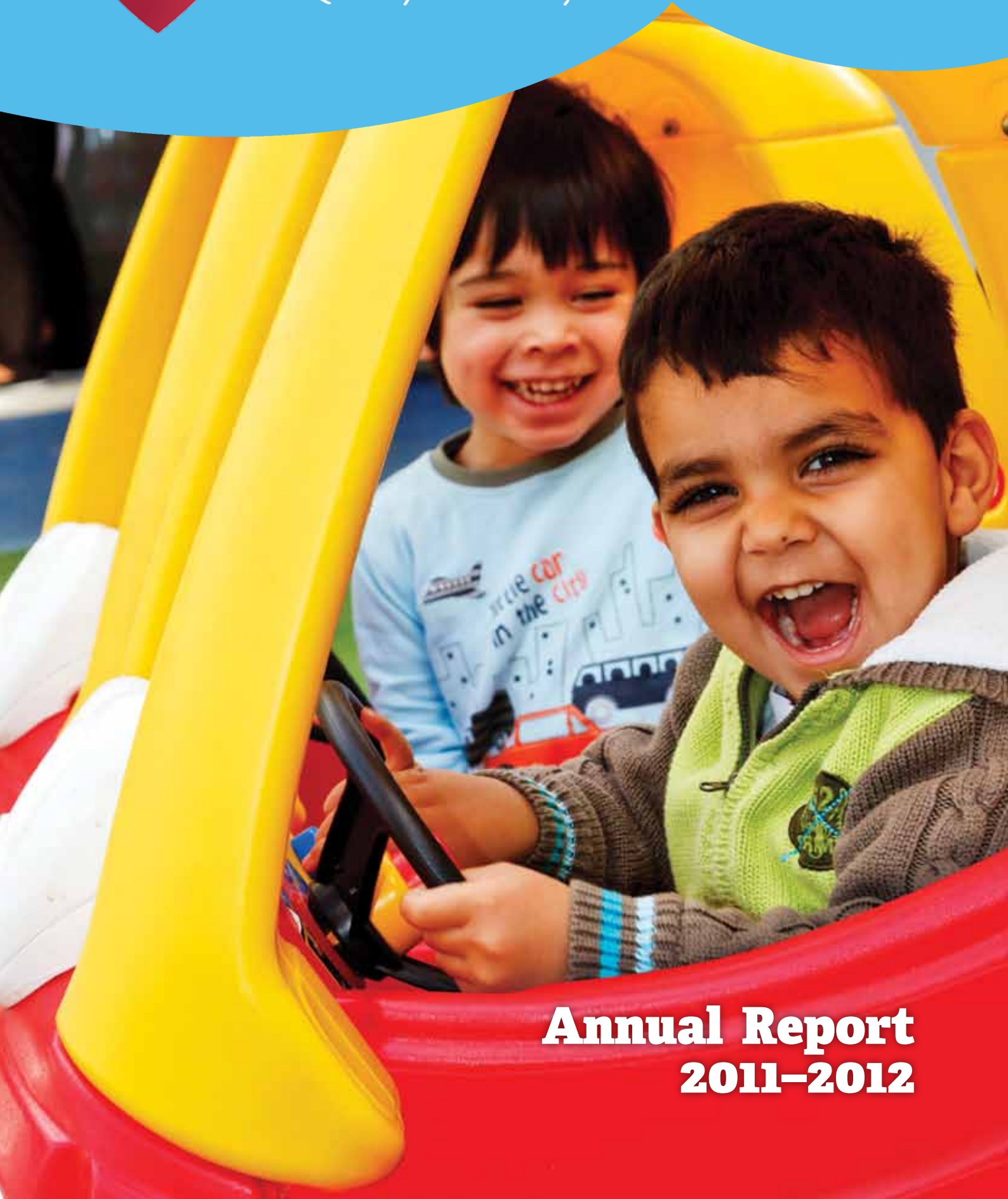




Australian Children's  
Education & Care  
Quality Authority



**Annual Report  
2011–2012**











Australian Children's  
Education & Care  
Quality Authority

**© 2012 Australian Children's Education and Care Quality Authority**

Copyright in this report (including, without limitation, text, images, logos, icons, information, data, documents, pages and images) ("the material") is owned or licensed by us.

Subject to any contrary statement on relevant material, you may use any of the material in this report for your personal, non-commercial use or use within your organisation for non-commercial purposes provided that an appropriate acknowledgment is made (retaining this notice), and the material is not altered or subjected to derogatory treatment. Apart from any other use as permitted under the *Copyright Act 1968* (Cth), all other rights are reserved.

Requests and enquiries concerning further authorisation should be emailed to [enquiries@acecqa.gov.au](mailto:enquiries@acecqa.gov.au).

# Contents

<b>OVERVIEW</b>			
I. Transmittal letter from the Chair to the Standing Council Chair	2		
II. Foreword from the Chair	3		
III. Report from the CEO	5		
IV. Introduction	7		
V. Structure for the report	9		
<b>1 GOVERNANCE AND ESTABLISHMENT</b>	<b>11</b>		
1.1 ACECQA's governance	12		
1.2 ACECQA Board and committees	13		
1.3 ACECQA's establishment	16		
1.4 Strategic Plan 2012–2016	20		
1.5 Operational Work Plan 2012–13	21		
<b>2 FUNCTIONS UNDER THE NATIONAL LAW</b>	<b>23</b>		
2.1 ACECQA's functions	24		
2.2 Guiding implementation of the National Quality Framework	25		
2.3 ACECQA's reporting obligations	28		
2.4 Procedures for consistency, effectiveness and efficiency	30		
2.5 National auditing arrangements	32		
2.6 National information and registers	33		
2.7 Continuous quality improvement	34		
2.8 Excellent rating	35		
2.9 Educate and inform	36		
2.10 Guides and resources	42		
2.11 Information on National Quality Framework and effect on developmental and educational outcomes for children	43		
2.12 Qualifications for authorised officers	44		
2.13 Regulatory Authority training	45		
2.14 Educator qualifications	46		
<b>3 IMPLEMENTATION OF THE NATIONAL QUALITY FRAMEWORK</b>		<b>49</b>	
<b>4 ACCOUNTABILITY</b>		<b>55</b>	
4.1 Risk Management Plan		56	
4.2 Freedom of information		57	
4.3 Privacy		59	
4.4 Ombudsman		60	
<b>5 FINANCIAL REPORT AND FINANCIAL STATEMENTS</b>		<b>63</b>	
<b>APPENDICES</b>		<b>93</b>	
A. Letter of Expectation 2011–12		94	
B. ACECQA Board membership		100	
C. Board attendance		105	
D. ACECQA Board sub-committee and working group membership		106	
E. Major speaking and sector engagements by ACECQA		107	
F. Individual qualifications application statistics from 1 January 2012 to 30 June 2012		109	
G. Acronyms and glossary		115	



Australian Children's  
Education & Care  
Quality Authority

ABN 59 372 786 746

Level 15, 255 Elizabeth Street  
Sydney NSW 2000

PO Box A292  
Sydney NSW 1235

p | 02 8240 4200 f | 02 8240 4206  
www.acecqa.gov.au

12 October 2012

The Hon. Peter Collier MLC  
Chair  
Standing Council on School Education and Early Childhood  
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 Standing Council on School Education and Early Childhood the ACECQA Annual Report for 2011–12.

The report is presented in accordance with section 279 of the *Education and Care Services National Law Act 2010* (the National Law) and conforms to its requirements.

The National Law provides that the Ministerial Council must make arrangements for the tabling of the ACECQA Annual Report in the Parliament of a participating jurisdiction determined by the Ministerial Council.

In accordance with advice received from the Ministerial Council Secretariat, the ACECQA Annual Report has been prepared to meet the tabling requirements of the South Australian Parliament.

Yours sincerely

**Rachel Hunter**  
Chair  
ACECQA Board



# Foreword from the Chair

**I am delighted to present the first Annual Report of the Australian Children's Education and Care Quality Authority (ACECQA), which covers the organisation's establishment phase in the second half of 2011 and the commencement of formal operations from 1 January to 30 June 2012.**

Our ambitious work agenda has focused on realising the commitment made by all Australian governments back in 2009, that children should have the best start in life to create a better future for themselves and for the nation. In making children's education and care an area for national reform under a National Partnership Agreement (NPA), the Australian, state and territory governments responded to the overwhelming body of evidence demonstrating the importance of the early years in laying the foundation for children's achievement in schooling and into adulthood.

The National Quality Framework (NQF) for Early Childhood Education and Care took effect from 1 January 2012. Since that time, ACECQA has been overseeing the implementation of the NQF by providing national leadership to promote quality and continuous improvement in education and care services, including long day care, family day care, outside school hours care and preschools.

In 2011–12, the Board focused on setting our early priorities and strategic direction. This culminated in the ACECQA Strategic Plan for 2012–2016. Over the course of the year, the Strategic Plan was embedded across ACECQA and directed the organisation's work priorities. I thank all Board members, the Chief Executive Officer Karen Curtis and ACECQA staff for their support, commitment and guidance through what has been a very professional and productive period of work. The achievements detailed within the pages of this report are a testament to the strong platform we have built from which to take the organisation forward and deliver on our objectives.

ACECQA is responsible for advising the Standing Council on School Education and Early Childhood (Standing Council) on the implementation of the NQF. In April 2012, we provided our first formal report to the Standing Council, which identified the significant progress made in working with the Australian, state and territory governments and the education and care sector to begin rolling out the reforms.

ACECQA's success in guiding the reform agenda depends heavily on the connections we make with stakeholders and our ability to establish successful working relationships. The Board has a strong commitment to collaboration and engagement. In February 2012, we endorsed a stakeholder engagement strategy as part of ACECQA's overall communications and engagement strategy. The strategy adopts



innovative approaches to consultation and has guided our approach to ensuring ACECQA's diverse stakeholder groups are heard and are best able to inform our work.

The Board was pleased to host two receptions with stakeholders in New South Wales and Queensland as part of our Board meetings in February and May 2012. These receptions provided us with an opportunity to meet with our partners in the children's education and care sector and hear their experiences of implementing the NQF. We look forward to hosting similar events in 2012-13 in different states and territories and to our continued engagement with Ministers in each jurisdiction.

ACECQA Board Members and the CEO addressed public meetings and heard from educators, service providers, academics and parents about the opportunities and challenges of the new system. We also visited education and care centres and met with government and peak body representatives. What was starkly evident was the recognition of the momentous opportunity presented by these reforms to improve and provide continuous excellence in education and care for Australian children and families.

Another highlight for the year was our positive collaboration with the sector in developing draft criteria for the Excellent rating. When finalised, this is the rating that will recognise and celebrate excellence for services assessed as demonstrating excellent practice and sector leadership. ACECQA was very pleased with the constructive feedback received in 2011-12, which will ensure the final rating criteria are valued and respected widely across the children's education and care sector.

All Australians have a stake in the quality of education and care services accessed by the youngest members of our community. I know ACECQA will continue to cement its position as a leader in children's education and care. I am mindful of the challenges that lie ahead, but I am also confident of the widespread levels of support and commitment that exist to raising the bar in quality and improving outcomes for children.

**Rachel Hunter**  
**Chair**  
**ACECQA Board**



# Report from the CEO

**It has been a fulfilling time for all those involved in the establishment of ACECQA, and for me personally a privilege and a career highlight to be involved in the set-up.**

While under the National Law we had to perform our functions from 1 January 2012, in practice that meant the foundations had to be laid in 2011.

During 2010 and 2011, a Working Group of the Senior Officials supporting the Ministerial Council undertook preparatory work. Following my formal appointment in August 2011 after the announcement of the Board members, ACECQA had to be created.

I acknowledge the invaluable assistance of the Australian Government Department of Education, Employment and Workplace Relations (DEEWR) and KPMG in the early stages of ACECQA's establishment particularly from DEEWR in terms of seed funding and administrative and operational support, and for engaging KPMG to provide the advice and personnel to help create ACECQA. I recognised the outstanding contribution to the establishment of ACECQA of Irene Krauss from DEEWR, Jo Sadler from KPMG and Angela Buchanan on secondment from the ACT Government with Australia Day Awards in January 2012.

In the early days, my role as Chief Executive was primarily to establish governance and strategy, build the business and concentrate on delivering our legislative functions and outcomes.

With the assistance of KPMG Recruitment, the Executive was appointed primarily in October and November 2011 followed by key staff across the organisation. By late December, we had 24 staff. We worked quickly to develop our infrastructure, systems and policies to be ready for our 1 January start date.



From 1 January 2012, ACECQA was in a position to guide the rollout of the NQF. We made it our highest priority to support families, educators, services and regulators under the new national system – a system designed to achieve better educational and development outcomes for Australian children. We made sure we met all our deliverables.

2011-12 was a year of significant sector engagement and outward focus for ACECQA as we rapidly built our website and the relationships needed to deliver our reform agenda. We commenced implementation of a stakeholder engagement strategy that focussed on formal and informal consultation across the country. This included conferences, meetings with peak bodies in all states and territories and a national NQF Listening Tour, which saw ACECQA travel to Perth, Adelaide, Canberra, Townsville, Brisbane, Hobart, Darwin

and Sydney. The Listening Tour provided a great opportunity to hear from a significant number of educators and we will travel to Melbourne in the second half of 2012. There are substantial benefits to be realised from working in partnership with all involved in the children's education and care sector. ACECQA will again make that a priority in the year ahead.

We also provided services, educators and regulators with the tools and information they needed to prepare to operate under the NQF. We distributed NQF Resource Kits and made available a range of other resources for shared use including a bank of Frequently Asked Questions and a series of guides, sample forms and templates. Our website saw a steady increase in user traffic and subscriptions to the ACECQA e-newsletter exceeded expectations. Our dedicated enquiry service has been promptly responding to questions to help guide NQF implementation and will benefit from the consolidation of an in-house email and telephone service in 2012-13.

Promoting consistency is central to ACECQA's work. We have to ensure the right systems and policies are in place to support a consistent approach to assessing services against the National Quality Standard (NQS) and to interpreting and applying the National Law and the National Regulations. ACECQA formed a number of committees and working groups in 2011-12 to guide the consistent implementation of the NQF. This included the establishment of a national Quality and Consistency Committee (QaCC) drawing on the knowledge and experience of senior members of the state and territory Regulatory Authorities and the Australian Government. In addition, regular bilateral meetings between ACECQA and each jurisdiction have occurred from late 2011 to further support and guide consistency. We also agreed a National Consistency Action Plan (NCAP) with the jurisdictions.

In 2011-12, ACECQA's Board met six times and ensured the organisation met its obligations and objectives, and 'rolled up its sleeves' in the early stages of operation. We have been extremely fortunate to be guided by this passionate and engaged group from across Australia, so ably led

by our Chair. I particularly thank Rachel Hunter for her strategic vision, guidance and support.

Like the sector itself, ACECQA has also been building its own high quality workforce. Our team has highly qualified people from diverse backgrounds, many of whom have come to the organisation from positions within the Australian, state and territory governments and the children's education and care sector. Our staff have valuable skills and expertise that have supported the establishment of strong relationships with ACECQA's stakeholders. I thank all staff for their work and achievements to date and commend their commitment to ACECQA's vision.

The following pages in this Annual Report provide an overview of our achievements in the 2011-12 year. We deliberately have not listed all our activities, but rather have tried to capture the essence of our operations as we focus on our mission and goals as laid out in our Strategic Plan which the Board agreed in late 2011.

In 2012-13, I look forward to ACECQA being enabled to complete all of its functions under the National Law. Notably, this will include assuming ownership of the National Quality Agenda IT System and the implementation of a Regulatory Authority support and training strategy.

I know these last 12 months have been a great period of change for the children's education and care sector. I also know there has been a tremendous effort by many thousands of people nation-wide as they commenced their NQF journeys. It is a new framework that has taken years to develop. This year has been about turning the framework into everyday practice. ACECQA is ready to deliver on the next stages of reforms to support quality children's education and care services across Australia. I believe we've had the best possible start for the organisation and I look forward to us continuously improving on our own performance.

**Karen Curtis**  
**Chief Executive Officer**  
**ACECQA**

# Introduction

In 2009, the Council of Australian Governments (COAG) agreed to the National Partnership Agreement (NPA) on the National Quality Agenda for Early Childhood Education and Care. The NPA gave effect to COAG's decision to establish a jointly-governed system of regulation for early childhood education and care and outside school hours care services, known as the NQF.

The Implementation Plan for the National Quality Agenda for Early Childhood Education and Care (Implementation Plan) of 7 March 2011 is the overarching plan for implementation of the NPA and NQF agreed between governments.

## The National Quality Framework

The NQF includes:

- ◆ a legislative framework that consists of the Education and Care Services National Law (National Law) and the Education and Care Services National Regulations (the National Regulations), incorporating the National Quality Standard (NQS)
- ◆ a quality assessment and rating system
- ◆ a lead Regulatory Authority in each state and territory with primary responsibility for the approval, monitoring and quality assessment of services in their jurisdiction in accordance with the national legislative framework and the NQS
- ◆ a national body, ACECQA, to guide implementation of the new system and ensure consistency of approach.
- ◆ the introduction of national learning frameworks to support and promote children's learning. These learning frameworks are Belonging, Being and Becoming: The Early Years Learning Framework for Australia (Early Years Learning Framework) and My Time, Our Place: Framework for School Age Care in Australia (Framework for School Age Care)
- ◆ improved educator-to-child ratios to ensure each child receives more individual care and attention
- ◆ new educator qualification requirements to ensure educators have the skills to help children learn and develop
- ◆ a new quality rating system to ensure Australian families have access to transparent information relating to the quality of children's education and care services.

The NQF sets the National Quality Standard for education and care providers in Australia. The Framework covers long day care, family day care, outside school hours care and preschools. The NQS has seven quality areas, 18 standards and 58 elements.

The NQF has introduced significant changes by improving quality through:

## Enabling legislation and directions of the Standing Council

The National Law and the National Regulations took effect, as agreed, from 1 January 2012 in all jurisdictions, with the exception of Western Australia. Western Australia passed corresponding legislation on 20 June 2012. The National Law and the National Regulations commenced in that state on 1 August 2012.

The objectives and guiding principles of the NQF have guided ACECQA in establishing the organisation and undertaking its functions under the National Law. The organisation has also been guided by the Letter of Expectation 2011–12 from the Standing Council, which



outlined the strategic priorities and expectations for the ACECQA Board.

Under section 222 (1) of the National Law, the Standing Council may give directions to the ACECQA Board in relation to carrying out its functions under the law. Section 222 (2) also permits the Standing Council to give directions to a Regulatory Authority with respect to the

administration of the NQF. No directions were given by the Standing Council in 2011–12.

### **ACECQA establishment timeline**

ACECQA commenced formal operations on 1 January 2012 to begin monitoring and promoting the consistent application of the National Law and guide the implementation of the NQF at the national level.



# Structure for the report

The report has been structured to meet the requirements of the National Law.

The report contains five parts:

**Part 1** Governance and establishment

**Part 2** Functions under the National Law

**Part 3** Implementation of the National Quality Framework

**Part 4** Accountability

**Part 5** Financial report and financial statements

**Part 1** provides an overview of ACECQA's governance arrangements. It also reports on the timeline for ACECQA's establishment over 2011 and commencement of operations on 1 January 2012. As required by the National Law, it includes a report on the ACECQA Board

and its committees. Part 1 also addresses the requirement to report on directions given by the Standing Council to ACECQA and Regulatory Authorities.

**Part 2** is a report on ACECQA's functions and is a requirement of the National Law.

**Part 3** addresses the requirement under the National Law to provide an assessment of the implementation and administration of the NQF.

**Part 4** relates to ACECQA's mechanisms to ensure the accountability of the organisation.

**Part 5** includes the financial report and audited financial statements.







# 1 Governance and establishment



## 1.1 ACECQA's governance

**ACECQA is a national statutory authority established by the *Education and Care Services National Law Act 2010*. ACECQA is a body corporate with perpetual succession. It is not a Commonwealth statutory authority.**

ACECQA is governed by a 13-member Board appointed by the Standing Council. Eight members are appointed from nominations by each state and territory minister; four members are appointed from nominations by the Australian Government Minister and the Chair is appointed independently by the Standing Council. The Deputy Chair is appointed from the 12 members.

The ACECQA Board is accountable to the Standing Council. The Board reports to the Council through the Australian Education, Early Childhood Development and Youth Affairs Senior Officials Committee (AEEYSOC). These reporting arrangements are guided by

the Decision Making and Governance Protocols for Ministerial Council Authorities and Companies.

The CEO of ACECQA is responsible for the day-to-day management and leadership of the organisation within the strategic direction set by the Board.

