



Australian Children's  
Education & Care  
Quality Authority



**Annual Report  
2015–2016**







Australian Children's  
Education & Care  
Quality Authority

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Australian Children's  
Education & Care  
Quality Authority

ABN 59 372 786 746

Level 6, 175 Liverpool Street  
Sydney NSW 2000

PO Box A292  
Sydney NSW 1235

p | 02 8240 4200 f | 02 8240 4206  
[www.acecqa.gov.au](http://www.acecqa.gov.au)

24 October 2016

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

Dear Minister

The Board of the Australian Children's Education and Care Quality Authority (ACECQA) has pleasure in submitting to the Education Council the 2015–16 ACECQA Annual Report.

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

The National Law requires that the Education Council make arrangements for the tabling of the ACECQA Annual Report in the Parliament of a participating jurisdiction, as determined by the Council. ACECQA is advised that in 2016, South Australia has been confirmed as the participating jurisdiction for tabling purposes. Accordingly, the 2015–16 Annual Report has been prepared to meet the tabling requirements of that jurisdiction.

Yours sincerely

Judy Hebblethwaite  
Acting Chair

# Foreword from the Acting Chair

## It is my pleasure to present the Australian Children's Education and Care Quality Authority (ACECQA) Annual Report for 2015–16.

Having been a part of this sector for many years, I was previously very familiar with the work of ACECQA and its key responsibility to monitor and promote the consistent implementation of the National Quality Framework (NQF) for Early Childhood Education and Care. As the Deputy Chair and Acting Chair of the ACECQA Board since April 2016, I am now enjoying the opportunity to engage far more deeply with the role of the National Authority, and in particular, the work it delivers in close partnership with all state and territory governments and the Australian Government to support national consistency and high quality outcomes for children.

In taking up the work of the previous Board, it is apparent that delivering nationally agreed standards across Australia is not just about establishing and maintaining a benchmark for quality. It is also about providing the impetus, at both a service and jurisdictional level, for ongoing evaluation, an essential condition for growth and improvement. As such, the drive for national consistency is also an important part of the goal of continuous improvement and now that the NQF is no longer new, it is time, collectively, to strengthen our sights on this aim.

Our next immediate challenge is to evaluate the outcomes that the NQF is delivering and ACECQA is working with all governments and the sector to finalise a framework to measure the extent to which the NQF is meeting its objectives. An agreed evaluation framework will guide reporting on the NQF, including how it could be improved, identify gaps and allow governments and services to see the return on their investments in the NQF.

It is important, compelling work and very rewarding to be part of a national coalition working to improve the quality of education and care for the youngest members of our



society. My Board colleagues and I look forward to continuing to oversee this and a range of other strategies that deliver on our National Law functions. In particular, in 2016–17 we look forward to shaping a new strategic plan for the National Authority, guided by the next ACECQA Ministerial Letter of Expectation.

Of course, it is a pleasure to have the opportunity to pay tribute to ACECQA's previous Board. Firstly, to Ms Rachel Hunter, for her expert guidance and leadership. As the inaugural Chair, she worked effectively with the CEO in establishing such a strong foundation on which we will continue to build. On behalf of the current Board, my sincere acknowledgement is also extended to outgoing members of the second Board – Professor Collette Tayler (Deputy Chair), Tracey Bradley, Bernard Curran, Professor Alison Elliott, Tonia Godhard OAM and Professor Pauline Harris for their commitment and support to ACECQA and its goals. Their leadership and passion for quality education and care has played an important part in developing

the overwhelming support the NQF has received from the sector. Their work contributed to the growing awareness of the importance of providing a quality start for every child, instilling confidence in the community about the sector's ability to nurture children's learning for future achievement.

I would also like to thank the CEO, Karen Curtis, and ACECQA staff for their kind and supportive welcome, but more importantly for their contribution, hard work and achievements, not only since establishing the organisation in 2011–12, but more recently during the period of change at the Board level. I know that outgoing and continuing Board members are extremely appreciative of their efforts, and I look forward to working alongside the team as we invest in our future by striving for quality education and care in Australia.

In 2016–17, we will continue to enhance the productive partnerships with our state, territory and national colleagues, and our sector stakeholders. With the signing of the new National Partnership Agreement, the Board is enthusiastic about continuing the essential work of enabling and promoting high quality early learning and development experiences for children attending an education and care service.

**Judy Hebblethwaite**  
**Acting Chair**



# Report from the CEO

**ACECQA has again had a productive 12 months as the public face and voice for the implementation of the NQF.**

With the short and long-term benefits of quality education and care in the early years receiving greater recognition, our national work to support and promote continuous improvement has never been more crucial. In partnership and collaboration with the sector and the Australian and state and territory governments, we have achieved significant milestones throughout 2015–16.

Priority work during the year included a focus on promoting quality practice through research and analysis. ACECQA's quarterly NQF Snapshot reports were expanded to include more detailed information about performance against the National Quality Standard (NQS), including by sub-service and provider management type. An interactive online version of the Snapshot was also introduced during the reporting period, allowing readers to sort and search for more detailed information about the performance of the NQF. The first two in our new series of occasional papers were released, providing detailed analysis to the sector about how services are performing against Quality Area 1 and 2.

In 2015–16, ACECQA continued to enhance its data intelligence capability to inform and shape discussions and policy considerations by governments on a range of matters related to the children's education and care sector. As was envisaged from the outset of the NQF, the ability to collect data to build a meaningful profile of quality is invaluable. With nearly five years of data to work with, we are starting to see this realised, with richer analysis and research opportunities emerging.

ACECQA also worked to help providers and services improve outcomes through the delivery of our second round of national workshops



and by linking educators to resources to assist them in meeting the NQS. Our Starting Blocks initiative is working in tandem with this, promoting and updating resources to help families understand the importance of early childhood education and care and what to look for in a quality service.

The National Quality Agenda IT System remains integral to the interaction between providers and regulatory authorities, and new features continue to be added to further drive efficiency. These include quick edit functionality, the ability to submit additional documentation, assessment and rating enhancements and better integration with regulatory authority systems.

Assessing qualifications from individuals and organisations remains a significant part of ACECQA's ongoing work. With more than 1,000 applications received during the past year, we continued to liaise with applicants throughout the process to provide an accurate assessment, and in the case of organisations seeking to have a course approved, to ensure the development of high quality programs.

ACECQA remains a primary source of information about the NQF, with an average of

70,000 people visiting our website each month. Engaging content on our social media sites is also resulting in a growing audience, with content regularly reaching 50,000 people a week and more than 100,000 people in some weeks. Similarly, in 2015–16, our customer service team responded to almost 30,000 telephone and email enquiries.

One of the strengths of the NQF is that it is a national system and providers are keen to learn how the standard is being applied and achieved across Australia. Demand among jurisdictions for support to deliver and improve national consistency, particularly in relation to assessment and rating, remains high. ACECQA's provision of centralised authorised officer training is a significant tool in this regard and following the recent, joint inter-rater reliability trial, ACECQA will continue to work with states and territories to identify useful, practical and more targeted reliability measures. This project will also complement the new body of work ACECQA and jurisdictions are collaborating on to identify meaningful ways of evaluating NQF outcomes.

In April 2016, we welcomed the appointment of the third ACECQA Board. Led by Ms Judy Hebblethwaite as Acting Chair, a mix of returning and new Board members has

provided the organisation with a balance of continuity and new insights and perspectives. We look forward to working with them to deliver outcomes for children.

This is just a small selection of ACECQA's achievements throughout 2015–16; these and many more are outlined in detail throughout this report.

To that end, again I would like to thank ACECQA staff for their work during the past year. Their belief in the importance of quality and striving for continual improvement extends to their own work. I am privileged to lead them to deliver on ACECQA's role in the successful implementation of the NQF.

Lastly, I would also like to acknowledge the significant contribution made by all previous Board members, whose leadership, passion and direction have left ACECQA well placed to continue that work. In particular, the NQF has benefited from the stewardship and strategic insights of ACECQA's outgoing inaugural Chair, Ms Rachel Hunter.

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

# Report structure

ACECQA's Annual Report for 2015–16 has been structured to meet the requirements of section 279 of the Education and Care Services National Law (the National Law).

The report comprises five parts:

- Part 1** Governance and operations
- Part 2** Report on the performance of ACECQA's National Law functions
- Part 3** Implementation of the National Quality Framework
- Part 4** Accountability
- Part 5** 2015–16 financial report and financial statements.





# 1 Governance and operations



# 1.1 Background to the NQF and ACECQA

## The National Quality Framework

The National Quality Framework (NQF) is the national system for the regulation and quality assessment of early education and care services. It applies to most long day care, family day care, preschool and kindergarten, and outside schools hours care services.

The objectives of the NQF are to:

- ◆ ensure the safety, health and wellbeing of children attending education and care services
- ◆ improve the educational and developmental outcomes for children attending education and care services
- ◆ promote continuous improvement in the provision of quality education and care services
- ◆ establish a system of national integration and shared responsibility between participating jurisdictions and the Commonwealth in the administration of the NQF
- ◆ improve public knowledge, and access to information, about the quality of education and care services
- ◆ reduce the regulatory and administrative burden for education and care services by enabling information to be shared between participating jurisdictions and the Commonwealth.

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 the national implementation and administration of the NQF and to monitor and promote consistency in its implementation and administration.

The NQF improves quality in children's education and care through:

- ◆ national learning frameworks to support and promote children's learning. The two nationally approved 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
- ◆ educator qualification requirements to ensure educators have the skills to help children learn and develop
- ◆ a quality rating system to ensure Australian families have access to transparent information relating to the quality of children's education and care services.

## ACECQA

ACECQA is a national statutory authority established by section 224 of the National Law. ACECQA is a body corporate with perpetual succession. It is not a Commonwealth statutory authority.

The objectives and guiding principles of the NQF inform ACECQA's undertaking of functions under the National Law. The Authority is guided by the Education Council's Letter of Expectation for 2014–16, which outlines the strategic priorities and expectations for the ACECQA Board.

ACECQA delivers its functions in close collaboration with the state and territory regulatory authorities and the Australian Government, and consults with their respective policy departments on NQF policy matters through the Early Childhood Policy Group (ECPG).

ACECQA is governed by a Board of up to 13 members appointed by, and accountable to, the Education Council. ACECQA reports to the Council through the Australian Education Senior Officials Committee (AESOC).

The term of the second Board expired on 31 December 2015. The third ACECQA Board was appointed by the Education Council from 14 April 2016.

ACECQA's Letter of Expectation from the Education Council for 2014–16 is at [Appendix A](#).

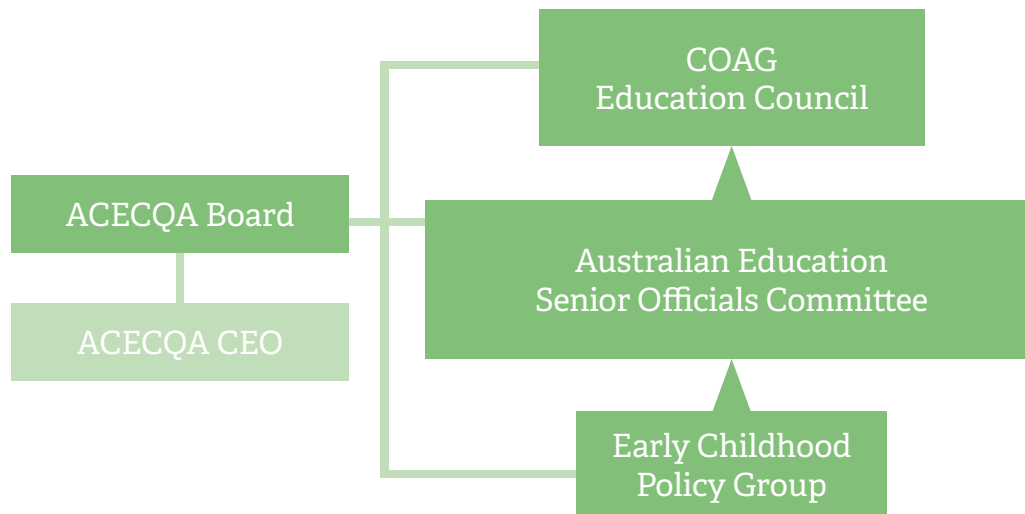
The ACECQA Chair's response to the Letter of Expectation is at [Appendix B](#).

The ACECQA Strategic Plan 2012–16 is available on the ACECQA website and was last reviewed by the Board in December 2014. In 2016–17, the Board anticipates undertaking a fundamental review of the Strategic Plan, in particular to align with the anticipated new Ministerial Letter of Expectation.

### Ministerial directions

Under section 222 (1) of the National Law, the Education Council may give directions to the ACECQA Board in relation to carrying out its functions under the law. Section 222 (2) also permits the Education Council to give directions to a regulatory authority with respect to the administration of the NQF. No directions were given by the Education Council in 2015–16.

**Figure 1 ACECQA's governance structure**



## 1.2 ACECQA Board and Sub Committees

### ACECQA Board

2015–16 saw the transition from a second to a third ACECQA Board. The second ACECQA Board, which had again been led by Ms Rachel Hunter as Chair and Professor Collette Tayler as Deputy Chair, completed its term on 31 December 2015. The third ACECQA Board, led by Ms Judy Hebblethwaite as Acting Chair, was appointed from 14 April 2016. Membership of the Board is outlined at [Appendix C](#).

The ACECQA Board held five meetings (three of which were the second Board) in 2015–16; with four meetings in Sydney and one by teleconference. Board meeting attendance is outlined at [Appendix D](#).

Significant work undertaken by the Board during the reporting period includes:

- ◆ monitoring the delivery of the organisation's statutory obligations and achievement of strategic priorities set by all ministers through the ACECQA Letter of Expectation
- ◆ monitoring the financial performance of the Authority, which saw ACECQA continue to operate within its overall funding envelope
- ◆ reviewing the ACECQA Board Charter and deciding the structure and composition of the new Board's sub committees to ensure effective and robust governance
- ◆ engaging with state, territory and Australian Government regulators and policy makers on approaches to risk-based regulation and the application of best practice principles



The ACECQA Board. Back row (left-to-right): Naomi Wilson, Ann Farrell, Catherine Hudson, Robyn Layton, Catherine Weber, Sabine Phillips.  
Front row (left-to-right): Nick Ryan, Sandra Cheeseman, Judy Hebblethwaite, Mark Brown.  
Absent: Joce Nuttall and Jackie Wilson.



in regulating children's education and care service

- ◆ conducting preliminary analyses of ACECQA's guidelines to assess equivalent Early Childhood Teacher qualifications for educators under the NQF, which will inform a scheduled review in the second half of 2016
- ◆ finalising ACECQA's third research report on services' perceptions and experiences of regulatory burden under the NQF, which found that education and care services have reported a decline in perceptions of overall burden associated with the administrative requirements of the National Law and Regulations.

## Board Sub Committees

### *Audit, Finance and Risk Sub Committee*

During the reporting period, the Board was supported by its Audit, Finance and Risk (AFR) Sub Committee. The Sub Committee provides independent oversight and monitors the organisation's governance, risk and control frameworks, financial performance and external accountability requirements. Membership of the AFR Sub Committee and details of meetings held in 2015–16 are outlined at [Appendix E](#).

Major priorities for the Sub Committee during the reporting period included:

- ◆ reviewing and endorsing the Authority's 2014–15 financial statements
- ◆ reviewing and monitoring ACECQA's risk management plan and fraud control strategies
- ◆ reviewing and monitoring ACECQA's investment and financial policies and procedures, including compliance with these policies
- ◆ overseeing an internal audit on ACECQA's compliance with the Payment Card Industry Data Security Standards, which concluded that the National Authority is compliant with the relevant standards
- ◆ conducting its own annual performance review.

### *Performance and Remuneration Sub Committee*

In 2015–16, the Performance and Remuneration Sub Committee provided advice on relevant performance and remuneration matters for ACECQA. Membership of the Sub Committee and details of meetings held in 2015–16 are outlined at [Appendix E](#).

### *Policy, Research and Consistency Sub Committee*

In 2015, the Policy, Research and Consistency (PRaC) Sub Committee provided strategic advice and recommendations to the Board on the connected themes and functions of policy, research and consistency, as they relate to ACECQA and the NQF more broadly. Membership of the Sub Committee and details of meetings held in 2015 are outlined at [Appendix E](#).

In addition to the above sub committees, in 2016 the Board established three, project specific working groups, to respectively:

- ◆ provide direction to management as part of enterprise bargaining for a new Agreement post 30 June 2016
- ◆ review and provide advice to the Board on high level qualifications policy matters
- ◆ commence preparatory work in reviewing ACECQA's high level engagement with governments and regulators, which in turn will inform the development of a new strategic plan in 2016–17.

Membership of these three working groups and details of meetings held in the first six months of 2016 are outlined at [Appendix E](#).

## 1.3 ACECQA's operations

### Organisational structure and staffing

**On 30 June 2016, the Executive comprised the Chief Executive Officer, Chief Operating Officer, General Manager Strategy, Communications and Consistency and National Education Leader/General Manager Educational Leadership.**

In January 2016, the organisation's structure was realigned for two of the three business groups with strategy, communications and consistency functions reporting to the General Manager, Strategy, Communications and Consistency and the National Education Leader managing sector support, training and promoting excellent practice, supported by the newly created role of Deputy National Education Leader. The structure for Business Services remained unchanged.

In addition, the Board and Governance team continued to report to the CEO and support the ACECQA Board and manage legal, governance, planning, reporting and accountability requirements across the organisation, including ACECQA's participation in inter-governmental fora. The Board and Governance team also manage ACECQA's second tier review function.

The Educational Leadership Group is led by the National Education Leader/General Manager Educational Leadership and delivers:

- ◆ advice on educational programs, practices and pedagogy
- ◆ ACECQA's operational function of assessing Excellent rating applications
- ◆ educational resources and professional development for the sector and regulatory authorities
- ◆ training, resources and support for state and territory regulatory authority authorised officers.

The Strategy, Communications and Consistency group is led by the General Manager for Strategy, Communications and Consistency and delivers:

- ◆ stakeholder engagement, including media and social media, web content and design, ACECQA newsletters and other mass communications, internal communications, major presentations and conference appearances, and inbound and outbound sponsorship
- ◆ expert policy analysis, advice, and research and evaluation under the NQF
- ◆ national consistency initiatives, including national audits of aspects of the NQF
- ◆ ACECQA's operational functions of assessing educator qualifications and organisations' early childhood education programs
- ◆ responses to enquiries from the sector and wider community through a dedicated service unit.

The Business Services group is led by the Chief Operating Officer and delivers:

- ◆ human resources
- ◆ IT
- ◆ information and records management
- ◆ finance and facilities functions.

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

The number of FTE staff at 30 June 2016 was 72.7. A breakdown of the workforce profile by FTE, headcount and gender is at [Figure 2](#).

The ACECQA organisational structure as at 30 June 2016 is outlined in [Figure 3](#).

**Figure 2 Workforce Profile – FTE and headcount by gender, 30 June 2016**

	Female	Male	Total
FTE	49.04	23.66	72.7
Headcount	54	24	78
% of workforce (headcount)	67.46%	32.54%	100%

### Office relocation

ACECQA's tenancy at Level 15, 255 Elizabeth Street Sydney came to an end in December 2015 with the expiry of its lease. ACECQA subsequently secured an alternative property at Level 6, 175 Liverpool Street Sydney and commenced operations in the new premises on 14 December 2015. The new property provides cost effective, equivalent facilities to ACECQA's previous premises with some additional meeting rooms.

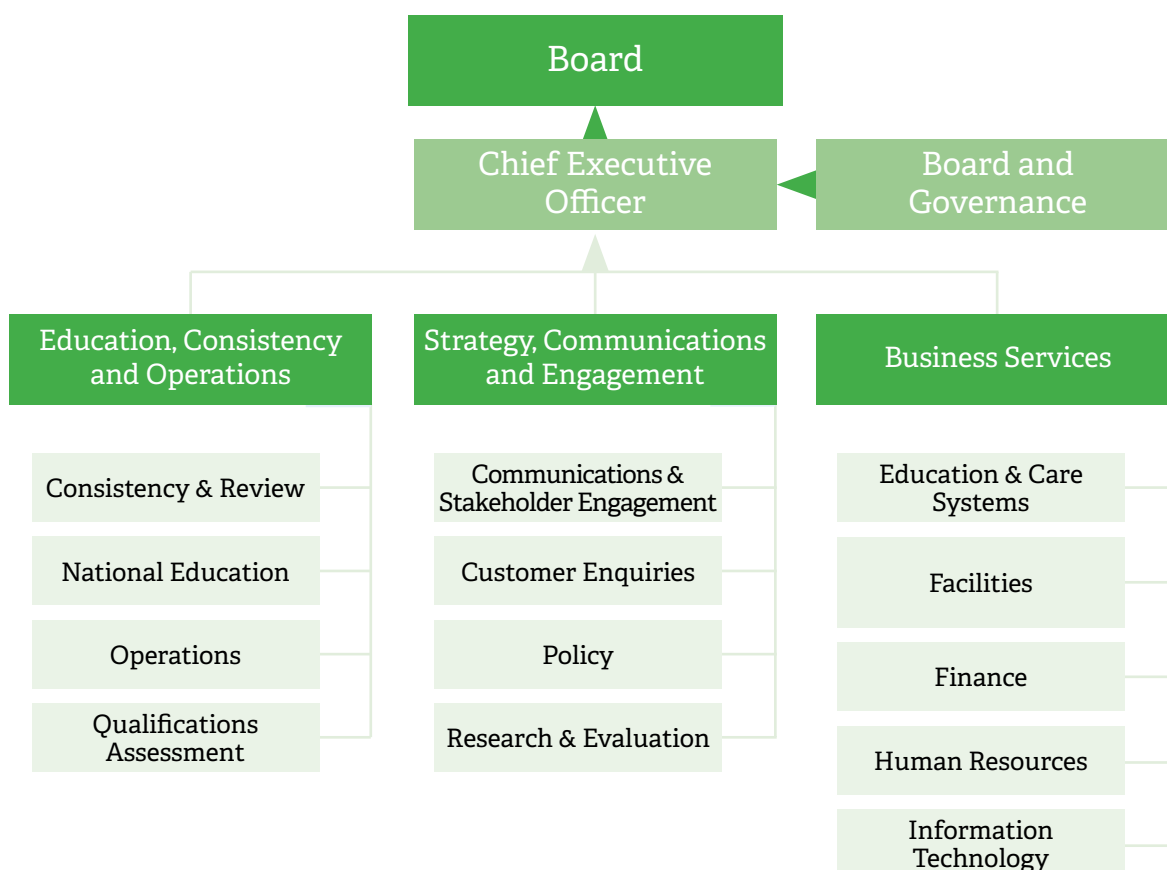
### Human Resources

During 2015–16, human resources continued its focus on the implementation of HR policies as well as facilitating training for all staff and managers in relation to their obligations and responsibilities under the policies and ACECQA's Enterprise Agreement. ACECQA's Enterprise Agreement nominally expired on 30 June 2016 and bargaining commenced in May 2016 after the appointment of the new Board.

