Australian Children's
Education & Care
Quality Authority

Annual Report
2016–2017

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Contents

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3 October 2017

The Hon Jeremy Rockliff MP
Chair
Education Council
PO Box 202
Carlton South Vic 3053

Dear Minister

The Board of the Australian Children's Education and Care Quality Authority (ACECQA) has pleasure in submitting to the Education Council the 2016–17 ACECQA Annual Report.

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

The National Law requires that the Education Council make arrangements for the tabling of the ACECQA Annual Report in the Parliament of a participating jurisdiction, as determined by the Council. ACECQA is advised that South Australia has been confirmed as the participating jurisdiction for tabling purposes. Accordingly, the 2016–17 Annual Report has been prepared to meet the tabling requirements of that jurisdiction.

Yours sincerely

Judy Hebblethwaite
Chair

Foreword from the Chair

I am pleased to present the Australian Children's Education and Care Quality Authority (ACECQA) Annual Report for 2016–17.

This year was one of many milestones. As an organisation that works closely with, and is accountable to, the Council of Australian Government's Education Council, we have a special and vital relationship with our nine government partners.

Following receipt of our new Letter of Expectation for 2016–18, we as a Board assessed how the organisation can best align itself with, and respond to, the needs and expectations of our partners. We were pleased to finalise a new strategic plan in April 2017, which defines ACECQA's vision, mission, priorities and success indicators for the next five years.

The plan emphasises *how* we will continue to enhance the way we work, and what we *value* – collaboration and partnerships, high quality and continuous improvement, evidence based decisions, consistency, and accountability and responsiveness. The plan is accompanied by a new corporate communication and engagement strategy, which articulates our approach to purposeful and meaningful engagement that meets the expectations of our government partners and sector and community stakeholders.

ACECQA's ability to deliver on its strategic and forward work plans is underpinned by mature and effective financial management, strong governance and effective reporting systems, all of which ensure resources are allocated in a way that maximises value.

As a Board and on behalf of the whole organisation, we would like to acknowledge ACECQA's inaugural CEO, Karen Curtis. Karen's leadership and achievements in establishing and guiding the organisation through its first five years of operation, including the first six months of this reporting year, have been significant, and felt far and wide.

In January 2017, I was pleased to announce the appointment of Gabrielle Sinclair to the role of CEO. Ms Sinclair came to ACECQA having most recently led Queensland's participation in the National Quality Framework (NQF) for children's education and care, and following significant senior executive experience and achievements across a range of Queensland Government portfolios.

As Chair, I am fortunate to lead a dedicated Board that possesses a wealth of knowledge, experience and insight. In particular, I acknowledge the significant contributions of outgoing members Sabine Phillips and Nick Ryan, as well as foundation member Mark Brown. It is a privilege to work with colleagues who have shown such commitment and dedication to improving outcomes for children.

In 2017–18, the Board looks forward to a year of significant delivery on many fronts. I know we will again be well served by the professional and dedicated staff at ACECQA, as we continue the quest to improve, and promote the value and importance of, high quality education and care services for children.

Judy Hebblethwaite
Chair

Report from the CEO

With the National Quality Framework (NQF) now in its sixth year, this report highlights our performance over the past 12 months and our commitment to monitor, evaluate and innovate so that we continuously improve our services to funding partners, regulatory authorities, services, educators and families.

Our focus for 2016–2017, in collaboration with state, territory and Australian Governments, has been on the delivery of priority activities as per the Education Council's Letter of Expectation, and in accordance with our functions under the National Law. I touch on a number of highlights below.

Supporting the sector to prepare for NQF changes – this includes design and delivery of modifications to the National Quality Agenda IT System, publication of new and revised support and guidance materials, and the redevelopment of training content and services for regulatory authorities' staff.

Delivering the Evaluation Framework – which provides a coherent approach to assessing whether and to what degree the NQF is achieving its stated objectives. Our role in the evaluation of the NQF is articulated in a new five year research and evaluation strategy and implementation plan released in June 2017.

Enhancing capabilities of the National Quality Agenda IT System – This includes a new business intelligence tool to improve jurisdictions' NQF data analysis capability, and a new Document Verification Service to enable regulatory authorities to verify identity documents in real time.

Promoting State, Territory and Australian Governments' strategies – to drive service improvements and compliance with regulatory and quality standards, including through our public reporting and national audit program.

Designing and delivering new and revised authorised officer training and testing programs for regulatory authorities, and leveraging the skills of Lead Assessors to promote reliability and confidence in the system. This includes work to further consistency and validity in quality assessment and rating.

Supporting a well-qualified and professional workforce through the determination of qualifications equivalence for 564 individuals seeking work as educators under the NQF, and assessment of 23 qualifications or training programs for inclusion on our approved lists.

Improving information for families and carers about the importance of quality early education, child development milestones and informed choices about service options through our Starting Blocks website.

Supporting sector capability and continuous quality improvement through the delivery of 31 quality practice workshops to more than 1650 educators across the country, responses to nearly 30,000 NQF related enquiries, and our assessment of Excellent rating applications.

I thank all staff for their hard work and dedication to the goals and guiding principles of the NQF. Their commitment to making a tangible difference for children's educational and developmental outcomes is remarkable. As I stated when I came to ACECQA, I am fortunate to have been able to build upon the solid foundation created by Karen Curtis. Our strong financial governance and reporting systems and the positive culture of our capable staff are a testament to Karen's leadership from mid-2011 to December 2016.

I also acknowledge the stewardship and guidance provided by our Board. The Board continues to set a strong and positive direction for the organisation, while offering their unwavering vision that children in Australia have the best start in life. As to the year ahead, we will continue to work in partnership with our government and stakeholder partners to prepare for the revised National Quality Standard in February 2018, the development and release of the first NQF annual performance report in late 2017, and the delivery of all commitments in our Forward Work Plan for 2017 and 2018.

There is still much to do.

Gabrielle Sinclair
Chief Executive Officer

1 Governance and operations

1.1 ACECQA's role

ACECQA is the national statutory authority established under the Education and Care Services National Law (the National Law) to work with all governments to guide the implementation and administration of the National Quality Framework (NQF).

ACECQA's functions are prescribed under section 225 of the National Law.[1] They include research, education and awareness raising to inform policy makers, the sector, parents and the community. We provide guidance and support for education and care providers and educators. We manage the National Quality Agenda IT System to provide an efficient and effective online business tool for states and territories and the sector. We also have regulatory functions with respect to educator qualifications, second tier review of quality ratings, and determining applications for the Excellent rating.

We support the objectives and guiding principles of the NQF, namely – to improve educational and development outcomes for, and ensure the safety, health and wellbeing of, children attending education and care services.

ACECQA's vision – that children in Australia have the best start in life – is pursued through our services to four primary groups – state, territory and Australian governments; state and territory regulatory authorities; the more than 15,500 approved education and care services and their educators; and families and the community.

The nine governments in Australia are supported to make evidence-based policy decisions through ACECQA's research reports, policy advice, audits and evaluations.

ACECQA's authorised officer training and support, and maintenance and enhancement of the National Quality Agenda IT System enables state and territory regulatory authorities to effectively and efficiently administer the NQF.

ACECQA's publications, professional development and guidance materials for providers and educators build sector capability, with a focus on continuous quality improvement.

For families and the community, ACECQA helps them to know about, and use, service specific information such as quality ratings to choose the best education and care service, and to recognise the importance of quality education for the development of their child.

ACECQA's activities deliver on the strategic priorities agreed by all governments through the Education Council's Letter of Expectation. The letter to ACECQA for 2016–18 was received in December 2016 **(Appendix A)**.

Reporting requirements

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

Annual report

ACECQA's annual report includes:

- ◆ an audited financial statement for the period to which the report relates;
- ◆ a report about the National Authority's performance of its functions under this Law during the period to which the annual report relates;
- ◆ an assessment of the implementation and administration of the National Quality Framework;
- ◆ all directions given to the National Authority by the Ministerial Council and the Authority's response;

1. All references are to the National Law and Regulations as in force at 30 June 2017.

- all directions given to the Regulatory Authorities by the Ministerial Council and the Regulatory Authorities' responses;
- a report on any committees established by the Board; and
- any other matter determined by the Ministerial Council.

NPA Annual Performance Report

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

- deliver an integrated and unified national system for education and care services, which is jointly governed and which drives continuous improvement in the quality of services;
- ensure the safety, health and wellbeing of children attending education and care services;
- improve educational and developmental outcomes for children attending education and care services under the NQF;

- foster a joint system of governance to allow the perspective of all jurisdictions to be taken into account in the operation of the NQF where there is shared responsibility for the regulation of quality in education and care services;
- improve the efficiency and cost effectiveness of the regulation of education and care services;
- reduce regulatory burden for education and care service providers;
- improve public knowledge about and access to information about the quality of education and care services for parents, carers and the general public to help inform their choices about the quality of education and care provided to their children; and
- build a highly skilled workforce.

Strategic Plan

The Board developed and finalised a new strategic plan for 2017–21 in the reporting period. The plan outlines ACECQA's commitment and
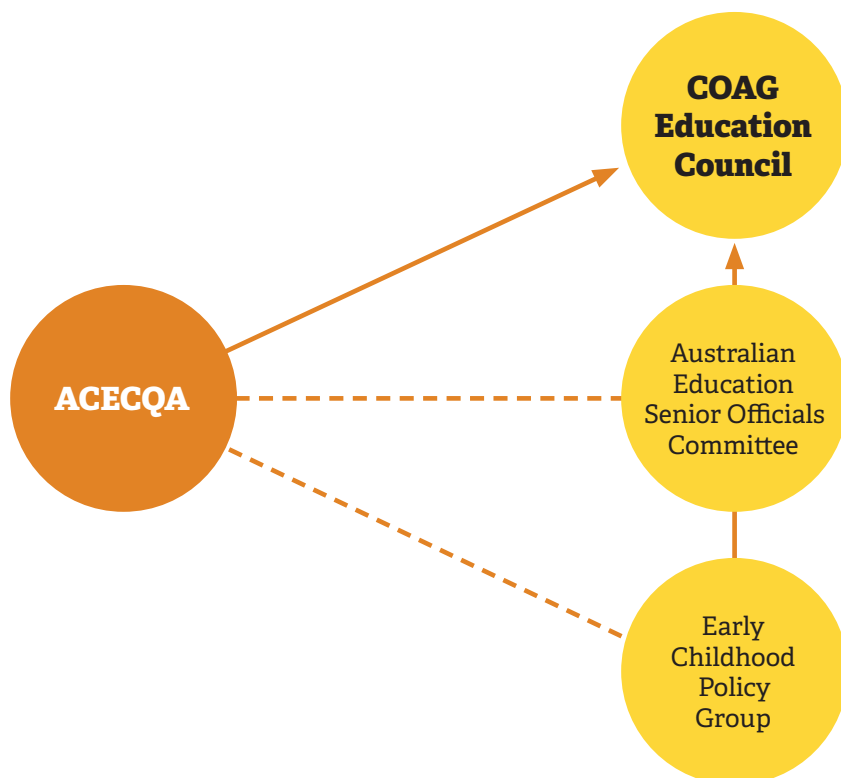

Figure 1: ACECQA's governance structure

approach to working closely with its government partners to effectively and efficiently administer the NQF, supporting a highly professional and capable workforce, and helping families and carers to make informed choices about their children's education and care.

The strategic plan sets out ACECQA's view of the operating environment and the key strategic priorities that will guide the management and focus of the organisation and form a framework for the pursuit of longer term goals. The strategic plan highlights ACECQA's:

- mission, vision and sector
- role and context
- success indicators
- priorities.

Forward Work Plan

The strategic plan provides the foundation for ACECQA's forward work plan for 2017 and 2018, which documents ACECQA's key deliverables, timelines and budget. The work plan also ensures coverage of ACECQA's functions and obligations under the National Law and the NP NQA.

The forward work plan outlines performance measures, outcomes and key activities that will contribute to the achievement of ACECQA's strategic priorities and guide delivery on all strategic directions and expectations within the Letter of Expectation.

The forward work plan underwent formal consultation with ECPG and AESOC before being endorsed by the Education Council. A progress report will be provided to the Education Council at the beginning and end of 2018.

Ministerial directions

Under section 222 (1) of the National Law, the Education Council may give directions to the ACECQA Board in relation to carrying out its functions under the law. Section 222 (2) also permits the Education Council to give directions to a regulatory authority with respect to the administration of the NQF. No directions were given by the Education Council in 2016–17.

Reconciliation Action Plan

In September 2016, ACECQA's 2016–17 *Reflect* RAP was finalised and published on its website following endorsement by Reconciliation Australia. The purpose of ACECQA's RAP is to formalise and strengthen the organisation's commitment to:

- engaging and building national and local partnerships with Aboriginal and Torres Strait Islander groups and stakeholders
- considering and including Aboriginal and Torres Strait Islander perspectives across ACECQA's work, including published materials
- supporting and contributing to government's efforts to improve education and care outcomes for Aboriginal and Torres Strait Islander children, including through support for providers of education and care services to those children
- embedding a reconciliation perspective of cultural awareness, sensitivity and respect into ACECQA's consciousness and practices
- encouraging diversity in employment and among suppliers.

Australian Children's Education and Care Quality Authority
Reconciliation Action Plan for
September 2016 – September 2017
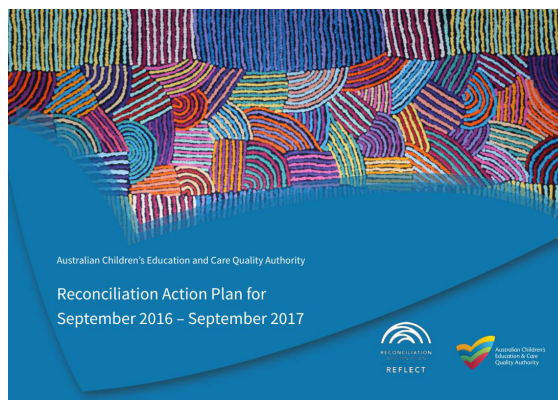
ACECQA's *Reflect* RAP identifies existing and future meaningful, achievable and measurable actions for relationships and opportunities that are specific to ACECQA and its role in promoting quality children's education and care. The predominant focus is on building and extending relationships, both internally and externally, and achieving a shared understanding and ownership of the RAP across ACECQA.