In August 2011, the ACECQA Board received its first Letter of Expectation for 2011–12 from the Standing Council. The Board was guided by this Letter of Expectation in developing its Strategic Plan. The Letter of Expectation 2011–12 can be found at **Appendix A**.

**Figure 1.1** ACECQA's governance structure



## 1.2 ACECQA Board and committees

The membership of the ACECQA Board was announced on 12 August 2011 and the Board held its inaugural meeting on 31 August to 1 September 2011.

Led by Ms Rachel Hunter as Chair and Professor Collette Tayler as Deputy Chair, the Board of ACECQA brings together a variety of expertise relevant to children's education and care from each of the states and territories and the Australian Government. The ACECQA Board is strongly committed to, and believes in, the importance of quality education and care to a child's wellbeing and future success. The Board's vision is to ensure Australian children have the best possible start in life through quality early childhood education and care and outside school hours care services. Membership of the Board is outlined at **Appendix B**.

From the appointment of the Board to 30 June 2012, the Board held six meetings, four in Sydney and one each in Melbourne and Brisbane. Board meeting attendance is outlined at **Appendix C**. The Board completed a significant amount of work to position the organisation to be ready to deliver its functions. In this period, the ACECQA Board developed its Strategic Plan 2012–2016 and a range of policies to support ACECQA's functions under the National Law. In particular, the Board approved the lists of current and former educator qualifications and first aid qualifications, the criteria for the assessment of equivalent



Ms Rachel Hunter (left), Professor Collette Tayler (right).





**The ACECQA Board. Top row (left-to-right): Gayle Ginnane, Tracey Bradley, Anne Reddell, June McLoughlin, Tonia Godhard, Alison Elliot, Pauline Harris. Seated (left-to-right): Michael Manthorpe, Collette Tayler, Rachel Hunter, Amanda Morphett, Mark Brown. Absent: Sue Lines.**

qualifications, draft criteria for the Excellent rating and a position on the qualifications requirements for authorised officers. The Board also progressed ACECQA's consistency and second-tier review functions.

The ACECQA Board focused on developing mechanisms for effective governance and robust decision and policy making to ensure ACECQA met its obligations and strategic objectives during the early stages of operation. In 2011, the Board developed its Charter detailing the authority, role, responsibilities and operation of the Board. The Board also completed two externally facilitated sessions on governance.

In 2012–13, future directions for the Board include more opportunities for engagement with stakeholders and the provision of strategic direction on major initiatives, such as the transition of the National Quality Agenda IT System to ACECQA.

## Committees and working groups

### Audit, Finance and Risk Sub-Committee

At its inaugural meeting, the Board established an Audit, Finance and Risk Sub-Committee (AFR SC) to provide independent oversight and monitor the organisation's governance, risk and control frameworks, financial performance and external accountability requirements.

A Charter for the AFR SC was developed and endorsed by the Board. Consistent with the National Law, the Charter sets out the AFR SC's objectives, authority, composition and tenure, roles and responsibilities, reporting and administrative arrangements. The AFR SC is directly responsible and accountable to the ACECQA Board for the exercise of its responsibilities.

The AFR SC was originally established with three members. In February 2012, an independent external member was appointed to ensure rigour and transparency in its oversight role and application of best practice corporate governance principles. The AFR SC held three meetings in Sydney between its establishment and 30 June 2012.

Major priorities for the AFR SC included endorsing the budgets for 2011–12 and 2012–2014 for submission to the Board, monitoring financial performance, finalising a work plan for 2012–2014 and developing ACECQA's risk management plan, with subsequent monitoring of the organisation against the plan. In 2012–13, the AFR SC looks forward to delivering against its work plan, including the completion of ACECQA's internal audit and fraud control plans.

Membership of the AFR SC and details of meetings in 2011–12 are outlined at **Appendix D**.

### Strategic Planning Working Group

The Board also established a working group to develop the ACECQA Strategic Plan. The Strategic Planning Working Group met twice in 2011 to develop the Plan's structure and content.

At its November 2011 meeting, a strategic planning workshop was externally facilitated for the Board. The Board endorsed the Strategic Plan 2012–2016 in December 2011 and it was published to the website.

This group will reconvene in 2012–13 to review the Strategic Plan, with a particular emphasis on the strategic priority on establishment.

Membership of the Strategic Planning Working Group and details of meetings in 2011–12 are outlined in **Appendix D**.

### Consistency Working Group

A nationally consistent approach to implementing reform will build the integrity of the NQF and contribute to improved quality outcomes for children, families and the community. A working group was convened by the Board to oversee the set up of ACECQA's consistency function and to support the development of the Excellent rating criteria. The Consistency Working Group met twice in 2011 and finalised draft Excellent rating criteria for consultation from December 2011 to March 2012.

Membership of the Consistency Working Group and details of meetings in 2011–12 are outlined in **Appendix D**.

### Educational Qualifications Working Group

One of ACECQA's roles is to approve and determine qualifications across the children's education and care sector. The Board established the Educational Qualifications Working Group to provide direction on ACECQA's policies on qualifications. The Educational Qualifications Working Group met five times in 2011–12.

Membership of the Educational Qualifications Working Group and details of meetings in 2011–12 are outlined in **Appendix D**.

## 1.3 ACECQA's establishment

**The early stage of ACECQA's establishment as a national statutory authority was supported by DEEWR. DEEWR provided ACECQA with an initial establishment funding grant of \$3.5 million (excluding GST) to commence operations by 1 January 2012.**

DEEWR also engaged a professional services firm, KPMG, to assist with the establishment process. A project plan was implemented to manage and oversee the wide range of activities required to start a new entity.

Under the Implementation Plan, ACECQA was to be located in New South Wales. In August 2011 a lease was signed for premises at 255 Elizabeth Street, Sydney, with ACECQA staff occupying the premises from early September. A minor refurbishment subsequently occurred to make the premises fit for purpose. Some assets of the former National Childcare Accreditation Council (NCAC) were transferred to ACECQA, including furniture and IT equipment.

The Board held its first meeting on 31 August to 1 September 2011. It considered and approved a suite of governance documents for the Board and organisation, including a Human Resources Policy, an Organisational Structure, a Recruitment and Engagement Strategy, Financial Delegations and a Procurement Policy.

The end of 2011 was a period of intense activity, as recruitment and selection was undertaken for positions across the organisation.

Systems, policies and procedures for human resources, finance and IT were developed and implemented. The ACECQA website, developed by DEEWR, went live in October 2011 and became the main communication channel with the public. Arrangements were made with DEEWR for initial call centre support until ACECQA established its own in-house capacity.

ACECQA formally commenced operations on 1 January 2012. By this date, ACECQA had developed and published to its website a number

of policies and determinations required under the National Law. These included a position on the qualification requirements for authorised officers, draft criteria for the Excellent rating, the criteria for the assessment of equivalent early childhood educator qualifications, and lists of approved qualifications for educators under the NQF.

Also published to the website by 1 January 2012 were the Customer Service Charter and a number of operational policies, including the ACECQA Privacy Policy, Freedom of Information Policy, Information Publication Plan, Records Management Policy and Procurement Policy.

### Building ACECQA's workforce

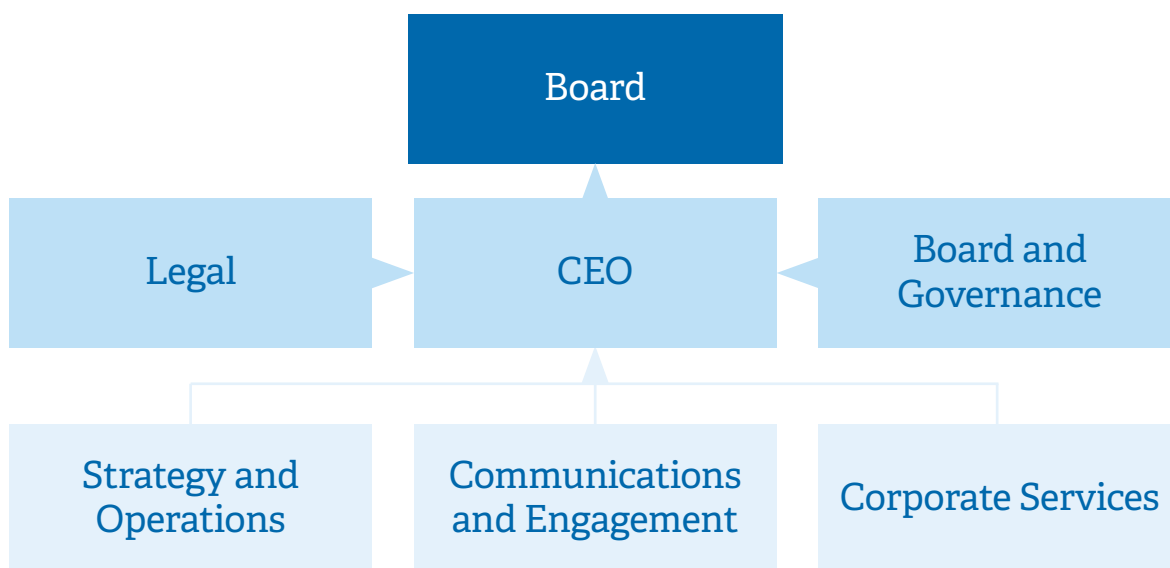
A priority for ACECQA in 2011–12 was the engagement of an appropriately qualified and skilled workforce. A cascading approach to recruitment saw executive staff engaged by October and a second wave of recruitment to key positions across the organisation followed in November. By 30 June 2012, staff numbers were 47.2 (FTE). In 2012–13 the Authority will reach full establishment at approximately 65 positions.

The formation of ACECQA coincided with the wind-up of the NCAC. In accordance with the NPA, the Board endorsed an approach to give priority consideration to NCAC staff with relevant skills for positions at ACECQA, with 11 former NCAC staff taking up roles with the new national body over the reporting period.

The year saw ACECQA develop its human resources capacity and functions to support its workforce.



**Figure 1.2** ACECQA's organisational structure



### ACECQA's structure

ACECQA is structured to deliver its business through the Executive and three business groups of Strategy and Operations, Communications and Engagement and Corporate Services.

As of 30 June 2012, the Executive comprised the CEO, the General Manager Strategy and Operations, the General Manager Communications and Engagement, the Chief Operating Officer, the Legal Counsel and the Board Secretary.

ACECQA's Strategy and Operations Group has overall responsibility for:

- ◆ development and management of policy under the NQF
- ◆ research and evaluation of the NQF
- ◆ ACECQA's operational responsibilities under the NQF
- ◆ monitoring and promoting consistent implementation of the NQF.

There are two sections in the Strategy and Operations Group: Policy and Operations.

ACECQA's Communications and Engagement Group's functions are to:

- ◆ establish and manage strategic communication protocols between state

and territory Regulatory Authorities and ACECQA

- ◆ assist the sector and wider communities to understand the new NQF arrangements and ACECQA's role by publishing print and online information, such as newsletters, website, social media and educational resources
- ◆ manage community and sector consultations, promotional events and customer service.

Corporate Services supports the organisation in the areas of human resources, finance, IT and facilities.

The organisation also has a Legal Team comprising Legal Counsel and a legal officer, and a small Board and Governance Team that provides support to the ACECQA Board and manages organisational governance.

### ACECQA's financial management framework

In 2011–12, ACECQA developed an effective accounting and financial management framework with appropriate internal controls. This ensures the organisation discharges its financial responsibilities in an efficient and effective manner while complying with its statutory and other obligations.

Features of the financial management capability implemented in 2011–12 include:

- ◆ a financial management system to manage ACECQA's financial transactions and reporting requirements
- ◆ banking solutions to suit operational needs
- ◆ comprehensive three-year budgets and forecast models to guide operational spending and ensure accountability
- ◆ effective internal controls with policies, procedures and delegations to ensure the integrity and reliability of the financial management system
- ◆ various tax, superannuation and other registrations to ensure ACECQA meets its statutory and other obligations
- ◆ provision of adequate and cost effective insurance cover to protect ACECQA's assets and provide cover for exposures
- ◆ periodical management reporting with commentary to report on financial performance, forecast for medium and long-term outlook and assist decision making
- ◆ financial records, documents and contracts to support internal and external audit.

## Funding

ACECQA is jointly funded by the Australian, state and territory governments under the NPA. ACECQA's initial funding to 31 December 2011 was provided by DEEWR.

Schedule D of the NPA commits the Australian Government to funding 50 per cent of the

organisation's ongoing operational costs. States and territories fund the remaining 50 per cent, with distribution based on the number of services in each state and territory.

ACECQA's funding arrangements with the Australian, state and territory governments have provided the organisation with agreed and fixed ongoing funding from 1 January to 30 June 2012.

## Fee revenue

ACECQA receives fee revenue under the NQF. For example, fees relating to qualification assessment generated \$28,000 in the period to 30 June 2012. There was also other revenue generated from the sale of NQF resources, which ACECQA provides largely on a cost recovery basis.

In addition to its own fee revenue, ACECQA will receive 10 per cent of all other NQF related transaction and annual fees levied by the state and territory governments. ACECQA's share of the NQF fees from the state and territory governments in 2011–12 will be paid in 2012–13.

## Operating results to 30 June 2012

ACECQA is required to operate within its funding envelope and ensure it can fulfil its statutory obligations and meet expected increases in salaries and expenses over the funding period. In May 2012, the Board approved the ACECQA Budget for July 2012 to June 2013 and noted



The ACECQA Executive Team (left-to-right): Angela Buchanan, Georgia Ramsay, Karen Curtis, Eugene Remedios, Gina Georgiou, Rebecca Lloyd.

an indicative budget to June 2014. It adopted a strategic approach to ensuring the functions of the organisation are discharged efficiently and effectively within current levels of resourcing.

ACECQA had a surplus of \$2.8 million in its first 10 months of operations to 30 June 2012. This was primarily due to budgeting over a two-and-a-half year cycle, a number of operational activities not starting in 2011–12 as some provisions of the National Law had not commenced, and a number of projects commencing in 2012–13. Consequently, not all staff positions were filled by 30 June 2012. The surplus is forecast to be expended over the funding term as ACECQA commences implementation of its full range of functions in 2012–13.

ACECQA's cash balance as at 30 June 2012 was \$10.6 million. This was largely due to the Australian Government paying its funding contribution for 2012–13 in June 2012, in accordance with the funding agreement. Additionally, a number of jurisdictions also fully or partially paid their agreed contributions for 2012–13 in June 2012.

## Expenditure

As a national statutory body in its first year of existence, the expenditure for 10 months from September 2011 to June 2012 (including the establishment grant) was \$7 million. The majority of expenditure related to building core capabilities within each functional area. The significant expenditure items were:

- ◆ \$3.1 million employment and Board remuneration related costs
- ◆ \$1.2 million ICT expenses
- ◆ \$1.7 million general administration expenses.

## ACECQA's information and communication technology

ACECQA's ICT infrastructure provides ICT services to support the organisation's functions. ACECQA's ICT strategy is based on offering a cost-effective, secure and business relevant service with minimal ICT administration overheads for a small organisation.

ACECQA also has a number of enterprise services. This includes a cloud computing-based customer relationship management (CRM) system for the organisation's enquiry management, applications and assessment management and stakeholder management functions.

In 2011–12, ACECQA developed its ICT standards and policies.

## ACECQA's work environment

ACECQA established a safe and healthy work environment to meet the organisation's work health and safety obligations. In 2011–12, the organisation developed incident response capabilities to manage risk and minimise disruption.

ACECQA was proactive in supporting sustainable practices that reduce its environmental impact. The ACECQA office is within an A-grade, five-star National Australian Built Environment Rating System building designed with state-of-the-art sustainability initiatives. These initiatives facilitate recycling processes for paper, printer cartridges and all types of waste.

ACECQA established a culture that places a high value on meeting its social responsibilities. A Christmas workplace-giving initiative supported a youth charity. ACECQA also started a Wellbeing Social Committee, 'ACECQA Life'. ACECQA Life aims to create a culture that embraces positive workplace initiatives, including promoting staff engagement, participation, information dissemination and raising awareness about health and wellbeing issues. The organisation joined the Red Cross 'Club Red' program, participated in a number of fundraising and charity events and held events to mark NAIDOC week.



## 1.4 Strategic Plan 2012–2016

The ACECQA Strategic Plan 2012–2016 affirms the organisation's commitment to promoting quality and continuous improvement in early childhood education and care and school age care in Australia.

Endorsed by the Board in December 2011, the inaugural plan outlines ACECQA's:

- ◆ vision and mission
- ◆ values and approach
- ◆ outcomes
- ◆ strategic priorities
- ◆ performance measures.

ACECQA's vision identified in the Strategic Plan aligns with the commitment made by all Australian governments in 2009, that all children have the best possible start in life for themselves and for the nation. The vision is supported by the organisation's values, which promote:

- ◆ the best start for children
- ◆ the primary role of families
- ◆ excellence in education and care
- ◆ respectful communication
- ◆ working together.

The Strategic Plan was also designed to align with the strategic priorities set out in the Letter of Expectation 2011–12 from the Standing Council.

### ACECQA's outcomes and strategic priorities

The Strategic Plan was provided to the Standing Council in December 2011 and identified the following two outcomes:

- ◆ Outcome 1 – Better educational and developmental outcomes for children
- ◆ Outcome 2 – Implementation of the NQF.

ACECQA's strategic priorities were identified as follows:

- ◆ **Establish ACECQA** to champion quality improvement in education and care services
- ◆ **Guide implementation** of the NQF with comprehensive strategies to ensure consistency across jurisdictions
- ◆ **Engage and communicate** with all stakeholders, ensuring ACECQA's contribution to improving outcomes for children in education and care services is understood and valued
- ◆ **Research and educate** within and between jurisdictions about quality improvement at the service provider level.

The Strategic Plan will continue to guide the organisation's work agenda in the coming year. The Strategic Plan can be found on the ACECQA website.

## 1.5 Operational Work Plan 2012–13

The ACECQA Operational Work Plan 2012–13 was developed in line with the Standing Council's requirements in its Letter of Expectation for 2011–12. The purpose of the Work Plan was to set out ACECQA's activities against the four strategic priorities outlined in the Strategic Plan 2012–2016.

The Work Plan outlines how the organisation will achieve its outcomes, spanning engagement and communication, implementation of the NQF, enabling ACECQA's business and enhancing the organisation's research capabilities.

The Work Plan encompasses the period from the commencement of ACECQA's operations on 1 January 2012 through to 30 June 2013, and includes outcomes and key performance indicators for each of the organisation's four top level performance measures:

- ◆ ACECQA is established and ready to meet its responsibilities

- ◆ The NQF progresses consistently within and across jurisdictions
- ◆ Stakeholders are engaged and value the contribution ACECQA makes to improving outcomes for children in education and care services
- ◆ Research and reliable performance data informs quality improvement at the service provider level within and between jurisdictions.

The Work Plan was endorsed by the Standing Council in April 2012. ACECQA will review and adjust the Work Plan as necessary throughout 2012–13 and will report to the Standing Council on progress against the Work Plan.







## 2 Functions under the National Law



## 2.1 ACECQA's functions

**ACECQA's overarching function under the National Law is to guide the implementation and administration of the NQF and to monitor and promote consistency. To achieve this, ACECQA must perform the functions described in section 225 of the National Law.**

ACECQA reports to and advises the Standing Council on the NQF and reports to the Regulatory Authorities and the Australian Government on the collection of information under the National Law and the evaluation of the NQF.

ACECQA is required to establish consistent, effective and efficient procedures for the operation of the NQF, determine the arrangements for national auditing for the purposes of the National Law and promote and foster continuous quality improvement by approved education and care services.

ACECQA is responsible for establishing and maintaining national registers of approved providers, approved education and care services and certified supervisors, and publishing of those registers. The National Law also requires ACECQA to keep national information on the assessment, rating and regulation of education and care services. ACECQA is required to publish, monitor and review ratings of approved education and care services, including managing the process for a further review by a ratings review panel of the rating levels confirmed or amended by the Regulatory Authority (second tier review).

ACECQA has to make determinations with respect to the highest level of rating for

approved education and care services (the Excellent rating). ACECQA determines the qualifications for authorised officers and provides support and training for staff of Regulatory Authorities. ACECQA is also responsible for determining the qualifications required to be held by educators, including the assessment of equivalent qualifications.

ACECQA has sector and community support functions that include providing education and information about the NQF, in conjunction with the Regulatory Authorities. ACECQA publishes guides, practice notes and resources to assist parents and the community and to support the education and care services sector in understanding the NQF and the application of the National Law.

ACECQA is also required to publish information about the implementation and administration of the NQF and its effect on developmental and educational outcomes for children.

In carrying out its functions, ACECQA must have regard to the objectives and guiding principles of the NQF and ensure that the regulatory burden on education and care services is minimised as far as possible.

Part 2 of the Annual Report describes ACECQA's performance of these functions in more detail.

