce's research focuses on the initial and continuing education of educators and educational leaders, and the development of strategies for system-level workforce capacity-building in early childhood education and care. Joce also has significant expertise in the construction and implementation of early childhood curriculum policy and the design of teacher education programs.

In 2015 Joce was Chair of the Advisory Group on Early Learning, which reviewed the implementation of New Zealand's early childhood curriculum framework, Te Whāriki, on behalf of the New Zealand Government. Joce is currently President-Elect of the Australian Teacher Education Association and is a previous Governor-General's appointee to the Board of the New Zealand Council for Educational Research.

Ms Jenni Perkins[2]

Jenni Perkins has had over thirty years' experience in social policy development, program design, community consultation, evaluation and performance reporting, and has led policy reform agendas across disability and community services.

As Director General of the Department for Communities from 2010–2013, Jenni had leadership responsibility for the implementation of the National Quality Framework for children's education and care services in Western Australia. Jenni was also responsible for the delivery of state-wide parenting information and support services, along with youth and community services.

As the acting Commissioner for Children and Young People in Western Australia from 2013–2015, Jenni established collaborative partnerships with Aboriginal and community organisations to undertake a state-wide consultation with over 1200 Aboriginal children and young people.

Jenni has a strong interest and commitment to the delivery of evidence-based policy and consumer-focussed services.

Ms Catherine Weber[3]

Catherine has worked for the Northern Territory Government for almost 30 years, including executive roles since 1998. While a member of ACECQA's Board Catherine was Deputy Chief Executive in the Department of Education, following a similar role in the former Department of Housing, Local Government and Regional Services and 17 years in Northern Territory Treasury. This included a number of years as Assistant Under Treasurer (Corporate and Superannuation) where Catherine held positions in public finance, strategic policy, financial management and intergovernmental areas. Prior to this, Catherine worked in several Territory Government agencies in Darwin and Alice Springs. Catherine has a Master of Public Policy and a Bachelor of Economics, and is a Member of the Australian Human Resources Institute.

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2. Appointed from 17 August 2017.

3. Appointment until 31 December 2017.

Mr Michael White[4]

Michael White has had over 30 years of experience in the fields of child development, child protection, youth justice and early childhood education as an academic, teacher and administrator in both the government and non-government sectors.

Michael lectured in Human Development at the University of Tasmania and was responsible for the leadership of the Early Childhood Programs of the University for several years.

He has also undertaken significant roles in the non-government sector which have included state and national leadership roles in the early childhood professional association.

Michael was Director of Schools in Victoria and subsequently, Chief Executive Officer of the Victorian Curriculum and Assessment Authority. In the health and human services sector he held the positions of Executive Director Children, Youth and Family Services Bureau (ACT) and State Program Manager for Children Youth and Family Support in Tasmania.

In Victoria Michael was responsible for the development of "whole of government" policy on children and young people, and for the creation of a system to monitor the health, safety, learning, development and well-being of all children aged 0–18. From 2009–2011 he held the position of Director in the Economics and Policy Division of PricewaterhouseCoopers focussing specifically on early childhood issues.

4. Appointed from 15 September 2017.

Ms Jackie Wilson

Jackie Wilson is the Deputy Secretary, Early Childhood and Child Care, in the Australian Government Department of Education and Training. She also has responsibility for the State and Territory Network.

Prior to joining the former Department of Education, Employment and Workplace Relations (DEEWR) in August 2013, Jackie jointly led the Schools Funding Taskforce with DEEWR for 12 months in the Department of the Prime Minister and Cabinet.

From 2009 to 2011 Jackie worked in the Department of Immigration and Citizenship and was the Deputy Secretary responsible for Business Services (2011), including responsibility for finance and IT, and Detention and Community Services (2009–2010) during a very busy time for the department.

Jackie has also worked in a number of senior positions in a range of Commonwealth portfolios, including the Department of Finance in Budget Group with responsibility for the social welfare areas of the budget and on the overall co-ordination of the budget.

In the Australian government health and family and community services portfolios, Jackie has worked extensively on policy and program management including management of a range of income support payments.