1.2 ACECQA's Board and Sub Committees

ACECQA is governed by a Board of up to 13 members appointed by, and accountable to, the Education Council. The third and current ACECQA Board was appointed by the Education Council from 14 April 2016.

ACECQA Board

In December 2016, Ms Judy Hebblethwaite and Ms Catherine Hudson were appointed as Chair and Deputy Chair, respectively, of ACECQA's Board. Ms Hebblethwaite had been Acting Chair since her appointment to the Board in April 2016. Membership of the Board is outlined at **Appendix C**, with Mark Brown's term ending on 10 March 2017 and Sabine Phillips and Nick Ryan's terms ending on 30 June 2017.

The ACECQA Board held six meetings in 2016–17. Board meeting attendance is outlined at **Appendix D**.

Key undertakings for the Board in 2016–17 included:

◆ the development of ACECQA's new strategic plan 2017–2021

◆ the appointment of new CEO, Ms Gabrielle Sinclair, who commenced in the role at the end of January 2017

◆ finalising the NQF evaluation framework to guide national research priorities. The framework, which was accompanied by a five year implementation strategy, was developed in collaboration with governments and provides a coherent approach to prioritising and commissioning future research, supporting all governments and ACECQA to progressively determine the extent to which the outcomes of the NQF are being realised

◆ completing a scheduled review of approved educator qualifications, with the decision to

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

extend until the end of 2019 the transitional measure to allow a registered teacher with a primary teaching qualification and an ACECQA approved diploma level (or higher) qualification to continue to be recognised as equivalent to an early childhood teacher

◆ delivery of a new communications and stakeholder engagement strategy for 2017–2018. A particular focus for 2017–2018 will involve using the *Starting Blocks* brand to increase families' understanding of the NQF and quality education and care

◆ monitoring of the organisation's statutory obligations and financial management.

Board Sub Committees

Audit, Finance and Risk Sub Committee

The Audit, Finance and Risk Sub Committee provides independent oversight and monitors the organisation's governance, risk and control frameworks, financial performance and external accountability requirements. Membership of the AFR Sub Committee and details of meetings held throughout 2016–17 are outlined at **Appendix E**.

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

◆ reviewing and endorsing the Authority's financial statements

◆ reviewing and monitoring ACECQA's financial and corporate governance policies and strategies, including the risk management plan, investment and insurance policies, fraud control procedures, business continuity planning, and legal and compliance reporting

◆ overseeing an internal audit of ACECQA's IT Infrastructure security, which found that ACECQA has an adequate control framework in place, as measured against the relevant standards.

Performance and Remuneration Sub Committee

In 2016–17, the Performance and Remuneration Sub Committee provided advice on relevant matters and also managed the appointment of ACECQA's new CEO. Membership of the Sub Committee and details of meetings held throughout 2016–17 are outlined at **Appendix E**.

Enterprise Agreement Sub Committee

In 2016–17, the Enterprise Agreement Sub Committee provided oversight on the negotiation and development of ACECQA's Enterprise Agreement 2016–19. Membership of the Sub Committee and details of meetings held throughout 2016–17 are outlined at **Appendix E**.

The Qualifications Working Group

The Qualifications Working Group undertook a review of approved educator qualifications, specifically the continued recognition of registered teachers with a primary teaching qualification and an ACECQA approved diploma level (or higher) qualification as being equivalent to an approved early childhood teacher (until the end of 2019) and recognition of Certificate III and IV education support qualifications. The working group also established the context for a qualifications roundtable, planned for the second half of 2017. Membership of the Working Group and details of meetings held throughout 2016–17 are outlined at **Appendix E**.

Strategic Planning Working Group

This working group established the initial parameters to guide the Board's strategic planning processes following receipt of ACECQA's Letter of Expectation 2016–18. Membership of the Working Group and details of meetings held throughout 2016–17 are outlined at **Appendix E**.

1.3 ACECQA's operations

Organisational structure and staffing

On 30 June 2017, the Executive management team comprised the:

- Chief Executive Officer – Gabrielle Sinclair
- Chief Operating Officer – Angela Buchanan
- General Manager Strategy, Communications and Consistency – Michael Petrie
- National Education Leader/General Manager Educational Leadership – Rhonda Livingstone
- Company Secretary – Craig Bennett.

The organisation's structure continues to consist of three business groups with strategy, communications and consistency functions reporting to the General Manager, Strategy Communications and Consistency and the National Education Leader/General Manager Educational Leadership managing sector support, training and promoting excellent practice. Business Services continues to provide corporate support services to all staff and business groups and delivers the National Quality Agenda IT System.

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

The Educational Leadership Group is led by Rhonda Livingstone 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

Rhonda Livingstone, Michael Petrie, Gabrielle Sinclair, Angela Buchanan and Craig Bennett.

- training resources and support for state and territory regulatory authority authorised officers.

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

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

Figure 2: Workforce Profile – FTE and headcount by gender 30 June 2017

	Female	Male	Total
FTE	55.2	24.56	79.76
Headcount	61	25	86
% of workforce (headcount)	71%	29%	100%

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 2017 was 79.76 inclusive of employees on parental and unpaid leave. A breakdown of the workforce profile by FTE, headcount and gender is at Figure 2.

The ACECQA organisational structure as at 30 June 2017 is outlined in Figure 3.

Human Resources

During 2016–2017, human resources focused on the negotiation of ACECQA's second enterprise agreement. Bargaining commenced in May 2016 after the appointment of the new Board and the ACECQA Enterprise Agreement 2016–2019 was agreed by a majority of staff in mid-October 2016 with approval by the Fair Work Commission in early December 2016. The agreement came into force on 12 December 2016 and its nominal expiry date is 30 June 2019.

A Staff Consultative Committee was established in accordance with the Enterprise Agreement. Nominations were called for from across the three business groups and the first meeting is scheduled to occur in 2017.

The human resources team provided policy and reporting information to support the bargaining process, as well as continued focus on the implementation of HR policies.

The team facilitated training for all staff and managers in relation to their obligations and responsibilities under the HR policies and ACECQA's Enterprise Agreement.

In 2016–2017, 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 continued to support workforce management and planning and reporting.

HR specialist providers facilitated learning and professional development for staff relating to responding to and managing mental-health in the workplace, privacy and administrative law. Staff also completed specific mandatory and professional learning and development training including software training, HR policies and WHS refresher training.

In 2016–17, ACECQA undertook a full review and test of its Business Continuity Plan to provide assurance that appropriate measures are in place in the event of a business disruption. The implementation of a well-structured and scalable program has strengthened business resilience, increased effective management of a disruption and provided a proactive business continuity culture whilst establishing best practice guidelines, standards and benchmarks.

ACECQA also continues to maintain a strong commitment to a supportive workplace through initiatives and events that engage staff and build community awareness. ACECQA's social committee held events to support NAIDOC Week, R U OK Day, Dress for Success and Reconciliation Week. ACECQA's Reconciliation Action Plan working group continues to support and promote the importance of Aboriginal and Torres Strait Islander cultures within Australia.

Figure 3: ACECQA's organisational structure

ACECQA Board

Chief Executive Officer

Board and Governance

Governance, reporting & advice

Second Tier Review

FOI, Privacy & Legal

Educational Leadership

Authorised Officer Training

National Education

Excellent Rating Assessment

Strategy, Communications & Consistency

Communications & Engagement

Strategy & Policy

Research & Qualifications Assessment

Business Services

Education & Care Systems

Finance

Human Resources

Information Technology & Management

Information and Communication Technologies

ACECQA's IT team delivered a number of projects to enhance organisational ICT capabilities in 2016–17, including:

- finalising the server refresh program, including major upgrades to the Exchange email system and the EDRMS records management system
- delivering a fully revised IT Disaster Recovery Plan, and contributing to the internal Business Continuity Plan
- the renegotiation of new corporate printers and planning for their implementation
- improvements to security patching of servers and workstations to improve defences against cyber-attack
- the renegotiation of the support contract for ACECQA's core CRM system, which facilitated a fresh approach to systems development, thereby providing ACECQA with greater value and improved outcomes.

The IT team also provided guidance to major projects across ACECQA, including the redevelopment of the ACECQA website, the delivery of new CRM capability for the National Education Leader team, and assisting with developments to the National Authorised Officer training portal.

Records and Information Management

ACECQA continues to ensure that best practice information management is implemented within the organisation. There were significant achievements this year which included the following:

- major upgrade of ACECQA's records management system
- identification of high risk / high value records and protection methods to be implemented for these records
- implementation of improved processes to manage social media records
- archiving and destruction of ACECQA's hardcopy and digital records in compliance with the *State Records Act 1998*

- continued development of ACECQA's information security management system.

ACECQA also continued its work with jurisdictions to identify common records management requirements for NQA ITS records. A priority for 2017–2018 is assisting jurisdictions with changes to the NQA ITS to better support records management requirements.

Funding

The operations of ACECQA are primarily 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 the operational funding from the Australian Government and state and territory governments under the NPA, funding streams in 2016–17 also included:

- 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 2016 in accordance with the NPA
- operational funding from the Australian Government and states and territories for administering, maintaining and upgrading the NQA ITS, and
- one-off project funding from the Australian Government for the NQA ITS integration with the new Australian Government Child Care Subsidy IT system.

Financial performance 2016–17

ACECQA operated in accordance with its Board-approved budget to deliver on the strategic priorities contained in the Letter of Expectation for 2016–18 from the Education Council. The operating result for the 2016–17 financial year was a surplus of approximately $0.3m.

Funding from governments received in 2016–17 was approximately $13.7m. ACECQA also received own source revenue of approximately

$0.4m, mainly from services delivered under the National Regulations on a fee for service basis, the sale of NQF resource kits and interest income.

ACECQA's Financial Statements report a $13.3m accumulated surplus as at 30 June 2017. This includes approximately $6.4m funding received in advance for 2017–18 from the Australian Government and $0.1m from the Queensland government, which will be progressively spent in that period, as well as required working capital for ACECQA to remain solvent. As an independent statutory authority, adequate working capital is crucial to ACECQA's financial viability to ensure that the agency can arrange supplier contracts, declare solvency and cover any funding shortfall or funding delays.

The total expenditure for the 12 months was $13.7m. The main expenditure items were:

- salaries and on-costs (approximately 67 per cent)
- ICT costs (approximately 12 per cent)
- occupancy costs (approximately 7 per cent).

At 30 June 2017, ACECQA's total financial assets were approximately $14.5m, increased by $0.3m compared with the previous financial year of $14.2m. The $14.5m total financial assets mainly comprise $2m cash and $12.5m investments in term deposits, compared with $5.3m cash, $2.6m trade and other receivables and $6.3m investments in deposits at the end of last financial year. In accordance with ACECQA's investment policy, where cash and cash equivalents exceeded ACECQA's at call requirements, they were transferred to investments. Due to the low trade and other receivables balance at 30 June 2017, ACECQA was able to increase its investment of temporary surplus cash.

Freedom of Information
Information Publication Scheme

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

As an agency subject to the FOI Act, 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 2016 to 30 June 2017.

Applications considered	Number
On hand as at 1 July 2016	0
Received	3
Granted in full	0
Granted in part	1
Access refused	0
Withdrawn	2
Transferred	0
On hand as at 30 June 2017	0
Internal reviews	0
Appeals to the National Education and Care Services Freedom of Information Commissioner	0
Appeals to the relevant Administrative Tribunal	0

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 Privacy Policy sets out relevant information on the way personal information about staff and stakeholders is collected, handled, used and disclosed, as well as how it can be accessed and corrected. The Policy and

ACECQA's Privacy Statement are located on the ACECQA website.

During 2016–17, ACECQA did not receive any privacy complaints. In addition, no investigations of ACECQA were undertaken by the National Education and Care Services Privacy Commissioner.

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

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 2016–17, ACECQA worked with the Office of the ECS Ombudsman to resolve any matters raised with the Ombudsman, with no formal investigations instigated.

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

2.1 Guiding implementation of the National Quality Framework

Working with government partners

Delivering improved education and care outcomes for children, as well as assurance and information for families, requires the ongoing commitment and cooperation of all members of the National Partnership Agreement.

To support the NQF as a truly national system, ACECQA is committed to collaborating at both the policy and operational levels and continues its work with jurisdictions through the Early Childhood Policy Group (ECPG) and the NQF Regulatory Practice Committee (RPC).

As a national authority, ACECQA has a unique opportunity to contribute to complex policy and operational issues, and to promote solutions that support the collective best interests of the NQF.

The following programs of work provide an indication of key collaborative activities undertaken throughout 2016–17.

National Quality Agenda Review – finalisation and implementation

Throughout 2016–2017, ACECQA continued to support the Australian, state and territory governments' finalisation of a review of the National Partnership Agreement on the National Quality Agenda (NQA) for Early Childhood Education and Care, including its enabling legislation. The purpose of the Review was to ensure the NQF is improving the quality of education and care in Australia in the most efficient and effective way.

Overall, the Review found the NQF is an important and successful reform with strong stakeholder support, and that some technical and operational improvements were required after five years of operation.

In February 2017, the Review process led to Education Ministers agreeing changes to the NQF intended to strengthen quality in early childhood

"The Review found the NQF is an important and successful reform with strong stakeholder support."

education while balancing the need to reduce unnecessary administrative burden for providers and educators.

ACECQA made a significant contribution to the development of several options that influenced the final package of agreed Review changes.

For example, Ministers agreed to:

◆ a revised National Quality Standard (NQS) to strengthen quality through greater clarity, remove conceptual overlap between elements and standards, clarify language and reduce the number of standards from 18 to 15, and elements from 58 to 40, and
◆ removing supervisor certificate requirements so service providers have more autonomy in deciding who can be the responsible person in each service, and to reduce red tape.