## 2.2 Guiding implementation of the National Quality Framework

**ACECQA is responsible for guiding the implementation and administration of the NQF and monitoring and promoting consistency in its implementation and administration.**

In its first year, ACECQA had a strong focus on developing relationships with Regulatory Authorities and understanding the different starting points and operating environments for jurisdictions. In October 2011, regular meetings were established between ACECQA and each Regulatory Authority to discuss implementation progress and jurisdiction specific issues.

A protocols framework between ACECQA, Regulatory Authorities and the Australian Government was initiated to underpin these relationships. It outlines principles for communication and agreed ways of working together. In advance of the protocols framework being finalised, ACECQA has adopted these principles of cooperation and collaboration. The protocols framework will be finalised in 2012–13.

### Quality and Consistency Committee

ACECQA created a governance arrangement with Regulatory Authorities and the Australian Government to oversee implementation and support consistency.

In February 2012, ACECQA established the Quality and Consistency Committee (QaCC). The committee comprises senior representatives from ACECQA, state and territory Regulatory Authorities and the Australian Government.

The QaCC is a platform for the state, territory and national agencies to collaborate to ensure the NQF is being implemented consistently across Australia. The terms of reference for the committee are to:

- ◆ ensure ACECQA is covering all operational aspects of the implementation of the NQF

- ◆ assist ACECQA to meet its statutory responsibilities for monitoring and reporting on national consistency
- ◆ assist Regulatory Authorities to meet their statutory responsibilities for implementing the NQF consistently across the nation
- ◆ provide a forum for senior executives in the state, territory and national authorities to share information about the implementation of the NQF, to discuss concerns and to recommend approaches to resolving issues
- ◆ encourage collaborative efforts between the state, territory and national authorities' officers in the interests of effective implementation of the NQF and continuous improvement in quality and consistency
- ◆ provide the state and territory authorities and the Australian Government an opportunity to influence and shape ACECQA's activities.

Since its establishment, the achievements of the QaCC have included input into, and agreement on, a range of communication, training, research, operational consistency and stakeholder engagement initiatives.

ACECQA, in consultation with Regulatory Authorities and the Australian Government, developed a National Consistency Action Plan (NCAP) that outlines the way all parties to the legislation will cooperate to achieve its objectives in a consistent manner. The NCAP describes the performance benchmark measures that will be shared across jurisdictions. More information on the NCAP can be found under 2.5 on page 32.

The QaCC also worked to ensure state, territory and national authority operational

policies were aligned to relevant legislation and regulations and has assisted ACECQA to implement effective governance processes for its monitoring and reporting functions.

The QaCC meets bi-monthly and the outcomes from the group are reported to the ACECQA Board. In 2012, the QaCC met four times.

The QaCC has established four working groups to collaborate on cross-jurisdictional issues. The working groups are:

- ◆ Communications Working Group (CWG) co-chaired by ACECQA and South Australia
- ◆ Implementation Issues Working Group (IIWG) co-chaired by ACECQA and New South Wales
- ◆ National Quality Agenda (NQA) IT System Data Validation Working Group, co-chaired by ACECQA and Victoria
- ◆ Training Working Group (TWG) to be co-chaired by ACECQA and Northern Territory. The TWG did not convene in 2011–12.

### **Communications Working Group**

In December 2011, the CWG was the first joint committee to be established. Its role is to share ideas and strategies and to promote consistency in communication about the NQF.

The CWG has proved a productive forum for sharing ideas and strategies on communication activities with the target audience and collaborating on key messages. Through this group, ACECQA identified the need to manage messages on expectations of the new quality rating system. Messaging and communications strategies were subsequently developed and are being implemented nationally. An online platform for the group to discuss ideas and post documents has been established and is fostering greater engagement between group members.

Other priorities for the CWG include:

- ◆ undertaking education and awareness-raising among the sector and broader community
- ◆ promoting stakeholder engagement and education
- ◆ communicating with families.

### **Implementation Issues Working Group**

The IIWG met seven times between January and June 2012. The focus of this group has been identifying, prioritising and resolving implementation issues. To facilitate this process, ACECQA maintains a register that allows all jurisdictions to efficiently log issues for consideration and to track them through to their resolution. These issues range from questions of straightforward administrative processes to legislative interpretation and regulatory best practice. The IIWG prioritises issues on the register according to the level of risk the issue poses to the successful implementation of the NQF.

When developing solutions, the IIWG focuses on the objectives and guiding principles of the National Law, with a particular emphasis on the safety and wellbeing of children and reducing regulatory burden for service providers. The majority of identified issues are being resolved by improving communication materials, revising forms, or refining regulatory practice to deliver the intended outcome and ensure national consistency.

For example, the IIWG developed content for the operational policy manual to ensure a consistent approach to assessing the adequacy of services' physical environment and for conducting site visits prior to issuing a service approval.

### **National Quality Agenda IT System Data Validation Working Group**

To support implementation of the NQF, it was agreed through the Implementation Plan that a NQA IT System be developed. (Information about the system's development is in section 2.6 on page 33). In 2012, jurisdictions commenced migration of existing data into the new system in preparation for its release in the second half of 2012.

The NQA IT System Data Validation Working Group was established as a mechanism for state, territory and the national authorities to manage the integrity and consistency of data held in the NQA IT System.





The role of the NQA IT System Data Validation Working Group is to:

- ◆ coordinate efforts between all jurisdictions to test the creation and maintenance of accurate, valid, reliable data and reports in the NQA IT System
- ◆ provide an open forum for members to raise NQA IT System data integrity issues and propose solutions
- ◆ assist ACECQA to monitor and promote consistency in the implementation and administration of the National Law
- ◆ assist ACECQA and Regulatory Authorities to generate and publish registers as required under the National Law

The NQA IT System Data Validation Working Group convened its first meeting on 18 June 2012 and was attended by representatives from ACECQA, the Australian Government and Regulatory Authorities. The Working Group will continue to meet in 2012–13 until testing is producing evidence of data reliability and sufficient alternative mechanisms exist to ensure data quality.

### **Training Working Group**

The TWG is the most recent group to be established under QaCC. It is scheduled to meet for the first time in August 2012.

The TWG's role will be to collaborate and advise ACECQA on providing support and training for staff of Regulatory Authorities. Its primary focus will be upon support and training that enables the consistent implementation of the NQF.

The TWG's responsibilities include:

- ◆ leading the development of a national training plan for staff of Regulatory Authorities, including a training needs analysis
- ◆ developing strategies to support the ongoing consistency, reliability and training needs of Regulatory Authorities
- ◆ reviewing and evaluating training provided to staff of Regulatory Authorities to monitor consistency and strategies for improved performance
- ◆ supporting the establishment and facilitation of support network opportunities between jurisdictions.

## 2.3 ACECQA's reporting obligations

**ACECQA reports to the Standing Council through the Australian Education, Early Childhood Development and Youth Affairs Senior Officials Committee (AEEYSOC). The primary reporting arrangement is the provision of bi-annual reports under the Implementation Plan in April and October each year.**

In April 2012, ACECQA provided the Standing Council with its first report against the Implementation Plan for the National Quality Agenda for Early Childhood Education and Care.

The report was developed in consultation with all jurisdictions. It detailed activities undertaken in line with ACECQA's key performance indicators in both the transition phase and implementation phase to the end of March 2012.

Future reports against the Implementation Plan will provide further details on implementation progress and be informed by national data as it becomes available for reporting.

ACECQA also reports to the Standing Council at each of its meetings and in 2011–12, reports were provided during the meetings in October and April.

To promote a high level of transparency and accountability, the Board provided a summary of Board resolutions and key messages to the Standing Council Secretariat on conclusion of each meeting for circulation to Standing Council and AEEYSOC members. These reports ensure Ministers and senior officials are regularly informed about issues in the administration of the NQF being considered by the Board.

ACECQA also provided the Standing Council with its Strategic Plan, Operational Work Plan and Board Charter detailing the authority, role, responsibilities and operation of the Board.

### Early Childhood Development Working Group

The Early Childhood Development Working Group (ECDWG) comprises representatives from departments of all the states and territories and the Australian Government that hold responsibility for early childhood development policy. The Group is responsible for providing policy advice to AEEYSOC, and through AEEYSOC, to the Standing Council on issues of national significance for early childhood development.

In 2011–12, ACECQA engaged with the ECDWG by:

- ◆ providing regular updates at ECDWG meetings
- ◆ advising ECDWG of outcomes from meetings of the QaCC on items of relevance
- ◆ alerting ECDWG to any formal consultation with the sector on relevant policy issues so that ECDWG participation could be considered
- ◆ working on the development of a Protocols Framework
- ◆ participating in ECDWG working groups and committees.

### Regulatory Authorities and DEEWR

Over 2011–12, ACECQA reported to Regulatory Authorities and DEEWR in a number of ways. ACECQA provided reports to the QaCC on implementation progress generally and any issues being considered by the IIWG.

In developing its first report under the Implementation Plan, ACECQA consulted with

Regulatory Authorities and DEEWR. Regular bilateral meetings between ACECQA, the Australian Government and each jurisdiction have also occurred from late 2011 to further support and guide consistency. Meetings were usually held by teleconference every three weeks in 2011 and typically every six weeks in 2012.

In the 2011-12 year, ACECQA was not the owner of the NQA IT System and, consequently, had limited access to national data. ACECQA is currently considering arrangements for its future reporting to Regulatory Authorities and DEEWR on the collection and use of NQF information and data.



## 2.4 Procedures for consistency, effectiveness and efficiency

Under the ACECQA Strategic Plan 2012–2016, the Authority’s mission is to guide and monitor the consistent implementation of the National Law. This is being achieved through the development of a comprehensive strategy for the consistent implementation of the NQF. A nationally consistent approach will build the integrity of the NQF and contribute to improved quality outcomes for children, families and the community.

ACECQA’s strategic priority of guiding implementation included the development of the National Consistency Action Plan (NCAP) for 2012–13 in consultation with stakeholders. (The NCAP is discussed in further detail under 2.5 on page 32.)

As outlined in 2.2, ACECQA also established the QaCC to fulfil its function of supporting and monitoring consistency. The QaCC and its sub-groups worked on guidance material for Regulatory Authorities, such as first tier review guidelines.

### FIRST TIER REVIEW

The National Law allows an approved provider to request a review of a rating. This is referred to as review by a Regulatory Authority or a first tier review. To facilitate a nationally consistent approach to first tier review, ACECQA instigated a process to develop guidelines for use by all jurisdictions.

In 2012, ACECQA prepared a discussion paper and draft first tier review guidelines for the consideration of Regulatory Authorities. Feedback will be incorporated into the guidelines for consideration by the QaCC in the second half of 2012. Through this process, ACECQA has sought to emphasise the role of first tier review in providing broader, long-term enhancements to the quality and consistency of the decisions of primary decision-makers.

### Second tier review

As well as supporting Regulatory Authorities, ACECQA has been developing its own procedures, such as second tier review processes. The ACECQA Board is responsible for establishing a pool of experts to act as members of ratings review panels and for establishing ratings review panels to conduct further reviews.

A second tier review is a review of the ratings levels determined by the Regulatory Authority. ACECQA’s role will be to manage and provide administrative support to ratings review panels and process applications for second tier reviews. ACECQA anticipates the first applications for review will be received in late 2012.

In 2011–12, ACECQA began establishing the processes for second tier reviews, including composition of ratings review panels and the approach for establishing the ratings review panel pool.

The Board will call for nominations to the ratings review panel pool in July 2012. In anticipation of appointments to the panel pool, ACECQA began preparing for the pool members’ induction and developed a draft induction package. The draft induction schedule includes training on quality assessment and the principles of good administrative decision making.



ACECQA also began working on the internal processes for handling second tier reviews including:

- ◆ drafting operational procedures
- ◆ developing draft guidelines for applicants seeking second tier review.

### **Forms**

ACECQA published national application and notification forms on its website. ACECQA gathered feedback from the sector and Regulatory Authorities on the useability of the forms and has refined them where appropriate. The forms were designed to be used within the NQA IT System, which is expected to be available for online lodgement in the first quarter of 2012–13.

### **Assessment and rating instrument and guides**

ACECQA published the National Quality Standard Assessment and Rating Instrument with accompanying guides to assessment and

rating for Regulatory Authorities and services. These documents will support authorised officers and help ensure rating processes are consistent across Australia. They will also help services to understand and prepare for the assessment process.

### **Operational policy manual**

In January 2012, ACECQA took ownership of a draft operational policy manual for authorised officers that had been developed through ECDWG. The manual provides guidance for Regulatory Authority staff about administration of the NQF, including information about processing applications for approvals and certificates, issuing waivers, monitoring and compliance action.

ACECQA commenced a review of the manual in collaboration with IIWG. Once finalised, the manual will be a valuable resource for authorised officers and decision makers under the NQF and support consistent regulatory practice across jurisdictions.



## 2.5 National auditing arrangements

Under the National Law, ACECQA is required to determine the arrangements for national auditing of the consistent implementation of the NQF. In early 2012, ACECQA developed the National Consistency Action Plan (NCAP) for 2012–13. It provides the blueprint for how ACECQA will meet its obligations to effectively support, monitor and audit for consistency. The plan also aims to promote consistent application of the NQF by state and territory Regulatory Authorities.

The NCAP provides an 18-month work plan of activities that will enable ACECQA to promote and monitor consistency across approvals, assessments and ratings, compliance and enforcement. The NCAP provides a broad structure for ACECQA's future work that will include research to assess, measure and improve educational outcomes for children.

Focus areas developed under the NCAP are to engage with Regulatory Authorities and the Australian Government, achieve the conditions required to enable consistency, and build capacity for supporting, monitoring and auditing for consistency.

The NCAP was developed in consultation with Regulatory Authorities and the Australian Government. It was informed by the National Law, the National Regulations and the NPA

on the National Quality Agenda for Early Childhood Education and Care. The NCAP aligns with the strategic priorities outlined in the Standing Council's Letter of Expectation 2011–12 and ACECQA's Strategic Plan 2012–2016.

Major achievements in the first half of 2012 under the NCAP included the development of a consistency strategy that gained the support of Regulatory Authorities and the Australian Government. ACECQA developed its strategy, structures and mechanisms for engaging with jurisdictions and began the rollout of forums to facilitate networking and share information between ACECQA and Regulatory Authority staff. The transition of responsibility to ACECQA for the training of authorised officers and development of training strategies also commenced under the NCAP.

ACECQA will develop future plans for subsequent years that will facilitate moving from establishing systems and enabling best practice processes, to monitoring outcomes for children against the NQF in conjunction with the organisation's research program.

### THE NCAP IS GUIDED BY THE FOLLOWING PRINCIPLES:

- ◆ *the achievement of quality outcomes for children is paramount*
- ◆ *ongoing continuous improvement of education and care services is supported*
- ◆ *a collaborative approach is taken*
- ◆ *all parties ensure information is accessible, accurate, relevant, up to date and provided in a timely manner*
- ◆ *there is transparency of process and outcomes*
- ◆ *the regulatory burden is minimised.*

## 2.6 National information and registers

### **Under the NPA, the Australian, state and territory governments agreed to work collaboratively to implement a National Quality Agenda IT System.**

During 2012–13, the NQA IT System was in development. It will be an online management tool for state and territory Regulatory Authorities and ACECQA to record and report monitoring and compliance information and assessment and rating information. It will also be used to generate a number of the registers required under the National Law to be published by ACECQA or the Regulatory Authorities, including registers of:

- ◆ approved providers
- ◆ approved education and care services
- ◆ certified supervisors.

When finalised, the NQA IT System will also allow providers and services to use a secure portal and seek approvals, provide notification or seek amendments online. The NQA IT System will also make it easier for the state and territory Regulatory Authorities and providers to work together.

ACECQA is working with the Regulatory Authorities and the Australian Government to improve the quality and validity of the data held within the NQA IT System, which will enable accurate publication of registers and reporting requirements. The priority areas for collecting and validating data are for:

- ◆ the registers that ACECQA and the Regulatory Authorities must publish
- ◆ ACECQA's reports to Ministers on the Implementation Plan
- ◆ operational data, such as the fields required for preparing annual fee invoices or certificates.

The national database and customer relationship management component of the NQA IT System went live in January 2012. The secure portal element of the NQA IT System

is planned to be a phased implementation with the first phase going live in August 2012. When the system is complete it will be handed over to ACECQA. A transition strategy was developed that includes knowledge building, infrastructure support and the necessary recruitment plans to effectively take on and manage the NQA IT System.

#### **Publication of registers**

Through the NPA, Australian, state and territory governments agreed that it is important for families to be able to make informed choices about education and care for their children. The publication of ratings gives families information about the quality of education and care provided at each service. Publishing ratings will also help services to highlight areas where they have performed well.

The provisions of the National Law requiring ACECQA to keep national information on the assessment, rating and regulation of education and care services and to publish, monitor and review ratings of approved education and care services had not been proclaimed as of 30 June 2012. The national registers will not be published until the Standing Council makes this decision after considering the findings of the evaluation of the assessment and rating tool. It is anticipated the Standing Council's consideration of the evaluation will occur in late 2012.

The provisions of the National Law requiring ACECQA to publish registers of approved providers, approved education and care services and certified supervisors had not been proclaimed as of 30 June 2012. It is expected that proclamation of these provisions will occur in 2012–13.

## 2.7 Continuous quality improvement

**The NQF enshrines the importance of quality education and care for every Australian child. A major focus for ACECQA in guiding implementation of the NQF is to promote continuous improvement across the children's education and care sector.**

ACECQA has a critical research, analysis and communications role to support the latest developments in quality education and care. As part of this role, ACECQA has focused on providing services with high quality resources and support services to assist in the transition to the NQF in 2012.

One of the mechanisms to foster continuous improvements under the NQF is the requirement that approved services have a Quality Improvement Plan (QIP). The aim of a QIP is to help providers self-assess their performance in delivering quality education and care and to plan future improvements.

In 2012, ACECQA provided support to service providers to commence the development of their QIPs. This included responding to enquiries and publishing guidance material and templates. ACECQA's sector newsletter also included a feature on good practice in developing a QIP.

In 2012–13, ACECQA will continue to champion continuous quality improvement through the commencement of the Excellent rating process. ACECQA will also implement a research strategy to foster continuous quality improvement.





## 2.8 Excellent rating

**ACECQA is responsible for determining the criteria that approved services must meet to be awarded the highest rating level, the Excellent rating. ACECQA is also responsible for developing and managing the Excellent rating application process and for awarding the rating.**

In 2011, a working group of the ACECQA Board began developing criteria for the Excellent rating. In December 2011, ACECQA published draft criteria for the Excellent rating and launched a survey to gather public feedback. The consultation ran until March 2012. The survey was accessed by 471 people with 107 providing feedback. Those that submitted additional written feedback included four large providers of education and care services, along with nine government bodies, nine peak bodies and one education institution.

The criteria were revised based on the feedback from the initial consultation and a second round of targeted consultation with the sector will take place in July 2012.

ACECQA drafted guidelines for applicants that explain the purpose of the Excellent rating and detail the application process. The final criteria and guidelines for applicants will be published following Board approval, which is expected in August 2012.

In 2012, ACECQA also began working on the internal processes for handling Excellent rating applications, including:

- ◆ drafting operational procedures and workflow tools for assessment
- ◆ developing a draft application form for applicants.

ACECQA will accept applications for the Excellent rating when the relevant provisions in the National Law are proclaimed.



## 2.9 Educate and inform

**ACECQA has a national leadership role in educating and informing education and care services, families and the community about the NQF in conjunction with state and territory Regulatory Authorities.**

In November 2011, the ACECQA Board endorsed an overarching framework of communications principles. A communications and engagement strategy, stakeholder engagement strategy, media protocols and a wide range of communications activities were agreed and implemented by the first quarter of 2012.

The communications and engagement strategy proposed the principles for ACECQA's communication and engagement activities and included a communication plan to March 2012, the ACECQA customer service charter and the first report on ACECQA website and enquiry activity. The strategy also proposed the creation of a new stakeholder reference group for ACECQA, known as the ACECQA Forum and a social media engagement plan.

Between November 2011 and 30 June 2012, ACECQA worked in collaboration with the Regulatory Authorities on a number of

communication activities through the CWG. An example of a key communication activity was the need to manage messages on expectations under the new ratings system for services. Messages and communications strategies were subsequently developed and implemented nationally. An online platform for the group to discuss ideas and post documents was established and is fostering greater engagement between group members.

ACECQA has been working on ongoing communication activities, both independently and in conjunction with the Regulatory Authorities to:

- ◆ promote, support and implement the NQA
- ◆ administer and deliver the application, enforcement and regulation of the NQF and promote the use of national practices and processes



Rachel Hunter visits Manunda Terrace in Darwin.