In 2015–16, the human resources team also managed payroll, recruitment, induction, learning and development, Work Health and Safety (WHS), mandatory and professional development training and staff separations. The temporary employment register established in 2014–15 has continued to support workforce management planning and reporting.

A number of HR and specialist providers facilitated learning and professional

**Figure 3 ACECQA's organisational structure**



development for new and aspiring managers and communications training. Staff also completed specific learning and development training including administrative law, advanced excel and business writing.

## Funding

The operations of ACECQA are largely funded by the Australian Government and the state and territory governments under the National Partnership Agreement (NPA) on the National Quality Agenda for Early Childhood Education and Care. The current Agreement covers the period up to 31 December 2018.

In addition to operational funding in 2015–16, ACECQA also received:

- ◆ fee revenue under the National Regulations relating to ACECQA's functions of assessing qualifications, second tier review and Excellent rating applications
- ◆ 10 per cent of NQF related transaction and annual fees levied by the state and territory governments for calendar year 2015 in accordance with the NPA
- ◆ operational funding from the Australian Government and states and territories for administering, maintaining and developing the NQA ITS.

## Financial performance 2015–16

ACECQA operated in accordance with its Board approved budget to deliver on the strategic priorities contained in the Letter of Expectation from the Education Council, and a 2015–16 work plan that was developed in consultation with all jurisdictions and noted by the Education Council. The operating result for the 2015–16 financial year was a small deficit of \$117 thousand.

Operational funding from governments received in 2015–16 was approximately \$12.7 million. ACECQA also received own source revenue of approximately \$500 thousand mainly from the sale of NQF resource kits, services delivered under the National Regulations on a fee for service basis and interest income.

Since its establishment in 2011, ACECQA received or invoiced part of its annual funding from the Australian Government and the state and territory governments in June each year for its operations in the following financial year. The funding received or receivable was recognised in the year the funding was designated for, not in the year it was received or invoiced. This revenue recognition treatment under Australian Accounting Standards (AASB 118) was applied for the last four years.

In 2015–16, following discussions with the Australian National Audit Office, ACECQA applied a different Accounting Standard (AASB 1004) to ACECQA's government funding to recognise the funding as revenue when it was received, not in the year the funding was designated for. This was based on a technical accounting judgement about the most appropriate standard to apply.

As a result, ACECQA's Financial Statements report approximately \$13 million accumulated surplus as at 30 June 2016. This includes a working capital threshold and \$6.8 million funding received in advance for 2016–17 from the Australian Government, which will be progressively spent in that period. As an independent statutory authority, ACECQA requires adequate working capital to ensure that the agency is able to arrange supplier contracts, declare solvency and cover any funding shortfall or funding delays.

The total expenditure for the 12 months was \$13.3 million. The main expenditure items were:

- ◆ salaries and on-costs (approximately 69 per cent)
- ◆ ICT costs (approximately 9 per cent)
- ◆ occupancy (approximately 7 per cent).

At 30 June 2016, the cash and cash equivalent balance of ACECQA was \$5.3 million. Where cash and cash equivalents exceeded ACECQA's at call requirements, they were transferred to investments in accordance with ACECQA's investment policy.

## Information and Communication Technologies

ACECQA's IT team delivered a number of major projects in 2015–16, including:

- ◆ supporting the ACECQA office relocation, including establishing the new office IT infrastructure
- ◆ implementing an across-the-board desktop refresh program, comprising the replacement of the majority of personal computers and laptops
- ◆ supporting an internal Business Continuity Plan working group, and working towards implementation of a revised IT Disaster Recovery plan
- ◆ the renegotiation of ACECQA's primary IT hosting agreement, which facilitated a major server refresh program and communications upgrade, thereby providing ACECQA with greater value and improved services
- ◆ the renegotiation of a new corporate telephony system, as well as implementing improved mobile phone plans.

The IT Team also provided guidance to major projects across ACECQA, including the early childhood video library, website user experience redesign, and an upgrade to MYOB for ACECQA's Finance team.

## Information management

The focus of the information management program this year was to shift from the implementation phase to incorporating information best practice into the daily operations of the organisation. This was accomplished through the following achievements:

- ◆ completion of the digitisation of hardcopy records
- ◆ improved monitoring and reporting to ensure compliance with ACECQA's records management policy and procedure
- ◆ strengthening ACECQA's information management through revisions to records management and information security policies and procedures

- ◆ supporting records management compliance obligations for information stored in the NQA ITS
- ◆ development and implementation of digital archiving and retention procedures, with the development of tools for the application of retention policies at record creation and the assigning of retention policies to all records.

## WHS and work environment

ACECQA is committed to maintaining and improving the health and wellbeing of its staff through a robust WHS management system, which provides a framework for the delivery of WHS policies and procedures and other initiatives across the organisation. The WHS system fosters a strong safety culture through consultation arrangements, agreed employer/employee responsibilities and WHS structures and arrangements. There are also provisions relating to workplace inspections, ergonomic workstation assessments, training and information, and emergency procedures.

ACECQA continues to promote a strong commitment to a supportive workplace through initiatives that demonstrate staff, community and social engagement. In 2015–16, activities managed by the social committee, ACECQA Life, supported events such as Harmony Day, NAIDOC Week, Movember and other charities including the Cancer Council, R U OK Day and Youth off the Streets. ACECQA Life continues to engage staff through mindful leadership that promotes self-awareness, well-being, social conscience and compassion.

In 2016, ACECQA's Reconciliation Action Plan working group oversaw the development of the Authority's 'Reflect Reconciliation Action Plan'. The Action Plan, which was being finalised in consultation with Reconciliation Australia as at 30 June 2016, documents ACECQA's commitment to, and strategies to promote, reconciliation, and celebrates the unique place that Aboriginal and Torres Strait Islander cultures hold in Australia.



## 2 Report on the performance of ACECQA's National Law functions



## 2.1 Functions Overview

**ACECQA's overarching function under the National Law is to guide the implementation and administration of the NQF and to monitor and promote national consistency. To achieve this, ACECQA performs the functions described in section 225 of the National Law and delivers on the strategic priorities outlined in ACECQA's Ministerial Letter of Expectation.**

ACECQA reports to and advises the Education 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.

The National Law requires ACECQA to keep national information on the assessment, rating and regulation of education and care services. ACECQA publishes, monitors and reviews ratings of approved education and care services, including managing the process for a further review (second tier review) by a ratings review panel of the rating levels confirmed or amended by the regulatory authority.

ACECQA is responsible for establishing and maintaining national registers of approved providers, approved education and care services, and certified supervisors and the publication of those registers.

ACECQA makes 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 state and territory regulatory authorities. ACECQA develops, publishes and disseminates guides, practice notes and resources to help 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 all of its functions, ACECQA has regard to the objectives and guiding principles of the NQF and works to 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. ACECQA's Ministerial Letter of Expectation 2014–16 ([Appendix A](#)) prioritises some of these functions and this is also reflected across Part 2 of the Report.



## 2.2 Guiding implementation of the NQF

In 2015–16, ACECQA's Quality and Consistency Committee (QaCC), and its working groups, continued to be the formal mechanism for state, territory and national authorities to inform and assist each other to effectively, efficiently and consistently administer the NQF across Australia. The QaCC comprises senior representatives from state and territory regulatory authorities, the Australian Government and ACECQA.

### QaCC Key Activities

Priority areas of work in the 2015–16 financial year included:

- ◆ activities to strengthen outcomes and risk-based regulation under the NQF, for example:
  - QaCC members came together to participate in a seminar on risk-based regulatory practice in the NQF context, facilitated by Harvard University regulation expert Professor Malcolm Sparrow
  - a Risk and Compliance Sub Committee produced a report on current regulatory authority approaches to assessing and managing risk and opportunities for further development of knowledge about risk and compliance under the NQF
  - leading on from a national workshop on NQF risks, the QaCC agreed a forward work plan focused on strengthening information sharing, data collection and analytics within the national system to support better risk management.
- ◆ identifying and addressing NQF operational and policy issues raised by regulatory authorities, large providers and peak bodies, with a focus on solutions that strengthen sector compliance and minimise regulatory burden for regulatory authorities and providers
- ◆ informing and supporting ACECQA's 2015–16 program of NQF national audits

- ◆ collaboration on a small-scale trial, which sought to test methods of gauging the level of inter-rater reliability between authorised officers.

In addition, and as a mechanism to share information about more detailed jurisdiction-specific matters, in 2015–16 the ACECQA Executive continued to hold bilateral meetings with senior regulatory authority officials from the eight jurisdictions every six to eight weeks.

### Early Childhood Policy Group

In practice, all policy and high level operational matters reported by ACECQA to Education Council Ministers and AESOC are also consulted on with the Early Childhood Policy Group (ECPG). The ECPG comprises senior representatives from each state and territory and Australian Government department with responsibility for early childhood development policy. The ECPG reports and provides strategic policy advice to AESOC on all early childhood related components of the Education Council strategic reform framework.

Maintaining strong and effective relationships with ECPG is crucial to ensuring alignment between the strategic objectives of ACECQA and governments.

During 2015–16, and in addition to consulting with ECPG on its formal reporting obligations, ACECQA has been an active member of several newly established ECPG sub-groups, providing

national data and perspectives to support work on the following priority policy areas:

- ◆ Aboriginal and Torres Strait Islander Children
- ◆ Children's Safety, Health and Wellbeing (incorporating Family Day Care policy issues)
- ◆ Vulnerable and Disadvantaged Children
- ◆ Early Learning Transitions.

### **The 2014 COAG Review of the National Partnership Agreement on the National Quality Agenda for Early Childhood Education and Care**

Under the initial National Partnership Agreement on the National Quality Agenda for Early Childhood Education and Care (the NPA), all state and territory governments and the Australian Government committed to a review in 2014 on progress made towards achieving the objectives of the NQF.

ACECQA supported ECPG as a major contributor to the 2014 COAG Review throughout the main work period in 2014–15, and continued to support the Review process in 2015–16. The National Authority's major contributions to the Review during 2015–16 included:

- ◆ working closely with the ECPG Legislation Working Group to inform and advise on proposed National Law and National Regulations changes
- ◆ providing advice on the implementation of proposed changes to assessment and rating and the NQS
- ◆ coordinating a desktop review of a new proposed approach to determining Exceeding NQS for quality standards to inform development of guidance material for regulatory authorities and the sector.



## 2.3 ACECQA's reporting obligations

### COAG Education Council

Under the National Law, and in accordance with its Letter of Expectation, ACECQA delivers several reports to the COAG Education Council. These reports provide detailed information about the implementation and progress of the NQF, as well as major activities undertaken by the National Body. In 2015–16, these reports included:

- ◆ an eighth and final NQA Implementation Plan report (December 2015), which provided an assessment of NQF progress against five performance indicators. A summary of progress against those five indicators, as at 30 June 2016, is contained in Part Three of this Annual Report
- ◆ two, six monthly progress reports against an ACECQA interim Forward Work Plan for 2015–16, the second of which was combined with an interim Forward Work Plan for 2016–17. The interim nature of these reports was agreed by all jurisdictions and reflects their development in the midst of significant, interrelated NQF governance, funding and policy matters, which were being considered by governments throughout 2015–16. These progress reports also reported the outcomes of ACECQA's national audit program in 2015–16, as required under section 229 of the National Law. Further details on the audit program are contained in Part 2.5 of this Annual Report
- ◆ monthly reports on quality assessment and rating progress. ACECQA refined this report in 2015–16 to include performance metrics relating to the reassessment of services and quality improvement being seen, providing ministers with a regular progress update and a national perspective
- ◆ a communiqué following each Board meeting, maintaining the Board's commitment to transparency in its decision making.



## 2.4 Procedures for consistency, effectiveness and efficiency

### National Consistency Strategy

ACECQA published its National Consistency Strategy and Implementation Plan during the current reporting period, setting out its approach to monitoring and promoting consistency under the NQF. The plan recognises ACECQA's key role in identifying and supporting practice to deliver nationally consistent outcomes that:

- ◆ benefit children and families
- ◆ further children's safety, health, wellbeing and development
- ◆ increase efficiency and reduce unnecessary burden for providers of education and care services
- ◆ complement the objectives of the National Law.
- ◆ collaboration with state and territory regulatory authorities, and other partner organisations
- ◆ National Quality Agenda Information Technology System (NQA ITS).

One of the key challenges of this work is developing a shared understanding of consistency. In the context of the NQF, consistency is about the outcomes that result from the way the NQF is administered. Understanding this approach is important because it allows for a diversity of service provision necessary to meet children and families' different needs while providing agreed foundations for children's safety, health, wellbeing and development. A focus on consistent outcomes encourages a broad range of practice among services while giving families and carers confidence that children are experiencing the benefits of attending education and care services.

ACECQA's consistency plan identifies activities under seven priority areas that were delivered on in 2015–16 to promote national consistency, and details progress made against each of these areas:

- ◆ training and support for authorised officers
- ◆ national audits
- ◆ application and assessment functions
- ◆ sector and family communications
- ◆ analysis of assessment and rating data

Improving levels of national consistency is a collaborative effort between the eight state and territory regulatory authorities, the Australian Government, service providers and ACECQA. As well as meeting regularly with these stakeholders to discuss and progress issues as they emerge, ACECQA publishes a range of consistency data to help the sector monitor its own performance.

### Assessment and rating analysis reports for regulatory authorities

In 2015–16, ACECQA continued to provide quarterly assessment and rating data analysis for each regulatory authority to help them with monitoring consistency. ACECQA also shared element level data with the state and territory Professional Support Coordinators, to help guide their efforts in providing training and support to education and care services.

ACECQA also shared quarterly assessment and rating data analysis with large education and care providers to assist them with planning and monitoring consistency.

### Inter-rater reliability initiatives

Inter-rater reliability trials seek to measure consistency between the quality assessment and rating decisions of different authorised officers.



To achieve inter-rater reliability all authorised officers, when presented with a similar quality service, should draw similar conclusions about the service's quality rating.

For children, families and carers, and providers of education and care services it is important that the outcome of quality assessment and rating of a service be comparable to other similar services irrespective of the authorised officer that conducts it. Families and carers can then be confident that quality ratings are truly reflective of service quality and providers can be confident that they will experience equitable treatment when being quality assessed and rated.

Between June and December 2015, an ACECQA lead assessor shadowed 31 authorised officers on assessment and rating visits across seven jurisdictions, effectively conducting a parallel assessment and rating of the service for research purposes.

The trial revealed that the ACECQA lead assessor's assessment and rating judgements were largely consistent with those of the authorised officers, with 80 per cent of judgements consistent at the overall rating level.

In 2016–17, ACECQA will continue to work with state and territory regulatory authorities to develop an appropriate, flexible model for the ongoing monitoring and strengthening of inter-rater reliability.

### **Operational Policy Manual**

Several Operational Policy Manual updates were published by ACECQA during 2015–16 in response to sector and government feedback. The changes focused on improving the readability and utility of the resource, including additional practical examples to clarify some sections that were causing confusion for users. An agreed protocol for the operation of Family Day Care services across jurisdictional boundaries was added to the Operational Policy Manual as an appendix in June 2016. The Protocol promotes:

- ◆ joint, timely and coordinated action by regulatory authorities
- ◆ the objectives of the NQF and national consistency.

## Second tier review

If an approved provider disagrees with the final ratings given through the quality assessment and rating process, they can apply to a regulatory authority for a review of ratings. Should an approved provider not agree with the outcome of this 'first tier' review, they can apply to ACECQA for a 'second tier' review. This is conducted by a ratings review panel, consisting of three experts drawn from ACECQA's ratings review panel pool.

In accordance with the National Law and National Regulations, the pool comprises people who are experts, or who have expert knowledge, in one or more of the following areas:

- ◆ early learning and development research or practice
- ◆ law
- ◆ the assessment of quality in education and care services or other relevant services
- ◆ best practice regulation.

In addition to the prescribed expertise and knowledge, appointments to the ratings review panel pool include representatives from each state and territory, and expertise across service types. As the initial term for panel pool members expired in October 2015, some members were

reappointed and others newly appointed. At 30 June 2016 the ratings review panel pool comprised 17 members.

ACECQA manages applications for second tier review and provides administrative support to ratings review panels.

In 2015–16, ACECQA received six applications for a second tier review. As at 30 June 2016, ACECQA had received 22 applications and finalised 21 since quality assessment and rating commenced. The ratings review panels have by consensus decided to:

- ◆ amend the service's overall rating in three cases
- ◆ partially amend the service's ratings in six cases which did not impact on the service's overall rating
- ◆ confirm the regulatory authority's rating of the service in 12 cases.

The decision notices which set out the reasons for the rating review panels' decisions for all completed reviews are published on ACECQA's website. Key learnings from the reviews are used to further promote national consistency.

ACECQA also publishes resources for applicants to help them with the application process including guidelines and an information sheet.



## 2.5 National auditing arrangements

In 2015–16, ACECQA continued its program of national audits in accordance with its responsibility under the National Law, including reporting to the Education Council on the outcomes.

The audits evaluate trends in the administration of the NQF across jurisdictions. This function aligns with ACECQA's primary objectives of guiding the implementation and administration of the NQF, and monitoring and promoting national consistency.

ACECQA's audit topics and project plans are agreed by the Quality and Consistency Committee (QaCC) and focus on areas that have been identified as high priority, offer opportunities to share learning and experiences, and promote national consistency.

ACECQA completed three national audits in 2015–16.

### Serious incidents involving a child missing from a service

In September 2015, ACECQA completed its eighth audit, examining serious incidents

involving a child missing from a service or unable to be accounted for. This audit investigated the characteristics of this type of serious incident and how regulatory authorities respond to such incidents. It found that around half of these incidents occurred in outside of school hours care and roughly a third in long day care settings. Almost half of these incidents involved a child missing outside of the service premises after being signed into the service, with close to one-third involving children not arriving at the service.

The audit identified a number of actions to improve the quality of serious incidents data.

### Significant Improvement Required rating

ACECQA completed its ninth audit in February 2016 on the use of the Significant Improvement Required (SIR) rating. This audit examined



services that had received an overall rating of SIR and found that the rating had been issued less than 40 times since the inception of the assessment and rating system in mid 2012.

When the SIR rating was issued to a service, standard 2.3 (each child is protected) was the standard most likely to receive the rating, followed by standards 2.1 (each child's health is promoted), 3.1 (design and location of premises) and 4.1 (staffing arrangements). The SIR ratings were primarily a result of serious non-compliance with relevant national regulations.

The audit found that 80 per cent of services that received an SIR rating were subsequently reassessed and received a rating of Working Towards NQS or higher, having implemented the improvements required by the relevant regulatory authority.

A small number of services that received a rating of SIR either surrendered their service approval, had their service approval cancelled by the relevant regulatory authority, or transferred to a different approved provider.

The identified actions from the audit included developing additional guidance for authorised officers about the SIR rating and establishing a more consistent approach for recording SIR ratings.

## Individual standards and elements analysis

In June 2016, ACECQA completed its tenth audit which analysed assessment and rating results for a number of standards and elements of the NQS.

The audit aimed to identify any variation and trends relating to these standards and elements, and found that the quality of final assessment and rating reports analysed as part of the audit was markedly better than the equivalent sample of reports analysed during one of ACECQA's audits undertaken in 2014.

Most final assessment and rating reports analysed as part of the audit included evidence that fully supported the ratings and judgments given for the selected standards and elements.



## 2.6 National registers and IT system

One of the key objectives of the NQF is to improve public knowledge and access to information about the quality of education and care services.

The publication of key information about services, including their quality rating, helps families and communities make informed choices about education and care services for their children. ACECQA's ongoing commitment to the management of the national database and registers ensures that there is a consistent format for every Australian education and care service approved under the NQF.

### National Registers

In accordance with the National Law, ACECQA updates and publishes the national registers weekly to provide open and transparent

information about children's education and care services.

There are three registers published on the ACECQA website:

- ◆ Education and Care Services – this lists the individual services granted approval to operate under the NQF
- ◆ Approved Providers – this details individuals or entities authorised to operate an approved education and care service
- ◆ Certified Supervisors – a listing of persons holding a supervisor certificate.





The national registers also include the quality rating of each approved education and care service. This includes the rating for each quality area as well as the service's overall rating.

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

The National Quality Agenda IT System (NQA ITS) is a national database and online business tool that provides secure and efficient administration of the National Law. Through the online portal, providers are able to easily lodge applications and notifications as well as update their contact details. The NQA ITS supports the goal of removing regulatory inconsistencies across jurisdictional borders by creating a more efficient, cohesive and streamlined environment for business activity. The system also provides valuable national and jurisdiction specific data to ACECQA, state and territory regulatory authorities, the Australian Government and other government agencies.

### **NQA ITS Governance**

ACECQA is responsible for the management and development of the NQA ITS as well as providing support to the users of the system. NQA ITS

strategic development priorities are set by the Quality and Consistency Committee (QaCC) and implemented by the NQA ITS Steering Group (NSG). NSG comprises representatives from state and territory regulatory authorities, the Australian Government and ACECQA. NSG provides an annual 'State of the System Report' to QaCC, which outlines the past year's achievements and provides a future work plan for the system

In addition, ACECQA also works with regulatory authority system administrators who provide advice on the day to day use of the system and give guidance on how to implement requests from QaCC and NSG. Workshops are hosted by ACECQA for NSG members, which provide an opportunity to:

- ◆ discuss, formulate and prioritise NQA ITS enhancements to meet business requirements and key priorities
- ◆ directly engage with ACECQA on issues and opportunities for improvement
- ◆ review the system's functionality in relation to individual business processes for each regulatory authority

- ◆ deliver training on new functions
- ◆ network with representatives across jurisdictions.

### NQA ITS system updates

There were three major releases during 2015–16, each of which focused on priorities agreed by state and territory regulatory authorities as well as improvements suggested by sector users. The team addressed more than 160 issues/improvements in the year, with a number of enhancements focusing on usability improvements for end users. The major system enhancements included:

- ◆ streamlining the recording feedback functions and report generation for assessment and rating visits
- ◆ enhancing the portal usability for providers to update details, provide assessment and rating feedback, and apply for reviews
- ◆ integrating with regulatory authority reporting and business applications.

### Annual fee invoices

As part of the administration of the NQA ITS, ACECQA creates and delivers annual fee invoices to providers of education and care services on behalf of all jurisdictions. In May–June 2016, ACECQA issued 2016–17 annual fee invoices to each provider for all services they held in the given jurisdiction. Providers with services in multiple jurisdictions receive one invoice per jurisdiction where services are located. ACECQA sent more than 7,900 invoices to providers across the country.

### NQA ITS statistics

#### Number of providers registered in the NQA ITS

The number of providers registering to use the NQA ITS continued to increase in 2015–16.

Figure 4 below shows the proportion of approved providers registered with the NQA ITS as at July 2016. Once an approved provider is registered they are able to submit applications and notifications online as well as pay their annual fees.

There was a 43 per cent increase in the total number of registered portal users in 2015–16, from 17,696 to 25,349.

The significant increase during the reporting period can be attributed to:

- ◆ usability improvements made to the system
- ◆ sector acceptance and familiarity with the system
- ◆ changes to some jurisdictional processes to only accept online forms
- ◆ greater promotion and guidance.