Several of the Review changes agreed by Ministers were specific to ACECQA's National Law functions, and will be introduced in 2017–2018, including:

◆ modifying a National Law function of ACECQA to determine the qualifications for authorised officers, to instead focus on providing support and training for staff of Regulatory Authorities
◆ redefining the circumstances in which information can be shared by governments and ACECQA. These amendments to the National Law are especially important as they will increase the ability of governments and ACECQA to share information in

furtherance of the objectives of the National Law, which includes ensuring the safety, health and wellbeing of children.

Other Review changes with direct relevance to ACECQA's function were to remove the fee for Excellent rating applications, and limit these applications to services rated Exceeding NQS in all Quality Areas from February 2018.

In the latter part of 2016–2017, ACECQA's attention turned to supporting governments to communicate the changes to the sector, and this led to the production of new fact sheets, webpages, sector presentations and other communications products.

Also during 2016–17 ACECQA, in consultation with the eight regulatory authorities, commenced major redevelopment of its National Quality Agenda IT System functionality to align with the Review policy and legislative changes, and redevelopment of training content and services for regulatory authorities' staff.

Supporting quality in Family Day Care

New compliance guidance

ACECQA developed new and improved guidance for family day care providers, nominated supervisors, coordinators and educators, working with representatives from state, territory and the Australian governments, and in consultation with representatives of the family day care sector and peak body organisations, to achieve this.

The new resources include compliance guides, which set out the compliance obligations family day care educators, approved providers and nominated supervisors have under the National Law and National Regulations. Fact sheets were produced to reduce knowledge gaps and improve compliance with regulatory requirements, and support the provision of high quality education and care across the family day care sector. This was the first tranche of a series of targeted family day care resources we will develop with government and sector partners. A series of e-learning modules were also developed and implemented to support authorised officers in their quality assessment and rating of family day care services.

Family day care data trends

ACECQA supported a range of inter-governmental policy and regulatory practice review processes with data analysis and trends reporting on the family day care sector. Data was analysed to demonstrate national and

jurisdictional trends in family day care service and provider applications and outcomes, as well as compliance and other regulatory interventions taken by governments. The quarterly trend reports are also used by governments to evaluate the impacts of shifts in policy, legislation and regulatory stance.

Quality vocational qualifications

Sector communications were deployed during 2016-17 to aid prospective students in their choice of qualification and registered training organisation to support a successful career in education and care. Through our newsletter, ACECQA provided sector advice about choosing a registered training organisation (RTO), the pros and cons of online courses, and the action students, graduates, employers and other stakeholders can take if dissatisfied with vocational training. Advice was also provided to assist employers who are often guiding educators choosing and studying a qualification.

ACECQA also continued to work with the Australian Government and the Australian Skills Quality Authority (ASQA) to promote opportunities to raise quality through improving the early childhood education and

care qualifications delivered by RTOs under the Vocational Education and Training system. In November 2016, ASQA and ACECQA jointly facilitated an early childhood education and care sector roundtable to discuss concerns and solutions to issues with the quality of vocational training.

ACECQA is working to improve the quality of vocational qualifications for the sector through its membership of the Children's Education and Care Industry Reference Committee (IRC) which is established by the Australian Industry and Skills Committee (AISC) and supported by SkillsIQ. The Children's Education and Care IRC is responsible for education and care qualifications packaged in the Community Services Training Package. Through national consultation, the IRC's role is to ensure training package products reflect current industry skills needs and provide opportunities for workforce development.

Early Childhood Policy Group

ECPG is one of three Australian Education Senior Officials Committee (AESOC) Standing Working Groups, reporting to and providing advice to AESOC on national early childhood matters.

ACECQA assists and consults with ECPG on key national early childhood policy matters.

NQF Regulatory Practice Committee

ACECQA's 2016–18 Ministerial Letter of Expectation emphasises ACECQA's role to provide ongoing support to jurisdictions to improve quality outcomes for children, including support for regulatory authorities to enable regulatory best practice. To support this, ACECQA formally engages with all state and territory regulatory authorities and the Australian Government through the NQF Regulatory Practice Committee (RPC). Established in 2017 and replacing the previous Quality and Consistency Committee (see below), the RPC consists of senior representatives from each of the regulatory authorities, the Australian Government and ACECQA, and is chaired on a rotating basis. In 2017 the Chair is held by Queensland. The committee's purpose is to provide:

- all state and territory regulators and ACECQA with a 'community of practice' forum for improving regulatory practice, including through identifying emerging issues and developing mechanisms to minimise the risks these present to the objectives of the NQF; and
- a forum for all state and territory regulators, the Australian Government and ACECQA to collectively authorise a range of functions and services provided by ACECQA to, and on behalf of, all parties to the National Partnership Agreement on the National Quality Agenda (NP NQA).

QaCC review

In March 2017 ACECQA, in collaboration with members, conducted a review of QaCC, to test whether the outcomes of the committee were being maximised and achieving a net benefit for all.

Since 2012, QaCC and its working groups had been the mechanism for state, territory and national authorities to inform and assist each other to effectively and consistently administer the NQF across Australia.

Supported by its working groups, examples of QaCC's work and outcomes since establishment include:

- developing and maintaining regulatory authority and sector guidance material
- streamlining NQF quality assessment and ratings processes
- implementing two tranches of amendments to the National Regulations
- collaborating on nationally consistent operational policy and practice
- informing ACECQA's program of national audits under the NQF
- guiding a national program of authorised officer training
- overseeing the direction of the NQA ITS and setting priorities for ongoing development of the system
- sharing information on approaches to assessing and managing risk and compliance
- developing and implementing national communication strategies.

In evaluating the benefits and challenges, all members agreed the value in maintaining a national forum for regulators, but with an increased focus on improving regulatory practice, and agreed to establish the NQF RPC.

2.2 National auditing arrangements

Audits for 2016–17

In 2016–17, ACECQA completed two national audits in accordance with our responsibility under the National Law.

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

Our audit topics focus on areas that have been identified and agreed as high priority, and offer opportunities to share learnings and good practice between state and territory regulatory authorities.

Scheduling and undertaking quality assessment and rating

In September 2016, we completed our 11th audit, examining how state and territory regulatory authorities schedule and undertake quality assessment and rating. One of the objectives of the NQF is to improve public knowledge and access to information about the quality of education and care services, and the process of scheduling and undertaking quality assessment and rating is an important part of furthering this objective. The audit analysed assessment and rating records to establish the time typically spent on different stages of the assessment and rating process for the period between 1 July 2013 and 30 June 2016.

We found that the assessment and rating process took notably fewer working days in 2015–16 than in 2013-14 (as measured by elapsed days). This could largely be attributed to regulatory authorities sending the assessment and rating commencement letter closer to the date of the assessment and rating visit, as well as providers taking less time to submit a copy of the service's Quality Improvement Plan (QIP). Most regulatory authorities also reduced the average number of working days spent on report writing and incorporating provider feedback on the draft report, suggesting that efforts to improve efficiency in these areas have achieved some successes.

"Our audit topics offer opportunities to share learnings and good practice."

The audit identified a number of actions to further improve the efficiency and effectiveness of scheduling and undertaking quality assessment and rating.

Remote and very remote services' experience of the NQF

We completed our 12th audit in June 2017. This audit examined how jurisdictions apply the NQF to remote and very remote services, as well as remote and very remote services' experiences of, and perceptions about, the NQF. ACECQA's public Snapshot reports have shown that remote and very remote services are less likely to be rated Meeting NQS or above for most standards compared with services nationally.

Providers and nominated supervisors interviewed for our audit had positive views of the NQF, its value and how it is applied in the context of remote and very remote services.

However, many remote and very remote services face specific ongoing challenges related to their location, including difficulties attracting and retaining suitably experienced and qualified staff, and lack of access to professional development and networking opportunities.

The audit identified a number of actions to improve guidance, resources and professional development opportunities for remote and very remote services, including educators from Aboriginal and Torres Strait Islander or culturally and linguistically diverse backgrounds.

2.3 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 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 approved 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.

Figure 4: Approved providers registered with the NQA ITS, 30 June 2017

Jurisdiction	Registered	Unregistered	Total	Percentage
ACT	119	12	131	90.8%
NSW	3,636	92	3,728	97.5%
NT	76	16	92	82.6%
QLD	1,575	277	1,852	85.0%
SA	323	243	566	57.1%
TAS	48	44	92	52.2%
VIC	2,236	300	2,536	88.2%
WA	582	101	683	85.2%
Totals	**8,595**	**1,085**	**9,680**	**88.8%**

System updates

There were four major system releases during 2016–17, 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 300 issues and improvements in the year, with many of the enhancements focusing on usability improvements. The changes included:

- the introduction of the Document Verification Service to support regulatory authorities in their assessments of applicants' fitness and propriety
- a redesign of all portal forms to promote consistency and efficiency for users, including a major redesign of the serious incident form
- implementation of a business intelligence reporting tool that provides aggregated data and analysis to better inform regulatory authority decision making
- a full system upgrade which resulted in improved navigation, screen design, menus and functionality with a strong focus on information accessibility and user experience.

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 2017, ACECQA issued 2017–18 annual fee invoices to each provider for all their services in each jurisdiction. Providers with services in multiple jurisdictions receive one invoice per jurisdiction where services are located. ACECQA sent more than 7,700 invoices to providers across the country.

NQA ITS usage
Number of providers registered in the NQA ITS

Figure 4 above shows the proportion of approved providers registered with the NQA ITS as at 30 June 2017. Nationally approximately 89% of approved providers are registered to use the NQA ITS.

The number of providers registering to use the NQA ITS continued to increase in 2016–17. There was a 26 per cent increase in the total number of registered sector users in 2016–17 from 25,349 to 31,845.

NQA ITS
89%
of approved providers registered

NQA ITS Service desk
6,100
enquiries

Training Provided for
450
regulatory authority users

Figure 5: Applications and Notifications by method of submission, 2016–17

Method of submission	Applications		Notifications		Total	
	Number	%	Number	%	Number	%
Online	8,460	79.57%	45,633	88.35%	54,093	87%
Paper	2,172	20.43%	6,020	11.65%	8,192	13%

Once an approved provider is registered they are able to submit applications and notifications online as well as pay their annual fees.

Applications and notifications

Ongoing system enhancements to application and notification forms have provided the sector with a simpler and more efficient mechanism to submit the forms online.

Over the past couple of years regulatory authorities have encouraged users to submit forms electronically as it streamlines and shortens the submission process and provides users with electronic confirmation that the details were submitted.

In 2016–17, 87 per cent of application and notification forms were submitted to the regulatory authorities nationally via the NQA ITS, with 13 per cent submitted via paper.

Figure 5 above shows the breakdown of applications and notifications submitted by providers in 2016–17 by the method submitted.

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 to the user base.

In 2016–17, the service desk answered more than 6100 enquiries from users of the system, an increase of 15 per cent from 2016–17. This is mainly due to the significant updates performed throughout the year including the portal upgrade in August 2016 and the system upgrade in April 2017. Login enhancements implemented in the April release have resulted in a 50 per cent decrease in password and login-related support enquiries.

ACECQA provides training and support to the sector and regulatory authorities with various training sessions conducted throughout 2016–17. To support the system upgrade in April 2017, ACECQA produced a suite of online user manuals and videos and hosted web training sessions for regulatory authority users. At the end of June 2017, more than 450 regulatory authority users had attended at least one training session and reported an 85 percent overall satisfaction rate.

Each year sector and regulatory authority users of the NQA ITS are asked to complete a satisfaction survey. The purpose of this survey is to track user attitudes and perceptions regarding the functionality of the NQA ITS and the use of the NQA ITS service desk over time.

There were more than 2500 responses received from sector users, with 69% reporting that the NQA ITS satisfied most if not all of their needs. 82% were satisfied or very satisfied with the support provided by the NQA ITS service desk.

More than 220 regulatory authority responses were received with 58% satisfied or very satisfied the NQA ITS was meeting their needs and 91% satisfied or very satisfied with the support they received from the NQA ITS service desk.

The NQA ITS user attitudes survey is a valuable instrument for gauging user satisfaction with the IT system and highlighting ways in which the NQA ITS can be improved. Analysis of responses and feedback are used in the development of new features and help plan the future direction of the system.

2.4 Excellent rating and Second tier reviews

Excellent rating assessment

Applications, service profile, reapplications

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 be quality rated as Exceeding National Quality Standard by a state or territory regulatory authority.

ACECQA writes to approved providers of services that have been awarded a rating of Exceeding National Quality Standard, providing them with information on their eligibility to apply for the Excellent rating. In 2016–17, ACECQA wrote to approximately 560 services about their eligibility to apply.

"The criteria have been used to identify exceptional practice in education and care services."

Applications

2016–17 saw the commencement of reapplications being received by ACECQA for the Excellent rating, with 14 services eligible to reapply. Reapplications for the Excellent rating are subject to the same application and assessment process as for the original application. ACECQA received a total of 33 applications for the Excellent rating in 2016–17. Of these, 11 were reapplications and 22 were new applications.

Following assessment, ACECQA re-awarded the Excellent rating to eight services in 2016–17:

◆ Kindamindi Pre-School
◆ CPS Children's Centre
◆ Chancery Lane Montessori Pre-School Pty Ltd
◆ Warrawee Care Centre

◆ Bribie Island Community Kindergarten
◆ Condy Park Pre School and Kindergarten
◆ John Paul College Outside School Hours Care
◆ Wynnum Family Day Care

ACECQA also awarded the Excellent rating to nine new services in 2016–17:

◆ The Southport School
◆ Hillsong Child Care Centre
◆ Rosie's Early Learning Pty Ltd
◆ KU Ourimbah Preschool and Children's Centre
◆ KU Killara Park Preschool
◆ UnitingCare Dove Cottage Children's Centre
◆ Everton Park Child Care and Development Centre
◆ Burgmann Anglican School – Preschool – Forde Campus
◆ Burgmann Anglican School – Preschool – Valley Campus

Nine of the 33 applications for the Excellent rating were assessed as unsuccessful in 2016–17, one was withdrawn and six were being assessed as at 30 June 2017.