- ◆ support the transition to the NQS, the new rating system and the new regulatory system
- ◆ educate the sector and broader community
- ◆ engage with stakeholder groups at conferences and meetings
- ◆ provide information for peak organisations to publish for members
- ◆ communicate with families and develop family networks.

### Stakeholder engagement

ACECQA's future success depends heavily on the trust of its stakeholders. The National Law requires a level of collaboration with the Australian Government, states and territories and the children's education and care sector that will only be attained if ACECQA is seen to be a productive, professional and engaging organisation.

ACECQA's stakeholder engagement strategy proposed three levels of communication with education and care sector stakeholders:

- ◆ broad communication on a national level
- ◆ regular contact with state and territory Regulatory Authorities
- ◆ the opportunity to open doors under the banner of 'We Hear You'.

ACECQA has implemented all levels of this stakeholder engagement strategy. The CWG



**Karen Curtis visits Burns Bay Cottage, Lane Cove, NSW.**

has been encouraging shared communication activities at a national level. A series of working groups was established with all states and territories for policy discussion, communication activities, the development of the NQA IT System and future planning of the NQF.

Toward the end of 2011, ACECQA established a calendar of regular bilateral meetings with each of the state and territory Regulatory Authorities and the Australian Government to discuss NQF implementation achievements and challenges. Attended by ACECQA's CEO and executive staff, as well as senior representatives from each agency, the meetings complement the larger national discussions and aid longer term understanding and agreement about the development of national consistency.

**Figure 2.1** Visitors to the ACECQA website



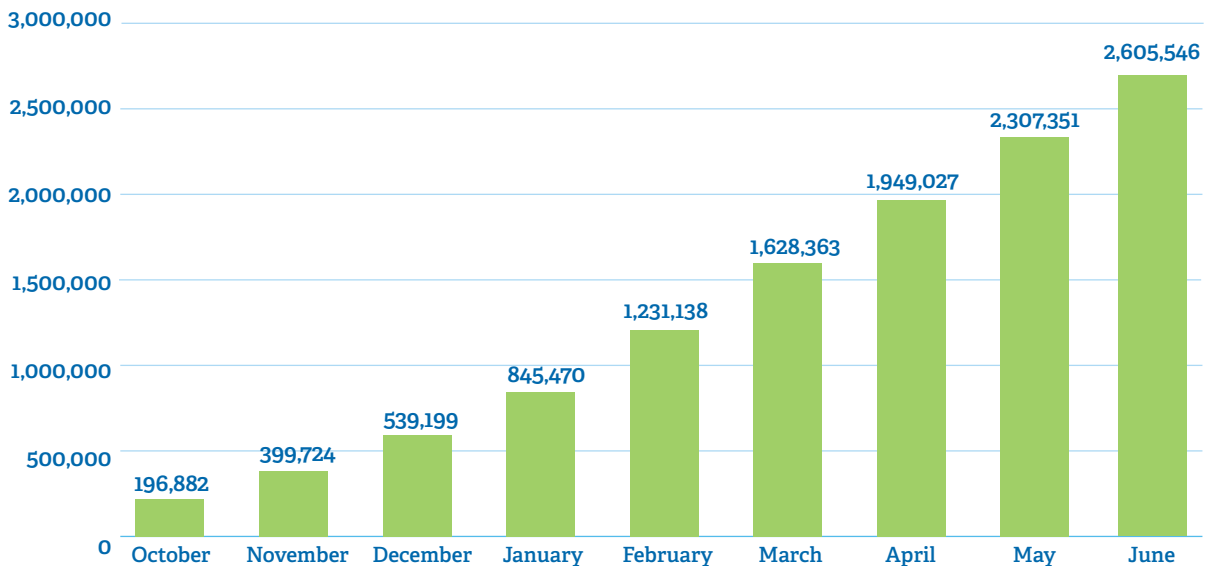
Between September 2011 and June 2012, ACECQA representatives delivered presentations or spoke publicly at 48 events to a combined audience of more than 5,200 people. While many organisations request ACECQA's participation in events, ACECQA also actively seeks opportunities to speak to stakeholders in the sector. A list of major speaking engagements from September 2011 to 30 June 2012 is at **Appendix E**. The CEO also had a number of speaking engagements before September 2011.

Between them, ACECQA's Board Chair, Board members, CEO and staff also attended many meetings with peak organisations, research and training organisations and visited a wide variety of children's education and care services.

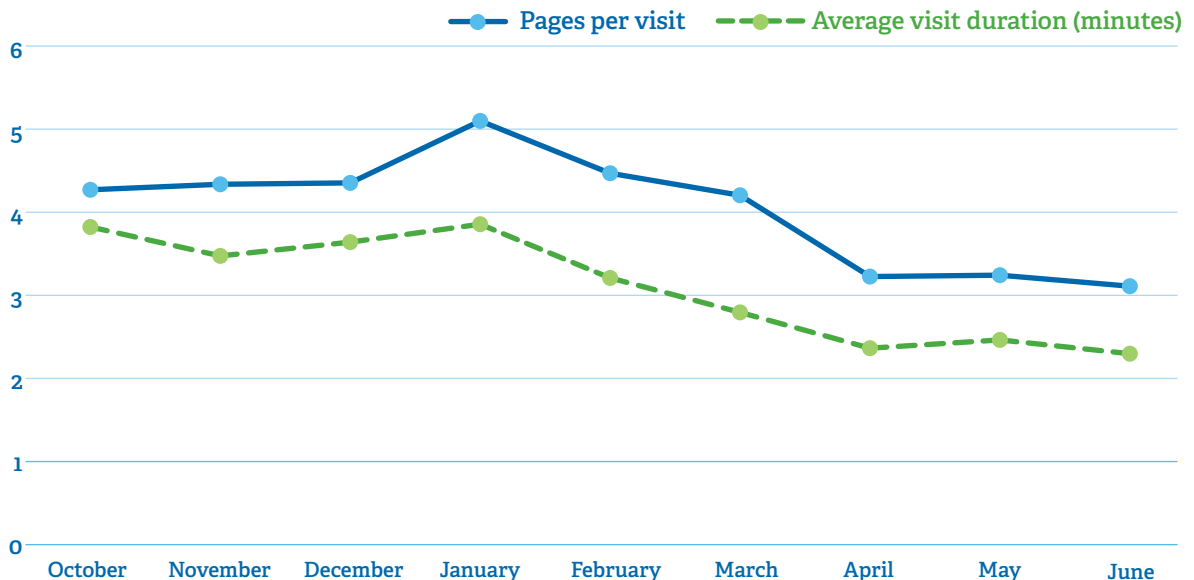
### Website

The ACECQA website was launched on 12 October 2011. From 12 October 2011 to 30 June 2012, the website recorded 2,605,546 page views

**Figure 2.2** Total website views



**Figure 2.3** Interaction with the ACECQA website





and 204,577 unique visitors. Peaks in visitor activity were usually linked to the release of the ACECQA newsletter.

The main pages of interest have been:

- ◆ the NQF information page
- ◆ resources for the NQF
- ◆ application forms for business transactions with Regulatory Authorities
- ◆ qualifications advice for Australian and overseas trained educators.

The busiest single days on the ACECQA website were:

- ◆ 17 October 2011 – 6,233 visits (post website launch)
- ◆ 2 February 2012 – 4,961 visits (release of newsletter, issue 3)
- ◆ 17 April 2012 – 5,203 visits (Release of the *Guide to Assessment and Rating for Services*).

## ACECQA Forum

In March 2012, the Board agreed to form a national reference group, the ACECQA Forum. The Forum represents the interests of

educators, providers and families. Members include providers of family day care, outside school hours care and preschool services, large providers of long day care, local and state government agencies, peak bodies, professional support agencies and family, professional and employee associations. The Forum also includes organisations with a focus on skills and training, research and inclusion. Through the Forum, ACECQA will establish sub-groups for more targeted consultation on topics such as geographical isolation, children with disabilities, disadvantaged families and workforce development. The first meeting of the ACECQA Forum was held in Sydney in August 2012.

## Social media

ACECQA uses a number of social media channels to promote open consultation and discussion. On 30 June 2012, the ACECQA Facebook page was 'liked' by 1,685 people and the Twitter account had 262 followers. The ACECQA Facebook posts and Tweets had been clicked on 745 times, showing strong online



Rachel Hunter addresses the first meeting of the ACECQA Forum in Sydney.

engagement from audiences. Members of the Facebook page are well engaged and informed – they regularly answer other user’s questions and offer alternative points of view.

One of the objectives for Facebook is to drive traffic back to the main website where there is more detailed advice. More than 5 per cent of total referrals to the ACECQA website come from Facebook and it remains the fourth largest source of traffic referral.

The ACECQA blog ‘We Hear You’ was launched in March 2012. At 30 June 2012, the blog had 107 subscribers. Notable articles include a piece written by one of ACECQA’s stakeholders, Emma King, CEO of Kindergarten Parents Victoria titled ‘Taking parents along for the NQF journey’. The ACECQA blog received over 3,000 page views.

The blog, along with Facebook, Twitter and the ACECQA newsletter and news site allows ACECQA to promote and engage with the community to generate interest in speaking events, such as the National Listening Tour.

### Newsletter

The ACECQA newsletter has more than 10,300 subscribers. More than 20 per cent of subscribers print the newsletter, meaning the actual readership would be higher. The

subscription rate continues to show steady growth month-on-month. Examples of content include:

- ◆ hot topics based on customer service advice
- ◆ guidance on the new assessment and rating system
- ◆ guest posts
- ◆ information on qualification requirements.

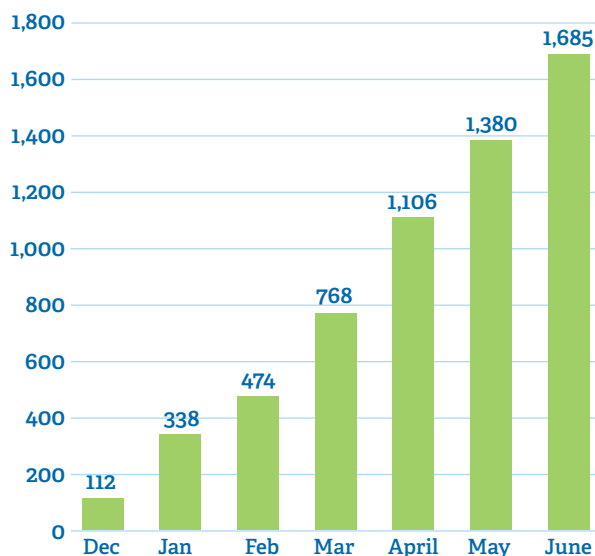
### Forms and resource material

In the lead up to 1 January 2012, ACECQA published a large amount of information on the organisation’s website. This included the 30 application forms for services and providers; lists of approved and formerly approved early childhood educator qualifications; approved first aid, anaphylaxis and emergency asthma management training courses; and a suite of templates, such as the medical and staff records, for services to use as a guide.

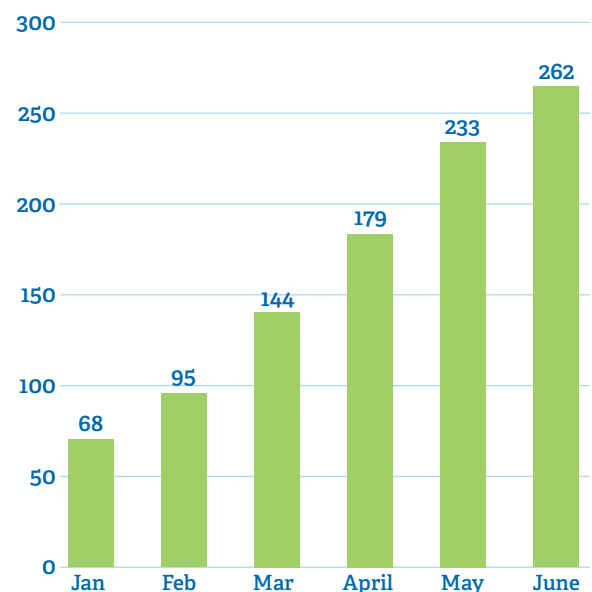
### Media

There has been a number of reports in the metropolitan, regional and rural media on the NQF, and the volume has been increasing steadily. ACECQA works closely with the Regulatory Authorities, through the CWG, to respond to enquiries from the media about children’s education and care.

**Figure 2.4** Facebook ‘likes’



**Figure 2.5** Twitter followers



**Figure 2.6:** Top three enquiries per month

January	February	March	April	May	June
1,454	2,449	2,278	1,337	1,462	1,438
Qualifications	Publications	Qualifications	Qualifications	Qualifications	Publications
Publications	Qualifications	Publications	Publications	Publications	Policy
Policy	Policy	Policy	Policy	Policy	General

ACECQA developed a set of media protocols that were agreed to by the Board. The protocols ensure the most appropriate Board member or ACECQA official is made available to be quoted or to give background information.

### Customer services

In 2011–12, ACECQA’s call centre was delivered under a contract with DEEWR. In May and June 2012, ACECQA prepared to establish an in-house customer service centre, recruiting staff and delivering a comprehensive training program. A communication strategy to advise the public of the new telephone number was to be presented to the Board at its meeting in July 2012. The in-house service was scheduled to commence on 1 August 2012.

From January to 30 June 2012, ACECQA received a total of 10,418 enquiries. This consisted of 7,287 telephone enquiries and 3,131 email enquiries. The highest volume of enquiries related to educational and first aid qualifications.

ACECQA draws on its enquiries to inform newsletter articles and website content to share relevant information with a broader audience. In 2012, this included the following resources:

- ◆ remember to notify your Regulatory Authority that a service approval has been transferred
- ◆ do I need to have the child restraints in my vehicle checked by a professional?
- ◆ what has to be in a first aid kit?
- ◆ who is the responsible person?
- ◆ what is the requirement to have an educational leader and who might that be?

Details of the top enquiries are outlined below:

- ◆ **Qualifications:** The majority of qualification enquiries are variations of “does my qualification allow me to work in a service?” and “what do I need to do to obtain approval?”. Enquiries are received from Australian and overseas educators. The number of enquiries about qualifications resulted in detailed frequently asked questions being published on the ACECQA website.
- ◆ **Publications:** Between January and late March 2012, the majority of publication enquiries were requesting additional copies of the NQF Resource Kit. In April 2012, ACECQA commenced offering the kits for sale. There were also many requests for copies of the *My Time, Our Place* and *The Early Years Learning Framework* publications.
- ◆ **Policy:** These policy enquiries largely related to the interpretation of legislation. This included seeking advice on:
  - ratios of educators to children
  - clarity on the requirements of first aid and anaphylaxis training
  - certified and nominated supervisor requirements and responsibilities
  - record keeping on-site
  - licensing.

## 2.10 Guides and resources

**ACECQA hosts over 50 resources that support the National Quality Framework, including the National Law and the National Regulations. ACECQA also hosts links to each jurisdiction's version of the applied National Law.**

Guides and resources to support the NQF were published by ACECQA in conjunction with DEEWR and jurisdictions. The NQF Resource Kit includes the following:

- ◆ Guide to the National Quality Framework
- ◆ Guide to the National Law and National Regulations
- ◆ Guide to the National Quality Standard
- ◆ Guide to developing a Quality Improvement Plan.

The NQF Resource Kits also include a CD-ROM with electronic copies of the National Law and the National Regulations and other documents to support the implementation of the NQF.

The Australian Government funded the production and distribution of one hard copy Resource Kit to each education and care service approved before 16 March 2012 under the NQF. Management of the distribution of the resource kits was transferred to ACECQA in December 2011.

Services approved after 16 March 2012 were able to purchase the hardcopy Resource Kit from ACECQA. The documents were also made available to download, free of charge, from the ACECQA website.

### Assessment and ratings guides

On 16 April 2012, ECDWG provided ACECQA with three assessment and ratings resources to help educators, authorised officers and the wider community understand the procedures that would take place in the new assessment and rating program around Australia.

The following assessment and ratings resources are published on ACECQA's website:

- ◆ National Quality Standard Assessment and Rating Instrument – used by authorised officers to assist in assessing and rating a service.
- ◆ Guide to Assessment and Ratings for Services – a comprehensive description of the process Regulatory Authorities would be taking to apply a consistent approach to each assessment visit and the development of ratings and ratings reports.
- ◆ Guide to Assessment and Ratings for Authorised Officers – developed to assist authorised officers undertake the assessment and rating of services against the NQS.

The guides and instrument were instantly popular with nearly 10,000 page views in the first 48 hours after publication. These views represent a peak of activity for 2011–12, surpassed only by the initial launch of the website.

In 2012–13, ACECQA will be reviewing the major NQF Guides and working with the sector and Regulatory Authorities to improve the resources based on the experience of the first year's usage.

### Archived information

The former NCAC was officially closed to coincide with the 1 January 2012 starting date for ACECQA. While the NCAC is no longer active, the written resources are still available through the ACECQA website. ACECQA will continue to host the NCAC resource material for research and historical information purposes.



## 2.11 Information on National Quality Framework and effect on developmental and educational outcomes for children

One of ACECQA's roles is to support parents and the community in understanding quality in education and care services and to support the education and care services sector in understanding the NQF. The development of ACECQA's research agenda will inform the community's understanding about the NQF and its effects on developmental and educational outcomes of children.

In 2012, ACECQA began evaluating its research obligations and opportunities. These research functions fall broadly into two categories: mandatory research and discretionary research.

Mandatory research is at the direction of the Standing Council and obligates ACECQA to undertake regular evaluations of the NQF against key indicators, such as the distribution of quality ratings across jurisdictions and services. In 2012–13, ACECQA will commence reporting against a number of its mandatory research functions informed by national data as it becomes available for reporting.

Discretionary research provides ACECQA with the flexibility to identify and conduct research that can inform policy development relevant to ACECQA's purpose. This could include measurement of how the NQF is improving outcomes for children, or evaluation of how the NQF could be refined to improve outcomes for children and reduce regulatory burden for providers.

In 2012, ACECQA commenced development of a strategic research plan with an agenda for future research. The Board agreed to establish a Research Advisory Committee, which will identify, discuss and plan ACECQA's research agenda and make recommendations on research priorities to the Board.

### Minimising regulatory burden

In keeping with the objectives of the NQF, ACECQA carries out all of its functions with a view to ensuring that the regulatory burden on education and care services is minimised as much as possible. In addition, the NPA requires ACECQA to report to the Standing Council on several performance measures, including the 'experience of services under the NQF, with respect to the level of regulatory burden'.

In 2012, ACECQA commenced steps to develop a project identifying areas of administrative burden for education and care services under the NQF.

### Research relationships

ACECQA also began to develop relationships with a number of research bodies. This led to the establishment of a collaborative research project between ACECQA and the Australian Institute for Teaching and School Leadership to explore the potential application of the National Professional Standards for Teachers to teachers in early childhood settings. It is expected that the findings of this project will become available in 2012–13.

## 2.12 Qualifications for authorised officers

**Under the NQE, Regulatory Authorities in each state and territory have primary responsibility for the approval, monitoring and quality assessment of services in their jurisdiction. ACECQA is responsible for providing oversight of the new system and ensuring consistency of approach, including determining the qualifications for authorised officers.**

In December 2011, the ACECQA Board agreed to a position on the qualifications for authorised officers and it was published to the ACECQA website. The Board's position recognises the significance of an increasing qualifications profile for authorised officers. The Board also agreed to undertake a research project to consider the appropriate qualifications for authorised officers over time.

The project will develop an evidence base including a picture of the national Regulatory Authority workforce. This will assist ACECQA to refine targets for the future qualifications

profile of authorised officers and then track progress toward these targets. The project will also be reviewing good practice in other related regulatory fields.

The research project is being steered by a committee comprising Board members and Regulatory Authorities. The next steps of the project will be to determine and facilitate a shared understanding of the optimum skill and qualification profile for authorised officers. The outcome of the research will be used by the Board when it reviews the authorised officer qualification requirements in 2014.



## 2.13 Regulatory Authority training

The NQF requires consistency and reliability of the rating and assessment of education and care services. A nationally consistent approach builds the integrity of the NQF and contributes to improved quality outcomes for children, families and the community. An integral part of achieving consistency and reliability is the support and training of authorised officers conducting assessments and ratings of services.

ACECQA has a function under the National Law to provide support and training for staff of Regulatory Authorities. ACECQA has established the Training Working Group (TWG) under the QaCC. The TWG has representatives from each jurisdiction and is co-chaired by the Northern Territory.

The TWG's main purpose is to collaborate and advise ACECQA on providing support and training for staff of Regulatory Authorities. TWG will also assist the development of the ACECQA Regulatory Authority support and training strategy.

To facilitate and support Regulatory Authority assessors, ACECQA has established an online forum to allow lead assessors from all jurisdictions to establish ongoing professional networks and dialogue.