Mrs Naomi Wilson

Naomi Wilson has been involved in early childhood education and care for more than 40 years. A former teacher and politician, Naomi held the positions of Parliamentary Secretary and then Minister for Families, Youth and Community Care in the Queensland Government. Prior to entering state politics, Naomi was a Mulgrave Shire Councillor.

Naomi has vast experience with the TAFE sector, in both setting up and delivering the initial full and part-time TAFE child care courses in Cairns. Naomi is also an experienced counsellor and operates her own clinic that supports businesses, families and councils across a wide range of issues. She has lectured at James Cook University and was a member of the Queensland state/federal Ministerial Child Care Planning Advisory Committee, representing rural and remote areas for four years.

Naomi's passion is in quality early childhood education and care and she has a deep interest in, and understanding of, regional and rural service delivery and Torres Strait and First Persons Community issues. Naomi designed and operated her own long day care service in Cairns, was a six-year member of the former National Childcare Accreditation Council Board, and was the foundation member and past president of the Cairns and District Child Care Development Association, which recently celebrated 40 years of child care services in Cairns and regional areas.

Appendix D
Board meeting attendance

Meetings of the ACECQA Board 1 July 2017 to 30 June 2018

Meeting	Date	Apologies	Location
Meeting 4/2017	1 December 2017	Nil	Sydney
Meeting 1/2018	5–6 March 2018	Robyn Layton	Sydney
Meeting 2/2018	14–15 June 2018	Nil	Sydney

Note: The scheduled September 2017 meeting was cancelled following the unavoidable unavailability of a number of members and subsequent lack of a quorum. Business scheduled for this meeting was conducted out of session.

Appendix E
Board sub-committees and working groups attendance

Audit, Finance and Risk Sub Committee

Membership	
Catherine Hudson – Chair	Jenni Perkins (from 1 December 2017)
Sandra Cheeseman	Catherine Weber (until 1 December 2017)
Robyn Layton	Ken Barker – External member

Attendance

Meeting	Date	Apologies	Location
Meeting 3/2017	14 August 2017	Nil	Teleconference
Meeting 4/2017	22 September 2017	Robyn Layton	Teleconference
Meeting 5/2017	3 November 2017	Nil	Teleconference
Meeting 1/2018	22 February 2018	Ken Barker	Teleconference
Meeting 2/2018	25 May 2018	Nil	Teleconference

Performance and Remuneration Sub Committee

Membership (established 27 May 2016)
Judy Hebblethwaite – Chair
Catherine Hudson
Jackie Wilson

Attendance

Meeting	Date	Apologies	Location
Meeting 1/2018	26 February 2018	Nil	Sydney
Meeting 2/2018	5 March 2018	Nil	Sydney

Qualifications Working Group

Membership
Joce Nuttall – Chair Sandra Cheeseman Ann Farrell Naomi Wilson

Attendance

Meeting	Date	Apologies	Location
Meeting 2/2017	7 August 2017	Nil	Teleconference
Meeting 3/2017	3 October 2017	Naomi Wilson	Teleconference
Meeting 1/2018	22 February 2018	Naomi Wilson	Teleconference
Meeting 2/2018	25 May 2018	Naomi Wilson	Teleconference

Enterprise Agreement Sub Committee[1]

Membership
Judy Hebblethwaite – Chair Sandra Cheeseman Catherine Hudson

Strategic Planning Working Group[2]