33 Excellent Rating applications 2016–17

52 services rated excellent at 30 June 2017

Excellent rated service profile

As at 30 June 2017, ACECQA had received a total of 155 applications for the Excellent rating since the proclamation of legislative provisions enabling this function in April 2013. As at 30 June 2017, 58 services have been awarded the Excellent rating, eight for the second time. Those services include long day care, preschool/kindergarten, family day care and outside school hours care services from across Australia.
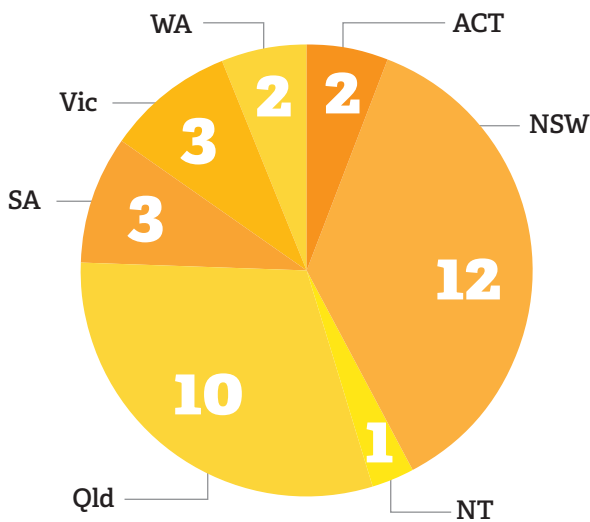
Figure 6: Origin of applications received 2016–17

Services demonstrate excellence through their applications in a range of different ways. During 2016–17, more than 80 per cent of the services that achieved the Excellent rating demonstrated excellence in the theme of 'practice and environments that enhance children's learning and growth'. An overview of each Excellent rated service is published on ACECQA's website.

Excellent rating criteria

The mix of services rated Excellent suggests the criteria in place 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.

During the reporting period ACECQA prepared updates to the Excellent Rating Guidelines to make clearer the criteria and how to apply. These will be published in July 2017.

Second tier review

If an approved provider of an education and care service disagrees with the rating level awarded through the quality assessment and rating process, they can apply to the relevant regulatory authority for review. This first tier review will often resolve concerns approved providers have with the assessment and ratings process and awarded ratings levels. Where the

first tier review does not resolve these concerns, the approved provider may apply on limited grounds to ACECQA for a further review – a second tier review – which is conducted by a Ratings Review Panel.

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

A list of current panel members is available on ACECQA's website. In accordance with the National Law and National Regulations, panel members have expertise or 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 2016–17, ACECQA received four applications for second tier review. As at 30 June 2017, ACECQA has received and finalised 26 applications since quality assessment and rating began. The ratings review panels have, by consensus, decided to:

◆ amend the service's overall rating in four cases
◆ partially amend the service's ratings in eight cases which did not impact the service's overall rating
◆ confirm the rating of the service in 14 cases.

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

2.5 Educate and inform

ACECQA's Family Strategy – *Starting Blocks*

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

Over the past year, major campaign activities included exhibiting at four parenting expositions and sponsoring key events with the Australian Research Alliance for Children and Youth, the Maternal Child and Family Health Nurse Conference and Playgroup NSW.

Digital campaigns ran concurrently with all events and achieved an 88 per cent increase on website page views in comparison to 2015–16. At the end of June 2017, *Starting Blocks* had more than 24,700 Facebook fans and 448,262 website page views. The *Starting Blocks* website was upgraded to improve navigation and support website optimisation.

Stakeholder engagement

ACECQA works collaboratively with a range of stakeholders to inform our NQF functions. Throughout the year we met regularly with national peak bodies and large providers to discuss topics of interest and ensure ACECQA's services continue to meet expectations.

The sixth ACECQA Forum was held in September 2016 and saw a broad representation of sector and government partners discuss and provide feedback on ACECQA's proposed evaluation framework for the NQF.

Throughout 2016–17, ACECQA representatives presented at 129 conferences and sector events both nationally and internationally. These events provide important opportunities for professional development and a continued focus on education and care quality, and continuous improvement.

Partnerships with key sector organisations

ACECQA, in partnership with the National Outside School Hours Services Association (NOSHSA) and Family Day Care Australia (FDCA), delivered a number of national partnership workshops and presentations between November 2016 and June 2017.

The NOSHSA workshops for educators and service leaders targeted the most challenging aspects of Quality Area 1: Educational program and practice (identified from national assessment and rating data). A total of 22 workshops were delivered across Australia to approximately 1200 OSHC educators and staff, with a focus on enhancing quality and compliance with regulatory and quality standards.

The FDCA National Engagement Program (NEP) presentations are part of the FDCA commitment to drive continuous improvement in the delivery of quality family day care. The two-day NEP is targeted at service providers/co-ordinators and educators. The NEP also includes presentations from the Australian Government and the state or territory regulatory authority. The NEP commenced in November 2016 and is scheduled
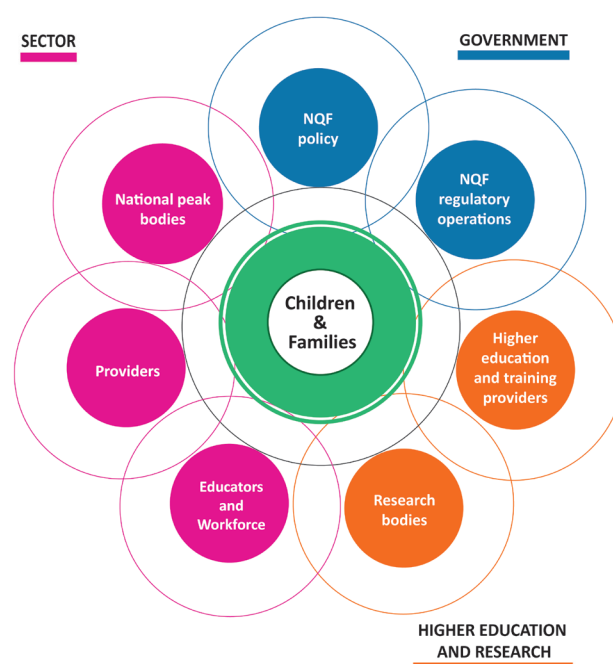

Figure 7: ACECQA's stakeholders and partners

to run across 10 locations around Australia until September 2017.

During May and June 2017, ACECQA's National Education Leader delivered presentations in collaboration with the Victorian Regulatory Authority at the 'Promoting Inclusive Practice Expos' hosted by the Victorian Inclusion Agency. This presentation focused on the NQS and regulatory requirements (including showcasing and promoting the revised standards and regulations) that support inclusion, identifying data and resources to support quality service delivery (such as ACECQA *NQF Snapshot* and Australian Early Development Census data), and identifying examples of evidence authorised officers are looking for when assessing against the standards. The expos also provided an opportunity for educators to demonstrate and discuss inclusive practice and for inclusion agencies and professionals to showcase their services and resources. The presentation was delivered 10 times across six expo locations in metropolitan and regional Victoria.

ACECQA also collaborated with the Australian Council for Educational Leaders (ACEL) in the rollout of Educational Leader workshops in South Australia as a strategy for supporting educators and approved providers in school settings.

Australia's NQF was showcased internationally, at conferences in Dublin and Auckland, as part of ACECQA presentations.

Website

The ACECQA website remains the primary source of information for the sector with an average of 78,000 people visiting it each month. A primary focus over the past 12 months has been the detailed review of website content and information in preparation for a website redesign to continue to meet the needs of the sector and facilitate easy navigation.

Social media

ACECQA's social media presence continues to grow, with more than 31,000 Facebook followers (an increase of almost 10,000 on the previous year) and more than 3800 Twitter followers (up by more than 600). Engaging content shared with followers

is also regularly reaching 50,000 people a week and more than 100,000 people in some weeks.

Newsletters

ACECQA's monthly newsletter and *We Hear You* blog are other avenues to keep the sector informed and provide useful information about

ACECQA Facebook
31,000

Starting Blocks Facebook
24,700

Newsletter subscribers
23,000

Average monthly website visits
78,000
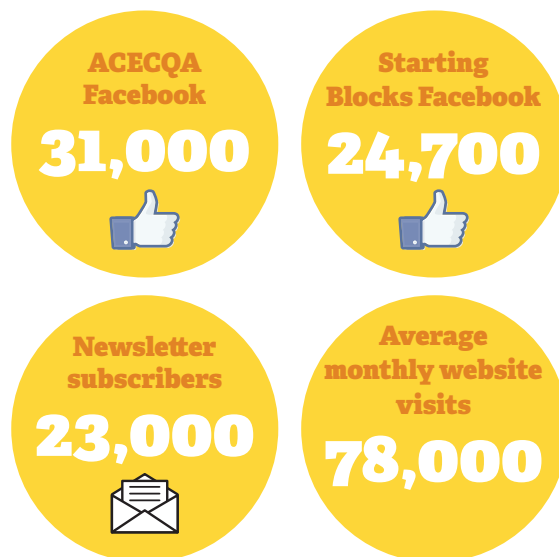
129 conferences & sector events

meeting the requirements of the NQF. ACECQA's newsletter has more than 23,000 subscribers and the *We Hear You* blog has been viewed more than 175,000 times in the past year. Articles that proved popular on the blog include the three-part series 'Uncovering the layers of reflective practice' and 'The role of the educational leader'.

Sector resources

In 2016–17, ACECQA continued to provide a suite of guides and resources to support the education and care sector's understanding of the NQF. This includes a series of information sheets focusing on each quality area of the NQS and fact sheets and guidance materials for family day care providers, managers and educators to help support their understanding of legislative responsibilities. To prepare for the upcoming changes to the NQF, a key landing page on the ACECQA website was established as a central source of information for the sector. ACECQA also developed a number of information sheets and a presentation outlining key changes of the revised NQS.

ACECQA delivered

129

sector engagement activities/presentations across Australia in 2016–17.
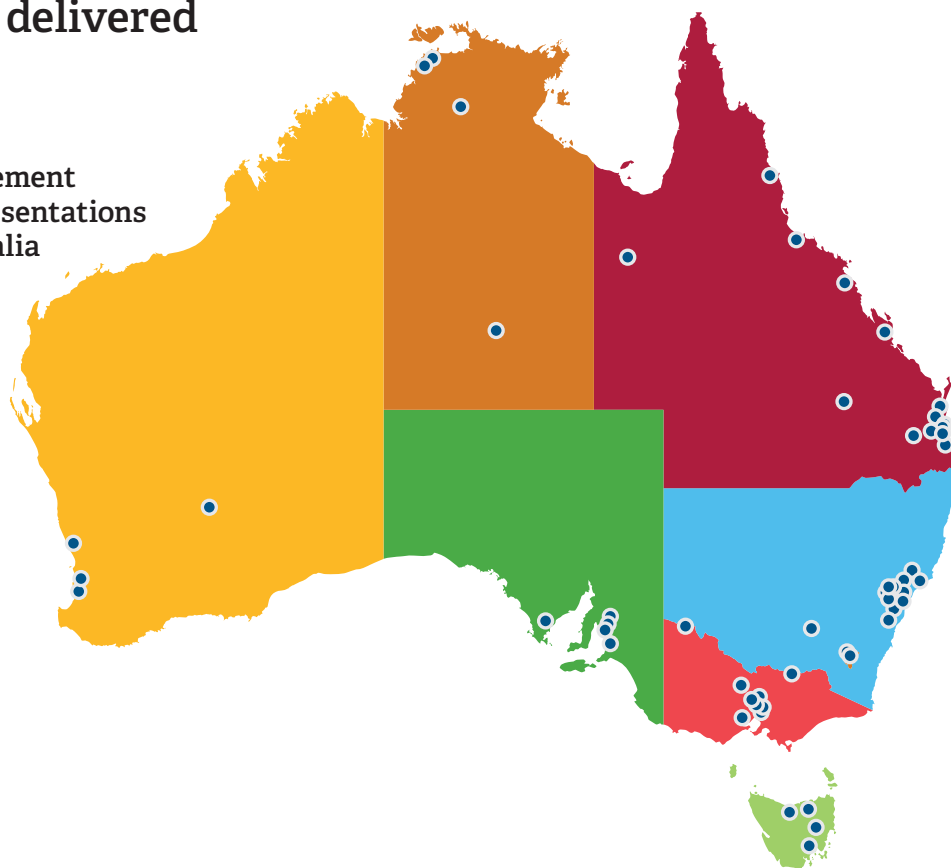
Other activities to promote quality

ACECQA regularly meets with peak and sector support organisations, large providers, academics and training providers, as well as drawing on information from regulatory authorities and national data to inform our work.

To build a shared understanding of standards and promote quality programs and practices, ACECQA continues to present at conferences and workshops across Australia, to participate in advisory panels, committees and podcasts; and contribute to a range of external publications.

NQF Snapshots

Our *NQF Snapshot* provides analysis and information on the profile of the sector, the progress of quality rating and the quality ratings of services, including by service sub-type and provider management type. We published four quarterly *NQF Snapshots* during 2016–17, with additional data analysis provided across the period. The *NQF Snapshot* Q3 2016 included more detail about services rated Working Towards NQS and about the proportion of services with

a waiver by remoteness classification, while the *NQF Snapshot* Q4 2016 included aggregated data on service previous overall rating alongside reassessed overall rating. The *NQF Snapshot* Q1 2017 reported on NQS quality areas, standards and elements for each service sub type and further expanded upon the waivers analysis.

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

Enquiries service

ACECQA's customer service team is an essential part of our communication and engagement with the sector. The team responds to public queries by telephone and email and is often people's first point of contact with the organisation. In 2016–17, the customer service team received a total of 29,189 enquiries. This consisted of 16,333 phone enquiries and 12,856 email enquiries. The highest number of enquiries related to interpretation of legislation, including the National Quality Standard (NQS).

As part of ACECQA's Customer Service Charter, the team aims to respond to email enquiries within five days. The average response time in 2016–17 was 1.3 days. We draw on enquiries to inform newsletter articles, information sheets, blogs, social media posts and website content to share relevant information with a broader audience.