#### Applications and notifications

With ongoing system enhancements to application and notification forms, there has been a noticeable shift to these forms being submitted online by the sector.

In June 2015, 25 per cent of application/notification forms were submitted by paper to regulatory authorities nationally. At the end of June 2016, paper based forms accounted for only 19 per cent of submissions, with 81 per cent being submitted online. Online submissions help

**Figure 4** Proportion of providers registered for the NQA ITS 2015–16

Jurisdiction	ACT	NSW	NT	QLD	SA	TAS	VIC	WA	Totals
Providers <sup>1</sup>	127	3,888	88	1,760	570	89	2,554	651	9,727
% of providers registered for the NQA ITS	81.9%	93.6%	63.6%	75.7%	42.5%	39.3%	81.8%	79.3%	82.4%

1. Includes data on approved providers not operating a service.

**Figure 5 Method of submission of applications and notifications, 2015–16**

Method of submission	Applications	Notifications
Online	75.19%	86.50%
Paper	24.81%	13.50%

to reduce regulatory burden for providers and remove the need for data entry into the NQA ITS by the regulatory authority.

Figure 5 shows the breakdown of applications and notifications submitted by providers in 2015–16 by the method submitted. Notifications are more likely to be submitted online with 86.5 per cent lodged through the online portal. For applications, 75 per cent were submitted online to the regulatory authority which is a significant increase from 2014–15 (33 per cent).

### **NQA ITS service desk and training/ support**

ACECQA's in-house NQA ITS service desk is the first point of call for technical questions from the sector and regulatory authorities seeking assistance in using the system. The service desk provides email and phone-based support.

In 2015–16, the service desk answered over 5,300 enquiries from users of the system, a decrease of 26 per cent from 2014–15. This is most likely due to increasing knowledge and confidence in the use of the NQA ITS by regulatory authority and sector users.

ACECQA provides training and support to the sector and regulatory authorities with various training sessions conducted throughout 2015–16. The team has produced online guides to help users to register, link providers and manage user access.

The inaugural NQA ITS satisfaction survey was distributed to regulatory authority users in late 2015. The results of the survey were positive with the majority of respondents satisfied with both the NQA ITS and the support they received through the ACECQA service desk. Over three quarters of users reported being satisfied with the NQA ITS, while satisfaction with the service desk was at almost 95 per cent. The information provided in the survey provides guidance on future development of the system. This survey will be undertaken annually from 2016 to evaluate perceptions of the NQA ITS by users, including sector users.

## 2.7 Excellent rating

Under the National Law, ACECQA is responsible for developing and managing the Excellent rating application process and for awarding the rating. To be eligible to apply for the Excellent rating, a service must have been rated as Exceeding National Quality Standard by a state or territory regulatory authority.

### Applications

In 2015–16, ACECQA received a total of 28 applications for the Excellent rating. Following assessment, ACECQA awarded the Excellent rating to 13 services in 2015–16:

- ◆ Canberra Grammar school Northside Pre-Kindergarten
- ◆ Torquay Kids Early Learning Centre
- ◆ Little Beacons Learning Centre
- ◆ KU – Corrimal East Pre-School
- ◆ Kentish Lifelong Learning and Care Incorporated
- ◆ Centenary Child Care & Early Education Centre
- ◆ Pelican Waters Golden Beach Preschool Kindergarten and Child Care
- ◆ Lady Gowrie Child Care Centre (Melb) Inc
- ◆ Bertram Hawker Kindergarten
- ◆ Wagner Road Early Childhood Centre & Kindergarten
- ◆ Jescott Montessori Preschool
- ◆ Milford Lodge Child Care Centre
- ◆ Canterbury College Kindergarten.

Fourteen of the 28 applications for the Excellent rating were assessed as unsuccessful in 2015–16, and one was being assessed as at 30 June 2016.

### Excellent rated service profile

As at 30 June 2016, ACECQA had received a total of 122 applications for the Excellent rating since the proclamation of legislative provisions enabling this function in April 2013, with 49 services awarded the Excellent rating. Those services include long day care, preschool/ kindergarten, family day care and outside school hours care services, and are located across seven states and territories – ACT, NSW, Northern

Territory, Queensland, South Australia, Victoria, and Western Australia.

Services demonstrate excellence through their applications in a range of different ways. During 2015–16, more than 84 per cent of the services that achieved the Excellent rating demonstrated excellence in the theme of ‘practice and environments that enhance children’s learning and growth’.

Excellent rated services demonstrate leadership that reinforces the benefits of quality early childhood education and care and that develops the sector, the service’s local area and communities.

An overview of each Excellent rated service is published on the ACECQA website. In 2015–16, ACECQA has also looked for new opportunities to share examples of highly accomplished practice. For example, ACECQA produced two videos in which examples of exceptional practice were identified and discussed, which were used as part of our national workshops.

### Excellent rating criteria

The Excellent rating criteria have been in operation for nearly three years and the mix of services rated Excellent suggests the criteria are meeting their aim. The criteria have been used to identify exceptional practice in education and care services across all service types and Excellent rated services are located in metropolitan, regional and rural areas. Any future review of the criteria will occur with reference to any changes to this function arising from the 2014 COAG Review.

## Reapplications

Services that first received the Excellent rating in 2013 will be eligible to reapply from 2016. The Excellent rating is awarded for a three-year period and services wishing to retain the rating will need to reapply. In 2015–16, ACECQA notified the first eligible services and their regulatory authorities about the reapplication

process. An information sheet that explains the reapplication process has been developed and provided to those services and regulatory authorities. Reapplications for the Excellent rating will be subject to the same application and assessment process as for the original application.



## 2.8 Educate and inform

### Stakeholder engagement

Following a year of review and consultation in 2014–15, ACECQA consolidated its stakeholder engagement activities this year, ensuring communication and feedback channels remained open with the sector.

Regular meetings took place with national peak bodies and large providers. These meetings are a critical way for ACECQA to touch base with the sector, to share and hear ideas and concerns, and form a key part of its planning and communication process.

We continued to be active at conferences, workshops and events with more than 110 presentations delivered by ACECQA representatives in 2015–16. These provide opportunities for sector professional development and a continued focus on quality and continuous improvement.

### National Workshops

Building on the success of the 2014–15 National Workshops, the second round began in the ACT in October 2015 and ended in Victoria in June 2016. Delivered in collaboration with regulatory authorities and professional support coordinators (PSC), jurisdictions were able to choose from three focus areas – Agency of the Child, Cultural Competence and Educational Leadership. More than 3,000 educators and service providers attended one of the 66 workshops held across Australia, with resources and workbooks designed for educators to share with their colleagues and services. A webcast from the original series is also available on ACECQA's website for services to view.

The total number of national workshops delivered since 2014 now stands at 112, with more than 6,800 participants attending. Work is currently underway for the third series, which starts in the Northern Territory in August 2016.

### National Education Leader activities

In addition to the delivery of national workshops, the National Education Leader team continued to develop educational materials and resources to further support the implementation of the NQF.

Topics identified for exploration on the regularly updated National Education Leader webpage are informed by trend data from the assessment and rating of services, as well as discussions with authorised officers, educators, peak and sector support organisations and enquiries to ACECQA.

As well as visiting services, the National Education Leader has continued to present at conferences and workshops, contribute to sector newsletters and share information and resources that promote quality service delivery and consistent messaging across the sector.

### Sector resources

ACECQA has a responsibility to publish guides and resources to support the education and care sector understand the NQF. This includes the NQF Resource Kit and the Operational Policy Manual for Regulatory Authorities.

In 2015–16, a range of resources were added or updated, including information sheets on the 2016 changes to educator to child ratios, monthly topics on the NEL webpage, new FAQs and a new webpage on opening an education and care service. ACECQA also continued to provide regular article contributions to sector publications.

### Snapshots

The NQF Snapshot provides analysis and information on the profile of the sector, progress of assessment and rating and the quality rating of services, including by provider management type and service sub-type. Four quarterly NQF Snapshots were published during 2015–16, with an ongoing focus of providing greater data analysis across the period. The NQF Snapshot

Q3 2015 included the publication of service sub types and the NQF Snapshot Q4 2015 included further data on provider management type. The May Snapshot (Q1 2016) reported on changes in quality ratings for services that have been assessed more than once and included a new interactive online version that allows users to hover over, sort and search data.

### Resources for families

ACECQA launched Starting Blocks in April 2015 with a focus on increasing parents' awareness and understanding of the importance and benefits of quality early childhood education and care. Over the past year, communications centred on brand awareness initiatives and website functionality development.

The online service search on the Starting Blocks website underwent significant functionality improvements from December 2015 to April 2016. These features were launched in May 2016, offering users an advanced personalised search, integrating Google Maps, social media share options and a favourites list.

To support brand awareness, Starting Blocks placed specific emphasis on digital communication channels. Search engine optimisation and social media promotions were developed, targeting families nationwide and introducing them to Starting Blocks resources and online search. At the end of June 2016, Starting Blocks had more than 19,000 Facebook fans and over 190,000 website page views. Further activities are planned in 2016–17 to increase national awareness and engagement.

### Online engagement

ACECQA continues to inform and support the sector to implement the NQF through increasing online engagement via the ACECQA website, newsletter and social media platforms.

The ACECQA website remains a primary source of information for the sector with an average of 70,000 people visiting it each month. Over the past 12 months, ACECQA continued to review the website, deleting redundant content and consolidating information. This review aimed to meet user needs for simple, engaging content

for users who are increasingly accessing the site through their mobile phones rather than desktop computer. New resources were also regularly added to the site.

ACECQA's social media presence continues to grow, with more than 22,000 Facebook followers (an increase of about 8,000 on the previous year) and more than 3,000 Twitter followers (up by more than 500). Engaging content shared with followers is also regularly reaching 50,000 people a week and over 100,000 people in some weeks.

ACECQA's monthly newsletter and *We Hear You* blog are other avenues to keep the sector informed of news and useful information to help meet the requirements of the NQF. ACECQA's newsletter has almost 22,000 subscribers and the *We Hear You* blog has been viewed more than 90,000 times in the past year.

### Enquiries team

ACECQA's customer service team is an essential part of its communication and engagement with the sector. The team responds to public queries by telephone and email and is often people's first point of contact with the organisation. In 2015–16, the customer service team received a total of 29,294 enquiries. This consisted of 16,152 phone enquiries and 13,142 email enquiries. The highest number of enquiries related to educator qualification requirements.

This year, the customer service team also started work on addressing incoming Starting Blocks enquiries. All Starting Blocks enquiries are now funnelled through ACECQA's information bank, which will offer valuable insights into family target groups over time.

As part of ACECQA's Customer Service Charter, the team has a goal to respond to email enquiries within five days. The average rate of response in 2015–16 was 1.2 days. ACECQA also draws on its enquiries to inform newsletter articles, information sheets, blogs, social media posts and website content to share relevant information with a broader audience.



## Media

Securing media coverage of services awarded Exceeding or Excellent ratings continues to be one way for ACECQA to promote quality children's education and care. Following the awarding of an Excellent rating, ACECQA distributes a media release to local media detailing the reasons for the service's recognition. It is a valuable tool to promote the service and the benefit of high quality early education and care in our community.

ACECQA was referenced in over 45 online and offline media articles throughout the year, as well as various stories on radio. More than 50 per cent of these were related to assessment and rating results, while other topics included career development and opportunities in early childhood education, the cost of child care, the Mitchell Report on 'Quality Education For All' and the growing use of technology in services.

Starting Blocks engaged a selection of print and online media as part of its overall communications, appearing in a range of online and print parenting publications. A series of

additional articles also featured across notable Australian blogs such as *Childhood 101*, *Show and Tell* and *Paging Fun Mums*. *Essential Baby* also featured three articles drawing upon content and ideas from the Starting Blocks website.

## Communications Working Group (CWG)

ACECQA continues to work with the Australian Government and regulatory authorities through the Communications Working Group, on planning and producing communications to promote the aims of the NQF. In 2015–16, ACECQA worked with the Group on a communications plan to inform the sector about the 2016 changes to educator to child ratios, the roll-out of the National Workshops across the country, developing new logos to promote NQF ratings, information for families and a range of other issues.



## 2.9 Information on NQF and effect on developmental outcomes for children

### Development of an NQF evaluation framework

One of ACECQA's functions under the National Law is to evaluate the NQF. In line with this statutory function, ACECQA has developed a draft NQF evaluation framework which aims to enable the assessment of the objectives of the NQF.

The draft framework includes a detailed rationale, a program logic model (including a set of short, medium and long-term outcomes) and key evaluation questions. The framework is not intended to be a one-off evaluation project in itself, rather it lays the foundation and parameters for ongoing evaluation projects that link to the identified objectives of the NQF.

An agreed framework will have a crucial role in guiding future NQF reporting, contributing to the evidence base around quality children's education and care, and enabling governments to assess value for money from their investments in the jointly governed system.

In 2015–16, ACECQA consulted on the framework methodology with regulatory authorities and all policy arms of government through ECPG, and also commenced broader stakeholder consultations.

ACECQA will make the draft framework a significant discussion item at a research and data-focussed ACECQA Stakeholder Forum in September 2016, before it is finalised in consultation with all governments.

### Occasional paper 1

The first report in ACECQA's occasional paper series was published in January 2016. The paper provides detailed insights into performance against Quality Area 1 (Educational Program and Practice) of the National Quality Standard.

Drawing on information from the final assessment and rating reports of authorised officers, and data from the National Quality Agenda IT System, the inaugural occasional paper examined performance across service types, jurisdictions, management types, and socio economic and remoteness classifications.

### Occasional paper 2

ACECQA's second occasional paper, published in June 2016, continued in the same vein and examined performance against Quality Area 2 (Children's Health and Safety). Quality Area 2 encompasses one of the primary objectives of the NQF – to ensure the health, safety and wellbeing of children attending education and care services.

One of the findings from the analysis is that services in remote and very remote areas may benefit from more support to understand and comply with the requirements of Quality Area 2. The paper also summarises recent state, territory and Commonwealth initiatives around child-safe organisations, as well as some examples of the types of compliance and enforcement action that regulatory authorities have taken relating to children's health and safety.

### Regulatory burden research – Wave III

ACECQA began the third and final instalment of this longitudinal study in April 2015, with results reported to the Education Council in December 2015.

The study revealed a number of positive findings, including consistently high levels of support for the NQF and a decline in perceptions of overall burden associated with the administrative requirements of the National Law and Regulations.

## Other research relationships and submissions

In 2015–16, ACECQA further developed its relationships with peak bodies, providers and government agencies, including the Australian Bureau of Statistics (ABS) and the Australian Government Department of Education and Training, to improve research outcomes. Both of these agencies manage and maintain datasets that can assist the evaluation of the NQF. ACECQA also attended a number of university-facilitated workshops, conferences and symposia.

## National Early Childhood Education Database

In early 2016, ACECQA began collaborating with the Australian Government, ABS and other agencies on a data linkage project – the National Early Childhood Education Database (NECED) – being undertaken for the Australian Education Senior Officials Committee (AESOC) and the Early Childhood Data Sub-Group (ECDSG).

Following consultation with state and territory regulatory authorities, ACECQA provided the Australian Government and ABS with data extracted from the National Quality Agenda IT System.



The project aims to improve school readiness for Aboriginal and Torres Strait Islander children and will contribute to a broader ECDSG agenda to develop a National Dataset on Early Childhood Education, designed to support research, analysis, policy design and implementation.

## Report on Government Services

ACECQA continued to collaborate with state and territory governments and other agencies on the early childhood education and care chapter of the annual Report on Government Services (RoGS) produced by the Productivity Commission.

## Productivity Commission education evidence base inquiry

In May 2016, ACECQA made a submission to the Productivity Commission's public inquiry into the development of a national education evidence base.

ACECQA's submission focused on the scope of the inquiry, factors that shape education outcomes, and data sharing and linkages. In line with recommendation 13.2 of the Productivity Commission's previous inquiry into childcare and early childhood learning, ACECQA supports efforts to share information across government agencies, subject to appropriate data privacy and confidentiality controls.

In September 2016, the Commission will provide an update on the inquiry to the ACECQA Stakeholder Forum. The Commission's final inquiry report is scheduled to be released in December 2016.

## 2.10 Qualifications for authorised officers and support and training for regulatory authority staff

### Authorised officer training

Each state and territory regulatory authority employs authorised officers to administer the relevant sections of the National Law and National Regulations in their jurisdiction. ACECQA's support and training for authorised officers drive national consistency under the NQF. Reliable training and effective support for staff of regulatory authorities supports the integrity of the NQF and is vital to improving quality outcomes for children, families and communities.

The role of authorised officers varies across states and territories but generally includes assessing and rating services, monitoring compliance, guiding and educating providers, managing approvals and taking enforcement actions.

There are two parts to the national authorised officer training program. Part one of the training is available to authorised officers in a series of online learning modules focussed on the background and intent of the NQF. Part two of the authorised officer training focusses on delivering the operational aspects of assessment and rating. Authorised officers must complete the national training program, and demonstrate they can reliably assess quality against the NQS, before being able to conduct assessment and rating visits. To demonstrate reliability, authorised officers must complete and pass a reliability test following the training.

ACECQA delivers part two training face-to-face bi-monthly, and on an ad-hoc basis when there is a high demand on a national or jurisdictional level. During 2015–16, ACECQA delivered the part two training to approximately 64 officers from six jurisdictions.

### Drift testing

Authorised officers must complete an annual drift test to ensure that they continue to maintain reliability using the NQS assessment and rating instrument. All authorised officers complete drift testing online through the national authorised officer eLearning portal.

In the reporting period, ACECQA monitored and supported ongoing drift testing of authorised officers to support consistent quality rating of services. ACECQA will review authorised officer drift testing in 2016–17.

### eLearning modules for authorised officers

ACECQA also provides ongoing support to authorised officers by regularly publishing resources on the national authorised officer online training portal. In 2015–16, ACECQA produced the following eLearning modules to support authorised officers in their assessment and rating role:

- ◆ Assessing quality education and care for children aged birth to two
- ◆ Steiner and the NQF
- ◆ Assessment and Rating Part 1: Desktop review
- ◆ National Quality Agenda IT System assessment and rating reporting
- ◆ Outside school hours care familiarisation – Quality Areas 1–3.

### Guidance notes

In addition to eLearning modules, ACECQA worked with regulatory authorities to develop guidance notes for authorised officers. The following guidance notes for authorised officers were finalised in consultation with all regulatory authorities in 2015–16:

- ◆ Meeting vs Exceeding National Quality Standard
- ◆ Applying minor adjustments
- ◆ Assessing a service's connection with community
- ◆ Writing quality improvement plan (QIP) notes in the assessment and rating report.

### Updates for regulatory authority staff

ACECQA continues to produce regulatory authority updates for authorised officers and all regulatory authority staff with access to the ACECQA eLearning portal. These keep authorised officers up to date with what is happening at ACECQA and in the sector, and provide timely advice on current national issues. A total of five regulatory authority updates were published on the eLearning portal in 2015–16.

### Lead assessor network

The Quality and Consistency Committee (QACC) agreed to discontinue the Training Working

Group (TWG) in February 2016, and place a greater focus on the lead assessor network (LAN). Each state and territory regulatory authority has nominated their lead assessor representatives for the lead assessor network.

ACECQA works collaboratively with lead assessors as the key jurisdictional representatives in the development and review of national training and support materials and activities.

The lead assessor workshops are integral in progressing work around national training and support resources and materials for authorised officers. ACECQA held two lead assessor workshops in 2015–16. The workshops focused on a range of topics regarding training and support for authorised officers, including:

- ◆ regulatory authority survey results
- ◆ assessment and rating data analysis
- ◆ authorised officer training and resource development session





- ◆ NQA ITS report tool and provider feedback
- ◆ first tier review decision template
- ◆ development of a national provider survey
- ◆ inter-rater reliability project update.

A professional development session on providing feedback to authorised officers preparing assessment and rating reports was held for lead assessors at the April 2016 lead assessor workshop.

Before each lead assessor workshop, ACECQA distributes a national regulatory authority survey. These surveys aim to identify development opportunities for authorised officers to target training and support provided by ACECQA, and to inform discussions at lead assessor workshops.

### **ACECQA determination on authorised officer qualifications**

Under section 225 (1)(o) of the National Law, ACECQA is required to determine the qualifications for authorised officers. In 2014, the ACECQA Board was due to conduct a scheduled review of its 2011 position on authorised officer qualifications. In December

2014, the Board decided to defer review of the current determination on qualifications, in recognition that any changes would need to be informed by relevant outcomes of the 2014 COAG Review. Accordingly, the 2011 ACECQA Board determination remained in place as at 30 June 2016.

## 2.11 Educator qualifications

**Under the National Law, ACECQA has the responsibility to determine and approve the qualifications that need to be held by educators working in children's education and care services.**

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

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

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.

### Applications from individuals

Individuals who do not hold qualifications on ACECQA's approved lists and are not recognised by former state and territory laws can apply to have their qualifications assessed for equivalence. ACECQA publishes guidelines that govern the application process.

Between 1 July 2015 and 30 June 2016, ACECQA received 1,201 applications from individuals seeking to have their qualifications assessed for equivalence to an approved qualification. More than half (53 per cent) of the applications were from individuals seeking equivalence to early childhood teaching qualifications. Just under one third (30 per cent) were for diploma level qualifications. The remainder were for certificate III level and working with children over preschool age qualifications.

More than 85 per cent of the applications were from individuals with qualifications from overseas, most notably the UK (29 per cent of all applicants), New Zealand (13 per cent) and Ireland (8 per cent).

More than one quarter (28 per cent) of the applications were from individuals looking to work in NSW, followed by Western Australia (21 per cent), Victoria (19 per cent) and Queensland (15 per cent).

Of the 1,201 applications received, more than 85 per cent had been finalised by 30 June 2015. Around 5 per cent were being assessed, and the remainder were awaiting additional required information from the applicant.

ACECQA's assessment of applications typically involves individual case management and assistance around ACECQA's published guidelines and requirements. In 2015–16, ACECQA approved 619 individuals for equivalence. This included 221 early childhood teachers, 184 diploma level educators and 164 certificate III level educators.

The overall approval rate for finalised applications was 72 per cent.

The main reasons for not approving applicants were that they did not have relevant qualifications and/or specific birth to five years curriculum content and professional experience.

On average, ACECQA received 23 applications per week from individuals wanting their qualifications assessed. The highest volume months were September 2015, when 129 applications were received, and July 2015, when 119 applications were received. See [Appendix G](#) for further qualifications applications statistics.

ACECQA's individual qualifications application statistics for 2015–16 are very similar to the equivalent statistics for 2014–15.

## Applications from organisations

Organisations, such as universities and registered training organisations, can apply to ACECQA to have an early childhood education program or training added to the approved lists. Again, there are published guidelines that govern this application process.

Between 1 July 2015 and 30 June 2016, ACECQA received a total of 18 applications from organisations wanting their qualifications or training assessed for equivalence.

Almost three quarters (72 per cent) of the applications were from organisations seeking to have early childhood teaching qualifications added to ACECQA's published lists, with the remainder seeking approval of diploma level and certificate III level educator qualifications, and anaphylaxis training. Three applications were received from overseas institutions – two from New Zealand and one from Fiji.