Membership
Judy Hebblethwaite – Chair Robyn Layton Sandra Cheeseman

1.	Did not meet in 2017–2018 calendar year.
2.	Did not meet in 2017–2018 calendar year.

Appendix F
ACECQA major speaking and sector engagements

ACECQA Engagement	Location	Date
Reggio Emilia Australia Information Exchange 2017 Biennial Conference	Sydney, NSW	14 July 2017
Early Childhood Australia Webinar: National Quality Framework Changes	Sydney, NSW	26 July 2017
NSW Department of Education Professional development session: The Excellent Rating	Darlinghurst, NSW	27 July 2017
Queensland Lutheran Early Childhood Services (QLECS) Educational leadership workshop	Woolloongabba, QLD	28 July 2017
Queensland Children's Activities Network 2017 QCAN Annual State Conference – NQF Changes	Surfers Paradise, QLD	18 August 2017
Primary OSHCare Achieving Excellence	Balmain, NSW	22 August 2017
NSW Council of Social Service NSW Children's Services Forum	Woolloomooloo, NSW	30 August 2017
Queensland Council of Social Service Residential Program – ECEC Rural and Remote Workforce: Changes to the National Quality Framework	Cairns, QLD	4 September 2017
Alberton Preschool Excellent Award Presentation	Queenstown, SA	5 September 2017
TAFE Queensland Community Services Teachers Industry Sector Panel Forum via Skype	Sydney, NSW	5 September 2017
Australian Childcare Alliance South Australia Changes to the National Quality Framework and Educational Leadership Workshop	Hindmarsh, SA	16 September 2017
Early Childhood Australia – Riverina Region Wagga Wagga Early Childhood Network and Riverina ECA Annual Dinner	Wagga Wagga, NSW	21 September 2017
Sydney School of Business and Technology Changes to the National Quality Framework Workshop	Burwood, NSW	28 September 2017
Macquarie University Panel member – Faculty of Human Sciences Public Lecture – Maximizing Children's Potential Through High Quality Early Childhood Education	North Ryde, NSW	4 October 2017
Australian Council for Educational Leaders 2017 Annual National Conference – Strengthening Transition Partnerships	Sydney, NSW	6 October 2017
Macquarie University Rethinking Early Childhood Education – The Role of Educational Leaders	North Ryde, NSW	9 October 2017
Kool Kidz Childcare 2017 Kool Kidz Annual Conference	Werribee, VIC	12 October 2017
Australian Children's Education and Care Quality Authority ACECQA Qualifications and Workforce Symposium	Sydney, NSW	12 October 2017
Australia Centre for Montessori Studies Montessori Australia Directors Forum	Hunters Hill, NSW	17 October 2017
Quality Education and Care NT Workshop for Services Exceeding NQS	Marrara, NT	18 October 2017
Cumberland Council Cumberland Educators United – Changes to the National Quality Standard	Pemulwuy, NSW	19 October 2017

ACECQA Engagement	Location	Date
Network of Community Activities Network Bootcamp – Changes to the National Quality Framework	Pyrmont, NSW	19 October 2017
Quality Education and Care NT Changes to the National Quality Framework Workshop	Marrara, NT	20 October 2017
Uniting Early Learning Uniting Early Learning Practice Forum – Changes to the National Quality Standard	Sydney, NSW	24 October 2017
Balnarring Preschool Excellent Award Presentation	Balnarring, VIC	24 October 2017
Early Childhood Australia NSW Professional development conversation	Randwick, NSW	2 November 2017
KU Children's Services Organisational Policy and Regulation Briefing Day	Surry Hills, NSW	6 November 2017
Workforce Council Keynote address – Lifting the Bar	Brisbane, QLD	10 November 2017
Jindi Woraback Children's Centre Excellent Award Presentation	St Albans, VIC	15 November 2017
Wesley College Glen Waverley Early Childhood Learning Centre Excellent Award presentation	Glen Waverley, VIC	16 November 2017
University of Sydney Australian Awards Fellowship Program	Camperdown, NSW	17 November 2017
Early Learning and Care Council of Australia ELACCA CEO Member Meeting	Bondi Junction, NSW	23 November 2017
Dandenong Day Nursery Inc City of Greater Dandenong Community-Based LDC Training Day	Noble Park, VIC	27 November 2017
Australian Children's Education and Care Quality Authority ACECQA Higher Education Roundtable	Sydney, NSW	30 November 2017
Queensland Council of Social Service Via Skype – Rural and Remote Workforce Initiative Changes to the National Quality Framework	Sydney, NSW	4 December 2017
Awabakal Preschool Excellent Award Presentation	Wickham, NSW	7 December 2017
Community Early Learning Australia CELA Interview – Trends for 2018	Sydney, NSW	12 December 2017
Australian Institute of Sport Caretaker's Cottage Child Care Centre Excellent Award Presentation	Bruce, ACT	13 December 2017
Storypark New Zealand Insights into the updated National Quality Framework video presentations	Te Aro, NZ	20 February 2018
Millville Childcare Centre Excellent Award Presentation	Colac, VIC	21 February 2018
Mount Gambier Children's Centre Excellent Award Presentation	Mt. Gambier, SA	22 February 2018
Quality Education and Care NT Changes to the National Quality Framework Workshop	Alice Springs, NT	28 February 2018
Nillumbik Shire Council Information evening for 2018 Preschool Committees of Management	Greensborough, VIC	1 March 2018
Inspire Program Australia Excellent Rating Presentation	North Rocks, NSW	9 March 2018
KU Children's Services Inclusion Support Queensland Professional Support Day	Cleveland, QLD	13 March 2018
Early Childhood Australia – Central Coast Group Professional Development Conversation	Kariong, NSW	26 March 2018
Network of Community Activities Bootcamp – Ready for Action – Changes to the National Quality Framework	Pyrmont, NSW	12 April 2018
Australian Child Care Career Options Professional Development Workshop for ACCCO Trainers	Brisbane, QLD	19 April 2018