Quality Practice Workshops

The third round of Quality Practice Workshops commenced in the Northern Territory in August 2016, concluding in South Australia in early June 2017. Developed and delivered in collaboration with state and territory regulatory authorities, jurisdictions chose the following focus areas: Sustainable Environments, Agency of the Child, Promoting Quality through Staffing Arrangements and Educational Leadership.

More than 1650 educators and service providers attended the 31 workshops that took place in 29 metropolitan, regional and remote locations across Australia. Attendees at the 2.5 hour Quality Practice Workshops were provided with a range of resources and a workbook designed to be shared and actioned back at education and care services to support quality improvement.

This brings the total number of national workshops to 143 (since 2014), reaching more than 8400 educators across the country. Participant feedback on the workshops continues to show they are well received and represent a significant, collaborative professional development opportunity for those working in education and care services.

ACECQA completed a review of national workshop activities in May 2017. The outcomes of this review have been shared with regulatory authorities and are being used in planning for 2018.

Targeted campaigns

ACECQA started a targeted email campaign for new approved providers in June 2016, sending information about ACECQA and the regulatory authorities' roles, and providing links to resources and information to support approved providers.

A second campaign commencing in February 2017 emails services that received a Working Towards

ACECQA's NQF Enquiries Service

29,189 enquiries

16,333 phone calls

12,856 emails

National Quality Standard rating and provides information on a range of resources to support their quality improvement process. The resources are accessible on the ACECQA website and were developed in conjunction with regulatory authorities.

During the 2016–17 period, targeted emails were sent to approximately 600 newly approved providers and approximately 220 Working Towards National Quality Standard rated services.

Early Career Educator program

This program for final year early childhood teaching students, or recent early childhood teaching graduates, was piloted by ACECQA for the first time in 2017. The program provided the opportunity for two recent early childhood teaching graduates, and one final year student, to work at ACECQA for three months while participating in on-the-job training and learning opportunities.

Advertising for the positions through universities provided an opportunity for ACECQA to strengthen relationships with universities and to share information about our role. It also gave graduating students access to NQS information and resources available on the ACECQA website to support their work in the sector as new early childhood teaching graduates.

Participants in the program developed and delivered a number of resources, with a particular focus on information and resources to support early career educators. The participants contributed to fact sheets and blogs as well as developing the ACECQA Quest for Quality knowledge game.

2.6 The NQF and its effect on developmental outcomes for children

NQF evaluation framework

ACECQA has developed an evaluation framework for the NQF, in collaboration with the Australian and state and territory governments.

The shared framework, endorsed by Education Ministers in April 2017, provides all governments with a common way of understanding whether and how the NQF is meeting its objectives.

The NQF objectives can be summarised as:

- ensuring the safety, health and wellbeing of children attending education and care services
- improving the educational and developmental outcomes of children attending education and care services
- promoting continuous improvement in the quality of education and care services
- improving the efficiency of regulating education and care services
- improving public knowledge and access to information about the quality of education and care services.

The NQF evaluation framework lays the foundation and parameters for ongoing evaluation projects that link to these objectives. It builds a shared understanding of what needs to be evaluated and why, and provides governments with a common reference point when considering existing and future research activities.

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

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

"The NQF framework provides all governments with a common way of understanding whether and how the NQF is meeting its objectives."

The NQF evaluation framework is available as part of our research and reports page. This page will be added to over time, with the aim of it being a repository of NQF related research and evidence.

Research and evaluation strategy

To complement the NQF evaluation framework, we have published a research and evaluation strategy and implementation plan 2017–21.

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

Working with all governments, we will continue to compile and stay abreast of current and proposed research to help identify gaps and synergies. Having a collaborative approach to prioritising and commissioning future research will enable all governments and ACECQA to progressively answer the key evaluation questions and sub questions that underpin the NQF evaluation framework.

Our research and evaluation strategy is available as part of our research and reports page.

Occasional papers

Our third occasional paper, published in November 2016, examined activities to promote consistency and efficiency in the implementation and administration of the NQF. Striving for consistency and efficiency is a collaborative effort among all state and territory governments, the Australian Government and ACECQA. This paper highlighted the breadth and depth of collaboration to identify, implement and review approaches to promote consistency and efficiency under the NQF. It also included case studies to illustrate in more detail how certain activities contribute to consistency and efficiency.

Our fourth occasional paper continued in the same vein as our first two papers and analysed another one of the most challenging areas of the NQS, Quality Area 3 – Physical Environment. This paper highlighted the importance of the design of the physical environment in creating stimulating learning environments for children. The contribution outdoor learning spaces make in developing children's understanding of the natural environment is a core aspect of the NQS and the approved learning frameworks.

All of our occasional papers are available as part of our research and reports page.

2.7 Qualifications for authorised officers and support and training for Regulatory Authority staff

Authorised officer training

ACECQA is responsible for delivering support and training to authorised officers employed by state and territory regulatory authorities to undertake tasks such as monitoring education and care services' regulatory compliance, and conducting quality assessment and rating visits.

In collaboration with states and territories, ACECQA administers a comprehensive national authorised officer training program. This training is delivered through a series of online eLearning modules focused on the NQF background and rationale, and face-to-face training focussed 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.

During 2016–17, ACECQA delivered the face-to-face training to, and managed reliability testing for, approximately 90 officers from six jurisdictions.

In collaboration with representatives from all state and territory regulatory authorities, ACECQA has completed a review of the national authorised officer training program. The updated national training package (including a new suite of reliability tests) will be available to new authorised officers later in 2017 in preparation for the introduction of the revised NQS in 2018. A bridging program is also being developed for all current authorised officers to update them on the NQS and regulatory changes in the updated national training program.

Reliability Drift testing

To support national consistency in the assessment and rating process, authorised officers are required to achieve assessment and rating reliability following their initial national authorised officer training. They must also demonstrate on-going reliability through annual drift testing. The testing process aims to assess the reliability of authorised officers and their application of the NQS and is also a key strategy to build national consistency. To date, more than 1300 drift tests have been completed by authorised officers across Australia.

Regulatory authorities collaborated with ACECQA to review and update the drift testing process during 2016–17, adding to the suite of testing materials to better reflect the observe, discuss and sight evidence collection processes of assessment and rating. Subsequently, a new drift test was rolled out nationally in April 2017. The new drift model was developed to reflect changes that will occur with the commencement of the revised NQS in 2018.

Authorised officer guidance and resources

ACECQA continues to provide support for authorised officers by regularly publishing resources on the national authorised officer eLearning training portal. In 2016–17 ACECQA, in consultation with regulatory authorities, produced the following eLearning modules to support authorised officers in their assessment and rating role:

Family day care:
- contexts of family day care services
- planning for assessment and rating visits to family day care services
- strategies to assist evidence gathering in family day care

- active and reflective design and delivery of the program in family day care
- assessing Quality Areas 2 to 7 in family day care
- implementation of the approved learning frameworks in family day care.

Assessment and rating:
- note taking and observation
- discussions, questioning and sighting evidence
- determining an exceeding rating.

ACECQA also published four regulatory authority updates on the eLearning portal in 2016–17. These publications provide authorised officers with timely advice on current national issues and promote national consistency in assessment and rating practice.

Lead assessor network

ACECQA works with lead assessors as the key jurisdictional representatives to develop and review support and training resources for authorised officers. The lead assessor network comprises nominees from each state and

territory and met twice in 2016–17. Prior to each workshop, ACECQA distributed a survey to all authorised officers and used the responses to inform decisions about training priorities and topics for discussion at the lead assessor network 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 and provide support and training for staff of regulatory authorities. As an outcome of the NP NQA Review, this power will be amended from 1 October 2017 to solely focus on provision of support and training by ACECQA for staff of regulatory authorities.

2.8 Educator qualifications

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

These include:

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

564 approvals, including

220 ECTs

167 Diplomas

142 Cert. III

23 courses

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

Applications from individuals

Individuals who do not hold qualifications on our approved lists and are not recognised

by former state and territory laws can apply to us to have their qualifications assessed for equivalence.

Between 1 July 2016 and 30 June 2017, we received 1153 applications from individuals seeking to have their qualifications assessed for equivalence to an approved qualification. This compares to the 1201 applications we received in the 2015–16 financial year. More than half (57 per cent) of the applications were from individuals seeking equivalence to early childhood teaching qualifications. Around one quarter (27 per cent) were for diploma level qualifications, and the remainder were for certificate III level and working with children over preschool age qualifications.

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

Almost one third (31 per cent) of the applications were from individuals looking to work in NSW, followed by Victoria (17 per cent), Western Australia (16 per cent) and Queensland (14 per cent).

Of the 1153 applications received, 90 per cent had been finalised by 30 June 2017, with around five per cent awaiting additional required information from the applicant.

In 2016–17, we approved 564 individuals for equivalence. This included 220 early childhood teachers, 167 diploma level educators and 142 certificate III level educators. The overall approval rate for finalised applications was 72 per cent, the same percentage as for the 2015–16 financial year.

Applications from organisations

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

Between 1 July 2016 and 30 June 2017, we received a total of 26 applications from organisations wanting their qualifications or training assessed for equivalence.

Most applications were from organisations seeking to have early childhood teaching qualifications added to ACECQA's published lists, with the remainder seeking approval of diploma level qualifications.

Of the 26 applications received, 23 had been finalised by 30 June 2017. All of the finalised applications were approved.

Collaboration with partner bodies

We work with a range of stakeholders and partner bodies to support the supply of appropriately qualified educators.

Australian Institute for Teaching and School Leadership (AITSL)

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

Australasian Teacher Regulatory Authorities (ATRA)

We also continued to work collaboratively with ATRA and its jurisdictional members. Over the past 12 months, we have assisted the Victorian Institute of Teaching (VIT), NSW Education Standards Authority (NESA) and Queensland College of Teachers (QCT) to support early childhood teachers to transition to full registration/accreditation.

Australian Skills Quality Authority (ASQA)

In November 2016, we jointly facilitated an early childhood education and care sector roundtable as a follow up to a discussion earlier in the year around the quality of vocational education and training. Feedback from the early childhood sector helped inform ASQA's Strategic review of unduly short training released in June 2017.

SkillsIQ

We are a member of SkillsIQ's Children's Education and Care Industry Reference Committee (IRC), providing advice on vocational qualifications for educators.

In February 2017, the Australian Industry and Skills Committee approved the case for change put forward by the IRC, prioritising the review of the early childhood education and care qualifications published in the national training package. The review of the qualifications will take place during 2017–18.

3 Implementation of the National Quality Framework

3.1 Assessment of the Implementation and Administration of the NQF

For the 2016–17 year, this assessment of the implementation and administration of the NQF uses a similar framework from ACECQA's reporting in 2011–2016. It provides high level information regarding the education and care sector, the rate of quality assessment and rating, outcomes of the quality assessment and rating process, as well as waivers in place at services.

Previous reporting on the implementation of the NQF has been in accordance with the initial Implementation Plan under the first National Partnership Agreement on the National Quality Agenda for Early Childhood Education and Care.

In line with the current National Partnership Agreement (2015–16 to 2017–18), ACECQA will provide an annual performance report to the Education Council that will include an assessment against the objectives and outcomes of the Agreement. After consideration by Education Ministers, the annual performance report will be made publicly available. During the 2016–17 financial year, we began research and analysis work required to produce the inaugural performance report, which will be provided to Ministers in December 2017.

Sector overview

There were 15,546 education and care services approved to operate under the NQF at the end of the 2016–17 financial year, representing an annual increase of one per cent.

◆ There were 14,661 centre-based[1] services and 885 family day care[2] services

◆ Over the past year, the number of approved family day care services has decreased by 20 per cent

◆ There were 7411 approved providers of services, most of whom (83 per cent) are approved to operate one education and care service.

Figure 8: The number of approved services under the NQF

NT
223
CB 218
FDC 5

WA
1,166
CB 1,121
FDC 45

SA
1,171
CB 1,140
FDC 31

TAS
232
CB 218
FDC 14

QLD
2,886
CB 2,757
FDC 129

NSW
5,346
CB 5,051
FDC 295

ACT
354
CB 341
FDC 14

VIC
4,168
CB 3,815
FDC 353

Total Centre-based (CB)[1]
14,661 (94%)
2%
increase on Q2 2016

Total Family Day Care (FDC)[2]
885 (6%)
20%
decrease on Q2 2016

Total
15,546
1%
increase on Q2 2016
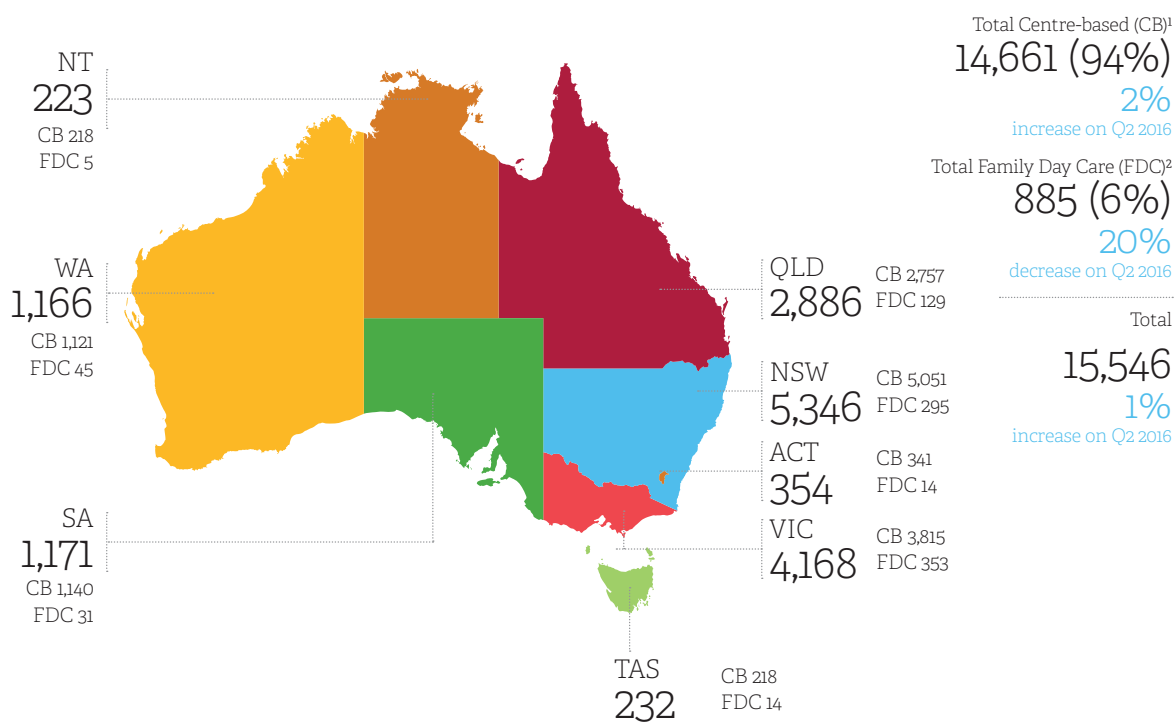
1. Centre-based services include most long day care, preschool/kindergarten and outside school hours care services. They do not include preschools in Tasmania or Western Australia that are outside of the scope of the NQF, or other services that aren't regulated under the National Law.