Of the 18 applications received, most (83 per cent) had been finalised by 30 June 2016. All of the finalised applications were approved. ACECQA worked closely with applicants throughout the assessment process to ensure its published guidelines and requirements are met. This can involve requesting additional information from applicants, as well as changes to the originally proposed qualification or training. See [Appendix G](#) for further qualifications applications statistics.

ACECQA's organisation qualification application statistics for 2015–16 are similar to the equivalent statistics for 2014–15.

ACECQA continues to work with higher education providers and training organisations to ensure the development of high quality programs for the education and care sector. Since late 2015, ACECQA has embarked upon a communication campaign with Australian universities to ensure that they are aware that qualifications are approved for a period of five years. ACECQA has identified the qualifications that were first approved at the start of 2012,

and are therefore due for re-approval this year, and will continue to send out regular correspondence to universities regarding these.

## Collaboration with partner bodies

ACECQA works with the sector, Australian Government and state and territory governments, and other relevant agencies to identify ways to support the supply of appropriately qualified educators available for education and care service providers.

### *Australian Institute for Teaching and School Leadership (AITSL)*

In the reporting period, ACECQA continued its collaborative work with AITSL to promote national consistency in the recognition of early childhood teachers in Australia. ACECQA is a member of the Teacher Qualification Expert Standing Committee (TQESC), which assists AITSL by providing advice and information on a national approach to skilled migration for teachers and collaboration on teaching skills assessment.

In May 2016, on the advice of TQESC, AITSL updated its professional criterion for Early Childhood (Pre-Primary school) Teachers to include consideration of supervised teaching practice with children aged birth to two years. This further aligns the AITSL requirements with the ACECQA requirements for approved ECT qualifications.

AITSL and ACECQA also collaborated on the development of a glossary to assist the use of the Australian Professional Standards for Teachers (APST) in early childhood settings. The glossary was published on the AITSL website in July 2015.



### *Australasian Teacher Regulatory Authorities (ATRA)*

ACECQA continues to work closely with ATRA and its jurisdictional members. Over the past 12 months, ACECQA collaborated with the Victorian Institute of Teaching (VIT) and the NSW Board of Studies, Teaching and Educational Standards (BOSTES) to assist with the introduction of ECT registration/accreditation in those jurisdictions.

### *Australian Skills Quality Authority (ASQA)*

ASQA regulates Australia's vocational education and training sector. In addition to an established memorandum of understanding between the two organisations, ACECQA continues to engage with ASQA to promote higher quality vocational education and training.

In March 2016, ASQA and ACECQA jointly facilitated an early childhood education and care sector roundtable to discuss concerns about the quality of vocational education and training. Further joint activities are planned for 2016–17.

### *SkillsIQ*

SkillsIQ Limited is the skills service organisation appointed to develop vocational qualifications and training for the children's and youth services workforce. ACECQA is a member of SkillsIQ's Children's and Youth Services Industry Reference Committee, providing advice on vocational qualifications for educators, in particular the certificate III and diploma level educator qualifications published in the national training package.





### 3 Implementation of the National Quality Framework



## 3.1 Assessment of the implementation and administration of the NQF

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 five performance reporting indicators contained in the Implementation Plan for the National Partnership Agreement on the National Quality Agenda for Early Childhood Education and Care (NQA IP).

From 2012–15, the NQA IP provided the basis for the Australian Government, state and territory governments and ACECQA to report to Ministers on the implementation of the NQA.<sup>1</sup>

The data presented in this section of the report were drawn from the National Quality Agenda IT system (NQA ITS) on 30 June 2016.

The NQA ITS provides both a national database and online business tool for children's education and care services to work with state and territory regulatory authorities under the NQF.

### **The NQA IP for the National Quality Agenda has five performance indicators:**

1. The proportion of education and care services with a current assessment against the National Quality Standard
2. The proportion, location and characteristics of services at each level under the ratings framework
3. The proportion of services with waivers for the staffing arrangements or physical environment standards, including the number of those services by socio-economic or regional locations
4. The proportion of parents who indicate that they know their service's rating and understand its meaning
5. The experience of services under the NQF, with respect to the level of regulatory burden.

1. Refer to the new NQA National Partnership Agreement, which was published in August 2016, for new NQA performance reporting arrangements for 2016–18.

## Sector overview

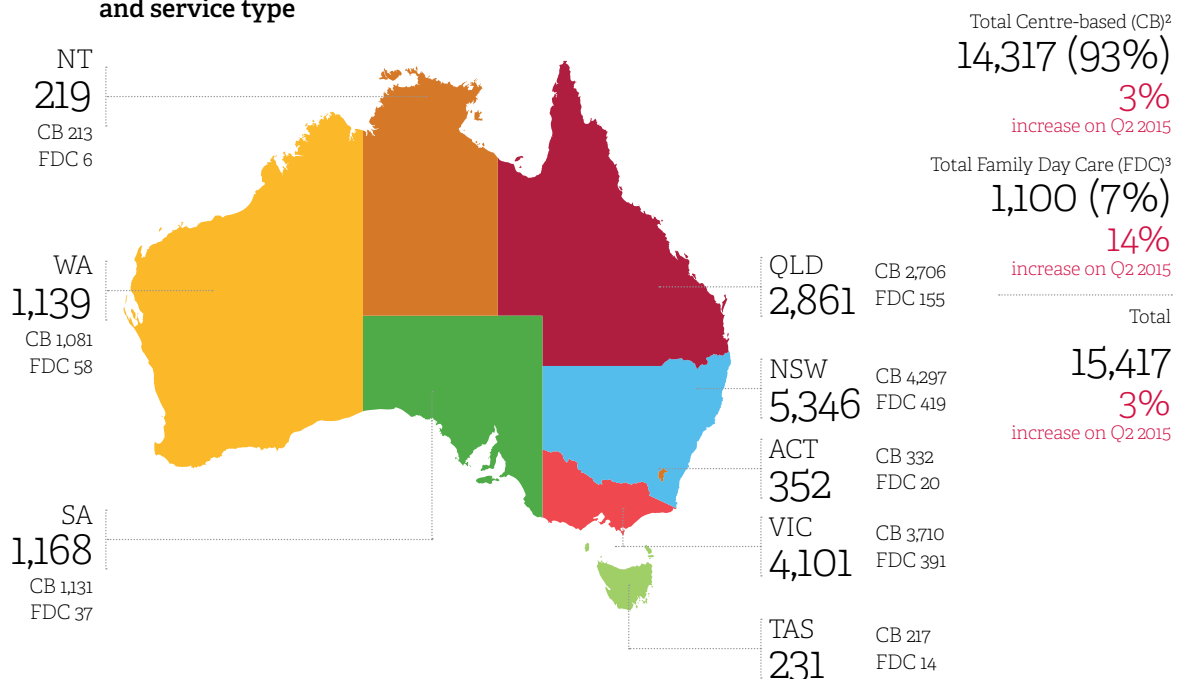
There were 15,417 approved education and care services operating across Australia as recorded in the NQA ITS on 30 June 2016. This represents an annual increase of 3 per cent.

- ◆ Nationally, there were 14,317 centre-based services and 1,100 family day care services. Centre-based<sup>2</sup> services made

up 93 per cent of all services operating under the NQE.

- ◆ Over the past year, the number of family day care<sup>3</sup> services nationally has increased by 14 per cent.
- ◆ There were 7,506 approved providers operating services, most of whom (83 per cent) only operate one education and care service.

**Figure 6** The number of approved services by jurisdiction and service type



2. A centre-based service is an education and care service other than a family day care service. This includes most long day care, preschool and outside school hours care services that are delivered at a centre. It does not include preschools in Tasmania or Western Australia that are outside of the scope of the NQE, as well as other services that aren't regulated under the National Law.

3. A family day care service is an education and care service delivered through the use of two or more educators to provide education and care for children in residences, whether or not the service also provides education and care to children at a place other than a residence. They are sometimes known as family day care schemes and they are administered and supported by central coordination units.

## The proportion of early childhood education and care services with a current assessment against the National Quality Standard

Under the NQF, regulatory authorities in each state and territory quality assess and rate children's education and care services against the NQS.

As at 30 June 2016, 12,286 services (80 per cent) had received a quality rating, up from 9,347 services (63 per cent) at 30 June 2015. This includes 83 per cent of centre-based services and 40 per cent of family day care services.

**Figure 7 The number and proportion of approved services with a quality rating by jurisdiction**

	Number of services with a quality rating	Number of approved services	Proportion of services with a quality rating
ACT	304	352	86%
NSW	4,124	5,346	77%
NT	193	219	88%
QLD	2,447	2,861	86%
SA	646	1,168	55%
TAS	217	231	94%
VIC	3,639	4,101	89%
WA	716	1,139	63%
<b>TOTAL</b>	<b>12,286</b>	<b>15,417</b>	<b>80%</b>

## The proportion, location and characteristics of services at each level under the ratings framework

The NQS is designed to facilitate quality improvement in children's education and care services. Authorised officers from regulatory authorities assess and rate services using the seven quality areas, 18 standards and 58 elements that make up the NQS.

There are five possible ratings, as shown in Figure 9. These are Significant Improvement Required, Working Towards NQS, Meeting NQS, Exceeding NQS and Excellent.<sup>4</sup>

Figure 10 shows that nationally, 70 per cent of quality rated services are rated Meeting NQS or above.

The distribution of quality ratings aligns with the NQF's aim of driving continuous improvements across the sector, and matches the designed intent of the NQS to be achievable yet also pose a challenge to services to continually improve quality.

As at 30 June 2016, 13 services had a quality rating of Significant Improvement Required. Regulatory authorities work closely with providers of services that have been rated Significant Improvement Required, using a range of regulatory measures to respond to particular compliance issues at the service and bring about quality improvement.

### Quality improvement

At 30 June 2016, of the 967 reassessments undertaken, 66 per cent resulted in an improved overall quality rating.

Of the 32 per cent of reassessments that did not result in an improved overall quality rating, 55 per cent did result in improved performance against the elements of the NQS.

**Figure 8 Overall quality rating changes for services that have been reassessed<sup>5</sup>**

Rating level change	Number of reassessments	Proportion of reassessments
Higher	634	66%
Unchanged	309	32%
Lower	24	2%
<b>Total</b>	<b>967</b>	<b>100%</b>

4. The Excellent rating is awarded by ACECQA, on application, and a service must have a rating of Exceeding NQS to apply.

5. Reassessments include the following processes described in the National Law: i. Next assessment; ii. Partial reassessment and re-rating requested by provider; iii. Partial reassessment and re-rating instigated by the regulatory authority; iv. Full reassessment and re-rating requested by provider; v. Full reassessment and re-rating instigated by the regulatory authority.

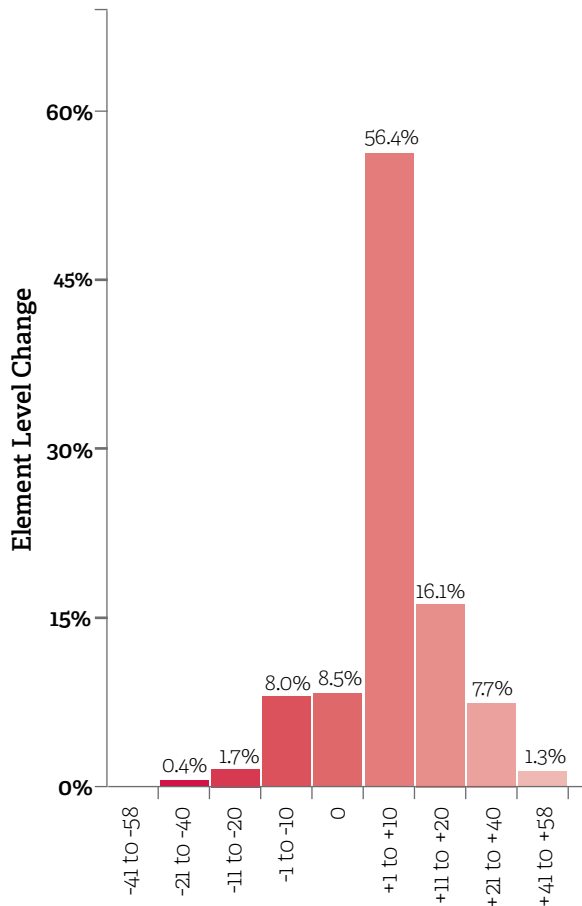
**Figure 9** The seven quality areas and five quality ratings under the NQS

Quality Area	Significant Improvement Required	Working Towards National Quality Standard	Meeting National Quality Standard	Exceeding National Quality Standard	Excellent
<b>1</b> Educational program and practice	Service does not meet one of the seven quality areas or a section of the legislation and there is an unacceptable risk to the safety, health and wellbeing of children. Immediate action will be taken to address issues.	Service may be meeting the National Quality Standard in a range of areas, but there are one or more areas identified for improvement.	Service meets the National Quality Standard. Service provides quality education and care in all seven quality areas.	Service goes beyond the requirements of the National Quality Standard in at least four of the seven quality areas.	Service promotes exceptional education and care, demonstrates sector leadership, and is committed to continually improving. This rating can only be awarded by ACECQA. Services rated Exceeding National Quality Standard may choose to apply for this rating.
<b>2</b> Children's health and safety					
<b>3</b> Physical environment					
<b>4</b> Staffing arrangements					
<b>5</b> Relationships with children					
<b>6</b> Partnerships with families and communities					
<b>7</b> Leadership and service management					

**Figure 10** The number and proportion of approved services with a quality rating by quality rating level and jurisdiction

	Significant improvement required	Working Towards NQS	Meeting NQS	Exceeding NQS	Excellent rated	TOTAL
ACT	1	129 (42%)	63 (21%)	106 (35%)	5	304
NSW	7	1,496 (36%)	1,607 (39%)	1004 (24%)	10	4,124
NT	0	117 (61%)	55 (28%)	19 (10%)	2	193
QLD	0	612 (25%)	1063 (43%)	758 (31%)	14	2,447
SA	0	211 (33%)	158 (24%)	269 (42%)	8	646
TAS	0	61 (28%)	88 (41%)	68 (31%)	0	217
VIC	5	714 (20%)	1,708 (47%)	1204 (33%)	8	3,639
WA	0	278 (39%)	263 (37%)	173 (24%)	2	716
<b>TOTAL</b>	<b>13</b>	<b>3,618 (29%)</b>	<b>5,005 (41%)</b>	<b>3,601 (29%)</b>	<b>49</b>	<b>12,286</b>

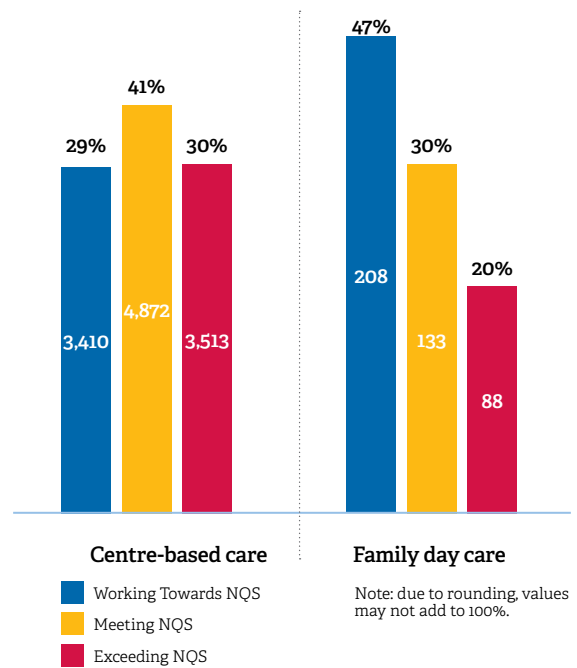
**Figure 11** Element level changes for services that have been reassessed



**Centre-based and family day care services**

Family day care services are more likely than centre-based services to be rated as Working Towards NQS and less likely than centre-based services to be rated as Exceeding NQS, as shown in Figure 12.

**Figure 12** The number and proportion of approved services with a quality rating, by quality rating level and service type on 30 June 2016<sup>6</sup>



**Socio-Economic Index for Areas (SEIFA)**

The Socio-Economic Index for Areas (SEIFA) is a measure used by the Australian Bureau of Statistics (ABS) to rank areas according to socio-economic advantage and disadvantage based on census data. Analysis of the assessment and ratings data for centre-based services by SEIFA decile suggests that socio-economic disadvantage has only a small effect on the spread of quality ratings, more so at the Exceeding NQS rating level than at the Working Towards NQS rating level.

6. Excludes services rated SIR and Excellent.



**Figure 13** The proportion of approved centre based services by quality rating and SEIFA decile<sup>7</sup>

SEIFA Decile	Working Towards NQS	Meeting NQS	Exceeding NQS
10 (least disadvantaged)	28%	36%	35%
9	27%	38%	35%
8	27%	42%	31%
7	29%	41%	30%
6	28%	43%	29%
5	29%	41%	29%
4	30%	41%	29%
3	30%	42%	27%
2	31%	44%	25%
1 (most disadvantaged)	28%	43%	29%
<b>NATIONAL</b>	<b>29%</b>	<b>41%</b>	<b>30%</b>

**Figure 14** The proportion of approved centre based services by quality rating and ARIA+<sup>8</sup>

ARIA+ location	Working Towards NQS	Meeting NQS	Exceeding NQS
Major Cities of Australia	30%	39%	30%
Inner Regional Australia	23%	47%	29%
Outer Regional Australia	27%	45%	28%
Remote Australia	39%	43%	18%
Very Remote Australia	44%	40%	17%
<b>NATIONAL</b>	<b>29%</b>	<b>41%</b>	<b>30%</b>

### Accessibility/Remoteness Index of Australia (ARIA+)

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

As shown in Figure 14, analysis of the assessment and ratings data for centre-based services by ARIA+ suggests that remoteness has an effect on the spread of quality ratings, at both the Working Towards NQS rating level and the Exceeding NQS rating level.

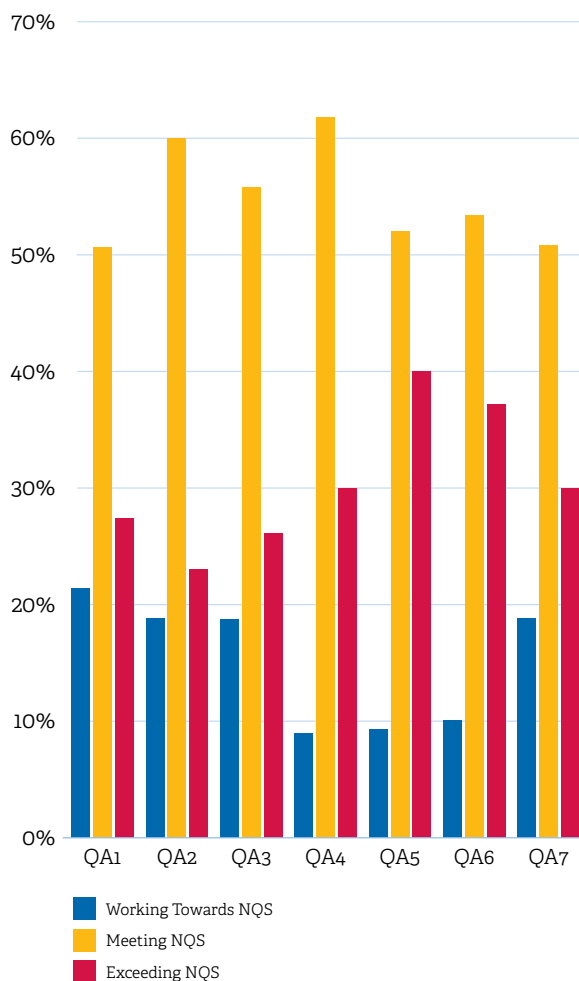
7, 8. Due to rounding, individual values may not add to 100 per cent.

### Ratings by quality area

Figure 15 displays the quality rating results for each of the seven quality areas at a national level.

Figure 15 also identifies the quality areas that are most challenging for services to meet.

**Figure 15** The proportion of approved services by quality rating and quality area



Nationally, the quality areas with the highest proportion of services rated at Working Towards NQS are:

- ◆ Quality Area 1 (22 per cent), Quality Area 2 (18 per cent), Quality Area 3 (18 per cent) and Quality Area 7 (18 per cent).

Nationally, the quality areas with the lowest proportion of services rated at Exceeding NQS are:

- ◆ Quality Area 2 (23 per cent), Quality Area 3 (26 per cent) and Quality Area 1 (27 per cent).

The presence of Quality Area 1 and Quality Area 2 in both of these lists influenced ACECQA's decision to make these two quality areas the topic of its first two occasional papers. More information about ACECQA's occasional papers is available in Part 2.9 of this report.

### The proportion of services with waivers for the staffing arrangements or physical environment standards, including the number of those services by socio-economic or regional locations

There may be situations where, despite the best intentions, providers are unable to meet certain requirements in relation to physical environment or staffing arrangements, either on a permanent or temporary basis. In these instances, providers can apply to the regulatory authority in their state or territory for a waiver. Under the National Law, education and care providers are able to apply for two types of waivers:

**Service waivers** – service waivers have no specified expiry date. Where a service waiver is in force, the education and care service is taken to comply with the specified element(s) of the NQS and National Regulations. A service waiver does not affect a service’s assessment and rating against the NQS and can be revoked by the regulatory authority either at its discretion or on receipt of an application from an approved provider.

**Temporary waivers** – temporary waivers apply for no longer than 12 months. Where a temporary waiver is in force, the education and care service is not required to comply with the specified element(s) of the NQS and National Regulations. Temporary waivers must specify the period for which the waiver applies and providers may apply to the regulatory authority to extend the period of a temporary waiver by periods of not more than 12 months.

As at 30 June 2016, 7 per cent (1,033) of education and care services across Australia were operating with waivers. Over the financial year, the proportion of services with staffing waivers increased from 3.2 to 4.5 per cent, which may in part reflect some services having difficulty meeting the improved educator to child ratios that came into effect from 1 January 2016.

**Figure 16** The number of waivers by waiver requirement and type

Waiver requirement	Service	Temporary	Service and temporary	TOTAL
<b>Physical</b>	264	49	0	313
<b>Staff</b>	56	639	2	697
<b>Both</b>	1	6	16	23
<b>TOTAL</b>	<b>321</b>	<b>694</b>	<b>18</b>	<b>1,033</b>

Figure 16 shows that of the 694 temporary waivers, 92 per cent are for staffing arrangements. Of the 321 service waivers, 82 per cent are for physical environment arrangements.



The higher percentage of temporary waivers for staffing is indicative of the nature of recruitment, as a provider may apply for a temporary waiver while they are recruiting to fill a position. Services in remote and very remote locations have a higher proportion of waivers, which most likely reflects difficulties in recruiting and retaining staff.

### **The proportion of parents who indicate that they know their service's rating and understand its meaning**

ACECQA's initial research findings from early 2014 suggest that while families support the concept of the NQF to increase the quality of education and care, they had little to no awareness of it or of the rating of their child's service.

In September 2014 and informed by ACECQA's initial research, the Education Council decided that a quantitative study of families' knowledge of services' ratings should be delayed and qualitative research be considered pending the outcomes of the COAG Review of the NQA National Partnership Agreement and the Productivity Commission Inquiry into Childcare and Early Childhood Learning.