A number of ACECQA staff have also trained as lead assessors to support and maintain a shared understanding of the role of assessors.

Preparations have commenced for the responsibility of the national training packages for assessors to be transitioned from the Australian Government to ACECQA.



## 2.14 Educator qualifications

### **ACECQA determines the qualifications that need to be held by educators working in education and care services.**

ACECQA approves the following types of qualifications and training for educators:

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

ACECQA maintains lists of current and formerly approved qualifications on its website. ACECQA also publishes lists of qualifications for working with children over preschool age for states and territories with those requirements.

The lists of qualifications were approved by the Board and published in December 2011. With the exception of one list, which is Queensland specific, all the early childhood programs are offered by Australian institutions. ACECQA has updated these lists to more accurately reflect the names or status of specific qualifications. In some instances this has involved moving qualifications from the current list to the former list of approved qualifications or from the early childhood teacher list to the diploma list.

#### **Assessing applications**

An individual with early childhood qualifications from overseas or with a qualification not listed can apply to ACECQA to have their qualifications assessed for equivalence. Guidelines for how to apply were published in December 2011 and are based on the ACECQA Board's agreed criteria for assessing individual qualifications for equivalence.

In 2012–13, the ACECQA Board will review and refine the criteria for assessing qualifications to maximise the availability of a skilled workforce

while ensuring a high standard of qualifications held by educators under the NQF.

Organisations can also apply to ACECQA to have an early childhood education program or training added to the approved lists. ACECQA issued guidelines for organisations wanting a qualification added to the approved list in February 2012, and published the guidelines for approving first aid, anaphylaxis management and emergency asthma training in June 2012.

#### **Individual applications**

Up until 30 June 2012, ACECQA received 227 applications from individuals wanting their qualifications assessed for equivalence. These were for the positions of early childhood teacher, early childhood educator diploma level and early childhood educator certificate III level, as outlined in Figure 2.7. Five of the applications received sought equivalence to work with children over preschool age. The majority of the applications were from individuals with qualifications from overseas, though some with Australian qualifications also applied.

Of the 227 applications received, 133 were incomplete. Of those, 74 per cent were incomplete because they did not provide evidence of the qualification's level against the Australian Qualifications Framework (AQF). ACECQA added FAQs to its website and improved the application form to address the high percentage of incomplete applications.

For ACECQA to assess an overseas qualification, applicants must provide certification of the 'level' from one of the bodies specified in the Regulations. ACECQA is not specified, so an applicant has to go to the other body first and none of the specified bodies will 'level' vocational qualifications at certificate III level.



**Figure 2.7** Applications for equivalence by qualification type to 30 June 2012

Qualification Assessment Level	Number of applications received
Early childhood teacher	119
Early childhood educator diploma level	78
Early childhood educator certificate III level	28
Unspecified	2
Total applications	227
Incomplete applications	133

This means that applicants from overseas are unable to provide the documents required for ACECQA to assess qualifications for equivalence at the certificate III level. ACECQA has provided advice to AEEYSOC and the Standing Council on this issue.

Figure 2.8 outlines the outcomes of finalised applications. Seventy-seven applications were finalised by 30 June 2012. Thirty-eight of the finalised applications were approved and 34 were not approved. Two applications were refunded as the applicants could not get their qualifications levelled against the AQF and three applications were withdrawn.

Of the 34 applications not approved, 22 were at the early childhood teacher level. Of those, 11 were not approved as the applicant did not have a qualification containing professional experience and/or curriculum content for the birth to two age group.

Applicants achieving equivalence of their qualification(s) receive a certificate of acknowledgement indicating the level of approval.

A new data management system within ACECQA was implemented in June 2012. This system will facilitate a more detailed analysis and reporting of data.

Detailed statistics including a breakdown across jurisdictions are shown at **Appendix F**.

### Organisation applications

Two applications were received from higher education providers seeking approval for a bachelor of early childhood teaching qualification and a post graduate early childhood teaching qualification to be added to ACECQA's list of approved qualifications.

### Enquiries

ACECQA established an enquiry email address to manage queries regarding qualifications, including receipt of applications electronically. Over 1,800 enquiries about education and care qualifications were managed by ACECQA to 30 June 2012.

**Figure 2.8** Outcomes of finalised applications for equivalence to 30 June 2012

Outcome of finalised applications	Number
Approved	38
Not Approved	34
Withdrawn	3
Application did not proceed	2
Total Finalised Applications	77



### 3 Implementation of the National Quality Framework



# Implementation of the National Quality Framework

**This part of the Annual Report addresses the requirement under the National Law to provide an assessment of the implementation and administration of the NQF.**

ACECQA's framework to assess and analyse progress centres on the objectives and major activities to deliver outputs contained in the Implementation Plan. The assessment also builds on ACECQA's report against the Implementation Plan provided to the Standing Council in April 2012.

ACECQA's approach focuses on providing a broad overview of the NQF transition phase from 1 July to 31 December 2011, and then implementation phase to end June 2012.

The assessment largely relies on qualitative description based on the Authority's experience and observations and feedback derived from education and care sector stakeholders. In many instances it is too early in the NQF implementation to report on quantitative performance indicators. National data will become available in 2012–13 and inform future progress reports.

On balance, ACECQA's assessment against the Implementation Plan is that the overall progress of NQF implementation and administration is positive. Numerous stakeholders have worked collaboratively and effectively to develop the underlying capacity and capability of the systems and processes that are critical to the successful rollout of the NQF.

ACECQA, the Australian Government and the state and territory Regulatory Authorities have come together to build an essential platform to support the consistent implementation and administration of the NQF. An assessment of progress is provided under the four major activities described in the Implementation Plan.

## **1. Development and introduction of national applied laws legislation and National Regulations**

The National Law and the National Regulations took effect as agreed from 1 January 2012 in all jurisdictions, with the exception of Western Australia. Western Australia passed corresponding legislation on 20 June 2012. The National Law and the National Regulations commenced in Western Australia on 1 August 2012.

In July 2011, Ministers agreed to a later commencement of some parts of the legislation. Consequently, legislative provisions relating to the publishing of registers of providers and services, publishing service quality rating and the exercise of the Excellent rating function by ACECQA had not commenced at 30 June 2012. ACECQA anticipates these provisions of the National Law will be proclaimed in 2012–13.

## **2. Introduction of a National Quality Standard, including a new rating system**

The introduction of the NQS and corresponding rating system represents a fundamental change for the education and care sector. This is the first time Australia has had a national standard linked to national learning frameworks that recognise children learn from birth. To assist the sector's transition to the new arrangements, requirements of the NQS are being phased in over time. Progress on a number of measures to support the introduction of the NQS is as follows:



#### ◆ **Quality assessment and ratings**

State and territory Regulatory Authorities identified the initial education and care services to undergo quality assessment against the NQS, with the first scheduled quality assessment visits carried out in June 2012.

Anecdotal feedback indicates the quality assessment and ratings process is being implemented effectively and in accordance with the stated intent under the National Law. A formal evaluation of the validity and reliability of quality assessment results commenced in the first half of 2012 and has been led by a steering committee of the ECDWG. ACECQA is represented on the steering committee. A report detailing the findings of the evaluation is expected to be completed in late 2012 and will inform the Standing Council's consideration of the proclamation of legislative provisions relating to the publication of ratings.

#### ◆ **Training for authorised officers**

Training for authorised officers is a crucial part of the approach being taken to ensure national consistency in quality assessment and ratings. To support authorised officers, jurisdictions and the Australian Government developed a comprehensive training package delivered in two parts. Part one was the 'National Quality Framework Authorised Officer Train-the-Trainer Program', which was developed and delivered by Early Childhood Australia as a train-the-trainer model. The training was delivered to all authorised officers in each jurisdiction. The training covered:

- ◆ the legislative framework
- ◆ the approved learning frameworks
- ◆ the NQS
- ◆ cultural competence
- ◆ how to support services in the self-assessment and quality improvement plan processes
- ◆ monitoring and compliance, including note taking and report writing.

Part two training – the National Quality Standard Train-the-Trainer Program – was developed by the University of Melbourne and initially delivered to lead assessors from each jurisdiction. This training, which concentrates on the quality assessment and rating process, was subsequently delivered to all authorised officers involved in assessment and rating. Part two covers:

- ◆ the NQS tool
- ◆ determining a rating
- ◆ evidence gathering
- ◆ reliability.

ACECQA will assume responsibility for the authorised officers' training packages in the second half of 2012 and has worked closely with the ECDWG on a transition strategy.

#### ◆ **Quality Improvement Plans**

The National Regulations require approved services to have a Quality Improvement Plan (QIP). A QIP helps service providers self-assess their performance and assists Regulatory Authorities with their assessment of the service. ACECQA worked with the sector to support services to develop their QIPs. ACECQA received feedback on the positive effect on education and care practice as a consequence of the QIP process.

#### ◆ **Development of the Excellent rating criteria**

Commencement of the Excellent rating function will signal a milestone in recognising and celebrating excellence in education and care services. In preparation for the proclamation of National Law provisions that will enable eligible services to apply for the Excellent rating, the ACECQA Board developed draft criteria that were the subject of public consultation between December 2011 and March 2012. Feedback was analysed to inform refinements to the criteria for further Board consideration and the final criteria will be made public in August 2012.

### 3. Establishment of streamlined regulatory arrangements and state and territory reform of existing regulatory systems

The commencement of the National Law and National Regulations that gave effect to the NQF represented the start of streamlined regulatory arrangements and state and territory reform of existing systems. The national legislative framework creates a jointly governed, nationally consistent approach to the regulation and quality assessment of education and care services, and replaces the separate licensing and quality assurance processes in each jurisdiction. For many services this integrated approach will mean less red tape.

The establishment of the new regulatory arrangements was supported in 2011–12 by:

#### ◆ State and territory capacity building

Capacity building activities were undertaken by state and territory Regulatory Authorities to support the NQF reforms within their respective jurisdictions. This included delivery of a range of sector workshops and forums, regular meetings with services and peak bodies to explain the NQF requirements, and the development of fact sheets and guidance material. Regulatory Authorities have also undertaken a number of workforce training and change management activities to facilitate reform implementation at the local level.

#### ◆ Governance

The establishment of effective governance mechanisms included the formation of the Quality and Consistency Committee (QaCC) in February 2012, which comprises officials from ACECQA, the Australian Government and state and territory Regulatory Authorities. The QaCC has played a central role in supporting streamlined regulatory arrangements. The QaCC and its working groups are mechanisms for providing interpretation, clarity, certainty and national consistency. The work of the QaCC extends across public communications, operational practice,

business systems and Regulatory Authority workforce development and is guided by the objectives of the legislation and the principles of good regulatory practice.

#### ◆ National collaboration

National collaboration has been essential to identify, prioritise and resolve implementation issues. As with any regulatory reform, implementation issues emerged in the transition to the NQF from existing regulatory systems. To best manage these issues, an Implementation Issues Working Group (IIWG) has met regularly and comprises representatives from ACECQA, the Australian Government and all state and territories. ACECQA maintains a register that allows all jurisdictions to log issues for consideration and to track them through to their resolution.

## RESOLVING IMPLEMENTATION ISSUES

ACECQA and the Regulatory Authorities have worked together to resolve a number of implementation issues.

For example, through the IIWG, Regulatory Authorities sought clarification for when to approve verandas as indoor space. IIWG developed a policy that could be applied across the country in different climates and buildings. By looking across the Regulatory Authorities, IIWG was able to observe how regulation might best operate in a wide range of settings and communities.

The resulting policy position, which has been agreed to by QaCC is:

- ◆ The square metres of space counted must be usable and unencumbered, taking into account the physical elements of the space such as adequate flooring and roofing.
- ◆ There must be no significant periods of the year in which the space will be unsuitable, taking into account year round weather conditions, community expectations of suitability and measures available to manage

weather conditions, such as air conditioning, heating and weatherproofing.

- ◆ A Regulatory Authority must make a decision based on the merits of the application.

#### ◆ **Communications and engagement**

ACECQA developed, and commenced implementation of, a comprehensive communications and engagement strategy. ACECQA has made it a priority throughout the transition and implementation phases to provide regular and accurate information to the sector and to Regulatory Authorities on the new regulatory arrangements. The ACECQA Forum, comprising invited peak organisations with national reach and representative of the diversity of the education and care sector, was established as a major NQF consultative mechanism. The Forum will convene its inaugural meeting in August 2012.

#### ◆ **National training**

National training commenced for authorised officers within state and territory Regulatory Authorities.

#### ◆ **Shared resources**

A draft operational policy manual was developed for authorised officers. The manual provides guidance for Regulatory Authority staff about the administration of the NQF, including information about processing applications for approvals and certificates, issuing waivers, monitoring and compliance action.

#### ◆ **National Quality Agenda IT System**

A new national IT system, the NQA IT System, continued to be developed. Two parts of the system, a national database and the customer relationship management component, went live in January 2012. The online secure portal, which will contain online forms to allow service providers, certified supervisors and others involved in education and care services to submit applications and notifications online, will be accessible in the third quarter of 2012.

#### ◆ **Regulatory burden**

Planning commenced on a project identifying areas of administrative burden for education and care services under the NQF. This project will be implemented in 2012–13 and allow ACECQA to begin reporting to the Standing Council on the experience of services under the NQF with respect to the level of regulatory burden.

## **4. Establishment of ACECQA**

ACECQA commenced operations on 1 January 2012. Located in Sydney, the organisation was enacted as a national statutory authority under the National Law. More detail on ACECQA's establishment can be found in Part 1 of this report.

Since establishment, ACECQA has assumed responsibility for guiding the implementation and administration of the new system and monitoring and promoting consistency in its implementation and administration. ACECQA's functions have been implemented in accordance with the National Law and the organisation's Strategic Plan 2012–2016 and are reflected in Part 2 of this report.





## 4 Accountability



## 4.1 Risk Management Plan

**ACECQA's Risk Management Plan underpins the organisation's corporate governance framework. The Risk Management Plan was developed by the Audit, Finance and Risk Sub-Committee (AFR SC) and was approved by the Board in May 2012.**

The Risk Management Plan was developed in accordance with the AS/NZS ISO 31000:2009 standard and includes the identification of a number of risks and their associated controls across the categories of ACECQA's:

- ◆ establishment
- ◆ strategic operating environment
- ◆ people
- ◆ business operations
- ◆ financial obligation
- ◆ reputation.

ACECQA's reputation for integrity and ability to deliver on its strategic objectives requires a robust risk framework to support the responsibilities of the organisation. ACECQA's

Risk Management Plan enables informed decision making and improved accountability. The Plan demonstrates that levels of risk within the organisation are understood and that risk treatment strategies are appropriate and cost-effective.

The AFR SC reviews progress against the Risk Management Plan at each of its meetings and reports back to the ACECQA Board on the status of the plan. In addition, the CEO's Report to each meeting of the Board includes a risk and compliance update addressing the organisation's strategic operating risks and includes a report from the AFR SC's review of progress on the Risk Management Plan.





## 4.2 Freedom of information

The National Law and the National Regulations apply and modify the Commonwealth *Freedom of Information Act 1982* (FOI Act) and the *Ombudsman Act 1976*.

On 12 December 2011, the Standing Council announced the appointment of Dr Diane Sisely to the roles of:

- ◆ National Education and Care Services (NECS) Freedom of Information Commissioner
- ◆ NECS Privacy Commissioner
- ◆ Education and Care Services Ombudsman.

The NECS Freedom of Information Commissioner is responsible for undertaking the following as they relate to the operations of ACECQA:

- ◆ investigating complaints about the handling of FOI requests

- ◆ reviewing FOI decisions by ACECQA and the state and territory Regulatory Authorities
- ◆ reviewing ACECQA's operation of the Information Publication Scheme (IPS) in conjunction with ACECQA
- ◆ investigating ACECQA's compliance with Part 2 (IPS) of the FOI Act
- ◆ otherwise monitoring, investigating and reporting on the operation of the IPS.

ACECQA published its Freedom of Information Policy (FOI Policy) on its website on 23 December 2011.



The ACECQA FOI Policy sets out relevant information on:

- ◆ documents available under FOI Act – indicative list of types of documents ACECQA holds, which may be released or exempt under the FOI Act
- ◆ FOI applications – ACECQA’s procedures for applicants making FOI requests
- ◆ fees and charges
- ◆ ACECQA processing of FOI requests
- ◆ internal review of decisions
- ◆ contact details of ACECQA’s FOI Officer
- ◆ dedicated email address for FOI requests (foi@acecqa.gov.au)
- ◆ contact details of NECS FOI Commissioner and ECS Ombudsman.

As part of the IPS, ACECQA published its Information Publication Plan on its website on 23 December 2011. ACECQA is required to publish on its website certain categories of information, including information about the agency’s structure, functions and statutory appointments.

ACECQA must also publish operational information that guides decisions or recommendations that affect members of the public, as well as information about how the public can comment on policy proposals.

ACECQA first met the National Education and Care Services Freedom of Information Commissioner on 16 February 2012 and continues to meet quarterly to discuss FOI and privacy related matters.

The ACECQA Board Chair has authorised officers of ACECQA to make decisions under section 23(1) of the FOI Act.

ACECQA developed internal procedures to handle FOI requests, which will be provided to the NECS FOI Commissioner’s Office in July 2012.

In 2011–12 ACECQA received two FOI requests (in May and June 2012) set out in the table below.

### Freedom of information requests

The following table shows the status of Freedom of Information applications for access to information for the period 1 July 2011 to 30 June 2012.

Applications considered	Number
On hand as at 1 July 2011	–
Received	2
Granted in full	–
Granted in part	–
Access refused	–
Withdrawn	2
Transferred	–
On hand as at 30 June 2012	–
Internal reviews	–
Appeals to the National Education and Care Services Freedom of Information Commissioner	–
Appeals to the relevant Administrative Tribunal	–



## 4.3 Privacy

The National Law and the National Regulations apply and modify the Commonwealth *Privacy Act 1988*. ACECQA developed a Privacy Policy that was published on the ACECQA website on 23 December 2011.

The ACECQA Privacy Policy sets out relevant information on:

- ◆ personal information handling practices
- ◆ complaints
- ◆ ACECQA website collection of information
- ◆ contact details of ACECQA's Privacy Officer
- ◆ contact details of NECS Privacy Commissioner.

In 2011–12, ACECQA did not receive any privacy complaints.



## 4.4 Ombudsman

The Office of the ECS Ombudsman is responsible for independently examining complaints and concerns about the administrative actions of ACECQA.

ACECQA is committed to transparency and accountability in all its functions, as well as delivering high standards of service.

In the reporting period, ACECQA started developing guidelines to handle complaints about the administrative actions of ACECQA. The draft guidelines provide a procedure for

responding to complaints about administrative procedures and decision making by ACECQA. It also includes a process for internal review of complaints handling.

In 2011-12, ACECQA did not receive any complaints about the administrative actions of ACECQA.









## 5 Financial report and financial statements





## INDEPENDENT AUDITOR'S REPORT

**To the Standing Council on School Education and Early Childhood**

### **Report on the Financial Statements**

I have audited the accompanying financial statements of the Australian Children's Education and Care Quality Authority (ACECQA) for the period ended 30 June 2012, which comprise: a Statement by the Chair of the ACECQA Board, Chief Executive and Chief Operating Officer; the Statement of Comprehensive Income; Balance Sheet; Statement of Changes in Equity; Cash Flow Statement; Schedule of Commitments; Schedule of Contingencies; and Notes comprising a Summary of Significant Accounting Policies and other explanatory information.

#### ***Board's Responsibility for the Financial Statements***

The Board of ACECQA is responsible for the preparation of the financial statements that give a true and fair view in accordance with Australian Accounting Standards, as required by subsection 279(3) of the *Education and Care Services National Law Act 2010*, and for such internal control as is necessary to enable the preparation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### ***Auditor's Responsibility***

My responsibility is to express an opinion on the financial statements based on my audit. I have conducted my audit in accordance with the Australian National Audit Office Auditing Standards, which incorporate the Australian Auditing Standards. These auditing standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to ACECQA's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion

GPO Box 707 CANBERRA ACT 2601  
19 National Circuit BARTON ACT 2600  
Phone (02) 6203 7300 Fax (02) 6203 7777

on the effectiveness of ACECQA's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the Board, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

### ***Independence***

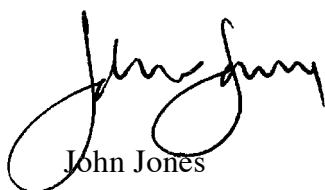
In conducting my audit, I have followed the independence requirements of the Australian National Audit Office, which incorporate the requirements of the Australian accounting profession.

### ***Opinion***

In my opinion, the financial statements of ACECQA:

- (a) have been prepared in accordance with Australian Accounting Standards as required by subsection 279(3) of the *Education and Care Services National Law Act 2010*; and
- (b) give a true and fair view of ACECQA's financial position as at 30 June 2012 and of its financial performance and cash flows for the period then ended.