ACECQA Engagement	Location	Date
ECTARC and Early Childhood Australia Illawarra and South Coast Branch Meeting Regional ECA Branch Meeting	Kiama, NSW	23 April 2018
Community Child Care Association OSHC Conference 2018 – Quality Area 1	Preston, VIC	4 May 2018
Early Childhood Australia ECA Reconciliation Symposium	Fremantle, WA	11 May 2018
NSW Department of Education Transition to School Professional Development Day	Kiama, NSW	15 May 2018
Bonkers Beat Music Kinder and Childcare Excellent Award Presentation	Aspendale, VIC	24 May 2018
Early Learning Association Australia 2018 Early Childhood Education Conference – Strengthening Transition Partnerships	Melbourne, VIC	25 May 2018
Macquarie University DVD Launch	North Ryde, NSW	20 June 2018
Queensland Council of Social Service QCOSS Regional Learning Group	Mount Isa, QLD	21 June 2018

NQS Inclusion in Action Forums

Inclusion forum	Location	Date
NSW/ACT Inclusion in Practice Forum	Wagga Wagga, NSW	21 September 2017
NSW/ACT Inclusion in Practice Forum	Campbelltown, NSW	5 March 2018
NSW/ACT Inclusion in Practice Forum	Kogarah, NSW	5 March 2018
NSW/ACT Inclusion in Practice Forum	Hornsby, NSW	7 March 2018
NSW/ACT Inclusion in Practice Forum	West Ryde, NSW	7 March 2018
NSW/ACT Inclusion in Practice Forum	Lismore, NSW	15 March 2018
Victorian Inclusion Expos 2018 (am and pm)	Melbourne, VIC	19 March 2018
Victorian Inclusion Expos 2018 (am and pm)	Doncaster, VIC	20 March 2018
Victorian Inclusion Expos 2018 (am and pm)	Lardner Park, VIC	22 March 2018
NSW/ACT Inclusion in Practice Forum (am and pm)	Gosford, NSW	4 April 2018
NSW/ACT Inclusion in Practice Forum (am and pm)	Newcastle, NSW	5 April 2018
NSW/ACT Inclusion in Practice Forum (am and pm)	Singleton, NSW	6 April 2018
Victorian Inclusion Expos 2018 (am and pm)	Sunshine, VIC	16 April 2018
Victorian Inclusion Expos 2018 (am and pm)	Shepparton, VIC	17 April 2018
Victorian Inclusion Expos 2018 (am and pm)	Ballarat, VIC	19 April 2018
NSW/ACT Inclusion in Practice Forum	Goulburn, NSW	1 May 2018
NSW/ACT Inclusion in Practice Forum	Bankstown, NSW	2 May 2018
NSW/ACT Inclusion in Practice Forum	Rooty Hill, NSW	2 May 2018
QLD Inclusion in Practice Forum (am and pm)	North Lakes, QLD	8 May 2018
NSW/ACT Inclusion in Practice Forum	Nowra, NSW	16 May 2018
NSW/ACT Inclusion in Practice Forum (am and pm)	Wollongong, NSW	17 May 2018
NSW/ACT Inclusion in Practice Forum	Armidale, NSW	22 May 2018
NSW/ACT Inclusion in Practice Forum	Tamworth, NSW	23 May 2018
NSW/ACT Inclusion in Practice Forum	Coffs Harbour, NSW	29 May 2018
NSW/ACT Inclusion in Practice Forum	Port Macquarie, NSW	30 May 2018