ACECQA has collaborated with governments to develop and implement a communications strategy to improve awareness among families,

and particularly new parents, of the importance of quality learning environments for child development during the early years. This includes the Starting Blocks website, launched in April 2015, targeted at families who are considering using an education and care service for the first time.

Any future assessment of, and reporting on, this indicator will be determined with reference to reporting requirements of the new NQA National Partnership Agreement.

### **The experience of services under the NQF, with respect to the level of regulatory burden**

As highlighted in Part 2.9 of this report, ACECQA's third and final instalment of longitudinal research on education and care service providers' perceptions and experiences of administrative burden under the NQF was finalised and delivered to the Education Council in November 2015. The full report can be found on the Education Council website.

The study revealed a number of positive findings, including consistently high levels of support for the NQF and a decline in perceptions of overall burden associated with the administrative requirements of the National Law and National Regulations.





## 4 Accountability



## 4.1 Freedom of Information

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

### Information Publication Scheme

As an agency subject to the FOI Act, ACECQA is required to publish information to the public as part of the Information Publication Scheme (IPS). ACECQA's IPS is on the Authority's website and includes the Information Publication Plan and details of the Authority's:

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

### Freedom of information requests

The following table shows the status of Freedom of Information applications for access to information for the period 1 July 2015 to 30 June 2016.

Applications considered	Number
On hand as at 1 July 2015	–
Received	3
Granted in full	–
Granted in part	–
Access refused	–
Withdrawn	1
Transferred	2
On hand as at 30 June 2015	–
Internal reviews	–
Appeals to the National Education and Care Services Freedom of Information Commissioner	–
Appeals to the relevant Administrative Tribunal	–



## 4.2 Privacy

The National Law and the National Regulations apply and modify the Commonwealth *Privacy Act 1988*. ACECQA must comply with the *Privacy Act 1988* and the *Privacy Amendment (Enhancing Privacy Protection) Act 2012 (Privacy Amendment Act)*.

ACECQA's Australian Privacy Principles Policy sets out relevant information on the way personal information about staff and stakeholders is collected, handled, used and disclosed, as well as how it can be accessed and corrected. The Policy and ACECQA's Privacy Statement are located on the ACECQA website.

During 2015–16, ACECQA did not receive any privacy complaints. In addition, no investigations of ACECQA were undertaken by the National Education and Care Services Privacy Commissioner.

## 4.3 Ombudsman

The National Law and the National Regulations apply and modify the Commonwealth *Ombudsman Act 1976*. The Office of the Education and Care Services (ECS) Ombudsman is responsible for independently examining complaints and concerns about the administrative actions of ACECQA.

In 2015–16, ACECQA worked with the Office of the ECS Ombudsman to resolve any matters raised with the Ombudsman. No formal investigations were instigated by the ECS Ombudsman in the reporting period.



# 5 Financial report and financial statements



AUSTRALIAN CHILDREN'S EDUCATION AND CARE QUALITY AUTHORITY

# Financial Statements

## for the period ended 30 June 2016

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## **INDEPENDENT AUDITOR'S REPORT**

### **To the Education Council**

I have audited the accompanying financial statements of the Australian Children's Education and Care Quality Authority for the year ended 30 June 2016, which comprise the Statement by Chair, Chief Executive Officer and Chief Operating Officer, Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Cash Flow Statement, and Notes comprising a Summary of Significant Accounting Policies and other explanatory information.

### ***Opinion***

In my opinion the financial statements of the Australian Children's Education and Care Quality Authority:

- (a) give a true and fair view of the Australian Children's Education and Care Quality Authority's financial position as at 30 June 2016 and of its financial performance and cash flows for the year then ended; and
- (b) comply with Australian Accounting Standards.

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

The Board of the Australian Children's Education and Care Quality Authority is responsible for the preparation of 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 the Board determines 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 the entity's preparation of the financial statements that gives 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 on the effectiveness of the entity's internal control.

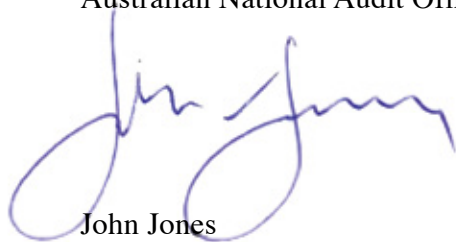
An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the Board, as well as evaluating the overall presentation of the financial statements.

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 incorporates the requirements of the Australian accounting profession.

Australian National Audit Office



John Jones

Executive Director

Delegate of the Auditor-General

Canberra

24 October 2016

# Financial Statements for the period ended 30 June 2016

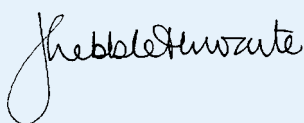
## **STATEMENT BY CHAIR, CHIEF EXECUTIVE OFFICER AND CHIEF OPERATING OFFICER**

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 2016 and the results of its financial performance and cash flows for the financial year ended 30 June 2016.

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 fall due.

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



**Judy Hebblethwaite**  
Acting Chair of the Board  
24 October 2016



**Karen Curtis**  
Chief Executive Officer  
24 October 2016



**Angela Buchanan**  
Chief Operating Officer  
24 October 2016

AUSTRALIAN CHILDREN'S EDUCATION AND CARE QUALITY AUTHORITY

# Statement of Comprehensive Income

## for the period ended 30 June 2016

	Notes	2016 \$'000	Restated 2015 \$'000
<b>NET COST OF SERVICES</b>			
<b>Expenses</b>			
Employee benefits	<u>1.1A</u>	<b>8,661</b>	8,171
Suppliers	<u>1.1B</u>	<b>4,395</b>	5,336
Unwinding of discount		<b>1</b>	–
Depreciation and amortisation	<u>2.2A</u>	<b>244</b>	199
Write-down and impairment of assets		<b>4</b>	2
<b>Total expenses</b>		<b>13,305</b>	13,708
<b>Own-Source Income</b>			
<b>Own-source revenue</b>			
Sale of goods and rendering of services	<u>1.2A</u>	<b>202</b>	226
Interest	<u>1.2B</u>	<b>277</b>	392
Other revenue		<b>–</b>	4
<b>Total own-source revenue</b>		<b>479</b>	622
<b>Gains</b>			
Gains from sale of assets	<u>1.2C</u>	<b>14</b>	5
<b>Total gains</b>		<b>14</b>	5
<b>Net cost of services</b>		<b>12,812</b>	13,081
Funding from Commonwealth, State and Territory Governments	<u>1.2D</u>	<b>12,695</b>	12,893
<b>Surplus / (Deficit)</b>		<b>(117)</b>	(188)
<b>OTHER COMPREHENSIVE INCOME</b>			
<b>Other comprehensive income</b>		<b>–</b>	–
<b>Total comprehensive income</b>		<b>(117)</b>	(188)

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



# Statement of Financial Position

## as at 30 June 2016

	Notes	2016 \$'000	Restated 2015 \$'000	Restated 2014 <sup>1</sup> \$'000
<b>ASSETS</b>				
<b>Financial Assets</b>				
Cash and cash equivalents	2.1A	5,297	4,643	3,997
Trade and Other Receivables	2.1B	2,621	46	1,006
Investments	2.1C	6,289	10,000	10,000
<b>Total financial assets</b>		<b>14,207</b>	14,689	15,003
<b>Non-Financial Assets</b>				
Leasehold improvements	2.2A	808	54	158
Plant and equipment	2.2A	157	64	101
Intangibles	2.2A	55	121	106
Inventories	2.2B	1	18	24
Other non-financial assets	2.2C	124	447	38
<b>Total non-financial assets</b>		<b>1,145</b>	704	427
<b>Total assets</b>		<b>15,352</b>	15,393	15,430
<b>LIABILITIES</b>				
<b>Payables</b>				
Suppliers	2.3A	96	369	102
Other payables	2.3B	1,082	1,070	1,400
<b>Total payables</b>		<b>1,178</b>	1,439	1,502
<b>Provisions</b>				
Employee provisions	4.1A	1,131	862	648
Other provisions	2.4	68	–	–
<b>Total provisions</b>		<b>1,199</b>	862	648
<b>Total liabilities</b>		<b>2,377</b>	2,301	2,150
<b>Net assets</b>		<b>12,975</b>	13,092	13,280
<b>EQUITY</b>				
Retained surplus		12,975	13,092	13,280
<b>Total equity</b>		<b>12,975</b>	13,092	13,280

1. See Note Overview – Change in Accounting Policy and Accounting Estimates, and Correction of a Prior Period Error for details.

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

AUSTRALIAN CHILDREN'S EDUCATION AND CARE QUALITY AUTHORITY

## Statement of Changes in Equity

### for the period ended 30 June 2016

	Total Equity	
	2016	2015
	\$'000	\$'000
<b>Opening balance as at 1 July</b>	<b>13,092</b>	5,824
Net Effect of a Correction of an Error	–	7,456
<b>Restated balance as at 1 July</b>	<b>13,092</b>	13,280
<b>Comprehensive income</b>		
Surplus / (Deficit) for the period	<b>(117)</b>	(188)
<b>Total comprehensive income</b>	<b>(117)</b>	(188)
<b>Closing balance as at 30 June</b>	<b>12,975</b>	13,092

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

# Cash Flow Statement

## for the period ended 30 June 2016

	Notes	2016 \$'000	2015 \$'000
<b>OPERATING ACTIVITIES</b>			
<b>Cash received</b>			
Revenue from Commonwealth, States and Territories		11,176	14,937
Sales of goods and rendering of services		249	410
Interest		315	364
<b>Total cash received</b>		<b>11,740</b>	<b>15,711</b>
<b>Cash used</b>			
Employees		(8,531)	(8,171)
Suppliers		(4,655)	(5,817)
Net GST paid		(677)	(989)
<b>Total cash used</b>		<b>(13,863)</b>	<b>(14,977)</b>
<b>Net cash from (used by) operating activities</b>	3.1	<b>(2,123)</b>	<b>734</b>
<b>INVESTING ACTIVITIES</b>			
<b>Cash received</b>			
Proceeds from sale of property, plant and equipment		9	8
Investments		3,711	–
<b>Total cash received</b>		<b>3,720</b>	<b>8</b>
<b>Cash used</b>			
Purchase of property, plant and equipment		(943)	(8)
Purchase of intangibles		–	(88)
<b>Total cash used</b>		<b>(943)</b>	<b>(96)</b>
<b>Net cash from (used by) investing activities</b>		<b>2,777</b>	<b>(88)</b>
<b>Net increase (decrease) in cash held</b>		<b>654</b>	<b>646</b>
Cash and cash equivalents at the beginning of the reporting period		4,643	3,997
<b>Cash and cash equivalents at the end of the reporting period</b>	2.1A	<b>5,297</b>	<b>4,643</b>

Cash and cash equivalents exclude investments in term deposit with an original maturity equal to or more than 3 months.

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

# AUSTRALIAN CHILDREN'S EDUCATION AND CARE QUALITY AUTHORITY

## Overview

### 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. It is a not-for-profit entity. Its objective is derived explicitly from the National Law and is to guide the implementation and administration of the National Quality Framework ('NQF') and to monitor and promote consistency in its implementation and administration.

ACECQA is structured to undertake the full range of functions set out in the National Law and its related regulations, focusing on the following strategic priorities in accordance with the Letter of Expectation for 2014–16 issued by the Education Council:

**Strategic priority 1:** Promoting national consistency in the implementation of the NQF

**Strategic priority 2:** Reducing regulatory burden within the sector

**Strategic priority 3:** Monitoring and supporting the assessment and rating of services

**Strategic priority 4:** Contributing to the 2014 Review of the National Partnership Agreement

**Strategic priority 5:** Promoting education and awareness

**Strategic priority 6:** Developing and supporting a high quality workforce

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

### The Basis of Preparation

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

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

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

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

### New Accounting Standards

#### Adoption of New Australian Accounting Standard Requirements

ACECQA has elected to early adopt AASB2015–7 from 2014-15, even though the Standard is not required to be applied until annual reporting periods beginning on or after 1 July 2016. AASB 2015-7 provides relief for not-for-profit public sector entities from disclosing quantitative information about significant unobservable inputs used in fair value, where property, plant and equipment is held for its current service potential rather than to generate future net cash inflows.

All other new standards, amendments and interpretations that were issued prior to the sign-off date and are applicable to the current reporting period did not have a material effect, and are not expected to have a future material effect, on the entity's financial statements.

## AUSTRALIAN CHILDREN'S EDUCATION AND CARE QUALITY AUTHORITY

### Future Australian Accounting Standard Requirements

All new standards, amendments and interpretations that were issued prior to the sign-off date and are applicable to future reporting periods are not expected to have a future material impact on the entity's financial statements.

### **Taxation**

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

Revenue, expenses and assets are recognised net of the amount of GST except:

- a) When the GST incurred on a purchase of goods or services is not recoverable from the Australian Taxation Office; and
- b) Receivables and payables.

### **Events After the Reporting Period**

There was no subsequent event that had the potential to significantly affect the ongoing structure and financial activities of ACECQA.

### **Change in Accounting Policy and Accounting Estimates, and Correction of a Prior Period Error**

#### Correction of Prior Period Errors

Since its establishment in 2011, ACECQA received or invoiced part of its annual funding from the Australian Government and State and Territory Governments in June each year for its operations in the following financial year. The funding was recognised as revenue under AASB 118 and deferred to its designated financial year. As the funding arrangement is considered a non-reciprocal arrangement, the funding should be recognised as a contribution under AASB 1004 and recognised as revenue when ACECQA received the funding or the right to receive the funding.

As the error was made in a reporting period prior to the comparative period, the balances in the Financial Statements as at 30 June 2014 were restated as follows:

- ◆ Other Payables were decreased by \$7,456,390 to recognise the unearned income as revenue;
- ◆ Retained surplus was increased by \$7,456,390.

In addition, the error resulted in the restatement of the following line items for the year ended 30 June 2015:

- ◆ Funding from Commonwealth, State and Territory Governments was decreased by \$154,140;
- ◆ Surplus was decreased by \$154,140;
- ◆ Other Payables were decreased by \$7,302,250 to recognise the unearned income as revenue;
- ◆ Retained surplus was increased by \$7,302,250.

The section on the following page shows the restatement of each line item affected by the error for the comparative year, as well as a restatement of the opening balances for the comparative year.

# AUSTRALIAN CHILDREN'S EDUCATION AND CARE QUALITY AUTHORITY

## Restatement of Financial Statements as a Result of Change in Accounting Policy and Correction of an Error

### 30 June 2015 Comparative year

Financial Statement Line Item / Balance Affected	Note	2015 \$'000	Correction of Error Adj \$'000	Restated 2015 \$'000
<b>Statement of Comprehensive Income (Extract)</b>				
Funding from Commonwealth, State and Territory Governments	1.2D	13,047	(154)	12,893
<b>Surplus / (Deficit)</b>		<b>(34)</b>	<b>(154)</b>	<b>(188)</b>
<b>Statement of Financial Position (Extract)</b>				
<b>Payables</b>				
Other payables	2.3B	8,372	(7,302)	1,070
<b>Total payables</b>		<b>8,741</b>	<b>(7,302)</b>	<b>1,439</b>
<b>Total liabilities</b>		<b>9,603</b>	<b>(7,302)</b>	<b>2,301</b>
<b>Net assets</b>		<b>5,790</b>	<b>7,302</b>	<b>13,092</b>
<b>EQUITY</b>				
Retained surplus		5,790	7,302	13,092
<b>Total equity</b>		<b>5,790</b>	<b>7,302</b>	<b>13,092</b>
<b>Statement of Changes in Equity (Extract)</b>				
Surplus / (Deficit) for the period		(34)	(154)	(188)
<b>Closing balance as at 30 June</b>		<b>5,790</b>	<b>7,302</b>	<b>13,092</b>

### 1 July 2014 (Comparative year opening balances)

Financial Statement Line Item / Balance Affected	Note	2014 \$'000	Correction of Error Adj \$'000	Restated 2014 \$'000
<b>Statement of Financial Position (Extract)</b>				
<b>Payables</b>				
Other payables		8,856	(7,456)	1,400
<b>Total payables</b>		<b>8,958</b>	<b>(7,456)</b>	<b>1,502</b>
<b>Total liabilities</b>		<b>9,606</b>	<b>(7,456)</b>	<b>2,150</b>
<b>Net assets</b>		<b>5,824</b>	<b>7,456</b>	<b>13,280</b>
<b>EQUITY</b>				
Retained surplus		5,824	7,456	13,280
<b>Total equity</b>		<b>5,824</b>	<b>7,456</b>	<b>13,280</b>

# AUSTRALIAN CHILDREN'S EDUCATION AND CARE QUALITY AUTHORITY

## Financial Performance

This section analyses the financial performance of ACECQA for the year ended 2016.

### 1.1: Expenses

	2016 \$'000	2015 \$'000
<b>1.1A: Employee Benefits</b>		
Wages and salaries	7,617	7,204
Superannuation	776	736
Leave and other entitlements	268	224
Termination benefits	–	7
<b>Total employee benefits</b>	<b>8,661</b>	<b>8,171</b>

#### Accounting Policy

Accounting policies for employee related expenses is contained in the People and relationships section.

### 1.1B: Supplier

#### Goods and services

Consultants	356	1,231
Contractors	98	227
Travel	341	371
Information and communication technology	1,196	1,400
Publishing	185	77
Other	867	782
<b>Total goods and services</b>	<b>3,043</b>	<b>4,088</b>

#### Other suppliers

Operating lease rentals – sublease payments	876	823
Workers compensation expenses	49	48
Payroll tax expenses	427	377
<b>Total other suppliers</b>	<b>1,352</b>	<b>1,248</b>
<b>Total suppliers</b>	<b>4,395</b>	<b>5,336</b>

#### Leasing commitment – office accommodation

ACECQA has one operating lease for its office accommodation. The lease commenced on 1 January 2016 for a period of 7 years and 3 months. There is an option to terminate the lease on 31 December 2020 if ACECQA ceases to be a statutory authority or does not receive government funding. At the end of lease, ACECQA is required to pay \$80,000 in lieu of a make good clause.

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

## AUSTRALIAN CHILDREN'S EDUCATION AND CARE QUALITY AUTHORITY

### Commitments for operating lease

Within 1 year	<b>873</b>	505
Between 1 to 5 years	<b>3,996</b>	–
More than 5 years	<b>2,021</b>	–
<b>Total operating lease commitments</b>	<b>6,890</b>	505

Commitments are GST inclusive where relevant.

### 1.2: Own-Source Revenue

	2016 \$'000	Restated 2015 \$'000
<b>Own-source revenue</b>		
<b><u>1.2A: Sale of Goods and Rendering of Services</u></b>		
Sale of goods	<b>26</b>	36
Rendering of services	<b>176</b>	190
<b>Total sale of goods and rendering of services</b>	<b>202</b>	226

#### Accounting Policy

Revenue from the sale of goods is recognised when:

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

Revenue from rendering of services is recognised when:

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

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

#### 1.2B: Interest

Deposits	<b>277</b>	392
<b>Total interest</b>	<b>277</b>	392

#### Accounting Policy

Interest revenue is recognised using the effective interest method.



## AUSTRALIAN CHILDREN'S EDUCATION AND CARE QUALITY AUTHORITY

### Gains

#### **1.2C: Other Gains**

Sale of assets	14	5
<b>Total other gains</b>	<b>14</b>	<b>5</b>

#### **Accounting Policy**

Gains from sale of assets are recognised when control of the asset has been passed to the buyer.

#### **1.2D: Funding from Commonwealth, State and Territory Governments**

Funding from Commonwealth Government	6,835	6,875
Funding from State and Territory Governments	5,860	6,018
<b>Total funding from Governments</b>	<b>12,695</b>	<b>12,893</b>

#### **Accounting Policy**

ACECQA's revenue is provided through funding by Commonwealth, State and Territory Governments.

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

Funding receivables are recognised at their nominal amounts.

# AUSTRALIAN CHILDREN'S EDUCATION AND CARE QUALITY AUTHORITY

## Financial Position

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

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

### 2.1: Financial Assets

	2016 \$'000	2015 \$'000
<b>2.1A: Cash and Cash Equivalents</b>		
Cash on hand or on deposit	5,297	4,643
<b>Total cash and cash equivalents</b>	<b>5,297</b>	<b>4,643</b>

#### Accounting Policy

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

- a) cash on hand;
- b) demand deposits in bank accounts with an original maturity of 3 months or less that are readily convertible to known amounts of cash and subject to insignificant risk of changes in value.

### 2.1B: Trade and Other Receivables

Goods and services	–	–
Interest	7	46
Funding from Commonwealth, State and Territory Governments	2,614	–
<b>Total trade and other receivables</b>	<b>2,621</b>	<b>46</b>

#### Receivables are expected to be recovered in:

No more than 12 months	2,621	46
	<b>2,621</b>	<b>46</b>

#### Receivables are aged as follows:

Not overdue	2,621	46
<b>Total receivables</b>	<b>2,621</b>	<b>46</b>

#### Accounting Policy

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

## AUSTRALIAN CHILDREN'S EDUCATION AND CARE QUALITY AUTHORITY

### 2.1C: Investments

Term Deposits	6,289	10,000
<b>Total investments</b>	<b>6,289</b>	<b>10,000</b>

Total investments are expected to be recovered in:

No more than 12 months	6,000	10,000
More than 12 months	289	–
<b>Total investments</b>	<b>6,289</b>	<b>10,000</b>

#### Accounting Policy

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

## 2.2: Non-Financial Assets

### 2.2A: Reconciliation of the Opening and Closing Balances of Property, Plant, Equipment and Intangibles

#### Reconciliation of the opening and closing balances of property, plant, equipment and intangibles for 2016

	Leasehold Improvements \$'000	Plant & equipment \$'000	Computer Software \$'000	Total \$'000
<b>As at 1 July 2015</b>				
Gross book value	500	76	177	753
Accumulated depreciation, amortisation and impairment	(446)	(12)	(56)	(514)
<b>Net book value 1 July 2015</b>	<b>54</b>	<b>64</b>	<b>121</b>	<b>239</b>
Additions:				
By purchase	865	164	–	1,029
Write-down recognised in net cost of services	–	(4)	–	(4)
Depreciation expense	(111)	(67)	(66)	(244)
Disposals:				
Other	–	–	–	–
<b>Net book value 30 June 2016</b>	<b>808</b>	<b>157</b>	<b>55</b>	<b>1,020</b>

#### Net book value as of 30 June 2016 represented by:

Gross book value	868	215	177	1,260
Accumulated depreciation, amortisation and impairment	(60)	(58)	(122)	(240)
<b>Net book value 30 June 2016</b>	<b>808</b>	<b>157</b>	<b>55</b>	<b>1,020</b>

## AUSTRALIAN CHILDREN'S EDUCATION AND CARE QUALITY AUTHORITY

Reconciliation of the opening and closing balances of property, plant, equipment and intangibles for 2015

	Leasehold Improvements \$'000	Plant & equipment \$'000	Computer Software \$'000	Total \$'000
As at 1 July 2014				
Gross book value	501	102	106	709
Accumulated depreciation, amortisation and impairment	(343)	(1)	–	(344)
Net book value 1 July 2014	158	101	106	365
Additions:				
By purchase	–	7	71	78
Revaluation recognised in net cost of services	–	(2)	–	(2)
Depreciation expense	(104)	(39)	(56)	(199)
Disposals:				
Other	–	(3)	–	(3)
Net book value 30 June 2015	54	64	121	239

Net book value as of 30 June 2015 represented by:

Gross book value	500	76	177	753
Accumulated depreciation, amortisation and impairment	(446)	(12)	(56)	(514)
Net book value 30 June 2015	54	64	121	239

### Accounting Policy

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

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

#### Asset Recognition Threshold

Purchase of property, plant and equipment are recognised initially at cost in the statement of financial position.