Australian National Audit Office



John Jones  
Executive Director

Delegate of the Commonwealth Auditor-General

Canberra

5 October 2012

AUSTRALIAN CHILDREN'S EDUCATION AND CARE QUALITY AUTHORITY

# Financial Statements

## for the period ended 30 June 2012

### **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 2012 and the results of its operations and cash flows for the 10 month period ending 30 June 2012.

In our opinion, at the date of this statement, there are reasonable grounds to believe that ACECQA will be able to pay its debts as and when they become due and payable over the next 12 months.

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



Rachel Hunter  
Chair  
5 October 2012



Karen Curtis  
Chief Executive Officer  
5 October 2012



Eugene Remedios  
Chief Operating Officer  
5 October 2012



# Statement of Comprehensive Income for 10 months ended 30 June 2012

	Notes	2012 \$'000
<b>EXPENSES</b>		
Employee benefits	3A	2,959
Suppliers	3B	3,997
Depreciation and amortisation	3C	85
<b>Total expenses</b>		<b>7,041</b>
<b>LESS:</b>		
<b>OWN-SOURCE INCOME</b>		
<b>Own-source revenue</b>		
Sale of goods and rendering of services	4A	106
Interest	4B	158
Other revenue	4C	1
<b>Total own-source revenue</b>		<b>265</b>
<b>Net cost of services</b>		<b>6,776</b>
Funding from Commonwealth, state and territory governments	4D	9,616
<b>Surplus</b>		<b>2,840</b>
<b>Other comprehensive income</b>		<b>-</b>
<b>Total comprehensive income attributable to owners</b>		<b>2,840</b>

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

AUSTRALIAN CHILDREN'S EDUCATION AND CARE QUALITY AUTHORITY

# Balance Sheet

## as at 30 June 2012

	Notes	2012 \$'000
<b>ASSETS</b>		
<b>Financial assets</b>		
Cash and cash equivalents	5A	10,605
Receivables	5B	767
<b>Total financial assets</b>		<b>11,372</b>
<b>Non-Financial Assets</b>		
Leasehold improvements	6A	204
Plant and equipment	6B, C	208
Other non-financial assets	6D	133
<b>Total non-financial assets</b>		<b>545</b>
<b>Total assets</b>		<b>11,917</b>
<b>LIABILITIES</b>		
<b>Payables</b>		
Suppliers	7A	101
Other payables	7B	8,832
<b>Total payables</b>		<b>8,933</b>
<b>Provisions</b>		
Employee provisions	8A	144
<b>Total provisions</b>		<b>144</b>
<b>Total liabilities</b>		<b>9,077</b>
<b>Net assets</b>		<b>2,840</b>
<b>EQUITY</b>		
Retained surplus		2,840
<b>Total Equity</b>		<b>2,840</b>

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

## Statement of Changes in Equity for 10 months ended 30 June 2012

	Total Equity 2012 \$'000
<b>Opening balance</b>	
Balance carried forward from previous period	–
<b>Comprehensive income</b>	
Surplus for the period	2,840
<b>Total comprehensive income</b>	<b>2,840</b>
<b>Closing balance as at 30 June 2012</b>	<b>2,840</b>

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

AUSTRALIAN CHILDREN'S EDUCATION AND CARE QUALITY AUTHORITY

# Cash Flow Statement

## for 10 months ended 30 June 2012

	Notes	2012 \$'000
<b>OPERATING ACTIVITIES</b>		
<b>Cash received</b>		
Revenue from Commonwealth, states and territories		17,982
Sales of goods and rendering of services		115
Interest		153
<b>Total cash received</b>		<b>18,250</b>
<b>Cash used</b>		
Employees		2,567
Suppliers		3,918
Net GST paid		663
<b>Total cash used</b>		<b>7,148</b>
<b>Net cash from (used by) operating activities</b>	9	<b>11,102</b>
<b>INVESTING ACTIVITIES</b>		
<b>Cash used</b>		
Purchase of property, plant and equipment		497
<b>Net cash from (used by) investing activities</b>		<b>(497)</b>
<b>Net increase (decrease) in cash held</b>		<b>10,605</b>
Cash and cash equivalents at the beginning of the reporting period		-
<b>Cash and cash equivalents at the end of the reporting period</b>	7A	<b>10,605</b>

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



# Schedule of Commitments

## as at 30 June 2012

	2012 \$'000
<b>BY TYPE</b>	
<b>Commitments receivable</b>	
Funding from Commonwealth, state and territory governments	17,727
<b>Total commitments receivable</b>	<b>17,727</b>
<b>Commitments payable</b>	
Operating leases	(1,732)
Other	(1,050)
Net GST payable on commitments	(1,359)
<b>Total commitments payable</b>	<b>(4,141)</b>
<b>Net commitments by type</b>	<b>13,586</b>
<b>BY MATURITY</b>	
<b>Commitments receivable</b>	
One year or less	11,402
From one to five years	6,325
<b>Total commitments receivable</b>	<b>17,727</b>
<b>Commitments payable</b>	
<b>Operating lease commitments</b>	
One year or less	(853)
From one to five years	(879)
<b>Total operating lease commitments</b>	<b>(1,732)</b>
<b>Other commitments</b>	
One year or less	(592)
From one to five years	(458)
<b>Total other commitments</b>	<b>(1,050)</b>
<b>Net GST payable on commitments</b>	
One year or less	(905)
From one to five years	(453)
<b>Total other commitments</b>	<b>(1,359)</b>
<b>Total commitments payable</b>	<b>(4,141)</b>
<b>Net commitments by maturity</b>	<b>13,586</b>

Notes:

1. Commitments are GST inclusive where relevant.
2. Operating lease included is effectively non-cancellable lease for office accommodation.  
Lease payments are subject to 3 per cent fixed increases at 1 January each year of the lease term. The lease is for 2 years and 10 months and expiring on 30 June 2014, with an optional renewal for 1 year, 5 months and 30 days.
3. Other commitments include a range of contracts for telephony, data services and IT software licensing agreements.

## Schedule of Contingencies as at 30 June 2012

ACECQA has no quantifiable contingent assets or liabilities as at 30 June 2012.

There are also no unquantifiable or significant remote contingencies as at 30 June 2012.

# AUSTRALIAN CHILDREN'S EDUCATION AND CARE QUALITY AUTHORITY

## Table of Contents: Notes

**Note 1:** Summary of Significant Accounting Policies

**Note 2:** Events After the Reporting Period

**Note 3:** Expenses

**Note 4:** Income

**Note 5:** Financial Assets

**Note 6:** Non-Financial Assets

**Note 7:** Payables

**Note 8:** Provisions

**Note 9:** Cash Flow Reconciliation

**Note 10:** Board Members Remuneration and Related Party Transactions

**Note 11:** Senior Executive Remuneration Expenses

**Note 12:** Remuneration of Auditors

**Note 13:** Financial Instruments

## Note 1: Summary of Significant Accounting Policies

### 1.1 Objectives of the National Authority

The Australian Children's Education and Care Quality Authority (ACECQA) was established under the *Education and Care Services National Law Act 2010* ('the *National Law*') passed by the Victorian Parliament on 5 October 2010 as host jurisdiction and applied by all states and territories with the exception of Western Australia, which passed corresponding legislation.

ACECQA is an independent national statutory authority. Its objective is derived explicitly from the *National Law* and is to guide the implementation and administration of the *National Quality Framework* and to monitor and promote consistency in its implementation and administration.

ACECQA commenced operations on 29 August 2011. Therefore, these are the first Financial Statements for the 10 months ended 30 June 2012, with no comparative figures.

ACECQA is structured to meet the following outcomes:

**Outcome 1:** Better educational and developmental outcomes for children through quality education and care programs.

**Outcome 2:** Implementation of the *National Quality Framework* through consistent regulatory approaches.

The continued existence of ACECQA in its present form is dependent on Government policy and on continuing funding by Commonwealth, state and territory governments.

### 1.2 Basis of Preparation of Financial Statements

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

The financial statements and notes have been prepared in accordance with Australian Accounting Standards and Interpretations 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 or amortised cost. 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.

Unless an alternative treatment is specifically required by an accounting standard, assets and liabilities are recognised in the Balance Sheet when and only when it is probable that the future economic benefits will flow to the entity or future sacrifice of economic benefits will be required and the amounts of the assets or liabilities can be reliably measured. However, assets and liabilities arising under executory contracts are not recognised unless required by an accounting standard. Liabilities and assets that are unrecognised are reported in the Schedule of Commitments and the Schedule of Contingencies.

Unless alternative treatment is specifically required by an accounting standard, income and expenses are recognised in the Statement of Comprehensive Income when and only when the flow, consumption or loss of economic benefits has occurred and can be reliably measured.



### 1.3 Significant Accounting Judgements and Estimates

No accounting assumptions or estimates have been identified that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next accounting period.

### 1.4 New Australian Accounting Standard Requirements

#### Adoption of New Australian Accounting Standard Requirements

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

The following new standards, amendments and interpretations, which were issued prior to the signing of the declaration statement by the Chair, Chief Executive Officer and Chief Operating Officer, were applicable to the current reporting period:

AASB 124	Related Party Disclosures – December 2009 (Principle)
AASB 1031	Materiality – December 2009 (Compilation)
AASB 1054	Australian Additional Disclosures
AASB 2010-4	Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project
AASB 2010-6	Amendments to Australian Accounting Standards – Disclosures on Transfers of Financial Assets
AASB 2011-1	Amendments to Australian Accounting Standards arising from the Trans-Tasman Convergence Project

#### Future Australian Accounting Standard Requirements

The following new standards, amendments to standards or interpretations have been issued by the Australian Accounting Standards Board but are effective for future reporting periods. It is estimated that the adoption of these pronouncements will have no material future financial impact on the entity:

AASB 9	Financial Instruments – December 2010 (Issued December 2009)
AASB 13	Fair Value Measurements
AASB 119	Employee Benefits – September 2011 (Principal)
AASB 1053	Application of Tiers of Australian Accounting Standards – June 2010 (Principal)
AASB 2011-9	Amendments to Australian Accounting Standards – Presentation of Items of Other Comprehensive Income

Other new, revised or amending standards or interpretations that were issued and are applicable to future reporting periods are not expected to have a material financial impact on ACECQA in future reporting periods.

### 1.5 Revenue

#### Funding from Commonwealth, state and territory governments

ACECQA's funding is provided through contributions by Commonwealth, state and territory governments.

Only contributions for the current period are recognised as revenue when ACECQA obtains control of the contributions or obtains the right to receive the contributions and the revenue recognition criteria are met (i.e. the amount can be reliably measured and the flow of resources is probable).

Funding receivables are recognised at their nominal amounts.

#### Other type of revenue

Revenue from the sale of goods is recognised when:

- ◆ the risks and rewards of ownership have been transferred to the buyer
- ◆ the revenue and transaction costs incurred can be reliably measured
- ◆ it is probable that the economic benefits associated with the transaction will flow to the entity.

Revenue from rendering of services is recognised by reference to the stage of completion of contracts at the reporting date. Revenue is recognised when:

- ◆ the amount of revenue, stage of completion and transaction costs incurred can be reliably measured
- ◆ the probable economic benefits with the transaction will flow to ACECQA.

The stage of completion of contracts at the reporting date is determined by reference to the proportion that costs incurred to the date bear to the estimated total costs of the transaction.

Receivables for goods and sales are recognised at the nominal amounts due less any provision for bad and doubtful debts. The ability to collect debt is reviewed at the balance date. Provisions are made when the recovery of debt is no longer probable.

Fees prescribed by the national regulations, grants, gifts and donations are recognised on receipt unless paid to ACECQA for a special purpose where recognition of revenue will be recognised in accordance with the agreement.

Interest revenue is recognised using the effective interest method as set out in AASB 139 *Financial Instruments: Recognition and Measurement*.

## **1.6 Employee Benefits**

Liabilities for services rendered by employees are recognised at the reporting date to the extent that they have not been settled.

Liabilities for short-term employee benefits (as defined in AASB 119 Employee Benefits) and termination benefits expected to be settled within twelve months 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.

All other employee benefit liabilities are measured as the present value of the estimated future cash outflows to be made in respect of services provided by employees up to the reporting date.

#### Leave

The liability for employee benefits includes provision for annual leave and long service leave. No provision has been made for sick leave as all sick leave is non-vesting and the average sick leave taken in future years by employees is estimated to be less than the annual entitlement for sick 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 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 represents the present value of the estimated future cash outflows to be made resulting from employees' services provided up to the balance date. 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 the employees' externally managed superannuation funds as nominated by them.

The liability for superannuation recognised as at 30 June 2012 represents outstanding contributions due but not yet paid.

### 1.7 Leases

A distinction is made between finance leases and operating leases. Finance leases effectively transfer from the lessor to the lessee substantially all the risks and benefits incidental to ownership of leased non-current assets. An operating lease is a lease that is not a finance lease. In operating leases, the lessor effectively retains substantially all such risks and benefits.

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

#### Lease incentives

Lease incentives taking the form of 'free' leasehold improvements and rent holidays are recognised as liabilities. These liabilities are reduced by allocating lease payments between rental expense and reduction of the liability.

There is no 'make good' obligation associated with ACECQA's current leased property at the end of the lease term.

### 1.8 Cash and Cash Equivalents

Cash is recognised at its nominal amount. Cash and cash equivalents include:

- ◆ cash on hand
- ◆ demand deposits in bank accounts with an original maturity of three months or less that are readily convertible to known amount of cash and subject to insignificant risk of changes in value.

### 1.9 Trade and Other Receivables

Account 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'. 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.

### 1.10 Supplier and Other Payables

Supplier 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).

### 1.11 Acquisition of Assets

Assets are recorded at cost on acquisition. The cost of acquisition includes the fair value of assets transferred in exchange and liabilities undertaken.

### 1.12 Property, Plant and Equipment

#### Asset Recognition Threshold

Purchase of property, plant and equipment are recognised initially at cost in the balance sheet.

Purchases costing less than \$1,000 are expensed in the year of acquisition except where they form part of a project or group of similar items, which are significant in total.

#### Revaluations

Property, plant and equipment are carried at fair value.

Fair values for each class of asset are determined as shown below:

<b>Asset class</b>	<b>Fair value measured at</b>
Leasehold improvements	Depreciated replacement cost
Plant and equipment	Depreciated replacement cost

Following initial recognition at cost, property, plant and equipment are carried at fair value, less subsequent accumulated depreciation and accumulated impairment losses. Valuations were conducted with sufficient frequency to ensure that the carrying amounts of assets did not differ materially from the assets' fair values as at the reporting date. The regularity of independent valuations depended upon the volatility of movements in market values for the relevant assets.

Revaluation is only performed when its fair value at the time of acquisition is greater than \$1 million and estimated useful life is greater than three years. No revaluation was performed for the period ended 30 June 2012, as ACECQA did not have assets which met the revaluation criteria.

#### Depreciation

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

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.

Asset class	Useful life (years)
Leasehold improvements	Lease term
Plant and equipment	3 to 20 years

#### Impairment

All assets were assessed for impairment at 30 June 2012. 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.

### **1.13 Intangibles**

An intangible asset is an identifiable non-monetary asset without physical substance. Intangible assets are carried at cost, less accumulated amortisation and accumulated impairment losses. Purchases costing less than \$50,000 are expensed in the year of acquisition (other than where they form part of a group of similar items which are significant in total).

No intangible asset was recorded in the balance sheet for the period ended 30 June 2012 as ACECQA had no assets that met the capitalisation criteria.

### **1.14 Taxation**

ACECQA is not subject to income tax. ACECQA is liable for Payroll Tax, Fringe Benefits Tax (FBT) and Goods and Services Tax (GST). Income, expenses and assets are recognised net of the amount of GST except:

- ◆ When the GST incurred on a purchase of goods or services is not recoverable from the Australian Taxation Office, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item applicable
- ◆ Receivables and payables, which are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the Australian Taxation Office is included as part of receivables or payables in the Balance Sheet.

Cash flows are included in the Statement of Cash Flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from the Australian Taxation Office, is classified as part of operating cash flows.

Unrecognised contractual commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to the Australian Taxation Office. If the GST is not payable to, or recoverable from the Australian Taxation Office, the commitments or contingencies are disclosed on a gross basis.

## Note 2: Events After the Reporting Period

There have been no events after 30 June 2012 which will materially affect the financial position of ACECQA at the reporting date.



## Note 3: Expenses

For 10 months  
ended 30 June 2012  
\$'000

### **Note 3A: Employee Benefits**

Wages and salaries	2,618
Superannuation	228
Leave and other entitlements	113
<b>Total employee benefits</b>	<b>2,959</b>

### **Note 3B: Supplier**

#### **Goods and services**

Consultants	725
Contractors	140
Travel	247
Information and communication technology	1,243
Operating lease rentals – sublease payments	573
Workers compensation expenses	56
Payroll tax expenses	104
Recruitment	350
Other	559
<b>Total goods and services</b>	<b>3,997</b>

### **Note 3C: Depreciation and Amortisation**

Leasehold improvements	45
Plant and equipment	40
<b>Total depreciation and amortisation</b>	<b>85</b>

## Note 4: Income

For 10 months  
ended 30 June 2012  
\$'000

### OWN-SOURCE REVENUE

#### Note 4A: Sale of Goods and Rendering of Services

Provision of goods	78
Rendering of services	28
<b>Total sale of goods and rendering of services</b>	<b>106</b>

#### Note 4B: Interest

Interest earned on bank accounts	158
<b>Total interest</b>	<b>158</b>

#### Note 4C: Other Revenue

Other revenue	1
<b>Total other revenue</b>	<b>1</b>

### REVENUE FROM GOVERNMENTS

#### Note 4D: Funding from Commonwealth, State and Territory Governments

Funding from Commonwealth Government	6,740
Funding from state and territory governments	2,876
<b>Total funding from Commonwealth, state and territory governments</b>	<b>9,616</b>

## Note 5: Financial Assets

2012  
\$'000

### **Note 5A: Cash and Cash Equivalents**

Cash on hand and at bank	10,605
<b>Total cash and cash equivalents</b>	<b>10,605</b>

### **Note 5B: Receivables**

Goods and services	2
Interest	6
Funding from Commonwealth, state and territory governments	759
<b>Total receivables (net)</b>	<b>767</b>

Receivables are expected to be recovered in:

No more than 12 months	767
<b>Total trade and other receivables (net)</b>	<b>767</b>

Receivables are aged as follows:

Not overdue	767
<b>Total receivables (gross)</b>	<b>767</b>

## Note 6: Non-Financial Assets

2012  
\$'000

### **Note 6A: Leasehold Improvements**

Fair value	249
Accumulated depreciation	(45)
<b>Total leasehold improvements</b>	<b>204</b>

No indicators of impairment were found for leasehold improvements.

### **Note 6B: Plant and Equipment**

Fair value	248
Accumulated depreciation	(40)
<b>Total plant and equipment</b>	<b>208</b>

No indicators of impairment were found for plant and equipment.

No plant or equipment is expected to be sold or disposed of within the next 12 months.