Inclusion forum	Location	Date
QLD Inclusion in Practice Forum	Rockhampton, QLD	5 June 2018
QLD Inclusion in Practice Forum	Carina, QLD	7 June 2018
QLD Inclusion in Practice Forum (am and pm)	Gold Coast, QLD	12 June 2018
QLD Inclusion in Practice Forum	Cairns, QLD	19 June 2018
QLD Inclusion in Practice Forum (am and pm)	Townsville, QLD	20 June 2018
QLD Inclusion in Practice Forum	Mt Isa, QLD	21 June 2018
NSW/ACT Inclusion in Practice Forum (am and pm)	Sydney, NSW	26 June 2018
QLD Inclusion in Practice Forum	Boondall, QLD	28 June 2018

Family Day Care Australia National Engagement Program

Family Day Care Engagement	Location	Date
National Engagement Program (NEP) Approved Service Forum	Albury/Wodonga	28 July 2017
National Engagement Program (NEP) Educator Forum	Albury/Wodonga	29 July 2017
National Engagement Program (NEP) Approved Service Forum	Cairns, QLD	11 August 2017
National Engagement Program (NEP) Educator Forum	Cairns, QLD	12 August 2017
National Engagement Program (NEP) Approved Service Forum	Coffs Harbour, NSW	15 September 2017
National Engagement Program (NEP) Educator Forum	Coffs Harbour, NSW	16 September 2017
National Engagement Program – Round Two – You Tell Me ...	Parramatta, NSW	27 October 2017
National Engagement Program – Round Two – How long is a piece of string? Documentation – how much is enough?	Parramatta, NSW	28 October 2017
National Engagement Program (NEP) Approved Service Forum	Melbourne, VIC	1 December 2017
National Engagement Program (NEP) Educator Forum	Melbourne, VIC	2 December 2017
National Engagement Program (NEP) Approved Service Forum	Adelaide, SA	9 February 2018
National Engagement Program (NEP) Educator Forum	Adelaide, SA	10 February 2018
National Engagement Program (NEP) Approved Service Forum	Gold Coast, QLD	2 March 2018
National Engagement Program (NEP) Educator Forum	Gold Coast, QLD	3 March 2018
National Engagement Program (NEP) Approved Service Forum	Campbell Town, TAS	16 March 2018
National Engagement Program (NEP) Educator Forum	Campbell Town, TAS	17 March 2018
National Engagement Program (NEP) Approved Service Forum	Bendigo, VIC	6 April 2018
National Engagement Program (NEP) Educator Forum	Bendigo, VIC	7 April 2018
National Engagement Program (NEP) Approved Service Forum	Canberra, ACT	11 May 2018
National Engagement Program (NEP) Educator Forum	Canberra, ACT	12 May 2018
National Engagement Program (NEP) Approved Service Forum	Perth, WA	15 June 2018
National Engagement Program (NEP) Educator Forum	Perth, WA	16 June 2018

ACECQA Regulatory Authority Bridging Program

ACECQA Regulatory Authority Bridging Program	Location	Date
RA Bridging Program	ACT	5 October 2017
RA Bridging Program	NT	19 October 2017
RA Bridging Program	NSW	14 November 2017
RA Bridging Program	NSW	16 November 2017
RA Bridging Program	QLD	20 November 2017
RA Bridging Program	QLD	21 November 2017
RA Bridging Program	QLD	22 November 2017
RA Bridging Program	QLD	23 November 2017
RA Bridging Program	QLD	24 November 2017
RA Bridging Program	SA	28 November 2017
RA Bridging Program	TAS	6 December 2017
RA Bridging Program	NSW	11 December 2017
RA Bridging Program	NSW	12 December 2017
RA Bridging Program	VIC	13 December 2017
RA Bridging Program	VIC	14 December 2017
RA Bridging Program	VIC	15 December 2017
RA Bridging Program	QLD	18 December 2017
RA Bridging Program	QLD	19 December 2017
RA Bridging Program	QLD	20 December 2017
RA Bridging Program	NSW	11 January 2018
RA Bridging Program	WA	23 January 2018
RA Bridging Program	WA	24 January 2018
RA Bridging Program	VIC	29 January 2018
RA Bridging Program	VIC	30 January 2018

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