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

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

#### Revaluations

Following initial recognition at cost, property, plant and equipment are carried at fair value 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 adjustments are made on a class basis. Any revaluation increment is credited to equity under the heading of asset revaluation reserve except to the extent that it reversed a previous revaluation decrement of the same asset class that was previously recognised in the surplus/deficit. Revaluation decrements for a class of assets are recognised directly in the surplus/deficit except to the extent that they reversed a previous revaluation increment for that class.

Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the asset is restated to the revalued amount.

Depreciation

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

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

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

Asset Class	2016	2015
Leasehold improvements	Lease term	Lease term
Plant and equipment	3 to 20 years	3 to 20 years

Impairment

All assets were assessed for impairment at 30 June 2016. 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 the entity was deprived of the asset, its value in use is taken to be its depreciated replacement cost.

Derecognition

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

Intangibles

ACECQA's intangibles comprise purchased software for internal use. These assets are carried at cost less accumulated amortisation and accumulated impairment losses. Purchases costing less than \$100,000 (2015: \$100,000) are expensed in the year of acquisition other than where they form part of a group of similar items which are significant in total.

Intangible assets acquired at no cost, or for nominal consideration, are initially recognised as assets and income at their fair value at the date of acquisition. Where reliable measurement of their fair value cannot be established then the assets are not recognised.

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

All software assets were assessed for indications of impairment as at 30 June 2016.

## AUSTRALIAN CHILDREN'S EDUCATION AND CARE QUALITY AUTHORITY

	2016 \$'000	2015 \$'000
<b>2.2B: Inventories</b>		
<b>Inventories held for sale:</b>		
Finished goods	1	18
<b>Total inventories held for sale</b>	<b>1</b>	<b>18</b>
<b>Total inventories</b>	<b>1</b>	<b>18</b>

During 2016, \$17,259 of inventory held for sale was recognised as an expense (2015: \$25,589).

No items of inventory were recognised at fair value less cost to sell.

All inventories are expected to be sold or distributed in the next 12 months.

### **Accounting Policy**

Inventories held for sale are valued at the lower of cost and net realisable value.

Costs incurred in bringing each item of inventory to its present location and condition are assigned as follows:

- a) raw materials and stores – purchase cost on a first-in-first-out basis; and
- b) finished goods and work-in-progress – cost of direct materials and labour plus attributable costs that can be allocated on a reasonable basis.

Inventories acquired at no cost or nominal consideration are initially measured at current replacement cost at the date of acquisition.

### **2.2C: Other Non-Financial Assets**

Prepayments	124	447
<b>Total other non-financial assets</b>	<b>124</b>	<b>447</b>
<b>Other non-financial assets expected to be recovered in:</b>		
No more than 12 months	111	447
More than 12 months	13	–
<b>Total other non-financial assets</b>	<b>124</b>	<b>447</b>

No indicators of impairment were found for other non-financial assets.

## 2.3: Payables

	2016 \$'000	Restated 2015 \$'000
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### 2.3A: Suppliers

Trade creditors	96	369
<b>Total suppliers payables</b>	<b>96</b>	<b>369</b>

### Suppliers payables expected to be settled in:

No more than 12 months	96	369
<b>Total suppliers payables</b>	<b>96</b>	<b>369</b>

Settlement was usually made within 30 days.

### 2.3B: Other Payables

Salaries and wages	33	264
Superannuation	89	21
Prepayments received/unearned income	–	–
Net GST payable	728	622
Lease Liability	85	–
Accruals and other payables	147	163
<b>Total other payables</b>	<b>1,082</b>	<b>1,070</b>

### Other payables expected to be settled in:

No more than 12 months	1,082	1,070
More than 12 months	–	–
<b>Total other payables</b>	<b>1,082</b>	<b>1,070</b>

#### Accounting Policy

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) – refer to Note 1.

## 2.4: Other Provisions

	Provision for make good \$'000	Total \$'000
<b>As at 1 July 2015</b>	–	–
Additional provisions made	67	67
Unwinding of discount	1	1
<b>Total as at 30 June 2016</b>	<b>68</b>	<b>68</b>

ACECQA has a sublease agreement which requires ACECQA to pay a fixed amount (\$80,000) in lieu of a make good clause at the conclusion of the lease. ACECQA has made the provision to reflect the present value of this obligation.

# AUSTRALIAN CHILDREN'S EDUCATION AND CARE QUALITY AUTHORITY

## Funding

This section identifies ACECQA's funding structure.

### 3.1: Cash Flow Reconciliation

	2016 \$'000	2015 \$'000
<b>Reconciliation of cash and cash equivalents as per statement of financial position to cash flow statement</b>		
<b>Cash and cash equivalents as per:</b>		
Cash flow statement	5,297	4,643
Statement of financial position	5,297	4,643
<b>Discrepancy</b>	<u>–</u>	<u>–</u>
<b>Reconciliation of net cost of services to net cash from/(used by) operating activities</b>		
Net cost of services	(12,812)	(13,081)
Revenue from Government	12,695	12,893
<b>Adjustments for non-cash items</b>		
Depreciation / amortisation	244	199
Gain on disposal of assets	(14)	(5)
Net write down of non-financial assets	4	2
Other non-cash items	(80)	–
<b>Movements in assets and liabilities</b>		
<b>Assets</b>		
(Increase) / decrease in net receivables	(2,575)	960
(Increase) / decrease in inventories	17	6
(Increase) / decrease in prepayments	323	(409)
<b>Liabilities</b>		
Increase / (decrease) in prepayments received	–	–
Increase in employee provisions	269	214
Increase in other provisions	68	–
Increase / (decrease) in supplier payables	(273)	285
Increase / (decrease) in other payable	11	(330)
<b>Net cash from (used by) operating activities</b>	<u>(2,123)</u>	<u>734</u>



# AUSTRALIAN CHILDREN'S EDUCATION AND CARE QUALITY AUTHORITY

## People and relationships

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

### 4.1: Employee Provisions

	2016 \$'000	2015 \$'000
<b>4.1A: Employee Provisions</b>		
Leave	1,131	862
<b>Total employee provisions</b>	<b>1,131</b>	<b>862</b>
<b>Employee provisions are expected to be settled in:</b>		
No more than 12 months	652	536
More than 12 months	479	326
<b>Total employee provisions</b>	<b>1,131</b>	<b>862</b>

#### Accounting Policy

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

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

#### *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 2016 represents outstanding contributions due but not yet paid.

# AUSTRALIAN CHILDREN'S EDUCATION AND CARE QUALITY AUTHORITY

## 4.2: Senior Executive Remuneration

	2016 \$	2015 \$
<b>Short-term employee benefits:</b>		
Salary	862,465	838,601
Other	47,361	49,917
<b>Total short-term employee benefits</b>	<b>909,826</b>	<b>888,518</b>
<b>Post-employment benefits:</b>		
Superannuation	130,595	184,153
<b>Total post-employment benefits</b>	<b>130,595</b>	<b>184,153</b>
<b>Other long-term benefits:</b>		
Annual leave accrued	71,183	61,253
Long-service leave accrued	40,325	31,336
<b>Total other long-term benefits</b>	<b>111,508</b>	<b>92,589</b>
<b>Total employment benefits</b>	<b>1,151,928</b>	<b>1,165,260</b>

The total number of senior management personnel that are included in the above table are 4 (2015: 5).

Total employment benefits are prepared on an accrual basis and excludes acting arrangements and part-year service where remuneration expensed was less than \$90,000.

Other includes motor vehicle and relocation allowances and reportable fringe benefits.

## 4.3: Board Members Remuneration and Related Party Disclosures

	2016 \$	2015 \$
Total Board remuneration	<b>158,545</b>	184,354

### Notes:

Board remuneration is the payments received or due and receivable by ACECQA Board members in 2015–16.

Remuneration for the Board is determined by the Education Council.

There were changes to the composition of the ACECQA Board in 2015–16.

### Related Party Transactions

No loan or grant was made to the Senior Executives and Board members or the Senior Executives' and Board members' related entities.

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.

## 4.4: Remuneration of Auditors

	2016 \$'000	2015 \$'000
Remuneration payable to the Australian National Audit Office (ANAO) for auditing the financial statements for the reporting period.	<b>55</b>	52

No other services were provided by the ANAO.

# AUSTRALIAN CHILDREN'S EDUCATION AND CARE QUALITY AUTHORITY

## Managing uncertainties

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

### 5.1: Contingent Assets and Liabilities

A bank guarantee was provided by ACECQA to the sublessor in relation to its leased premises. The value of the bank guarantee is \$289,124 (2015: nil) and will be released upon termination of the sublease agreement.

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

ACECQA had no other quantifiable or unquantifiable contingent assets or liabilities as at 30 June 2016 (2015: nil).

### 5.2: Financial Instruments

	2016 \$'000	2015 \$'000
<b>5.2A: Categories of Financial Instruments</b>		
<b>Financial Assets</b>		
<b>Held-to-maturity investments</b>		
Term Deposits	6,289	10,000
<b>Total held-to-maturity investments</b>	<b>6,289</b>	<b>10,000</b>
<b>Loans and receivables</b>		
Cash and cash equivalents	5,297	4,643
Trade and other receivables	2,621	46
<b>Total loans and receivables</b>	<b>7,918</b>	<b>4,689</b>
<b>Total financial assets</b>	<b>14,207</b>	<b>14,689</b>
<b>Financial Liabilities</b>		
<b>Financial liabilities measured at amortised cost:</b>		
Trade creditors	96	369
<b>Total financial liabilities measured at amortised cost:</b>	<b>96</b>	<b>369</b>
<b>Total financial liabilities</b>	<b>96</b>	<b>369</b>

#### Accounting Policy

##### *Financial Assets*

ACECQA classifies its financial assets in the following categories:

- a) financial assets at fair value through profit or loss;
- b) held-to-maturity investments
- c) available-for-sale financial assets
- d) loans and receivables.

## AUSTRALIAN CHILDREN'S EDUCATION AND CARE QUALITY AUTHORITY

The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. Financial assets are recognised and derecognised upon trade date.

### Effective Interest Method

Income is recognised on an effective interest rate basis except for financial assets that are recognised at fair value through profit or loss.

ACECQA has no financial assets at fair value through profit or loss or available-for-sale financial assets.

### Impairment of Financial Assets

Financial assets are assessed for impairment at the end of each reporting period.

If there is objective evidence that an impairment loss has been incurred for loans and receivables or held to maturity investments held at amortised cost, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the asset's original effective interest rate. The carrying amount is reduced by way of an allowance account. The loss is recognised in the Statement of Comprehensive Income.

### Financial liabilities

Financial liabilities are classified as either financial liabilities 'at fair value through profit or loss' or other financial liabilities. Financial liabilities are recognised and derecognised upon 'trade date'.

ACECQA has no financial liabilities at fair value through profit or loss.

### Other Financial Liabilities

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

	2016 \$'000	2015 \$'000
<b>5.2B: Net Gains or Losses on Financial Assets</b>		
<b>Held-to-maturity investments</b>		
Interest revenue	184	287
<b>Net gains/(losses) on held-to-maturity investments</b>	<b>184</b>	<b>287</b>
<b>Loans and receivables</b>		
Interest revenue	93	105
<b>Net gains/(losses) on loans and receivables</b>	<b>93</b>	<b>105</b>
<b>Net gains/(losses) on financial assets</b>	<b>277</b>	<b>392</b>

## AUSTRALIAN CHILDREN'S EDUCATION AND CARE QUALITY AUTHORITY

### **5.2C: Fair Value of Financial Instruments**

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

### **5.2D: Credit Risk**

ACECQA is exposed to minimal credit risk as loans and receivables are cash 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 of \$2,621,000 (2015: \$46,000).

ACECQA has assessed the risk of default on payment and has decided no impairment allowance is required.

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.

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

	<b>Not past due nor impaired</b>	Not past due nor impaired	<b>Past due or impaired</b>	Past due or impaired
	<b>2016 \$'000</b>	2015 \$'000	<b>2016 \$'000</b>	2015 \$'000
Cash and cash equivalents	5,297	4,643	–	–
Trade and other receivables	2,621	46	–	–
Investments	6,289	10,000	–	–
<b>Total</b>	<b>14,207</b>	14,689	–	–

### **5.2E: Liquidity Risk**

ACECQA's financial liabilities were payables. The exposure to liquidity risk was based on the notion that ACECQA will encounter difficulty in meeting its obligations associated with financial liabilities. 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 funds to meet payments as they fall due and has no past experience of default.

ACECQA has sufficient available financial assets to meet all financial liabilities at 30 June 2016.

ACECQA had no derivative financial liabilities in either 2016 or 2015.

### **5.2F: Market Risk**

ACECQA's exposure to Market risk is insignificant as it only holds basic financial instruments. There are 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.

### 5.3: Fair Value Measurements

The following tables provide an analysis of assets and liabilities that are measured at fair value. The remaining assets and liabilities disclosed in the statement of financial position do not apply the fair value hierarchy.

The different levels of the fair value hierarchy are defined below.

**Level 1:** Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at measurement date.

**Level 2:** Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

**Level 3:** Unobservable inputs for the asset or liability.

#### Accounting Policy

The fair value of property, plant and equipment is assessed at market value or depreciated replacement cost as determined by an independent valuer at least once every three years and is subject to management assessment between formal valuations.

ACECQA tests the procedures of the valuation model as an internal management review / asset materiality review at least once every 12 months. If a particular asset class experiences significant and volatile changes in fair value (i.e. where indicators suggest that the value of the class has changed materially since the previous reporting period), that class is subject to specific valuation in the reporting period, where practicable, regardless of the timing of the last formal valuation.

ACECQA deems transfers between levels of the fair value hierarchy to have occurred at the end of the reporting period.

#### 5.3A: Fair Value Measurements

	Fair value measurements at the end of the reporting period			For Levels 2 and 3 fair value measurements	
	2016 \$'000	2015 \$'000	Category (Level 1, 2 or 3)	Valuation technique(s)	Inputs used
<b>Non-financial assets</b>					
Leasehold improvements	808	54	Level 3	Depreciated replacement cost	* Replacement Cost New (price quotation for similar improvements)
Plant and equipment	–	64	Level 2	Cost/Market appraisal	* Lease term * Useful life * Adjusted prices of second hand equipment * Market transactions for second hand equipment
	157	–	Level 3		
<b>Total non-financial assets</b>	<b>965</b>	118			
<b>Total fair value measurements of assets in the statement of financial position</b>	<b>965</b>	118			

## AUSTRALIAN CHILDREN'S EDUCATION AND CARE QUALITY AUTHORITY

ACECQA did not measure any non-financial assets at fair value on a non-recurring basis as at 30 June 2016.

ACECQA's assets are held for operational purposes and not held for the purpose of deriving a profit. The current use of all NFAs is considered the highest and best use.

There have been changes to the valuation techniques for assets in the plant and equipment class. Management review was used in 2016 (independent valuer was engaged in 2015). There were no other changes in valuation technique from the previous reporting period.

There have been no transfers of non-financial assets between level 1 and 2 of the hierarchy during the year.

The remaining assets and liabilities reported by ACECQA are not measured at fair value in the Statement of Financial Position.

### 5.3B: Reconciliation for Recurring Level 3 Fair Value Measurements

	Non-financial assets					
	Leasehold improvements		Plant and equipment		Total	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
<b>As at 1 July 2015</b>	<b>54</b>	158	–	–	<b>54</b>	158
Total gains/(losses) recognised in net cost of services <sup>1</sup>	<b>(111)</b>	(104)	<b>(71)</b>	–	<b>(182)</b>	(104)
Purchase	<b>865</b>	–	<b>164</b>	–	<b>1,029</b>	–
Transfers into Level 3 <sup>2</sup>	–	–	<b>64</b>	–	<b>64</b>	–
<b>Total as at 30 June 2016</b>	<b>808</b>	54	<b>157</b>	–	<b>965</b>	54

1. These gains/(losses) are presented in the Statement of Comprehensive Income under 'depreciation and amortisation' and 'write-down and impairment of assets'.

2. A review is undertaken by management for plant and equipment in 2016, using unobservable inputs to estimate fair value.

**End of Financial Statements**



# Appendices



# Appendix A

## Letter of Expectation 2014–16

30 September 2014



Ms Rachel Hunter  
Chair  
Australian Children's Education and Care Quality Authority  
PO Box A292  
SYDNEY NSW 1235

Dear Ms Hunter,

### Australian Children's Education and Care Quality Authority (ACECQA) – Letter of Expectation for 2014-2016

I am writing to set out the Education Council's priorities and expectations for the Australian Children's Education and Care Quality Authority (ACECQA) Board from 1 July 2014 to 30 June 2016, noting this letter may be reviewed following the 2014 Review of the *National Partnership Agreement on the National Quality Agenda for Early Childhood Education and Care* (National Partnership Agreement).

#### Purpose

This Letter of Expectation is from the Education Council to ACECQA. It sets out the Education Council's strategic priorities and high level performance expectations for the ACECQA Board. This Letter of Expectation will inform ACECQA's Strategic Plan and operational work plans.

#### Context

The Australian, State and Territory governments are committed to maintaining their focus on the early years (birth to eight years) to ensure the wellbeing of children throughout their lives.

The National Partnership Agreement gives effect to the Council of Australian Government's (COAG) 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.

ACECQA has responsibility for managing the implementation of the NQF according to the Multilateral Implementation Plan (MIP) and reporting to the Education Council on behalf of all parties to the National Partnership Agreement.

The National Partnership Agreement also sets out when reviews will occur, and ACECQA is expected to participate in and contribute to these review processes and provide information, assistance and advice as required.

#### Strategic objectives

The strategic priorities outlined in this letter should be considered in light of the following strategic objectives:

- to deliver an integrated and unified national system for early childhood education and care, one which is jointly governed and drives continuous improvement in the quality of services
- to improve educational and developmental outcomes for children attending early childhood education and care services
- to improve the efficiency and cost effectiveness of the regulation of early childhood education and care services, including a reduction in regulatory burden on services
- to improve public knowledge and access to information about the quality of early childhood education and care services to parents, carers and the general public to help inform their choices about the quality of education and care provided to their children
- to build a highly skilled early childhood education and care workforce.

## Strategic Priorities

ACECQA will guide the implementation and administration of the NQF and promote and foster continuous quality improvement by services to improve outcomes for children in early childhood education and care, through undertaking the full range of functions as set out in the *Education and Care Services National Law Act 2010* (the National Law) and the *Education and Care Services National Regulations 2011*.

ACECQA will work with the Australian Government and all States and Territories to streamline the operation of the NQF and reduce administrative and regulatory burden for education and care services.

To ensure the reputation of the NQF as an efficient and effective national system that is focused on continuous quality improvement and educational and developmental outcomes for children, it is important that ACECQA focuses on the following strategic priorities over the next two years.

### ***Promoting national consistency in the implementation of the NQF***

A key function of ACECQA is to guide the implementation and administration of the NQF by monitoring and promoting consistency in its implementation and administration. This will include:

- providing guidance to State and Territory Regulatory Authorities, through strategic coordination and management of key issues and leveraging best practice in regulation nationally and overseas, to encourage best practice regulation and comparable outcomes in the administration of approvals, assessments and ratings and compliance and enforcement, consistent with the National Law. This should be viewed from the perspective of services or educators and their experience of the system and should always ensure the safety and wellbeing of children is considered, whilst delivering improved outcomes for children
- developing and implementing, in consultation with the Australian Government and all States and Territories, a national audit program aimed at identifying inconsistencies and operational improvements; and providing guidance and support to State and Territory Regulatory Authorities to address issues
- developing streamlined and reliable systems, including the identification and collection of data, to monitor and identify any emerging issues or risks that impact on the effective implementation of the NQF, and where necessary developing practical operational solutions
- responsibility for management, maintenance and support of the National Quality Agenda IT System (NQA ITS) including: day-to-day administration; resolving data quality and consistency issues; consideration and facilitation of enhancements to the system and IT training for jurisdictions
- leading and supporting the training and development of authorised officers through the delivery of training and evaluation of training resources, and in cooperation with State and Territory Regulatory Authorities, ensuring that consistency of practice and understanding is maintained across the authorised officer workforce.

### ***Reducing regulatory burden within the sector***

ACECQA will examine and report on practices that may be imposing red tape on services and regulatory authorities and explore options to reduce regulatory burden.

ACECQA will work collaboratively with the Australian Government and all States and Territories to streamline and improve the operation of the NQF, and identify opportunities to provide more flexibility to meet the needs of education and care services, in order to assist jurisdictions to reduce unnecessary regulatory burden on services and Regulatory Authorities.

The activities of ACECQA must be guided by COAG's Principles of Best Practice Regulation with regard to improved outcomes for children. This includes consideration of:

- costs and benefits
- net community benefit
- regulatory burden.

### ***Monitoring and supporting the assessment and rating of services***

The assessment and rating process is a critical component of the NQF. In carrying out its activities, ACECQA will:

- actively work with the States and Territories to implement changes to the *Guide to Assessment and Rating for Regulatory Authorities*, including a more streamlined assessment and rating process, to support the States and Territories improve the rate of assessment to better meet the commitment to assess and rate all services by mid-2015
- work with the States and Territories and the sector to ensure the process remains valid and reliable
- provide additional training for authorised officers

- provide reports and analysis on a regular basis concerning the progress of assessment and ratings
- examine opportunities to streamline the National Quality Standard and identify options to further streamline the assessment and ratings process, particularly through contributing to the 2014 Review of the National Partnership Agreement
- continue to carry out its broad sector education role and work collaboratively with Regulatory Authorities to assist services striving to lift the quality of their service delivery to meet the National Quality Standard.

#### ***Contributing to the 2014 Review of the National Partnership Agreement***

ACECQA will be a key contributor to the 2014 Review of the National Partnership Agreement through:

- providing information and findings gathered through research projects and audits
- providing data from the NQA ITS
- conducting a detailed analysis of the National Quality Standard, the assessment and rating process and the assessment and rating instrument, as commissioned by the Early Childhood Policy Group (ECPG).

ACECQA will work with the ECPG to undertake this work, including working with the lead jurisdiction and the ECPG Review Working Group.

#### ***Promoting education and awareness***

Education and awareness is a key mechanism to increase the visibility of the importance of quality early childhood education and care and the consistent implementation of the NQF. The Education Council expects ACECQA to be the public face and voice for the implementation of the NQF and quality early childhood education and care in Australia through open and transparent communication with all stakeholders. In support of this priority, ACECQA is expected to lead and develop key communication materials in collaboration with Regulatory Authorities to enable consistent implementation of the National Quality Framework.