2. Family day care services provide education and care in residences. They are sometimes known as family day care schemes and are administered and supported by central coordination units.

Figure 9: The number and proportion of services with a quality rating

	Number of services with a quality rating	Number of approved services	Proportion of services with a quality rating
ACT	308	354	87%
NSW	4,887	5,346	91%
NT	204	223	91%
QLD	2,683	2,886	93%
SA	949	1,171	81%
TAS	222	232	96%
VIC	3,792	4,168	91%
WA	1,061	1,166	91%
TOTAL	14,106	15,546	91%

Figure 10: The seven quality areas and five quality ratings of the NQS

1 Educational program and practice
2 Children's health and safety
3 Physical environment
4 Staffing arrangements
5 Relationships with children
6 Partnerships with families and communities
7 Leadership and service management

Significant Improvement Required
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.

Working Towards National Quality Standard
Service may be meeting the National Quality Standard in a range of areas, but there are one or more areas identified for improvement.

Meeting National Quality Standard
Service meets the National Quality Standard.

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

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

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

This rating can only by awarded by ACECQA.

Services rated Exceeding National Quality Standard may choose to apply for this rating.

Figure 11: Overall quality ratings by jurisdiction and nationally

	Significant improvement required	Working Towards NQS		Meeting NQS		Exceeding NQS		Excellent rated	TOTAL
ACT	3	100	(32%)	69	(22%)	129	(42%)	7	308
NSW	25	1,566	(32%)	1,958	(40%)	1325	(27%)	13	4,887
NT	0	83	(41%)	88	(43%)	31	(15%)	2	204
QLD	2	590	(22%)	1223	(46%)	852	(32%)	16	2,683
SA	0	290	(31%)	222	(23%)	432	(46%)	5	949
TAS	0	50	(23%)	88	(40%)	84	(38%)	0	222
VIC	10	624	(16%)	1,846	(49%)	1304	(34%)	8	3,792
WA	0	408	(38%)	397	(37%)	255	(24%)	1	1061
TOTAL	40	3,711	(26%)	5,891	(42%)	4,412	(31%)	52	14,106

The proportion of childhood education and care services assessed and rated 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 2017, 14,106 services (91 per cent) had received a quality rating, up from 12,286 services (80 per cent) at 30 June 2016.

NQS ratings

Authorised officers from state and territory regulatory authorities assess and rate services against the seven quality areas, 18 standards and 58 elements that make up the NQS.

There are five possible overall quality ratings, as shown in Figure 10. These are Significant Improvement Required, Working Towards NQS, Meeting NQS, Exceeding NQS and Excellent[3].

Figure 11 shows that 73 per cent of quality rated services are rated Meeting NQS or above, up from 70 per cent a year ago.

As at 30 June 2017, 40 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 drive quality improvement.

Quality improvement

At 30 June 2017, of the 2419 reassessments undertaken, 59 per cent resulted in an improved overall quality rating, with only six per cent resulting in a lower overall quality rating.

Figure 12: Overall quality rating changes for services that have been reassessed[4]

Rating level change	Number of reassessments	Proportion of reassessments
Higher	1,422	59%
Unchanged	852	35%
Lower	145	6%
TOTAL	2,419	100%

Figure 12 looks at the 1807 reassessments of services rated Working Towards NQS by overall change in element level performance. For example, if the same

number of elements were met at the reassessment, then the level of change is '0'. If five more elements were met at the reassessment, then the level of change is '+1 to +10'. The figure only includes services previously rated Working Towards NQS because services rated higher than this already met all 58 elements of the NQS.

Figure 13: Element level changes for services that have been reassessed where previous rating was Working Towards NQS
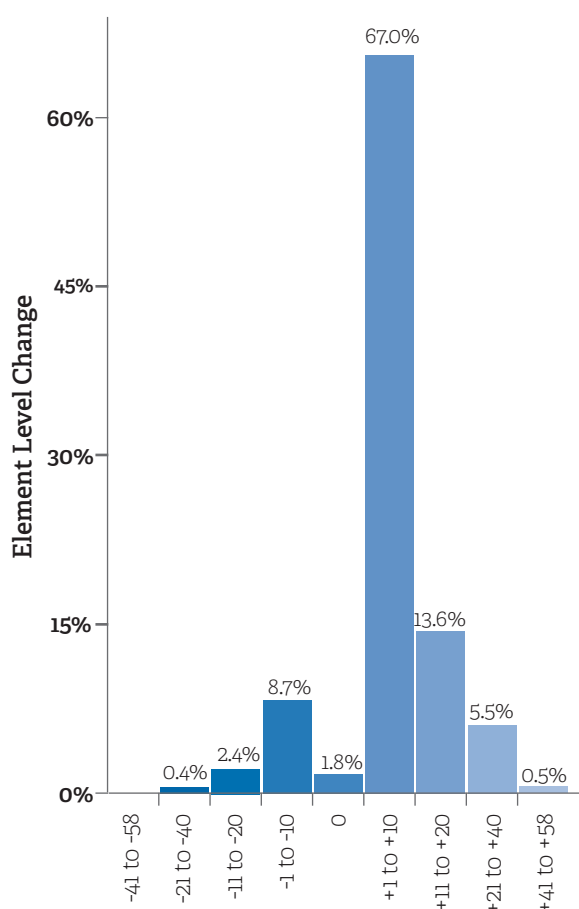
Centre-based and family day care services

Family day care services are more likely than centre-based services to be rated as Working Towards NQS, as shown in Figure 14.

3 . The Excellent rating is awarded by ACECQA and a service must have an overall rating of Exceeding NQS to be eligible to apply.

4 . Reassessments include: 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 14: Overall quality ratings by service type

	Working Towards NQS	Meeting NQS	Exceeding NQS
Centre-based care	25% (3,367)	43% (5,721)	32% (4,308)
Family day care	53% (344)	26% (170)	16% (104)
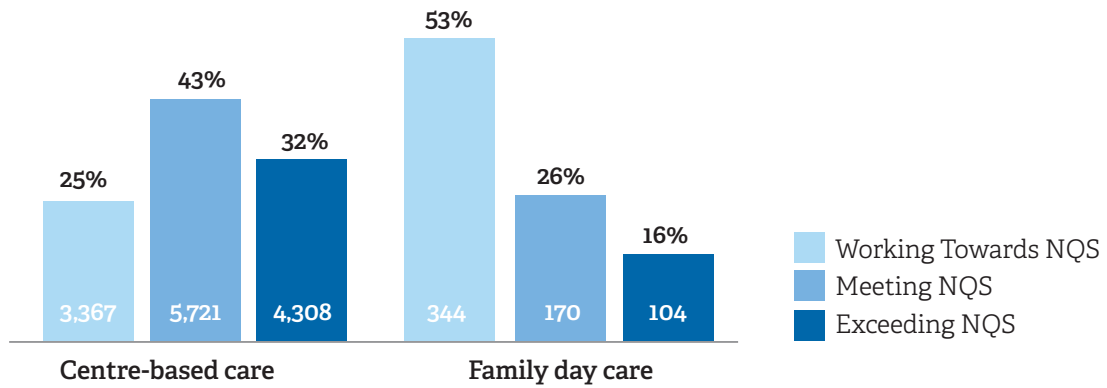
Accessibility/Remoteness Index of Australia (ARIA+)

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

As shown in Figure 15, 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 and Exceeding NQS rating level.

Figure 15: The proportion of quality rated centre based services by ARIA+

ARIA+ location	Working Towards NQS	Meeting NQS	Exceeding NQS
Major Cities of Australia	26%	41%	32%
Inner Regional Australia	20%	47%	32%
Outer Regional Australia	22%	47%	30%
Remote Australia	30%	47%	22%
Very Remote Australia	43%	40%	17%
TOTAL	25%	43%	32%

Ratings by quality area

Figure 16 displays the quality rating results for each of the seven quality areas.

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

◆ Quality Area 1 (Educational program and practice)
◆ Quality Area 7 (Leadership and service management)
◆ Quality Area 2 (Children's health and safety)
◆ Quality Area 3 (Physical environment).

Figure 16: Quality area ratings

	Working Towards NQS	Meeting NQS	Exceeding NQS
QA 1	20%	51%	29%
QA 7	17%	51%	32%
QA 2	16%	60%	23%
QA 3	16%	56%	27%
QA 6	10%	52%	38%
QA 4	8%	61%	32%
QA 5	7%	52%	41%
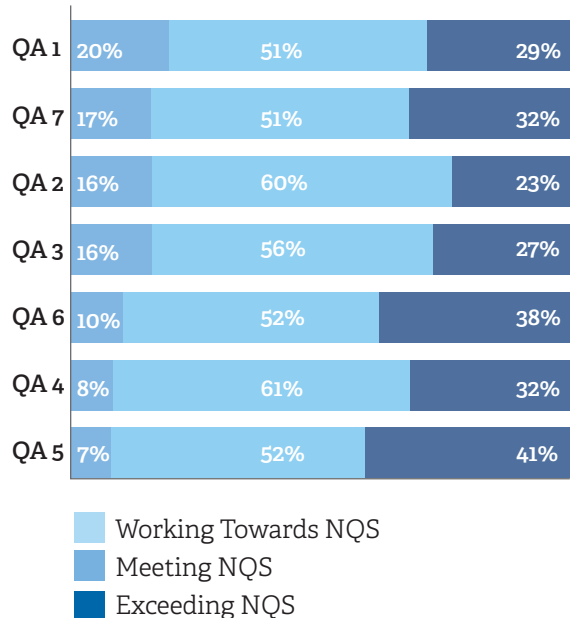
Figure 17: The number of waivers by requirement and type

Requirement	Service waiver	Temporary waiver	Service and temporary waiver	TOTAL
Physical environment	280	76	1	357
Staffing	51	529	2	582
Physical environment and staffing	0	1	23	24
TOTAL	**331**	**606**	**26**	**963**

Waivers

There are situations where a service provider is unable to meet legislated 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, 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 2017, six per cent (963) of education and care services across Australia had one or more waivers in place.

Figure 17 shows that of the 606 temporary waivers, 87 per cent are for staffing arrangements. Of the 331 service waivers, 85 per cent are for physical environment arrangements.

Services in remote and very remote locations have a higher proportion of staffing waivers, reflecting ongoing challenges with recruiting and retaining staff in these areas.

More information

Our *NQF Snapshot* reports provide analysis and information on the profile of the education and care sector, the progress of assessment and rating, and the quality ratings awarded to services, including examining the distribution of ratings by provider management type, service sub-type and geographically.

The range of data included in the online version of our *NQF Snapshot* continued to expand in 2016–2017, with additional analysis about the NQS quality areas, standards and elements for each service subtype, as well as additional analysis about service waivers.

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

4 Financial Report and Financial Statements

AUSTRALIAN CHILDREN'S EDUCATION AND CARE QUALITY AUTHORITY
Financial Statements
for the period ended 30 June 2017

Contents

INDEPENDENT AUDITOR'S REPORT

To the Education Council

Opinion

In my opinion, the financial statements of the Australian Children's Education and Care Quality Authority for the year ended 30 June 2017 present fairly, in all material respects the financial position of the Australian Children's Education and Care Quality Authority as at 30 June 2017 and its financial performance and cash flows for the year then ended in accordance with Australian Accounting Standards, as required by subsection 279(3) of the *Education and Care Services National Law Act 2010*.

The financial statements of the Australian Children's Education and Care Quality Authority, which I have audited, comprise the following statements as at 30 June 2017 and for the year then ended:

- Statement by Chair, Chief Executive Officer and Chief Operating Officer;
- Statement of Comprehensive Income;
- Statement of Financial Position;
- Statement of Changes in Equity;
- Cash Flow Statement; and
- Notes to the financial statements, comprising a summary of significant accounting policies and other explanatory information.

Basis for Opinion

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

Board's Responsibility for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Australian National Audit Office

Peter Kerr

Executive Director

Delegate of the Auditor-General

Canberra

3 October 2017

Financial Statements
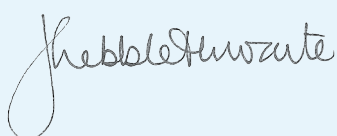# for the period ended 30 June 2017

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 2017 and the results of its financial performance and cash flows for the financial year ended 30 June 2017.