### **Note 6C: Reconciliation of the Opening and Closing Balances of Property, Plant and Equipment 2012**

	Leasehold Improvements \$'000	Plant & Equipment \$'000	Total \$'000
<b>As at 1 July 2011</b>			
Gross book value	–	–	–
Accumulated depreciation and impairment	–	–	–
<b>Net book value 1 July 2011</b>	<b>–</b>	<b>–</b>	<b>–</b>
Additions:			
By purchase	249	248	497
Depreciation expense	(45)	(40)	(85)
<b>Net book value 30 June 2012</b>	<b>204</b>	<b>208</b>	<b>412</b>
<b>Net book value as of 30 June 2012 represented by:</b>			
Gross book value	249	248	497
Accumulated depreciation and impairment	(45)	(40)	(85)
<b>Net book value 30 June 2012</b>	<b>204</b>	<b>208</b>	<b>412</b>

2012  
\$'000

**Note 6D: Other Non-Financial Assets**

Prepayments	133
<b>Total other non-financial assets</b>	<b>133</b>

**Total other non-financial assets – are expected to be recovered in:**

No more than 12 months	100
More than 12 months	33
<b>Total other non-financial assets</b>	<b>133</b>

**Note 7: Payables**

2012  
\$'000

**Note 7A: Suppliers**

Trade creditors	101
<b>Total suppliers payables</b>	<b>101</b>

**Suppliers payables expected to be settled in:**

No more than 12 months	101
<b>Total</b>	<b>101</b>

**Note 7B: Other Payables**

Wages and salaries	297
Superannuation	56
Lease incentive	135
Prepayments received/unearned income	7,421
GST payable	687
Accruals and other payables	236
<b>Total other payables</b>	<b>8,832</b>

Total other payables are expected to be settled in:

No more than 12 months	8,765
More than 12 months	67
<b>Total other payables</b>	<b>8,832</b>



## Note 8: Provisions

	2012 \$'000
<b>Note 8A: Employee Provisions</b>	
Leave	144
<b>Total employee provisions</b>	<b>144</b>
<b>Employee provisions are expected to be settled in:</b>	
No more than 12 months	106
More than 12 months	38
<b>Total employee provisions</b>	<b>144</b>

## Note 9: Cash Flow Reconciliation

	2012 \$'000
<b>Reconciliation of cash and cash equivalents between Balance Sheet and Cash Flow Statement</b>	
<b>Cash and cash equivalents as per:</b>	
Cash Flow Statement	10,605
Balance Sheet	10,605
<b>Difference</b>	<b>–</b>
<b>Reconciliation of net cost of services to net cash from operating activities:</b>	
Net cost of services	(6,776)
Add revenue from Government	9,616
<b>Adjustments for non-cash items</b>	
Depreciation/amortisation	85
<b>Changes in assets/liabilities</b>	
(Increase)/decrease in net receivables	(767)
(Increase)/decrease in prepayments	(133)
Increase/(decrease) in prepayments received	135
Increase/(decrease) in employee provisions	144
Increase/(decrease) in supplier payables	101
Increase/(decrease) in other payable	8,697
<b>Net cash from (used by) operating activities</b>	<b>11,102</b>

## Note 10: Board Members Remuneration and Related Party Transactions

For 10 months  
ended 30 June 2012  
\$

Total remuneration received or due and receivable by the 13 Board members. **235,790**

Notes:

1. Remuneration for the Board is determined by the Standing Council on School Education and Early Childhood.
2. The daily sitting fee for the Board members is \$625 and the Chair is paid a salary determined by the Standing Council on School Education and Early Childhood.

### Related Party Transactions

Unless otherwise disclosed, transactions with Board Members and Senior Executives are on conditions no more favourable than those that it is reasonable to expect the entity would have adopted if dealing with the related party at arm's length in the same circumstances.

There were no transactions with Board Members and Senior Executives or their related entities during the reporting period.

## Note 11: Senior Executive Remuneration Expenses

	For 10 months ended 30 June 2012 \$
<b>Short-term employee benefits:</b>	
Salary	732,217
Annual leave accrued	19,020
Other	47,500
<b>Total short-term employee benefits</b>	<b>798,737</b>
<b>Post-employment benefits:</b>	
Superannuation	131,949
<b>Total post-employment benefits</b>	<b>131,949</b>
<b>Other long-term benefits:</b>	
Long-service leave accrued	12,177
<b>Total other long-term benefits</b>	<b>12,177</b>
<b>Total employment benefits</b>	<b>942,863</b>

Notes:

1. Total employment benefits cover the Executive team of six, are prepared on an accrual basis and excludes acting arrangements.
2. Other includes motor vehicle and relocation allowances.
3. Annual leave accrued and long service leave accrued represent the outstanding balances as at 30 June 2012.

## Note 12: Remuneration of Auditors

	For 10 months ended 30 June 2012 \$'000
Remuneration to the Australian National Audit Office (ANAO) for auditing the Financial Statements for the reporting period	35

No other services were provided by ANAO.

## Note 13: Financial Instruments

2012  
\$'000

### **Note 13A: Categories of Financial Instruments**

#### **Financial Assets**

##### **Loans and receivables:**

Cash and cash equivalents	10,605
Trade and other receivables	767
<b>Total</b>	<b>11,372</b>
<b>Carrying amount of financial assets</b>	<b>11,372</b>

#### **Financial Liabilities**

##### **At amortised cost:**

Trade creditors	101
Wages and salaries	297
Superannuation	56
Lease incentive	135
Prepayments received/unearned income	7,421
GST payable	687
Accruals and other payables	236
<b>Carrying amount of financial liabilities</b>	<b>8,933</b>

### **Note 13B: Net Income and Expense from Financial Assets**

#### **Loans and receivables:**

Interest revenue	158
<b>Net gain from financial assets</b>	<b>158</b>

There were no net income/expenses from financial assets not at fair value from profit and loss.

### **Note 13C: Fair Value of Financial Instruments**

As ACECQA only holds basic financial instruments (cash, receivables and payables), the carrying amounts are a reasonable approximation of fair value.

**Note 13D: Credit Risk**

ACECQA is exposed to minimal credit risk as loans and receivables are cash, cash on deposit and trade receivables. The maximum exposure to credit risk is the risk that arises from potential default of a debtor. This amount is equal to the total amount of trade receivables in 2012: \$767,000.

ACECQA has assessed the risk of default on payment and has decided not to allocate an impairment allowance account.

ACECQA manages its credit risk by undertaking background and credit checks prior to allowing a debtor relationship.

ACECQA has no collateral to mitigate against credit risk.

**The following table illustrates the entity's gross exposure to credit risk, excluding any collateral or credit enhancements.**

	2012 \$'000
<b>Financial assets</b>	
Cash and cash equivalents	10,605
Trade and other receivables	767
<b>Total</b>	<b>11,372</b>

**Credit quality of financial instruments not past due or individually determined as impaired**

	Not past due nor impaired 2012 \$'000
Cash and cash equivalents	10,605
Trade and other receivables	767
<b>Total</b>	<b>11,372</b>



### **Note 13E: Liquidity Risk**

Liquidity risk arises where ACECQA is unable to meet its financial obligations as they fall due. The continued existence of ACECQA in its present form is dependent on government policy in each of the Children's Education and Care Services jurisdictions and on continuing contributions from Commonwealth, states and territories. ACECQA has internal policies and procedures in place to ensure there are sufficient resources to make payments and has no history of default. The following table illustrates the maturities for financial liabilities.

#### **Maturities for non-derivative financial liabilities 2012**

	On demand \$'000	Within 1 year \$'000	1 to 2 years \$'000	2 to 5 years \$'000	> 5 years \$'000	Total \$'000
Trade creditors		101				101
Wages and salaries		297				297
Superannuation		56				56
Lease incentive		68	67			135
Prepayments received/unearned income		7,421				7,421
GST payable		687				687
Accruals and other payables		236				236
<b>Total</b>		<b>8,866</b>	<b>67</b>			<b>8,933</b>

The entity had no derivative financial liabilities in 2012.

### **Note 13F: Market Risk**

ACECQA's exposure to market risk is insignificant as it only holds basic financial instruments. There is no exposure to interest rate risk as there is no interest bearing liabilities. In addition, there is no exposure to foreign currency or other price risk.

**Report ends**



# Appendices



# Appendix A

## Letter of Expectation 2011–12

### MCEECDYA

Ministerial Council for Education,  
Early Childhood Development and Youth Affairs

PO Box 202, Carlton South VIC 3053, Australia  
3rd Floor, 15-31 Pelham Street, Carlton VIC 3053, Australia  
Tel: +61 3 9639 0588  
Fax: +61 3 9639 1790  
Email: [enquiries@mceecdya.edu.au](mailto:enquiries@mceecdya.edu.au)  
Web: <http://www.mceecdya.edu.au/mceecdya/>

Ms Rachel Hunter  
Chair  
Australian Children's Education and Care Quality Authority

Dear Ms Hunter

#### **Australian Children's Education and Care Quality Authority: Letter of Expectation for 2011/12**

I am writing to set out the Ministerial Council for Education, Early Childhood Development and Youth Affairs' (**MCEECDYA**) priorities and expectations for the Australian Children's Education and Care Quality Authority (**ACECQA**) Board for 2011/12.

#### **Purpose**

This Letter of Expectation is from MCEECDYA to ACECQA. It outlines the functions of the ACECQA and its Board and sets out the high level performance expectations, strategic priorities and key stakeholder relationships. It will be reviewed annually and updated as required.

This Letter of Expectation should inform the development of the Authority's Corporate and Strategic Plans.

#### **Context**

The Commonwealth and States and Territories are committed to increasing their focus on the early years (birth to eight years) to ensure the wellbeing of children throughout their lives, and to deliver the vision of the Early Childhood Development Strategy endorsed by the Council of Australian Governments (COAG) in July 2009, that 'by 2020 all children have the best start in life to create a better future for themselves, and for the nation'.

The *National Partnership Agreement on the National Quality Agenda for Early Childhood Education and Care* will contribute to achieving these agreed outcomes, by giving effect to COAG's decision in December 2009 to establish a jointly governed unified National Quality



Framework (NQF) for early childhood education and care and school-aged care services. The NQF will replace existing separate licensing and quality assurance processes as part of its National Quality Agenda (NQA) for early childhood education and care and by ensuring high quality early childhood education and care, it will contribute to improving outcomes for all children, and especially for those children from disadvantaged or at-risk backgrounds.

A key outcome of the NQF is to deliver an integrated and unified national regulatory and quality assurance system for early childhood education and care and school-aged care, which is jointly governed and which drives continuous improvement in the quality of services. The establishment of ACECQA, with joint governance arrangements, will play an important role in guiding the implementation and management of the national system and reporting to the Ministerial Council.

### **Priorities**

ACECQA's success in becoming a highly credible national body and the performance of the Board will be judged largely by progress towards ACECQA undertaking the full range of functions detailed in *Education and Care Services National Law Act 2010* (the National Law) and the implementation of the priorities outlined in this letter.

From 2011, ACECQA will work with the Australian Government and the State and Territory governments to help with the transition arrangements to the NQF, including working with the National Childcare Accreditation Council and establishing ACECQA's corporate structures to ensure it is fully operational from 1 January 2012.

ACECQA will commence management of the National Quality Agenda IT System in 2011 once it has the appropriate level of IT capacity. ACECQA will conduct regular reviews of IT requirements and implement changes resulting from those reviews.

ACECQA will establish protocols and guidelines for the consistent, effective and efficient functioning of the NQF.

Once ACECQA is fully operational, its highest priority will be to ensure a consistent national approach to the implementation and management of the NQF, including guiding and supporting the activities of the Regulatory Authorities in the administration and enforcement of the NQF and undertaking education and awareness raising amongst the sector and the broader community.

ACECQA's role in undertaking research and evaluation activities is critical to achieving a consistent approach to the implementation of the NQF, including continuous service quality improvement. Research and evaluation will create a strong evidence base for the guidance that ACECQA will provide to services and State and Territory Regulatory Authorities. It will also contribute to building the Australian evidence base in relation to early childhood development necessary for policy and strategy development and which is a priority under the National Early Childhood Development Strategy.

### **Expectations**

The Board is responsible for ensuring that ACECQA meets its statutory requirements and

undertakes the range of functions detailed in the National Law properly and efficiently. The Board will provide strategic direction and leadership for ACECQA and formulate strategies for discharging its functions in relation to the NQF.

The Board will work collaboratively with State and Territory Regulatory Authorities and report to and advise the Ministerial Council on the NQF.

The ACECQA Board will support national consistency in the application of the National Law and Regulation. This will include providing guidance to State and Territory Regulatory Authorities to encourage best practice and comparable administration of approvals, assessments and ratings, compliance and enforcement, consistent with the National Law.

MCEECDYA expects the Board to provide advice on how the National Law is shaping the intended outcomes including any recommendations for amendments to the NQF for consideration in the review of the National Partnership Agreement by the Council of Australian Governments in 2014. The Board will also provide policy advice to MCEECDYA about future directions including advice on ensuring comparability in the application and enforcement of standards and rating levels to further the objectives of the NQF.

The Ministerial Council expects the Board will meet at least quarterly as appropriate to the Board's work program and priorities. Members of the Board are expected to attend all scheduled meetings during the three year term of their appointment. If a Board member is prevented from attending a meeting for any reason, the Chair must be advised as early as practicable. In exceptional circumstances, the Chair may determine if it is appropriate for a proxy to attend.

Members of the Board are required to appropriately manage any conflicts of interest, consistent with the National Law. The Ministerial Council expects the Board to develop a Conflict of Interest Policy Framework in line with the requirements of the National Law, to guide the management of conflicts of interest.

The Board shall appoint a Chief Executive Officer (CEO) who is responsible for the general management of ACECQA and who will be the Board's link to the administration of ACECQA. The CEO will be accountable to the Board as a whole.

The Board will establish Board committees as necessary to assist in the discharge of its functions. It will also engage experts and services and consult with stakeholders as required, to ensure that authoritative advice can be provided to the Ministerial Council.

### **Cooperating with Regulatory Authorities**

MCEECDYA expects that ACECQA will work collaboratively and build strong working relationships with State and Territory Regulatory Authorities. The relevant Commonwealth Department, State and Territory Regulatory Authorities and ACECQA will develop protocols for communication between ACECQA and the State and Territory Regulatory Authorities to ensure comparability in the implementation and administration of the NQF and it is expected that these protocols will be formalised in 2011.

ACECQA and the Regulatory Authorities will act in a spirit of cooperation and ACECQA will report to the Regulatory Authorities in relation to the collection of information and the

evaluation of the NQF. ACECQA will enter into agreements with Regulatory Authorities in relation to fees and funding.

### **Working with MCEECDYA**

The Board will report regularly to the Ministerial Council and act in accordance with any policy directions from MCEECDYA. The Board will take an active role to ensure the ongoing engagement of all jurisdictions and to increase the visibility of ACECQA's work and that of the State and Territory Regulatory Authorities.

The Chair of the Board will advise the Ministerial Council, on behalf of the Board, about any matters of concern in the administration of the NQF. This includes seeking approval from the Ministerial Council on proposals that involve a review or change to the national standards; fees; and rating levels.

From time to time, MCEECDYA may choose to seek policy advice from ACECQA regarding quality issues related to early childhood education and care and school-aged care at a national level. In undertaking its activities, ACECQA may also formally identify or refer issues requiring policy direction or clarification to MCEECDYA for its consideration.

ACECQA should consult and interact with the Australian Education, Early Childhood Development and Youth Affairs Senior Officials Committee (AEEYSOC). In particular, AEEYSOC can assist ACECQA in:

- monitoring specified collaborative activities across jurisdictions;
- resolving at a policy and strategic level issues that need to be dealt with nationally that impact upon the funding, ownership and regulatory dimension of AEEYSOC members' responsibilities;
- providing a forum for MCEECDYA's Chief Executive Officers to share information and, where appropriate, make decisions on administrative matters that do not need to go to MCEECDYA; and
- managing and coordinating jurisdictions' funding contributions.

The relevant Commonwealth Department, State and Territory Regulatory Authorities and ACECQA will develop protocols for communication and liaison between AEEYSOC and ACECQA.

### **Working with Stakeholders and Other Bodies**

To be a highly credible national body that can drive sector change and support quality improvements, ACECQA will need to engage effectively with jurisdictions, the community, parents and the education and care sector. ACECQA should develop and implement open and transparent processes to engage its stakeholders to ensure, among other matters, that the services it provides meet the needs and expectations of all stakeholders.

MCEECDYA looks to ACECQA to build networks with all stakeholders and work collaboratively with other relevant professional bodies, as detailed in the Act to achieve quality reforms across the sector. MCEECDYA also looks to ACECQA to help educate and inform parents about the NQF.

## **Reporting**

For each financial year commencing from 2011/12, ACECQA will prepare a detailed work plan for MCEECDYA's endorsement that sets out the key actions and timeframes for addressing the strategic directions and work priorities set out in this Letter of Expectation, as well as key performance indicators.

MCEECDYA looks forward to receiving written reports against the Letter of Expectation at least every six months. The reports will include details of ACECQA's progress against its annual work plan, drawing input from all jurisdictions, as well as an update on recent activities and any emerging issues.

In addition, from 2012 ACECQA will report six monthly to MCEECDYA on the initial implementation of the NQF, and provide advice on the operation of the National Quality Standards, the rating system and fees.

The Board will also submit an annual report to the Ministerial Council within four months of the end of the financial year and provide any other reports requested by the Ministerial Council in accordance with section 279 of the National Law.

## **Funding, Efficiency, Reducing Burdens**

To deliver the priorities set out in this letter, ACECQA's budget over four years from 2010/11 is up to \$31 million. Any revenues generated from the products and services provided by the ACECQA must be used to ensure continuation of its operations effectively and efficiently. Additional, and ongoing, funding will be provided to support the management of the IT system.

In addition to its budget, ACECQA will receive 10% of revenue from fees collected from jurisdictions and 100% of revenue from fees and other monies collected by ACECQA.

It is expected that ACECQA will manage its financial affairs prudently to deliver the priorities for 2012 outlined in this letter.

## **Future Work**

Once ACECQA is established and the NQF has commenced, ACECQA will continue to progress the delivery of the full range of functions detailed in the Act. ACECQA will guide the implementation and administration of the NQF and promote and foster continuous quality improvement by services, including:

- reporting to Regulatory Authorities on data collection and evaluation of the NQF;
- determining the approved qualifications to be held by educators;
- maintaining a national register of approvals, and keeping national data on the assessment, rating and regulation of services;
- educating and informing services and the community about the NQF including publishing guides and resources;
- undertaking research and evaluation activities;
- reducing regulatory burden on education and care services as much as possible; and
- publishing information about services.

## Conclusion

On behalf of MCEECDYA, I look forward to working with you towards the future success of ACECQA. We recognise the challenges faced by ACECQA in overseeing the implementation of the NQA and meeting the Australian public's desire for improved quality in early childhood education and care and look forward to hearing about the ACECQA's progress on its activities through the course of the year.

This letter will be reviewed at the end of 2011 with a revised letter to be provided in January 2012 to outline priorities for ACECQA once it is fully operational.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'Martin Dixon'.

Hon Martin Dixon MP  
Chair MCEECDYA



## Appendix B

### ACECQA Board membership



**Rachel Hunter**  
**Chair**

Rachel Hunter is currently the Chair of Legal Aid Queensland, Deputy Chair of the Queensland Performing Arts Trust Board, a member of the Griffith University Council and a member of the UQ College Board. Rachel was formerly the Chair of QCOMP until 30 June 2012.

Rachel retired from the position of Director-General of the Department of Justice (including private and public sector industrial relations and workplace health and safety) in July 2010.

Rachel's previous roles as CEO include Director-General of the Department of Education, Training and the Arts, and Director-General of the Department of Justice and Attorney-General. She also served as Queensland's Public Service Commissioner. Rachel was Chair of TAFE Queensland and, as such, was the lead executive and spokesperson for the TAFE system.

Rachel has an acute interest in the role education and the arts play in individual, community and economic development.



**Professor Collette Tayler**  
**Deputy Chair**

Professor Collette Tayler holds the Chair in Early Childhood Education and Care (ECEC) at the University of Melbourne. Collette is co-author of the OECD report, *Starting Strong II*, an international analysis of ECEC policy and provision. She directs the E4Kids (Effective Early Educational Experiences) longitudinal study and leads the Master of Teaching (Early Childhood) program at the Melbourne Graduate School of Education.



### Tracey Bradley

Tracey Bradley has worked in the early years for over 27 years. She has worked with children, managed services, developed new programs and has mentored services in rural and remote areas. Tracey participated on a working group involved in the development of new childcare legislation in Tasmania and has continued to support services to meet legislative requirements. Tracey has been a member of the Tasmanian Ministers Child Care Advisory Council since it was formed a decade ago and has held the position of Chairperson for several years.



### Mark Brown

Mark Brown is Director, Education and Training Regulation, Department of Education Services, in Western Australia. Mark has been involved in education in WA since 1974, as a primary school teacher, university lecturer, curriculum and assessment manager, and director for Kindergarten to Year 12 curriculum in WA. In recent years, he has managed the registration of non-government schools (Kindergarten to Year 12) before being appointed as Director, Education and Training Regulation in 2009.



### Professor Alison Elliott

Professor Alison Elliott has extensive cross-sectorial and cross-jurisdiction experience in early education research, policy and management. She is widely recognised for her expertise in children's education and care, particularly in young children's learning and wellbeing, especially those in remote and economically vulnerable communities. Alison has held a range of academic and leadership positions in the university sector; has served on and held executive positions on a range of boards, committees and early childhood advisory and reference groups; published widely in the field of early education and care; and is a Fellow of the Australian College of Educators. She is the long-time editor of the leading professional publication *Every Child*.



### Gayle Ginnane

Gayle Ginnane is a former senior public servant with a background as a financial regulator. Gayle has worked in several Australian Government agencies and been involved with a number of voluntary organisations, including at senior and board levels. She is now an independent director with a number of board appointments, including at the former National Childcare Accreditation Council. Gayle has considerable experience in board governance and finance.



### Tonia Godhard AM

Tonia Godhard AM has worked as an early childhood director and academic and has held senior roles in a range of community-based children's services, including the position of CEO of SDN in New South Wales. She sits on a number of boards and committees and is committed to strong advocacy for young children and raising the quality of services for children and their families.