ACECQA will work with Regulatory Authorities and the Australian, State and Territory governments to implement a comprehensive communication and engagement strategy with a focus on educating and informing the education and care sector, community and parents about the NQF and the importance of quality early childhood education and care.

ACECQA will support the delivery of improved educational outcomes for children through the promotion of continuous quality improvement by early childhood education and care services, including: facilitating the development and publication of additional guides and resources focusing on supporting services to meet the National Quality Standard; and providing support for the approved learning frameworks including pedagogy, curriculum and assessment of learning.

#### ***Developing and supporting a high quality workforce***

ACECQA will support quality improvements in early childhood education and care qualifications and training, and work to reduce overlap and misalignment of approvals processes. ACECQA will do this in collaboration with higher education providers, teacher registration authorities, the Australian Institute for Teaching and School Leadership and the Industry Skills Council.

In approving qualifications, and the assessment of equivalent qualifications, ACECQA will work with the sector, Australian and State and Territory governments to identify opportunities to ensure an adequate supply of suitably qualified educators is available for services.

ACECQA will also work with the Australian Skills Quality Authority in its review of the quality training in the early childhood education and care sector. The review is focused on the broad range of training issues in the sector including on-line learning, recognition of prior learning and assessment processes.

### **Governance**

#### ***Responsibilities of the ACECQA Board***

The Board is responsible for ensuring ACECQA meets its statutory requirements and undertakes the range of functions detailed in the National Law efficiently and effectively. The Board will provide strategic direction and leadership for ACECQA and formulate strategies for discharging its functions within a tight fiscal environment and with regard to the regulatory burden for services, Regulatory Authorities and the Australian, state and territory governments. The Board must ensure ACECQA focusses its activities and resources on areas of work with the highest priority as set out in this Letter.

The Education Council expects the Board will meet at least quarterly as appropriate to the Board's work programme and priorities.

#### ***Working collaboratively with the Australian, State and Territory governments***

The Education Council expects ACECQA will work collaboratively both as a leader and a stakeholder and build strong working relationships with ECPG, the Australian and State and Territory policy departments, the Australian Education, Early Childhood Development and Youth Affairs Senior Officials Committee (AEEYSOC) and Regulatory Authorities, in accordance with the Protocols Framework between the parties, to ensure a shared understanding and agreed approach to the NQF.

ACECQA and the Regulatory Authorities will act in a spirit of cooperation, and ACECQA will provide regular advice to the Regulatory Authorities, ECPG and AEEYSOC in relation to the collection of information and the evaluation of the NQF. ACECQA will work to minimise the regulatory burden on services and state and territory Regulatory Authorities.

The ECPG is responsible for reporting, and providing high-level strategic policy advice, to AEEYSOC on all early childhood related components of the Education Council's strategic reform framework. In recognition of this, and the ongoing policy role the Australian, State and Territory governments have in relation to the NQF, ACECQA must consult with ECPG on policy issues that arise in connection with the implementation and ongoing progress of the NQF, prior to progressing issues through AEEYSOC. This ensures broader policy implications are taken into account when dealing with NQF implementation issues and advice on possible changes to the National Law and National Regulations can be considered.

#### ***Relationship with the Education Council***

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

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

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

ACECQA's Chair or Chief Executive Officer will be invited to attend ECPG and AEEYSOC meetings as an observer or, if requested, participate in discussions for items that relate to the business of the organisation and other items as determined by ECPG and AEEYSOC. ECPG and AEEYSOC will also provide relevant information to ACECQA on items discussed at meetings, or from ECPG and AEEYSOC papers.

#### ***Reporting and Budget***

ACECQA will prepare a Strategic Plan and budget to assist in ensuring that ACECQA continues to meet the strategic needs of the Education Council. In a tight fiscal environment, ACECQA will need to identify operational efficiencies and ensure all activities are focused on strategic priorities set out in this Letter.

ACECQA will continue to provide an annual forward work plan on a financial year basis each year. The plan will set out the key deliverables, budget and timelines for addressing the strategic directions and work priorities set out in this Letter. The annual work plan should be provided to the Education Council before the end of the previous financial year.

ACECQA will provide a written report under the MIP to the Education Council twice a year, in May and November. The reports should draw input from all parties to the MIP and outline progress, and any emerging issues and potential solutions, in relation to the performance benchmarks and indicators in the NPA.

ACECQA will also provide a written progress report against its annual forward work plan to the Education Council twice a year, in May and November, to coincide with the submission of the MIP performance report to the Education Council. The progress report should outline ACECQA's performance in relation to its functions specified in the National Law and the strategic objectives and priorities identified in this Letter.

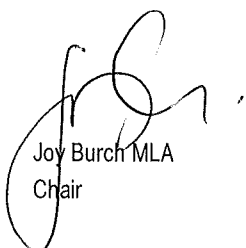
In addition to the ACECQA Annual Report, ACECQA should provide a budget update in its progress report on expenditure and identify any proposed changes to the forward work plan that may be required to ensure ACECQA is able to operate within the available budget, including any additional work identified by the Education Council that should be prioritised or undertaken.

ACECQA may also provide additional reports to the Education Council as necessary, such as regular updates on the implementation of the NQF and progress of quality assessment and rating.

#### **Conclusion**

On behalf of the Education Council, I look forward to our continued work with you in overseeing the implementation of the NQF and working closely with you as we undertake the 2014 Review of the National Partnership Agreement, to ensure the goal of improving quality in childcare and early learning services is being met in the most efficient and effective way.

Yours sincerely



Joy Burch MLA  
Chair



## Appendix B

# Chair's response to Letter of Expectation 2014–16

29 October 2014

Minister Joy Burch MLA  
Chair  
Education Council  
PO Box 202  
Carlton South Vic 3053

Dear Minister

Thank you for your Letter of Expectation for 2014-16 (Letter of Expectation) outlining the priorities and expectations of the Education Council for the Board of the Australian Children's Education and Care Quality Authority (ACECQA).

ACECQA shares and supports the commitment of the Australian and State and Territory Governments to the importance of quality education and care to a child's wellbeing and future success, and again looks forward to working with all governments to deliver on these commitments. ACECQA is allocating, and will continue to allocate, the highest importance and resources toward meeting the strategic objectives and priorities in the Letter of Expectation.

The ACECQA Strategic Plan 2012-16 outlines the Board's vision that Australian children have the best possible start in life through quality early childhood education and care and outside school hours care services. At its first full meeting in December 2014, the Board will review ACECQA's Strategic Plan to ensure all strategic priorities and expectations in the Letter of Expectation remain central to ACECQA's focus. I can also confirm that ACECQA's Forward Work Plan for 2014-15, which was endorsed by the Education Council on 18 September 2014, reflects the Council's priorities and expectations for ACECQA. A progress report against the Forward Work Plan will be provided to the Education Council at its December 2014 meeting.

Additional information about ACECQA's current and future activities to address the strategic priorities and expectations within the Letter of Expectation is provided below. I also note that the Letter of Expectation may be reviewed following the 2014 Council of Australian Government's Review of the National Partnership Agreement on the National Quality Agenda for Early Childhood Education and Care (2014 COAG Review).

## **1. Promoting national consistency in the implementation of the National Quality Framework**

Leading the consistent implementation and administration of the National Quality Framework (NQF) is the first priority in ACECQA's Strategic Plan 2012-16 and it informs all that we do. In keeping with good regulatory practice, ACECQA's approach to consistency focusses on consistent outcomes, rather than consistent process.

ACECQA continues to promote and improve national consistency under the NQF through:

- identifying and resolving implementation and operational policy issues in partnership with jurisdictions and recommending amendments to the National Regulations and/or the National Law where required
- maintaining and enhancing the Operational Policy Manual (OPM) for Regulatory Authorities, which provides detailed and nationally consistent operational guidance to authorised officers in all jurisdictions
- providing training and support for authorised officers, such as a nationally consistent assessment and rating report template and online training modules
- undertaking national audits of the administration of the NQF, the most recent of which was on determining National Quality Standard (NQS) ratings levels (i.e. Working Towards NQS, Meeting NQS, and Exceeding NQS)
- analysing assessment and rating outcomes and sharing detailed assessment and rating analysis reports with each jurisdiction on a quarterly basis
- undertaking second tier reviews
- enhancements to, support for, and increased user uptake of the National Quality Agenda IT System (NQA ITS), which provides a national database and an online business tool for communication between children's education and care services and state and territory regulatory authorities
- communicating with and engaging the sector through the ACECQA website, NQF resource kit, NQF quarterly snapshot, monthly newsletter and other resources.

We look forward to ACECQA working with all governments and the sector in 2014-16 to further promote consistency of outcomes and enhance the reputation of the NQF as a successfully integrated and unified national system. This will include responding to any relevant findings arising from the 2014 COAG Review.

## **2. Reducing regulatory burden within the sector**

ACECQA is strongly committed to streamlining and improving the operation of the NQF to reduce regulatory burden. ACECQA continues to implement the recommendations from its first research report on administrative burden under the NQF, which was provided to Ministers in 2013.

Key projects have included:

- a review of the elements and standards in the National Quality Standard with the objective of identifying and recommending options that deliver quantifiable cost and time savings for the sector and regulatory authorities, which ACECQA has been a significant contributor to as part of the 2014 COAG Review

- identifying opportunities to streamline administrative requirements of the National Law and National Regulations, also being progressed under the 2014 COAG Review
- publishing clearer guidance for the sector about meeting NQF requirements, such as information sheets on 'Reviewing your Quality Improvement Plan' and 'Guidelines for documenting children's learning'.

ACECQA conducted Wave II of its regulatory burden project survey in February and March 2014. Draft preliminary survey findings were reported to Ministers through ACECQA's May 2014 report under the National Quality Agenda Implementation Plan (NQA IP). Further analysis of findings from the Wave II research will be provided to Ministers through the National Authority's November 2014 report under the NQA IP.

Additionally, in carrying out all functions under the National Law, ACECQA will continue to be guided by COAG's Principles of Best Practice Regulation in seeking to minimise regulatory burden on education and care services as far as possible. For example, ACECQA's enhancements to the NQA ITS are driving service provider uptake of the system, which help to remove regulatory inconsistencies across jurisdictions and create a more efficient, cohesive and streamlined environment for business activity.

### ***3. Monitoring and supporting the assessment and rating of services***

ACECQA works with state, territory and Australian Government officials to implement process efficiencies in quality assessment and rating under the NQF, with the objective of increasing the rate of progress towards the target of rating all education and care services by mid-2015.

Implementation of previous nationally agreed streamlining actions commenced in April 2014. We have supported jurisdictions with these changes and most states and territories report they are seeing progress on quality assessment and rating as a result of the implementation of the streamlining actions, as well as less time spent on supervisor certificate processing following amendments to the National Regulations.

Complementing our role in providing formal authorised officer training, ACECQA has and will continue to provide targeted guidance and resources to help authorised officers interpret the requirements of the NQS, with a focus on elements and standards that can prove challenging to assess. This will improve efficiency and consistency of the assessment and rating of services. As a priority in 2014-16, ACECQA will work with regulatory authorities and the Australian Government to best monitor and support consistency and efficiency of the assessment and rating process, including facilitation of any changes to the system decided by Ministers through the 2014 COAG Review.

ACECQA publishes a quarterly snapshot on NQF implementation, which focuses on progress and trends on quality assessment and rating. Since June 2014, ACECQA has provided Ministers with high level monthly reports on the progress of quality assessment and rating. This measure promotes transparency and provides Ministers with a regular point-in-time overview of national and jurisdictional progress.



ACECQA also supports quality service delivery across the sector through the provision of information and advice to the sector. In addition, in 2014-15 ACECQA's National Education Leader is leading a series of seminars across the country focussed on educational program and practice, which is the quality area most likely to be rated as Working Towards NQS. The seminars include practical tips and examples, as well as the opportunity for participants to workshop ideas and take them back to their services to implement.

#### **4. *Contributing to the 2014 Review of the National Partnership Agreement***

ACECQA is a major contributor to the 2014 COAG Review. ACECQA is a member of the Early Childhood Policy Group (ECPG) COAG Review Working Group and has been closely involved in:

- reviewing the NQS and rating levels, including working with governments and sector experts to develop a draft revised NQS for consultation through the Regulatory Impact Statement process
- leading and supporting analysis of identified legislative themes and identifying legislative areas for potential clarification, reduction and/or amendment
- undertaking a consistency analysis, which examined the extent to which the system is operating as a national system while working effectively for different service types and operating circumstances
- providing specialist communications support for the stakeholder consultation component of the Review.

ACECQA will continue to provide its national perspective and expertise to support all facets of the 2014 COAG Review, while supporting the implementation of any system changes decided by Ministers.

#### **5. *Promoting education and awareness***

To continue to effectively discharge the Education Council's expectation that ACECQA be the public face and voice for the implementation of the NQF and quality early childhood education and care in Australia, the Board finalised ACECQA's 2014-15 stakeholder engagement strategy in July 2014, which sees ACECQA continue to consult with a wide range of stakeholders, including a greater focus on families.

A family communications project is well advanced and a new family communications strategy will be implemented in 2015 to raise awareness about the importance of early childhood education and care. The strategy will specifically focus on prospective or new parents, with no or very limited knowledge about the benefits of early learning, who may be making decisions about entering the system for the first time.

Current projects to promote continuous quality improvement by services include:

- updating the NQF Resource Kit
- providing guidance on the requirements for documentation and quality improvement planning and dispelling myths about administrative burden relating to these requirements

- unpacking the role of the educational leader, dispelling myths and exploring the potential of that role to support educators to document children's programs and learning and feel confident about assessment and rating processes
- working with organisations such as the Professional Support Coordinators to build the cultural competence of educators.

## **6. *Developing and supporting a high quality workforce***

In undertaking its National Law function to determine the qualifications required by educators under the NQF, including the assessment of equivalent qualifications, ACECQA balances a high standard of qualifications while maximising the availability of a skilled workforce.

ACECQA continues to streamline processes for approval of teacher education programs qualifications through collaboration with government agencies, particularly the Australian Institute for Teaching and School Leadership (AITSL) and the Australasian Teacher Regulatory Authorities (ATRA). ACECQA is also represented on the management committee for the Australian Skills Quality Authority's review of the quality training in the early childhood education and care sector.

A number of joint information sessions have been held for higher education institutions to provide advice on the approval and accreditation of programs through ACECQA and ATRA. ACECQA also continues to work with AITSL to further streamline and reduce duplication for the recognition of overseas qualifications in the Skilled Migration Program.

ACECQA is also supporting a high quality workforce by improving the application process for individual qualifications assessment. For example, in June 2014 ACECQA launched an online qualifications checking tool. The tool guides educators through a series of questions to confirm if they are a qualified educator and provides information about what evidence can be used to demonstrate they are qualified. The tool is an efficient means of supporting the supply of suitably qualified educators by reducing applications for assessment and qualification related enquiries.

## **7. *Governance, budget and reporting***

The Board is committed to meeting ACECQA's statutory requirements while undertaking its National Law functions efficiently and effectively. In doing so, the Board will continue to have regard for the tight fiscal environment in which ACECQA operates. By the end of 2014, the ACECQA Board will have met five times in this calendar year to support effective governance and robust decision making by the National Authority.

To meet the reporting requirements outlined in the Letter of Expectation 2014-16, ACECQA's regular reports to the Education Council will be:

- an annual forward work plan on a financial year basis, prior to the end of the previous financial year, with two progress reports per year against the forward work plan to correspond with the closest scheduled meetings of the Education Council. The progress reports will also provide a budget update on expenditure and identify any changes required to the forward work plan

- o two reports per year under the National Quality Agenda Implementation Plan (NQA IP), in May and November.

## **8. Working collaboratively with the Australian, State and Territory Governments and the Education Council**

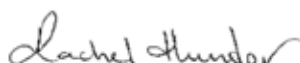
ACECQA has productive relationships and works in close collaboration with the Australian, State and Territory Governments. For example, ACECQA worked with all governments to finalise and support the implementation of the most recent amendments to the National Regulations, which came into effect on 1 June 2014 in all states and territories except Western Australia.

ACECQA's Quality and Consistency Committee (QaCC) is a key mechanism for state, territory and national authorities to inform and assist each other to better implement the NQF consistently across Australia. ACECQA also has regular bilateral meetings with each state and territory to further support and guide consistency, and share information on NQF developments, challenges and priorities.

ACECQA will continue to actively engage with governments as appropriate on matters of policy that arise in connection with the administration of the NQF, including through participation at meetings of the Education Council, the Australian Education, Early Childhood Development and Youth Affairs Senior Officials Committee (AEEYSOC) and the ECPG.

I look forward to continuing to work collaboratively with the Education Council as ACECQA plays its role in enhancing the quality of children's education and care services across Australia to give our children the best possible start.

Yours sincerely



Rachel Hunter  
ACECQA Board Chair

# Appendix C

## ACECQA Board membership



**Judy Hebblethwaite**  
**Acting Chair**

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

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

Judy is President of the Link Youth Health Service in Tasmania.

*Term commenced 14 April 2016.*



**Mark Brown**

Mark Brown was the Director, Education and Training Regulation, Department of Education Services, in Western Australia until March 2015. In this role he led and directed the regulation of services in Western Australia for registration of non-government schools (Kindergarten to Year 12), external review of independent public schools and registration of training organisations.

Mark has been involved in education in Western Australia since 1974 as a primary school teacher, curriculum developer, university lecturer, curriculum and assessment manager, and from 2002 to 2007 was Director for Kindergarten to Year 12 Curriculum. Since 2010 he has been closely involved in the early education and care quality agenda through his involvement in the development of the national law legislation and as an inaugural member of the ACECQA Board.

Now in semi-retirement, Mark undertakes education consultancy work in school performance reviews, pre-service teacher education and education policy review and development.

*Second term expired 31 December 2015. Current term commenced 14 April 2016.*



**Sandra Cheeseman**

Sandra Cheeseman is a lecturer in early childhood policy, leadership and professional experience at Macquarie University, Sydney. She brings to the ACECQA Board more than 30 years of experience as an early childhood teacher, director and senior executive in a range of early childhood settings and organisations. Sandra was a member of the core writing team which developed the Early Years Learning Framework (EYLF) for Australia and has since worked on a number of related research and professional projects. Currently undertaking doctoral studies, Sandra is investigating the experience of infants in early education and care settings as they encounter the EYLF.

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

*Term commenced 14 April 2016.*



### Professor Ann Farrell

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

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

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

*Term commenced 14 April 2016.*



### Catherine Hudson

Catherine Hudson has extensive high-level experience in government across a range of social and economic areas.

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

Catherine also held a key integrity and governance position as the ACT Public Service Commissioner, including membership of the ACT Public Service Strategic Board and was a Deputy Director-General in ACT Government (Economic Development Directorate).

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

*First term expired 31 December 2015. Current term commenced 14 April 2016.*



### Dr Robyn Layton AO QC

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

During her extensive legal career she has been a barrister and a judge in a broad range of jurisdictions, including a Judge and Deputy President of the Industrial Court and Commission in South Australia and a Deputy President of the Administrative Appeals Tribunal (Cth).

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

*Term commenced 14 April 2016.*



### Associate Professor Joce Nuttall

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

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

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

*Term commenced 14 April 2016.*



### Sabine Phillips

Sabine Phillips is a Partner at Gadens Lawyers. Sabine is also a Director of Northern Health (Victoria). Sabine has been the Chair of the Quality Committee for Northern Health and is currently the Chair of their Audit and Risk Committee. Sabine specialises in corporate and clinical governance, risk management and compliance in health and aged care. Sabine also worked as an external assessor for the then Aged Care Standards and Accreditation Agency.

Sabine holds a Master of Laws and a Master of Business (Organisation Behaviour) and a Bachelor of Applied Science (Advanced Nursing). Sabine is also a non-practising registered nurse and a Fellow of the Australian Institute of Company Directors.

*First term expired 31 December 2015. Current term commenced 14 April 2016.*



### Nick Ryan

Nick Ryan is the CEO of the Australian Aged Care Quality Agency, responsible for accreditation and quality in Commonwealth funded residential and home care, as well as industry education.

Nick was the CEO (2010–2013) of Aged Care Queensland (later LASA Qld), an industry peak body and RTO. From 1998 to 2010 he was a senior executive in a range of Queensland Government agencies including the Department of the Premier and Cabinet, responsible for regional engagement and coordination. While in the Department of Communities he served in roles including General Manager Children and Families and Regional Executive Director Gold Coast, overseeing human services including child protection and child care regulation.

Nick has sat on a number of governance bodies, including the Brisbane Catholic Education Council (2002–2005), the Council of the Institute of Public Administration Qld (2003–2005) and the Board of the Leukaemia Foundation of Queensland (2010–2012). He is a Fellow of the Australian Institute of Company Directors.

*First term expired 31 December 2015. Current term commenced 14 April 2016.*



### Catherine Weber

Catherine has worked for the Northern Territory Government for almost 30 years, including executive roles since 1998.

Catherine is Deputy Chief Executive in the Department of Education, following a similar role in the former Department of Housing, Local Government and Regional Services and 17 years in Northern Territory Treasury. This included a number of years as Assistant Under Treasurer (Corporate and Superannuation) where Catherine held positions in public finance, strategic policy, financial management and intergovernmental areas.

Prior to this, Catherine worked in several Territory Government agencies, in Darwin and Alice Springs. Catherine has a Master of Public Policy and a Bachelor of Economics, and is a Member of the Australian Human Resources Institute.

*Term commenced 14 April 2016.*



### Jackie Wilson

Jackie Wilson is the Deputy Secretary, Early Childhood and Child Care, in the Australian Government Department of Education and Training. Prior to joining the former Department of Education, Employment and Workplace Relations (DEEWR) in August 2013, Jackie jointly led the Schools Funding Taskforce with DEEWR in the Department of the Prime Minister and Cabinet.

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

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

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

*First term expired 31 December 2015. Current term commenced 14 April 2016.*



### Naomi Wilson

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

Naomi has vast experience with the TAFE sector, is an experienced counsellor and operates her own clinic that supports businesses, families and councils across a wide range of issues. She has also lectured at James Cook University.