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
Chair of the Board
3 October 2017

Gabrielle Sinclair
Chief Executive Officer
3 October 2017

Angela Buchanan
Chief Operating Officer
3 October 2017

AUSTRALIAN CHILDREN'S EDUCATION AND CARE QUALITY AUTHORITY

Statement of Comprehensive Income
for the period ended 30 June 2017

	Notes	2017 $'000	2016 $'000
NET COST OF SERVICES			
Expenses			
Employee benefits	1.1A	**8,777**	8,661
Suppliers	1.1B	**4,734**	4,395
Unwinding of discount		**2**	1
Depreciation and amortisation	2.2A	**229**	244
Write-down and impairment of assets		**2**	4
Total expenses		**13,744**	13,305
Own-Source Income			
Own-source revenue			
Sale of goods and rendering of services	1.2A	**206**	202
Interest	1.2B	**192**	277
Other revenue		**3**	–
Total own-source revenue		**401**	479
Gains			
Gains from sale of assets	1.2C	**1**	14
Total gains		**1**	14
Net cost of services		**13,342**	12,812
Funding from Commonwealth, State and Territory Governments	1.2D	**13,681**	12,695
Surplus / (Deficit)		**339**	(117)
OTHER COMPREHENSIVE INCOME			
Other comprehensive income		**–**	–
Total comprehensive income		**339**	(117)

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

AUSTRALIAN CHILDREN'S EDUCATION AND CARE QUALITY AUTHORITY

Statement of Financial Position
as at 30 June 2017

	Notes	2017 $'000	2016 $'000
ASSETS			
Financial Assets			
Cash and cash equivalents	2.1A	**2,007**	5,297
Trade and Other Receivables	2.1B	**26**	2,621
Investments	2.1C	**12,489**	6,289
Total financial assets		**14,522**	14,207
Non-Financial Assets			
Leasehold improvements	2.2A	**688**	808
Plant and equipment	2.2A	**160**	157
Intangibles	2.2A	**–**	55
Inventories		**–**	1
Other non-financial assets	2.2C	**342**	124
Total non-financial assets		**1,190**	1,145
Total assets		**15,712**	15,352
LIABILITIES			
Payables			
Suppliers	2.3A	**37**	96
Other payables	2.3B	**1,101**	1,082
Total payables		**1,138**	1,178
Provisions			
Employee provisions	3.1A	**1,190**	1,131
Other provisions	2.4	**70**	68
Total provisions		**1,260**	1,199
Total liabilities		**2,398**	2,377
Net assets		**13,314**	12,975
EQUITY			
Retained surplus		**13,314**	12,975
Total equity		**13,314**	12,975

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

Statement of Changes in Equity for the period ended 30 June 2017

	Total Equity	
	2017 **$'000**	2016 $'000
Opening balance as at 1 July	**12,975**	13,092
Comprehensive income		
Surplus / (Deficit) for the period	**339**	(117)
Total comprehensive income	**339**	(117)
Closing balance as at 30 June	**13,314**	12,975

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

AUSTRALIAN CHILDREN'S EDUCATION AND CARE QUALITY AUTHORITY

Cash Flow Statement
for the period ended 30 June 2017

	Notes	2017 $'000	2016 $'000
OPERATING ACTIVITIES			
Cash received			
Revenue from Commonwealth, States and Territories		17,717	11,176
Sales of goods and rendering of services		229	249
Interest		172	315
Total cash received		18,118	11,740
Cash used			
Employees		(8,590)	(8,531)
Suppliers		(5,348)	(4,655)
Net GST paid		(1,217)	(677)
Total cash used		(15,155)	(13,863)
Net cash from (used by) operating activities		2,963	(2,123)
INVESTING ACTIVITIES			
Cash received			
Proceeds from sale of property, plant and equipment		–	9
Investments		–	3,711
Total cash received		–	3,720
Cash used			
Purchase of property, plant and equipment		(53)	(943)
Investments		(6,200)	–
Total cash used		(6,253)	(943)
Net cash from (used by) investing activities		(6,253)	2,777
Net increase (decrease) in cash held		(3,290)	654
Cash and cash equivalents at the beginning of the reporting period		5,297	4,643
Cash and cash equivalents at the end of the reporting period	2.1A	2,007	5,297

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.

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 directions in accordance with the Letter of Expectation for 2016–18 issued by the Education Council:

Strategic direction 1: Achieving NQF system and reporting improvements

Strategic direction 2: Implementing outcomes from the 2014 NQA Review

Strategic direction 3: Provision of ongoing support to jurisdictions to improve quality outcomes for children, including support for Regulatory Authorities to enable regulatory best practice

Strategic direction 4: Promoting education and awareness

Strategic direction 5: 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 – Reduced Disclosure Requirements issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period.

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

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

Taxation

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

Events After the Reporting Period

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

AUSTRALIAN CHILDREN'S EDUCATION AND CARE QUALITY AUTHORITY
Financial Performance

This section analyses the financial performance of ACECQA for the year ended 2017.

1.1: Expenses

	2017 $'000	2016 $'000
1.1A: Employee Benefits		
Wages and salaries	**7,921**	7,617
Superannuation	**788**	776
Leave and other entitlements	**68**	268
Total employee benefits	**8,777**	8,661

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

1.1B: Supplier		
Goods and services		
Consultants	**346**	356
Contractors	**48**	98
Travel	**326**	341
Information and communication technology	**1,602**	1,196
Publishing	**162**	185
Other	**870**	867
Total goods and services	**3,354**	3,043

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

Other suppliers		
Operating lease rentals	**916**	876
Workers compensation expenses	**36**	49
Payroll tax expenses	**428**	427
Total other suppliers	**1,380**	1,352
Total suppliers	**4,734**	4,395

Leasing commitment – office accommodation

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

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

	2017 $'000	2016 $'000
Note 1.1B *(continued)*		
Commitments for operating lease		
Within 1 year	921	873
Between 1 to 5 years	4,211	3,996
More than 5 years	885	2,021
Total operating lease commitments	6,017	6,890

Commitments are GST inclusive where relevant.

1.2: Own-Source Revenue

	2017 $'000	2016 $'000
Own-source revenue		
<u>**1.2A: Sale of Goods and Rendering of Services**</u>		
Sale of goods	26	26
Rendering of services	180	176
Total sale of goods and rendering of services	206	202

> **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.

<u>**1.2B: Interest**</u>		
Deposits	192	277
Total interest	192	277

> **Accounting Policy**
>
> Interest revenue is recognised using the effective interest method.

	2017 $'000	2016 $'000
Gains		
<u>1.2C: Other Gains</u>		
Sale of assets	1	14
Total other gains	1	14

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

<u>**1.2D: Funding from Commonwealth, State and Territory Governments**</u>

	2017 $'000	2016 $'000
Funding from Commonwealth Government	6,635	6,835
Funding from State and Territory Governments	7,046	5,860
Total funding from Governments	13,681	12,695

> **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

	2017 $'000	2016 $'000
2.1A: Cash and Cash Equivalents		
Cash on hand or on deposit	**2,007**	5,297
Total cash and cash equivalents	**2,007**	5,297

> **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		
Interest	**26**	7
Funding from Commonwealth, State and Territory Governments	**–**	2,614
Total trade and other receivables	**26**	2,621

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

2.1C: Investments		
Term deposits	**12,200**	6,000
Security deposit for bank guarantee	**289**	289
Total investments	**12,489**	6,289

> **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 2017

	Leasehold Improvements $'000	Plant & equipment $'000	Computer Software $'000	Total $'000
As at 1 July 2016				
Gross book value	868	215	177	1,260
Accumulated depreciation, amortisation and impairment	(60)	(58)	(122)	(240)
Net book value 1 July 2016	808	157	55	1,020
Additions:				
By purchase	–	59	–	59
Write-down recognised in net cost of services	–	(2)	–	(2)
Depreciation expense	(120)	(54)	(55)	(229)
Net book value 30 June 2017	688	160	–	848
Net book value as of 30 June 2017 represented by:				
Gross book value	868	271	–	1,139
Accumulated depreciation, amortisation and impairment	(180)	(111)	–	(291)
Net book value 30 June 2017	688	160	–	848

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
As at 1 July 2015				
Gross book value	500	76	177	753
Accumulated depreciation, amortisation and impairment	(446)	(12)	(56)	(514)
Net book value 1 July 2015	54	64	121	239
Additions:				
By purchase	865	164	–	1,029
Write-down recognised in net cost of services	–	(4)	–	(4)
Depreciation expense	(111)	(67)	(66)	(244)
Net book value 30 June 2016	808	157	55	1,020
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)
Net book value 30 June 2016	808	157	55	1,020

Accounting Policy

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

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

Asset Recognition Threshold

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

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

Revaluations

Following initial recognition at cost, property, plant and equipment are carried at fair value. Carrying amounts are reviewed every year to determine if an independent valuation is required. The regularity of independent valuations 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. Leasehold improvements are depreciated over the lease term.

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

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

Asset Class	2017	2016
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 2017. 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 (2016: $100,000) are expensed in the year of acquisition other than where they form part of a group of similar items which are significant in total.

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

All software assets were fully depreciated as at 30 June 2017.

2.2B: Fair Value Measurements

	Fair value measurements at the end of the reporting period	
	2017 **$'000**	2016 $'000
Non-financial assets		
Leasehold improvements	**688**	808
Plant and equipment	**160**	157
Total non-financial assets	**848**	965
Total fair value measurements of assets in the statement of financial position	**848**	965

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

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

An independent valuer confirmed the fair value of ACECQA's property, plant and equipment at the end of the reporting period.

	2017 **$'000**	2016 $'000
2.2C: Other Non-Financial Assets		
Prepayments	**342**	124
Total other non-financial assets	**342**	**124**

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

2.3: Payables

	2017 $'000	2016 $'000
2.3A: Suppliers		
Trade creditors	37	96
Total suppliers payables	37	96

Settlement was usually made within 30 days.

	2017 $'000	2016 $'000
2.3B: Other Payables		
Salaries and wages	72	33
Superannuation	71	89
Net GST payable	530	728
Lease Liability	221	85
Accruals and other payables	207	147
Total other payables	1,101	1,082

> **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).

2.4: Other Provisions

	2017 $'000	2016 $'000
2.4: Provision for make good		
As at 1 July	68	–
Additional provisions made	–	67
Unwinding of discount	2	1
As at 30 June	70	68

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.

People and relationships

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

3.1: Employee Provisions

	2017 $'000	2016 $'000
3.1A: Employee Provisions		
Leave	**1,190**	1,131
Total employee provisions	**1,190**	1,131

Accounting Policy

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

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

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

Leave

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

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

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

Superannuation

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

The liability for superannuation recognised as at 30 June 2017 represents outstanding contributions due but not yet paid.

3.2: Key Management Personnel Remuneration

	2017 $	2016 $
3.2A: Senior Executive Remuneration		
Short-term employee benefits	**972,943**	994,439
Post-employment benefits	**119,224**	130,595
Other long-term benefits	**18,337**	40,325
Total employment benefits	**1,110,504**	1,165,359

Notes:

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

2. The total number of Senior Executives that are included in the above table are 5 (2016: 4). The number includes Senior Executives who commenced or departed during the reporting period. Staff who have acted in a Senior Executive role for a period of less than three months have been excluded in the note.

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

4. An adjustment has been made to the 2016 comparative numbers with an additional amount of $13,431 to the short-term employee benefits for non-monetary benefits, notwithstanding the Senior Executives might choose not to receive the benefit. In addition, a reclassification between short-term employee benefits and other long-term benefits of $71,183 was made.

3.2B: Board Member Remuneration

Total Board remuneration	198,479	158,545

Notes:

1. Board remuneration is the payments received or due and receivable by ACECQA Board members in 2016–17.

2. Remuneration for the Board is determined by the Education Council.

3. There were changes to the composition of the ACECQA Board in 2016–17. The highest number of Board members in 2016–17 was 12 (2015–16: 12).

3.3: Related Party Disclosures

Related party relationship

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

Transactions with related parties

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

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

3.4: Remuneration of Auditors

	2017 $'000	2016 $'000
Remuneration payable to the Australian National Audit Office (ANAO) for auditing the financial statements for the reporting period.	55	55

No other services were provided by the ANAO.

Managing uncertainties

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

4.1: Contingent Assets and Liabilities

A bank guarantee was provided by ACECQA to the sublessor in relation to its leased premises. The value of the bank guarantee is $289,124 (2016: 289,124) and will be released upon termination of the sublease agreement.

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

ACECQA had no other quantifiable or unquantifiable contingent assets or liabilities as at 30 June 2017 (2016: nil).

4.2: Financial Instruments

	2017 $'000	2016 $'000
4.2A: Categories of Financial Instruments		
Financial Assets		
Held-to-maturity investments		
Term Deposits	**12,200**	6,000
Security deposit for bank guarantee	**289**	289
Total held-to-maturity investments	**12,489**	6,289
Loans and receivables		
Cash and cash equivalents	**2,007**	5,297
Trade and other receivables	**26**	2,621
Total loans and receivables	**2,033**	7,918
Total financial assets	**14,522**	14,207
Financial Liabilities		
Financial liabilities measured at amortised cost:		
Trade creditors	**37**	96
Other payables	**1,101**	1,082
Total financial liabilities measured at amortised cost:	**1,138**	1,178
Total financial liabilities	**1,138**	1,178
4.2B: Net Gains or Losses on Financial Assets		
Net gains/(losses) on financial assets		
Interest revenue	**192**	277
Net gains/(losses) on financial assets	**192**	277

End of Financial Statements

Appendices

Appendix A
Letter of Expectation 2016–18

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

Education Council

Dear Ms Hebblethwaite

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

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

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

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

Purpose

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

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

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

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

Context

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

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

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

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

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

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

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

Term

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

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

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

Principles

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

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

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

- streamlined governance arrangements and clearly defined accountabilities

- collaboration with jurisdictions in decision making

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

- consistent application of the National Quality Standard (NQS)

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

- a continuous focus on quality improvement.