### Professor Pauline Harris

Professor Pauline Harris is the Lillian de Lissa Chair, Early Childhood (Research) at the University of South Australia, in partnership with the SA Department of Education and Children's Services. Pauline's previous academic appointment was at the University of Wollongong for 20 years, where she specialised in early childhood play, curriculum, language and literacy. She has authored numerous journal articles, book chapters and books, and has been lead investigator on three significant Australian Research Council Discovery projects.



### Sue Lines

Sue Lines is Assistant National Secretary of United Voice, one of Australia's largest unions, representing professionals in children's education and care. Under Sue's leadership, United Voice has advocated for the continued professionalisation and recognition of the children's education and care sector, including ensuring that professionals working at centres, and the families that rely on them, were represented during the insolvency of ABC Learning. Sue has advocated for the creation of the National Quality Framework and is committed to issues that will have a lasting impact on the future of children's education and care in Australia.



### Michael Manthorpe

Michael Manthorpe is a Deputy Secretary in the Commonwealth Department of Education, Employment and Workplace Relations. He has been with DEEWR and its predecessors for over 20 years, working on workplace relations, labour market, employment and early childhood matters. During 2008–09, he led the Commonwealth Government's response to the insolvency of ABC Learning for which he was awarded the Public Service Medal. He was the Deputy Secretary responsible for early childhood reforms from 2009 to early 2011 and is currently leading the Department's Corporate and State Office Network functions.



### June McLoughlin

June McLoughlin has expertise in policy and service development within children's education and care, disability parenting and family support fields. June has managed many state and national projects designed to refocus early years services to provide more integrated support for families with young children. June holds positions on a number of boards and committees and was the Chair of the former National Childcare Accreditation Council Board.



### Amanda Morphett

Amanda Morphett is the Director of Jenny Wren Early Learning Centre and outside school hours care service. Amanda had a background in visual arts and a small business career before returning to a family-operated, second generation independent centre in Canberra eight years ago. Her previous board roles include National President of Childcare Associations Australia and the President of the ACT Children's Services Association. Amanda is an active advocate for the quality agenda in her local early childhood community.



### Anne Reddell

Anne Reddell was Executive Director in the Office for Early Childhood Education and Care, Queensland Department of Education and Training until her retirement in July 2012. Anne has a proven track record in children's education and care and a strong commitment to improving outcomes for children and supporting families. She has dedicated 20 years to leading Queensland Government policy and service delivery, with a focus on early childhood development and education and care. Anne has held senior positions overseeing the regulation of early childhood services, funding for non-government organisations, regional service delivery and regulation, policy development, and most recently, representing Queensland in national negotiations to improve the quality of early childhood services.



# Appendix C

## Board meeting attendance

### Meetings of the ACECQA Board 1 July 2011 to 30 June 2012

Date	Meeting	Apologies	Location
31 August–1 September 2011	1/2011	Gayle Ginnane (apology for day 1)	Melbourne
12–13 October 2011	2/2011	Michael Manthorpe	Sydney
24–25 November 2011	3/2011	Gayle Ginnane (apology for ½ day on day 2) Sue Lines (apology for ½ day on day 1)	Sydney
6–7 February 2012	1/2012	June McLoughlin	Sydney
29–30 March 2012	2/2012	Pauline Harris (apology for day 1) Amanda Morphet (apology for day 1)	Sydney
23–24 May 2012	3/2012	Sue Lines	Brisbane

## Appendix D

### ACECQA Board sub-committee and working group membership

Sub-committees and working groups	Members	Meetings in 2011–12
Audit, Finance and Risk Sub-Committee	Gayle Ginnane (Chair) Tonia Godhard Tracey Bradley Ken Barker (external member)	<b>4 October 2011</b> <b>25 January 2012</b> <b>15 May 2012</b>
Strategic Planning Working Group	Rachel Hunter (Chair) June McLoughlin Amanda Morphet Michael Manthorpe Sue Lines	<b>22 September 2011</b> <b>18 November 2011</b>
Consistency Working Group	June McLoughlin (Chair) Tonia Godhard Mark Brown Anne Reddell	<b>15 September 2011</b> <b>23 September 2011</b>
Educational Qualifications Working Group	Collette Tayler (Chair) Tonia Godhard Alison Elliott Mark Brown Pauline Harris Anne Reddell	<b>14 September 2011</b> <b>21 September 2011</b> <b>10 November 2011</b> <b>2 February 2012</b> <b>26 April 2012</b>

# Appendix E

## Major speaking and sector engagements by ACECQA

NQF Stakeholder Reference Group	12 September 2011
ACT Children's Services Round Table	16 September 2011
Early Childhood Australia Council Meeting	7 October 2011
United Voice National Convening Group of Early Childhood Education and Care Directors	11 October 2011
Professional Support Coordinator Alliance	20 October 2011
NSW Out of School Hours Care Reference group	9 November 2011
Early Childhood Australia National Children's Services Forum	14 November 2011 and 6 March 2012
Community Childcare AGM	17 November 2011
Child Care Centres Association of Victoria	21 November 2011
Queensland Catholic Education Commission	24 February 2012
National Out of School Hours Services Australia National Meeting	23 February 2012
Community Services and Health Industry Skills Council Meeting	28 February 2012
Australasian Teacher Regulatory Authorities Meeting	1 March 2012
NSW Uniting Care Children's Services	6 March 2012
ACT Children's Services Forum	16 March 2012
Child Care NSW	17 March 2012
Early Childhood Australia Queensland AGM	21 March 2012
KU Combined Director Day	21 March 2012
Listening Tour WA	27 March 2012
NSW NQF Reference Group	29 March 2012
National Montessori Early Childhood Education and Care Conference	31 March 2012
Australian Education Union SA Seminar	4 April 2012
Listening Tour SA	17 April 2012
QLD Stakeholder Reference Group	18 April 2012
Centre for Community Child Health, The Royal Children's Hospital, Murdoch Children's Research Institute	19 April 2012
Catholic Education Office of WA Early Learning and Care Seminar	20 April 2012
Listening Tour ACT	23 April 2012
Listening Tour QLD	26 April 2012
NSW Family Day Care 2012 Tri-Regional Conference	2 May 2012
Listening Tour TAS	7 May 2012
Listening Tour NSW	9 May 2012

National IPSP Meeting	15 May 2012
G8 Education Operations Manager Conference	16 May 2012
Australian Children's Community Services Conference	18 May 2012
Local Government Forum for Managers of Children's Services (NSW)	25 May 2012
C&K Schooling Professionals 2012 Conference <i>Children's Right to Childhood</i>	27 May 2012
NSW Department of Education and Communities, Student Achievement and Community Partnerships, 'Through the Looking Glass' Conference	30 May 2012
Listening Tour NT	5 June 2012
Teachers Registration Board of SA Australasian Teacher Regulatory Authorities Network – Qualifications/Registration Officers Annual Meeting	8 June 2012
Child Care Centres Association of Victoria 2012 Conference	16 June 2012
NSW Council of Deans of Education 2012 Conference	18 June 2012
DEEWR Early Childhood Workforce Industry Roundtable NSW	19 June 2012
DEEWR Early Childhood Workforce Industry Roundtable TAS	21 June 2012
DEEWR Early Childhood Workforce Industry Roundtable VIC	22 June 2012
ACT Children's Services Forum	22 June 2012
DEEWR Early Childhood Workforce Industry Roundtable VIC	27 June 2012
Aboriginal Early Childhood Support and Learning (NSW) 2012 Annual Early Childhood Education Conference	28 June 2012

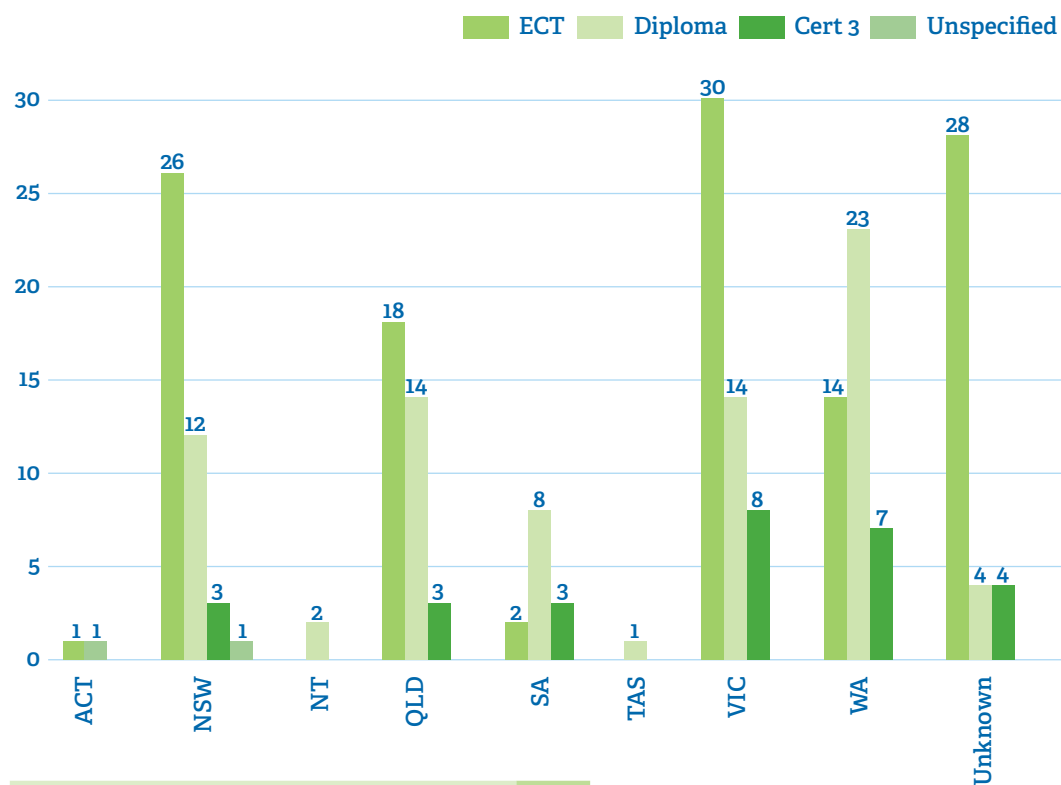
## Appendix F

# Individual qualifications application statistics from 1 January to 30 June 2012

**Table 1:** Applications received by status

Further information required from applicant	133
Ready to be assessed/assessment in progress	17
Applications finalised (see Table 6)	77
<b>Total</b>	<b>227</b>

**Table 2:** Applications received by jurisdiction and qualification type



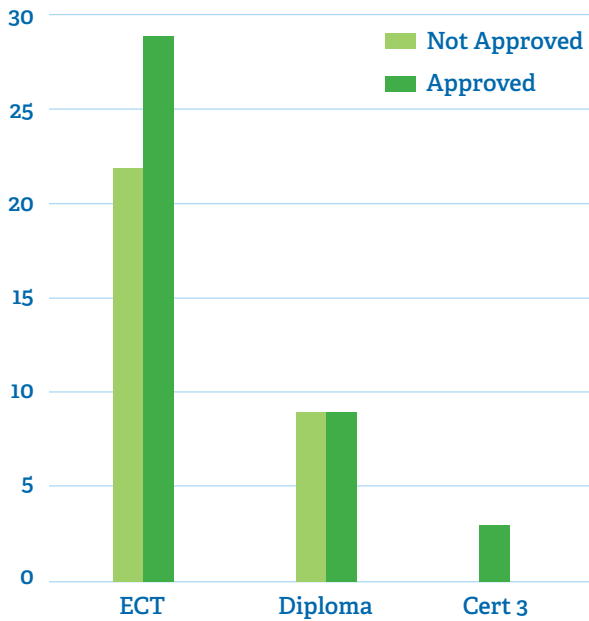
ECT	119
Diploma	78
Cert 3	28
Unspecified	2
<b>Total</b>	<b>227</b>



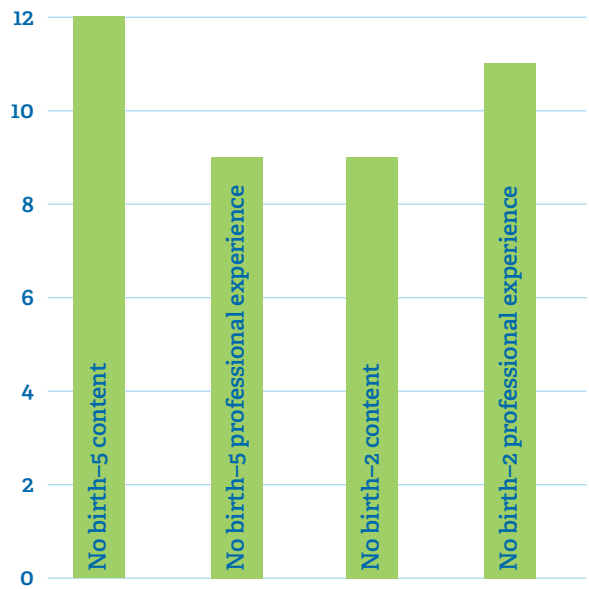
**Table 3:** Applications by country

Australia	29
Canada	5
Chile	1
Croatia	1
Egypt	2
Germany	3
Fiji	1
India	7
Ireland	33
Malaysia	1
Mexico	1
New Zealand	47
Philippines	6
Romania	1
Russia	1
South Africa	6
South Korea	1
Sweden	1
Spain	1
Switzerland	2
The Netherlands	2
Turkey	1
United Kingdom	62
United States of America	11
Vietnam	1

**Table 4:** Applications approved by qualification type

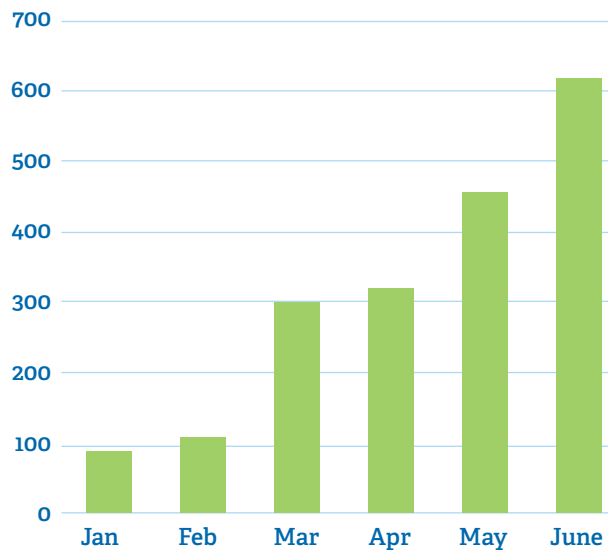


**Table 5:** Reasons ECT applications not approved\*



\*Please note that there may be more than one reason why an application was not approved.

**Table 6:** Qualifications enquiries received from 1 January to 30 June 2012



# Appendix G

## Acronyms and glossary

- ACECQA:** The Australian Children's Education and Care Quality Authority
- AEEYSOC:** Australian Education, Early Childhood Development and Youth Affairs Senior Officials Committee
- AFR SC:** Audit, Finance and Risk Sub-Committee
- AQF:** Australian Qualifications Framework
- COAG:** Council of Australian Governments
- CRM:** Customer Relationship Management System
- CWG:** Communications Working Group
- DEEWR:** Department of Education, Employment and Workplace Relations
- ECDWG:** Early Childhood Development Working Group
- ECS:** Education and Care Services
- ECT:** Early Childhood Teacher
- EYLE:** Early Years Learning Framework
- FAQs:** Frequently Asked Questions
- FOI:** Freedom of Information
- Framework for School Age Care:** My Time, Our Place: Framework for School Age Care in Australia
- ICT:** Information and Communication Technology
- IIWG:** Implementation Issues Working Group
- Implementation Plan:** Implementation Plan for the National Quality Agenda for Early Childhood Education and Care
- IPS:** Information Publication Scheme
- National Law:** *Education and Care Services National Law Act 2010*
- NPA:** National Partnership Agreement
- National Regulations:** *Education and Care Services National Regulations 2011*
- NCAC:** National Childcare Accreditation Council
- NCAP:** National Consistency Action Plan
- NECS:** National Education and Care Services
- NQA:** National Quality Agenda
- NQF:** National Quality Framework
- NQS:** National Quality Standard
- QaCC:** Quality and Consistency Committee
- QIP:** Quality Improvement Plan
- Regulatory Authorities:** The administrative unit or body in each state and territory responsible for the administration of the National Law and National Regulations
- Standing Council:** Standing Council on School Education and Early Childhood (formerly the Ministerial Council for Education, Early Childhood Development and Youth Affairs)
- TWG:** Training Working Group

# Index

## A

- accountability 55–60
- ACECQA Forum 36, 39, 53
- acronyms 113
- Audit, Finance and Risk
  - Sub-Committee 14–15, 106
- Australian Institute for Teaching and School Leadership 43
- Australian National Audit Office 64, 87
- Australian Qualifications Framework 46–47
- authorised officers, qualifications and training 14, 16, 24, 31, 32, 42, 44–45, 51–52, 53, 58

## B

- Board
  - composition of 13–14
  - first meeting 16
  - meeting attendance 105
  - membership 100–104
  - remuneration 86

## C

- communications and engagement
  - strategy 17, 36, 53
- Communications Working Group 26
- Consistency Working Group 15, 106
- continuous quality improvement 24, 34

## E

- Early Childhood Development Working Group 28
- Early Years Learning Framework 7
- Education and Care Services National Law Act 2010* 2, 12, 64–65, 66, 74, 95
- Educational Qualifications Working Group 15, 106
- educators, qualifications for 46–47
- establishment 11–21
- Excellent rating criteria 15, 16, 24, 34–35, 51

## F

- financial management, framework for 17–18
- financial report 64–65
- financial statements 66–90
- first tier review 30
- Foreword 3–4

- forms for application and notification 31, 40
- Framework for School Age Care 7
- freedom of information 16, 57–58
- functions under the National Law 24–47
- funding, sources of 18

## G

- glossary 113
- governance 11–21, 52
- guides 11, 42

## I

- Implementation Issues Working Group 26, 52
- Implementation Plan 7, 16, 26, 28, 33, 49–53
- independent auditor's report 64–65
- information and communication
  - technology 19
- Information Publication Plan 16, 58
- informative role 36–41
- Introduction 7–8

## L

- letter of expectation 7, 20, 21, 32, 12, 94–99
- letter of transmittal 2

## N

- national auditing arrangements 32
- National Childcare Accreditation Council 16
- National Consistency Action Plan 6, 25–26, 30, 32
- National Education and Care Services Freedom of Information Commissioner 57–58
- national information and registers 33
- National Partnership Agreement 3, 7, 16, 18, 32, 33, 43
- National Quality Agenda
  - IT System 6, 26–27, 33, 53
- National Quality Framework for Early Childhood Education and Care
  - components of 7
  - implementation of 25–27, 49–53
  - information on 43
  - Resource Kits 6
  - starting date 3
- National Quality Standard Assessment and Rating Instrument 42, 50–51



National Regulations 42, 50

## **O**

Office of the ECS Ombudsman 57–58, 60

operational policy manual 26, 31, 53

Operational Work Plan 21, 28

organisational applications 47

organisational structure 16–17

## **P**

privacy 59

publication of registers 33

## **Q**

qualifications 40–41

    applications for recognition 109–112

    enquiries received 112

    for authorised officers 44

    for educators 46–47

Quality and Consistency Committee 6, 25–26, 52

quality assessment and ratings 7, 30, 44, 51–52

Quality Improvement Plans 34, 42, 51

## **R**

rating systems 7, 30–31, 42

registers, national 24, 27, 33

Regulatory Authorities

    meetings with 37

    reporting to 28–29

    training and development 45

    work with 53

regulatory burden 24, 26, 43, 53

remuneration

    auditors 87

    Board 86

    Senior Executives 87

reporting obligations 28–29

research functions 43

Risk Management Plan 15, 56

## **S**

second tier review 24, 30–31

sector engagements 107–108

speaking engagements 107–108

stakeholder engagement 3, 5, 25, 26, 36–37

Standing Council on School Education and

    Early Childhood 2, 3, 7–9, 12, 20–21, 24, 28, 32–33, 43, 47, 50–51, 53, 57

strategic plan 3, 6, 12–13, 15, 18, 20–21, 30, 32, 53

Strategic Planning Working Group 15, 106

structure of the report 9

sub-committees 13–15, 106

## **T**

training and development

    for authorised officers 51–52

    for Regulatory Authorities 24, 45

    Training Working Group 26, 27, 45

## **W**

'We Hear You' blog 37, 40

website 5–6, 16, 37, 38–40, 41, 42, 44, 46, 57, 58, 59, 77









*The best possible start in life.*



Australian Children's  
Education & Care  
Quality Authority

[www.acecqa.gov.au](http://www.acecqa.gov.au)