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

*First term expired 31 December 2015. Current term commenced 14 April 2016.*

## Former ACECQA Board members whose term expired on 31 December 2015

Rachel Hunter (Chair)

Professor Collette Tayler (Deputy Chair)

Bernard Curran

Professor Alison Elliott

Tonia Godhard OAM

Professor Pauline Harris

6. Appointed from 6 October 2014.



# Appendix D

## Board meeting attendance

### Meetings of the ACECQA Board 1 July 2015 to 30 June 2016

Meeting	Date	Apologies	Location
Meeting 3/2015	23 July 2015	Nil	Sydney
Meeting 4/2015	25 September 2015	Jackie Wilson	Sydney
Meeting 5/2015	19–20 November 2015	Jackie Wilson (apology for day 2)	Sydney
Meeting 1/2016	22 April 2016	Catherine Hudson Naomi Wilson	Teleconference
Meeting 2/2016	27 May 2016	Catherine Weber	Sydney

# Appendix E

## Board Sub Committee membership and attendance

### Audit, Finance and Risk Sub Committee

#### Membership

Membership (until 31 December 2015)	Membership (established 27 May 2016)
Bernard Curran – Chair Tracey Bradley Sabine Phillips Ken Barker – External member	Mark Brown – Chair Catherine Hudson Sabine Phillips Catherine Weber Ken Barker – External member

#### Attendance

Meeting	Date	Apologies	Location
Meeting 3/2015	20 August 2015	Tracey Bradley	Sydney
Meeting 4/2015	2 October 2015	Nil	Teleconference
Meeting 5/2015	11 November 2015	Tracey Bradley	Sydney

### Enterprise Agreement Sub Committee

Membership (established 27 May 2016)
Judy Hebblethwaite – Chair Mark Brown Sandra Cheeseman Catherine Hudson

#### Attendance

Meeting	Date	Apologies	Location
Meeting 1/2016	6 May 2016	Nil	Teleconference

### Performance and Remuneration Sub Committee<sup>1</sup>

#### Membership

Membership (until 31 December 2015)	Membership (established 27 May 2016)
Rachel Hunter – Chair Bernard Curran Nick Ryan	Judy Hebblethwaite – Chair Catherine Hudson Nick Ryan

1. Did not meet in 2015–2016 calendar year.

## Qualifications Working Group<sup>2</sup>

### Membership (established 27 May 2016)

Joce Nuttall – Chair  
Sandra Cheeseman  
Ann Farrell  
Naomi Wilson

## Strategic Review Working Group

### Membership (until 27 May 2016)

Judy Hebblethwaite – Chair  
Ann Farrell  
Robyn Layton  
Joce Nuttall  
Nick Ryan  
Jackie Wilson

### Attendance

Meeting	Date	Apologies	Location
Meeting 1/2016	28 June 2016	Ann Farrell Joce Nuttall	Teleconference

## Policy, Research and Consistency Sub Committee

### Membership

#### Membership (until 31 December 2015)

Catherine Hudson – Chair  
Mark Brown  
Alison Elliott  
Tonia Godhard  
Pauline Harris  
Collette Tayler  
Jackie Wilson  
Naomi Wilson

### Attendance

Meeting	Date	Apologies	Location
Meeting 3/2015	20 October 2015	Pauline Harris, Jackie Wilson	Teleconference

2. Did not meet in 2015–2016 calendar year.

# Appendix F

## ACECQA major speaking and sector engagements (excludes ACECQA National Workshops)

ACECQA Engagement Name	Location	Date
Reggio Emilia Conference – Landscapes of Imagination	Melbourne, Vic	4 July 2015
Indigenous Professional Support Unit (IPSU) State Meeting	Sydney, NSW	17 July 2015
Queensland Council of Social Service (QCOSS) – Directors Gathering	South Bank, Qld	30 July 2015
Professional Support Coordinators Alliance, WA Early Childhood Education & Care Conference 2015	Perth, WA	7 August 2015
Noah's Ark Annual Staff Conference – Inclusion	Melbourne, Vic	13 August 2015
YMCA Ballarat – Teachers Professional Development Day	Ballarat, Vic	13 August 2015
Australian Childcare Alliance (ACA) Victoria 2015 Conference	Melbourne, Vic	14 August 2015
QCAN Annual State Conference	Surfers Paradise, Qld	28 August 2015
Mobile Meet 2015 – Community Pathways to Early Learning	Penrith, NSW	2 September 2015
Inaugural National Catholic Early Years Education Forum	Adelaide, SA	4 September 2015
G8 Quarterly Director Conference – QIP information	North Ryde, NSW	9 September 2015
Gowrie Victoria Conference – Children in the Driver's Seat	Melbourne, Vic	22 September 2015
Australian College of Educators – National Conference 2016	Brisbane, Qld	24 September 2015
Karben Training Solutions – Educators Big Day Out	Tumbi Umbi, NSW	26 September 2015
Child Australia NT – Little People Big Dreams conference	Darwin, NT	10 October 2015
KU Annual Conference	Rosehill, NSW	17 October 2015
Explore & Develop Support Office – Nominated Supervisors & Educational Leader Meeting	Allambie Heights, NSW	20 October 2015
Department of Education & Training Qld – Early Childhood Managers Professional Development Workshop	Brisbane, Qld	26 October 2015
Noah's Ark Victoria and ARACY National Leaders' Inclusion Forum: Improving outcomes for children with a disability in ECEC	Melbourne, Vic	9 November 2015
Queensland Council of Social Service – Embracing Cultural Diversity in Early Childhood Conference	Boondall, Qld	17 November 2015
Child Australia – NT Awards Study Tour – Reflective Conversations Dinner	Sydney, NSW	26 November 2015
Department of Education NT		
National Quality Framework information for School Principals	Darwin, NT	2 February 2016
Coordinator of the Indigenous Professional Support Unit (IPSU) Gowrie NSW – IPSU NSW Annual Conference 2016	Penrose, NSW	8 March 2016
Department of Education and Training, Qld – ECEC Leadership Development through Communities of Practice – Newtown Network	Toowoomba, NSW	9 March 2016
Child Australia – Educational Leaders WA 2016 Forum	Carine, WA (via remote)	16 March 2016
Montessori Australia – Early Childhood Education & Care Conference	Brisbane, Qld	19 March 2016
Education and Early Childhood Services Registration and Standards Board of SA Staff Planning Day – What it means to be a risk based and responsive regulator	Adelaide, SA	4 April 2016
Education and Early Childhood Services Registration and Standards Board (EECSRS) – Cultural competence and update from National Education Leader	Adelaide, SA	8 April 2016
YMCA Staff Professional Development Day	Inverloch, Vic	11 April 2016

ACECQA Engagement Name	Location	Date
Department of Education and Training, Qld – Informal PD Meeting with assessment and quality improvement team	Brisbane, Qld	15 April 2016
Department for Education and Child Development SA – FDC Educator Conference	Adelaide, SA	16 April 2016
Down the Rabbit Hole: A festival of bold childhood ideas	Sydney, NSW	29 April 2016
Workforce Council, Qld – ‘Educator Unchained’ Respect & Agency Forum	Brisbane, Qld	4 May 2016
National Alliance for Early Childhood Education for Sustainability (ECEFS) Summit – Sustainability, where to from here?	Waverton, NSW	6 May 2016
Network of Community Activities – Educational Leaders Symposium	Sydney, NSW	12 May 2016
Early Childhood Australia (ECA) Reconciliation Symposium 2016	Sydney Olympic Park, NSW	13 May 2016
FCDA – Perspectives on quality in Australian family day care SPRC launch event	Kensington, NSW	17 May 2016
All Areas Family Day Care Conference – The worlds future in your hands	Parramatta, NSW	4 June 2016
Reveal the Possibilities Conference – Australian Childcare Alliance (ACA) QLD – National Conference 2016	Gold Coast, Qld	5 June 2016
City of Yarra Family, Youth & Children’s Services – Professional Development Conversations	Collingwood, Vic	10 June 2016
Australian Family Early Education & Care Awards Gala presentation dinner	Sydney, NSW	17 June 2016
Australian Family Early Education & Care awards – Professional Development Workshop	Sydney, NSW	17 June 2016
The Creche & Kindergarten Association Limited (C&K) – Queensland Early Education and Care Conference	Brisbane, Qld	25 June 2016
41st Early Childhood Teachers Association (ECTA) Annual Conference 2016	Brisbane, Qld	25 June 2016
National Workshops – Educational Program and Practice	Cairns, Qld	27 July 2015

## ACECQA National Workshops

ACECQA Engagement Name	Location	Date
National Workshops – Educational Program and Practice (AM session)	Townsville, Qld	28 July 2015
National Workshops – Educational Program and Practice (PM session)	Townsville, Qld	28 July 2015
National Workshops – Educational Program and Practice	Mackay, Qld	29 July 2015
National Workshops – Educational Program and Practice	Aspley, Qld	30 July 2015
National Workshops – Educational Program and Practice	Brisbane, Qld	31 July 2015
National Workshops – Educational Program and Practice	Rockhampton, Qld	3 August 2015
National Workshops – Educational Program and Practice	Toowoomba, Qld	4 August 2015
National Workshops – Educational Program and Practice	Ipswich, Qld	5 August 2015
National Workshops – Educational Program and Practice (AM session)	Sunshine Coast, Qld	10 August 2015
National Workshops – Educational Program and Practice (PM session)	Sunshine Coast, Qld	10 August 2015
National Workshops – Educational Program and Practice	Maryborough, Qld	11 August 2015
National Workshops – Educational Program and Practice (AM session)	Gold Coast, Qld	17 August 2015
National Workshops – Educational Program and Practice (PM session)	Gold Coast, Qld	17 August 2015
National Workshops – Educational Program and Practice	Mount Isa, Qld	18 August 2015
National Workshop – Understanding cultural competence	Canberra, ACT	22 October 2015
National Workshops – Agency of the child	Broome, WA	16 February 2016
National Workshops – Agency of the child	Perth, WA	17 February 2016
National Workshops – Agency of the child	Perth, WA	18 February 2016

<b>ACECQA Engagement Name</b>	<b>Location</b>	<b>Date</b>
National Workshops – Agency of the child	Bunbury, WA	18 February 2016
National Workshops – Educational leadership	Alice Springs, NT	29 February 2016
National Workshops – Educational leadership	Darwin, NT	2 March 2016
National Workshops – Educational leadership	Darwin, NT	2 March 2016
National Workshops – Educational leadership	Gove, NT	3 March 2016
National Workshops – Agency of the child	Gold Coast, Qld	7 March 2016
National Workshops – Agency of the child	Logan, Qld	7 March 2016
National Workshops – Agency of the child	Brisbane, Qld	8 March 2016
National Workshops – Agency of the child	Toowoomba, Qld	8 March 2016
National Workshops – Agency of the child	Carseldine, Qld	9 March 2016
National Workshops – Agency of the child	Ipswich, Qld	10 March 2016
National Workshops – Agency of the child	Caboolture, Qld	10 March 2016
National Workshops – Agency of the child	Gympie, Qld	11 March 2016
National Workshops – Agency of the child	Cairns, Qld	14 March 2016
National Workshops – Agency of the child	Townsville, Qld	15 March 2016
National Workshops – Agency of the child	Rockhampton, Qld	16 March 2016
National Workshops – Agency of the child	Gladstone, Qld	16 March 2016
National Workshops – Agency of the child	Bundaberg, Qld	17 March 2016
National Workshops – Agency of the child	Mount Isa, Qld	21 March 2016
National Workshop – Understanding cultural competence	Berri, SA	5 April 2016
National Workshop – Understanding cultural competence	Adelaide, SA	6 April 2016
National Workshop – Understanding cultural competence	Adelaide, SA	6 April 2016
National Workshop – Understanding cultural competence	Clare, SA	7 April 2016
National Workshops – Educational leadership	Hobart, Tas	9 May 2016
National Workshops – Educational leadership	Hobart, Tas	10 May 2016
National Workshops – Educational leadership	Launceston, Tas	10 May 2016
National Workshops – Educational leadership	Devonport, Tas	11 May 2016
National Workshops – Educational leadership	Parramatta, NSW	16 May 2016
National Workshops – Educational leadership	Parramatta, NSW	16 May 2016
National Workshops – Educational leadership	Wollongong, NSW	17 May 2016
National Workshops – Educational leadership	Sydney CBD, NSW	18 May 2016
National Workshops – Educational leadership	Campbelltown, NSW	19 May 2016
National Workshops – Educational leadership	Penrith, NSW	20 May 2016
National Workshops – Educational leadership	Lismore, NSW	24 May 2016
National Workshops – Educational leadership	Coffs Harbour, NSW	25 May 2016
National Workshops – Educational leadership	Newcastle, NSW	26 May 2016
National Workshops – Educational leadership	Wagga Wagga, NSW	27 May 2016
National Workshops – Educational leadership	Dubbo, NSW	31 May 2016
National Workshops – Agency of the child	Warragul, Vic	6 June 2016
National Workshops – Agency of the child	Dandenong, Vic	7 June 2016
National Workshops – Agency of the child	Sunshine, Vic	7 June 2016
National Workshops – Agency of the child	Doncaster, Vic	8 June 2016
National Workshops – Agency of the child	Preston, Vic	8 June 2016
National Workshops – Agency of the child	Parkville, Vic	9 June 2016
National Workshops – Agency of the child	Benalla, Vic	20 June 2016
National Workshops – Agency of the child	Bendigo, Vic	21 June 2016
National Workshops – Agency of the child	Golden Point, Vic	21 June 2016
National Workshops – Agency of the child	Geelong, Vic	22 June 2016

# Appendix G

## Qualifications application statistics from 1 July 2015 to 30 June 2016

### Individual applications

**Table 1 Applications by jurisdiction (2015–16)**

	NSW	WA	Vic	Qld	SA	NT	ACT	Tas	Unknown	TOTAL	TOTAL
ECT	193	95	125	101	16	12	11	3	75	631	53%
Diploma	100	90	68	44	12	5	7	2	32	360	30%
Cert III	43	30	28	18	3	12	1	0	5	140	12%
Working with children over preschool age	0	34	12	13	10	1	0	0	0	70	6%
<b>TOTAL</b>	<b>336</b>	<b>249</b>	<b>233</b>	<b>176</b>	<b>41</b>	<b>30</b>	<b>19</b>	<b>5</b>	<b>112</b>	<b>1201</b>	
	28%	21%	19%	15%	3%	2%	2%	0%	9%		

**Table 2 Applications by outcome (2015–16)**

	Number	Percentage
Assessed equivalent	619	59%
Assessed not equivalent	243	23%
Discontinued	93	9%
Refunded	85	8%
Withdrawn	16	2%
<b>TOTAL</b>	<b>1,056</b>	<b>100%</b>

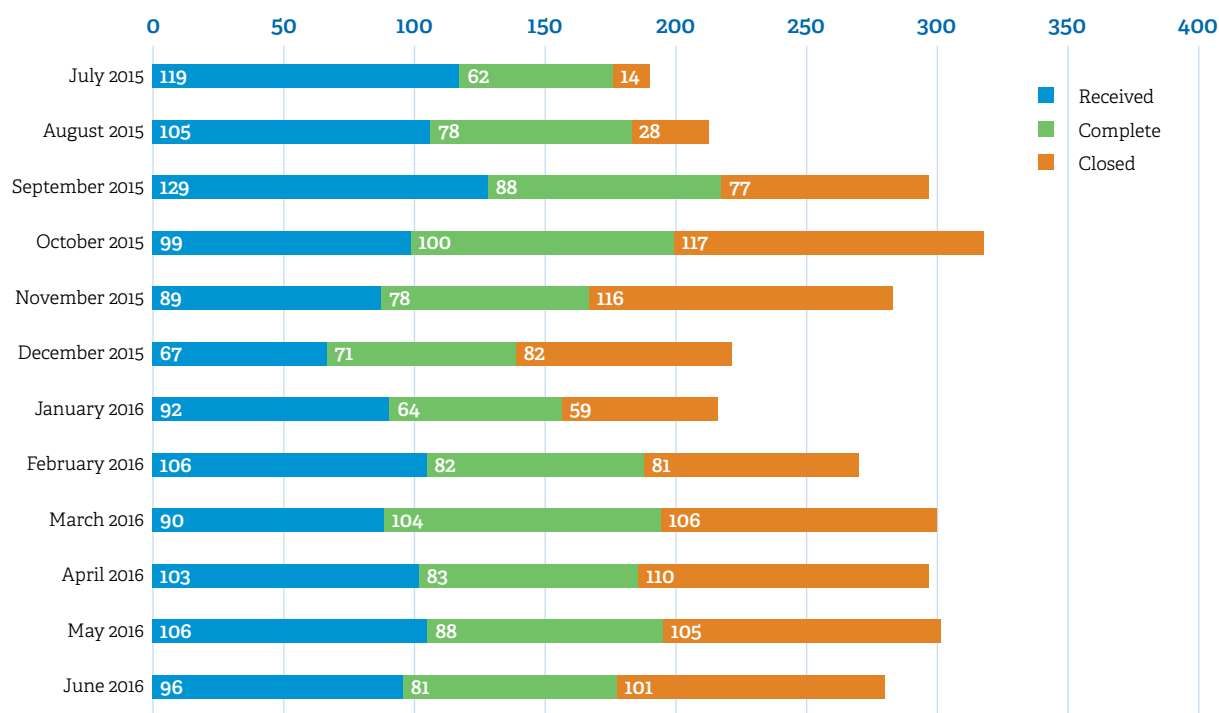
**Table 3 Reasons for applications being assessed as not equivalent (2015–16)**

	Number	Percentage
No Birth – 5 Content	99	41%
No Birth – 5 Content; No Birth – 5 Professional Experience	57	23%
No Relevant Qualifications	32	13%
No Birth – 2 Content; No Birth – 2 Professional Experience	18	7%
No Birth – 5 Professional Experience	12	5%
No Birth – 2 Content	9	4%
No Birth – 5 Content; No Birth – 2 Professional Experience	5	2%
No Birth – 2 Professional Experience	3	1%
Other	8	3%
<b>TOTAL</b>	<b>243</b>	

**Table 4 Applications by country of qualification (2015–16)**

	Number	Percentage
United Kingdom	349	29%
Australia	168	14%
New Zealand	158	13%
Ireland	101	8%
India	65	5%
United States	48	4%
South Africa	40	3%
Philippines	30	2%
Canada	19	2%
<b>TOTAL</b>	<b>978</b>	
<b>Other countries</b>	<b>223</b>	<b>19%</b>
<b>GRAND TOTAL</b>	<b>1,201</b>	<b>100%</b>

**Table 5 Applications by month (2015–16)**





# Organisation applications

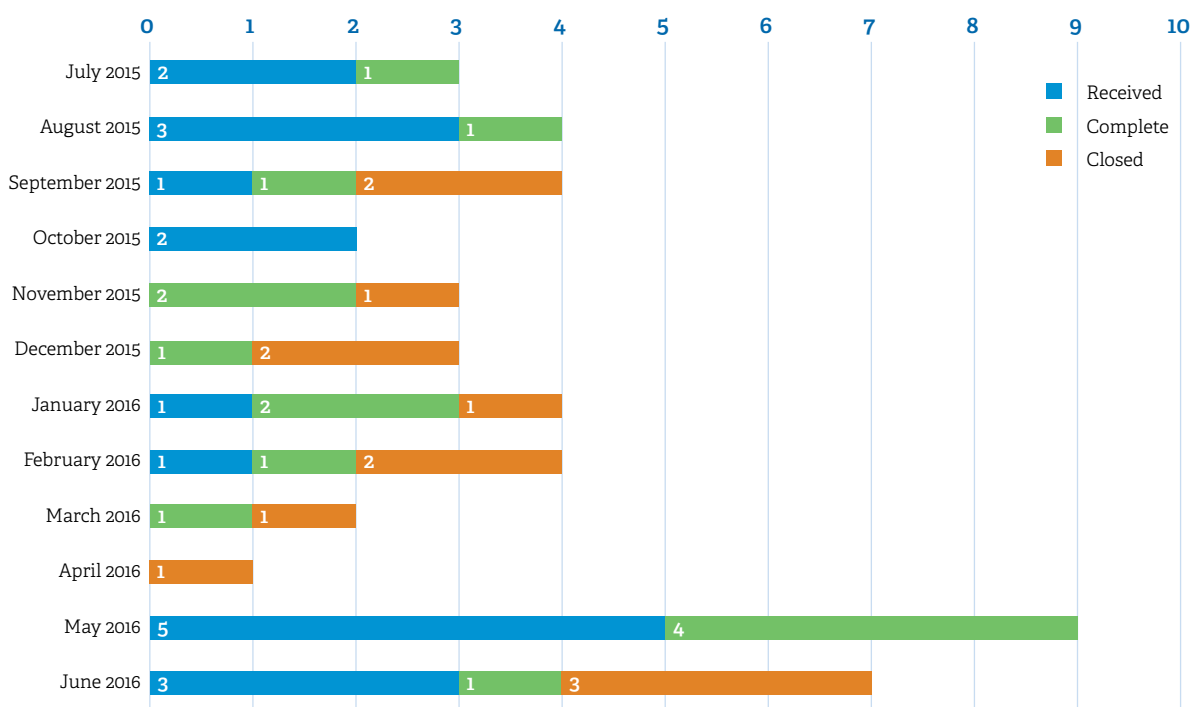
**Table 6 Applications by qualification/training course (2015–16)**

	Number	Percentage
ECT	13	72%
Diploma	3	17%
Certificate III	1	6%
Anaphylaxis	1	6%
Asthma	0	0%
Asthma & Anaphylaxis	0	0%
<b>TOTAL</b>	<b>18</b>	

**Table 7 Applications by jurisdiction (2015/16)**

	Number	Percentage
NSW	6	21%
Qld	5	18%
Vic	5	18%
SA	4	14%
ACT	3	11%
WA	3	11%
NT	1	4%
Tas	1	4%
<b>TOTAL</b>	<b>28</b>	

**Table 8 Applications by month (2015–16)**



# Index of key terms

- ABS** Australian Bureau of Statistics
- ACECQA** The Australian Children's Education and Care Quality Authority
- AESOC** Australian Education Senior Officials Committee
- AFR SC** Audit, Finance and Risk Sub Committee
- AIHW** Australian Institute of Health and Welfare
- AITSL** Australian Institute for Teaching and School Leadership
- AQF** Australian Qualifications Framework
- ARIA+** Accessibility/Remoteness Index of Australia
- ASQA** Australian Skills Quality Authority
- ATRA** Australasian Teacher Regulatory Authorities
- COAG** Council of Australian Governments
- 2014 COAG Review** 2014 COAG review of the National Partnership Agreement on the National Quality Agenda for Early Childhood Education and Care
- CWG** Communications Working Group
- DSS** Australian Government Department of Social Services
- ECPG** Early Childhood Policy Group
- ECT** Early Childhood Teacher
- EDRMS** Electronic Document and Records Management System
- Education Council** The COAG Education Council
- ESA** Education Services Australia
- EYLF** *Early Years Learning Framework*
- FAQs** Frequently Asked Questions
- FDC** Family Day Care
- FOI** Freedom of Information
- Framework for School Age Care** *My Time, Our Place: Framework for School Age Care in Australia*
- FTE** Full Time Equivalent
- ICT** Information and Communication Technology
- IPS** Information Publication Scheme
- National Law** *Education and Care Services National Law Act 2010*
- National Regulations** Education and Care Services National Regulations 2011
- NECS** National Education and Care Services
- NPA** National Partnership Agreement
- NQA** National Quality Agenda
- NQA IP** Implementation Plan for the National Quality Agenda for Early Childhood Education and Care
- NQA ITS** National Quality Agenda IT System
- NQF** National Quality Framework
- NQS** National Quality Standard
- NSG** National IT Systems Steering Group
- OPM** Operational Policy Manual
- OSHC** Outside School Hours Care
- PC** Productivity Commission
- PRaC SC** Policy, Research and Consistency Sub Committee
- 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.
- RoGS** Report on Government Services
- SEIFA** Socio-Economic Index for Areas
- TWG** Training Working Group
- WHS** Work Health and Safety

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