In performing its functions, ACECQA will:

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

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

Strategic Directions

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

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ACECQA Annual Report 2016–2017   77

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

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78

ACECQA Annual Report 2016–2017

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

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

- Implement effectively and efficiently any actions agreed by Education Council to improve compliance and provider understanding in family day care.
- In collaboration with ECPG, develop evidence-based guidance in line with the NQS for approved kindergarten/preschool program providers on the experiences and activities that form part of an approved program to help children successfully transition to school.
- Critically review internal advisory and support structures, including the Quality and Consistency Committee (QaCC), in collaboration with states and territories to promote transparency and accountability, with a view to ensuring outcomes are maximised and participation achieves a net benefit for all parties.
- In collaboration with jurisdictions, identify ways to better support RAs to coordinate and manage key issues, deliver best practice regulation and achieve comparable outcomes in the administration of approvals, assessment and rating, compliance and enforcement, and ad hoc requests for advice about the NQF.
- In collaboration with the ECPG, develop options for promoting consistency and validity in respect to assessment and rating nationally, including proposals for leveraging lead assessor skills, experience, capabilities and understandings across jurisdictions.
- Review existing training in collaboration with RAs to ensure high quality, flexible and risk-based professional development is provided for jurisdictions. This review should include:
  - o consideration of who is best placed to deliver (e.g. ACECQA in-house provision/resourcing jurisdictional collaboration) and whether commissioning external expertise is a more effective and/or efficient option;
  - o authorised officer training to ensure it meets the needs of RAs. Specifically, ways to increase capability and maintain consistency of regulatory practice and understanding across the authorised officer workforce, recognising the full scope of regulatory functions should be identified; and
  - o consideration of flexible IT training arrangements in respect to NQA ITS to support jurisdictions in their work.
- Implement, in consultation with all jurisdictions, a mutually agreed national audit program aimed at promoting national consistency, operational enhancements and improved outcomes for children.
- Develop and maintain an evidence base to inform early childhood education and care policy decision making and improve quality outcomes for children.
- As owner on behalf of jurisdictions, manage the NQA ITS, including: day-to-day administration; resolving data quality issues; consideration and facilitation of enhancements, including potential new reporting capabilities (e.g. dashboards).
- Provide RAs with information and tools, where required, to enhance their regulatory activities.

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ACECQA Annual Report 2016–2017   **79**

Promoting education and awareness	Given education and awareness is a key mechanism to increasing visibility and consistent implementation of the NQF, ACECQA is primarily responsible for communicating with parents and the community. From an operational perspective, RAs are directly responsible for communicating and engaging with providers. The strategic directions below acknowledge and reflect the respective roles of ACECQA, RAs and ECPG in promoting education and awareness of the NQF. • In consultation with ECPG, continue to progress and build a comprehensive and innovative communication and engagement strategy directly targeting parents and the community, regarding the NQF and the importance of quality early childhood education and care. • In collaboration with RAs, develop and publish appropriate additional resources for RAs to support services to meet and exceed the NQS, and to understand and comply with their obligations under the NQF. • In collaboration with jurisdictions, promote approved learning frameworks as identified by RAs.

Developing and supporting a high quality workforce	• Work with the ECPG to develop options for strengthening the quality of early childhood education and care qualifications for consideration by Council, including identifying potential:
	  o mechanisms for providers to identify fraudulent qualifications
	  o ways in which the overall quality of qualifications can be strengthened.
	
	As part of this work, ACECQA should explore the extent of the reach of its powers under the National Law. ACECQA should avoid duplicating work already undertaken by RAs and capitalise on existing projects and expertise to ensure effective use of resources.
	
	• Support quality improvements in early childhood education and care workforce training with an immediate focus on family day care, as determined by the Council.
	
	• Work to reduce overlap and misalignment of approval processes, in collaboration with higher education providers, teacher registration authorities and the Australian Institute for Teaching and School Leadership.
	
	• Work with all jurisdictions to maximise the availability of suitably qualified educators for the sector and inform decisions about qualification provisions in the National Law.
	
	• Work with the Australian Skills Quality Authority to address relevant recommendations of its review of training for early childhood education and care.
	
	• Assist the Australian Government to address relevant recommendations arising from its review of the quality of assessment in vocational education and training.
	
	• Undertake the necessary preparatory work in consultation with ECPG to assist with the introduction of early childhood teacher and "another suitably qualified person" (as per Regulation 133) requirements in 2020, with a particular focus on assessment of sector preparedness.

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80   **ACECQA Annual Report** 2016–2017

Governance

Responsibilities of the ACECQA Board

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

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

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

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

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

Working collaboratively with the Australian, State and Territory governments

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

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

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

Planning and Reporting

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

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

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

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

ACECQA will also provide:

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

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

Conclusion

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

Yours sincerely

The Hon. Eva Lawler MLA
Education Council Chair

5 December 2016

**Australian Children's
Education & Care
Quality Authority**

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

21 December 2016

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

Dear Minister

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

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

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

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

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

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

In establishing a national authority, governments recognised the unique insights and benefits

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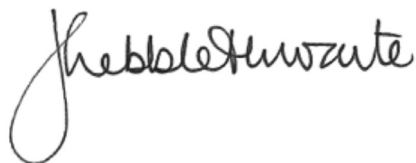
The five areas of strategic direction outlined in the Letter of Expectation provide scope for ACECQA to respond to the complex and evolving needs of the sector while continuing to meet its obligations under the National Law and the National Partnership on the National Quality Agenda. The activities identified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

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

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

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

Yours sincerely

Judy Hebblethwaite
Chair

Appendix C
ACECQA Board membership

Judy Hebblethwaite
Chair

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

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

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

Mark Brown[1]

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 in Western Australia. From 2010 he was 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.

1. Term finished 10 March 2017.

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.

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.

Catherine Hudson
Deputy Chair

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

Catherine specialises in 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 has also held a key integrity and governance position as the ACT Public Service Commissioner, including membership of the ACT Public Service Strategic Board with all Directorate Chief Executives.

She has been a Deputy Director-General in ACT Government, with responsibility for business development; ministerial, cabinet and policy coordination; workforce and governance; and media and communication.

In her previous work for the Queensland Government (Education Queensland, Queensland Health and Premier and Cabinet), 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.

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.

Professor Joce Nuttall

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

Sabine Phillips[2]

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.

2. Term finished 30 June 2017.

Nick Ryan[3]

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.

3. Term finished 30 June 2017.

Catherine Weber

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

Catherine is Deputy Under Treasurer in the Department of Treasury and Finance.

This follows her recent role of Deputy Chief Executive in the Department of Education, and a similar role in the former Department of Housing, Local Government and Regional Services, as well as 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.

Jackie Wilson

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

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

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

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

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

Naomi Wilson

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

Naomi has vast experience with the TAFE sector having set up and managed the initial Cairns TAFE child care courses. She is an experienced counsellor and operates her own counselling and consultancy clinic that supports businesses, families and councils across a wide range of issues. She has 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.

Appendix D
Board meeting attendance

Meetings of the ACECQA Board 1 July 2016 to 30 June 2017

Meeting	Date	Apologies	Location
Meeting 3/2016	15 July 2016	Robyn Layton, Nick Ryan	Sydney
Meeting 4/2016	16 September 2016	Nil	Sydney
Meeting 5/2016	25 November 2016	Joce Nuttall	Sydney
Meeting 1/2017	23–24 February 2017	Nil	Sydney
Meeting 2/2017	21 April 2017	Robyn Layton	Sydney
Meeting 3/2017	16 June 2017	Nil	Sydney

Appendix E
Board Sub Committee membership and attendance

Audit, Finance and Risk Sub Committee

Membership (established 27 May 2016)	
Mark Brown – Chair (until 10 March 2017)	Sabine Phillips
Catherine Hudson – Chair (from 11 March 2017)	Catherine Weber
Sandra Cheeseman (from 11 March 2017)	Ken Barker – External member

Attendance

Meeting	Date	Apologies	Location
Meeting 1/2016	1 July 2016	Nil	Sydney
Ad hoc meeting	8 July 2016	Nil	Teleconference
Meeting 2/2016	2 September 2016	Nil	Teleconference
Meeting 3A/2016	7 October 2016	Nil	Teleconference
Meeting 3B/2016	19 October 2016	Nil	Teleconference
Meeting 4/2016	9 November 2016	Sabine Phillips	Teleconference
Meeting 1/2017	10 February 2017	Nil	Teleconference
Meeting 2/2017	26 May 2017	Nil	Teleconference

Enterprise Agreement Sub Committee

Membership (established 27 May 2016)	
Judy Hebblethwaite – Chair	
Mark Brown (until 10 March 2017)	
Sandra Cheeseman	
Catherine Hudson	

Attendance

Meeting	Date	Apologies	Location
Meeting 2/2016	29 July 2016	Nil	Teleconference
Meeting 3/2016	12 September 2016	Nil	Teleconference

Performance and Remuneration Sub Committee

Membership (established 27 May 2016)
Judy Hebblethwaite – Chair
Catherine Hudson
Nick Ryan

Performance and Remuneration Sub Committee

Attendance

Meeting	Date	Apologies	Location
Meeting 1/2016	14 July 2016	Nil	Teleconference
Meeting 2/2016	22 July 2016	Nil	Teleconference
Meeting 3/2016	11 October 2016	Nil	Parramatta
Meeting 4/2016	14 November 2016	Nil	Sydney
Meeting 5/2016	23 November 2016	Nil	Teleconference
Meeting 1/2017	15 June 2017	Nil	Sydney

Qualifications Working Group

Membership (established 27 May 2016)
Joce Nuttall – Chair Ann Farrell Sandra Cheeseman Naomi Wilson

Attendance

Meeting	Date	Apologies	Location
Meeting 1/2016	6 July 2016	Ann Farrell	Teleconference
Meeting 2/2016	30 August 2016	Nil	Teleconference
Meeting 1/2017	15 June 2017	Naomi Wilson	Sydney

Strategic Review Working Group[1]

Membership (concluded 25 November 2016)
Judy Hebblethwaite – Chair Ann Farrell Robyn Layton Joce Nuttall Nick Ryan Jackie Wilson

1. No meetings were held in 2016–17.

Strategic Planning Working Group

Membership

Membership (established 25 November 2016)
Judy Hebblethwaite – Chair Nick Ryan Robyn Layton Sandra Cheeseman

Attendance

Meeting	Date	Apologies	Location
Meeting 1/2017	19 January 2017	Nil	Sydney

Appendix F
ACECQA major speaking and sector engagements

Engagement	Location	Date
Family Day Care Association Queensland State Family Day Care Regional Meeting – Collaborative Approach to A&R	Murarrie, QLD	20 Jul 2016
Australian Council for Educational Leaders ACEL Conference Leading in the Early Years in a New Era QLD	Brisbane, QLD	28–29 Jul 2016
Children's Services Network 4 LGA Children's Services Network Meeting	Concord, NSW	8 Aug 2016
Local Government Children's Services Manager Network Local Government Children's Services Manager Network Meeting	Pemulwuy, NSW	18 Aug 2016
Early Childhood Management Services ECMS Conference – Beyond Tomorrow Vic	Melbourne, VIC	19 Aug 2016
Queensland Children's Activities Network QCAN – The Power of Play	Gold Coast, QLD	20 Aug 2016
Semann & Slattery Filming video resource Engaging with the outcomes of the Early Years Learning Framework (EYLF)	Newtown, NSW	22 Aug 2016
Gowrie South Australia Gowrie SA – Inclusion Matters	Adelaide, SA	26 Aug 2016
European Early Childhood Education Research Association EECERA 26th Conference Dublin	Glanevin, Dublin, IRE	3 Sep 2016
Early Childhood Intervention Australia ECIA 12th Biennial National Conference – Choices that matter	Melbourne, VIC	7 Sep 2016
Australian Children's Education & Care Quality Authority ACECQA Forum	Sydney, NSW	15 Sep 2016
Australian Council for Educational Leaders ACEL National Conference	South Wharf, VIC	29 Sep 2016
Hunter TAFE Nature Connections: explorations beyond the gate	Ourimbah, NSW	30 Sep 2016
Early Childhood Australia ECA National Conference	Darwin, NT	5 Oct 2016
La Trobe University Leadership in Early Childhood Education Student Conference	Bendigo, VIC	10 Oct 2016
Australian Centre for Montessori Studies Montessori ECEC Centre Directors Forum	Brisbane, QLD	18 Oct 2016
Cumberland Council Parent Expo	Wentworthville, NSW	27 Oct 2016
Darebin City Council Darebin City Council Mentor Recognition night	Preston, VIC	27 Oct 2016
Network of Community Activities NCA Educational Leaders Symposium	Charlestown, NSW	28 Oct 2016
Early Childhood Teacher Association ECTA Mackay 'Beyond Traditions' Conference	Mackay, QLD	29 Oct 2016
Centro de Estudios Primera Infancia Skype Interview Invitation to collaborate with Chilean research study	Sydney, NSW	1 Nov 2016
Community Childcare Cooperative Educational Leaders in the Sutherland Shire Training Session	Caringbah, NSW	2 Nov 2016
Federal Government Department of Education and Training Inclusion Support Programme – Provider Workshop	Melbourne, VIC	17 Nov 2016
Network of Community Activities NCA Educational Leaders Symposium	Sydney, NSW	24 Nov 2016
Family Day Care Australia 2016 Excellence in Family Day Care Awards	Melbourne, VIC	26 Nov 2016

Engagement	Location	Date
MacDonnell Regional Council NQS in the desert Supporting quality practice in remote communities	Alice Springs, NT	29 Nov 2016
ACT Education Directorate Early Years Educators as Experts	Stirling, ACT	1 Dec 2016
Educational Leaders Association National Educational Leaders Meeting	Sydney, NSW	5 Dec 2016
Queensland University of Technology QUT – In conversation with Rhonda Livingstone	Caboolture, QLD	5 Dec 2016
The National Out of School Hours Services Association (NOSHSA) Board Meeting	Preston, VIC	16 Dec 2016
Loddon Mallee Preschool Association (LMPA) Annual Conference	Bendigo, VIC	30 Jan 2017
Bonkers Beat Music Kinder Curriculum Day	Aspendale, VIC	30 Jan 2017
Explore and Develop Nominated Supervisors Meeting	Parramatta, NSW	7 Mar 2017
Cumberland Council Leadership meeting	Merrylands, NSW	15 Mar 2017
Ministerial Advisory Council for the Child Care and Early Learning Sector meeting	Barton, ACT	30 Mar 2017
Gowrie Victoria Mission Australia Early Learning Professional Development Day	Melbourne, VIC	3 Apr 2017
University of Wollongong Australian 24-Hour Movement Guidelines Consensus	Wollongong, NSW	10 Apr 2017
Northern Territory Government, Department of Education NT School Leader's Conference	Darwin, NT	11 Apr 2017
Early Childhood Australia Reconciliation Symposium 2017	Gold Coast, QLD	6 May 2017
World Forum Foundation, Auckland NZ World Forum on Early Care and Education	Auckland, NZ	8 May 2017
Department of Education and Training Inclusion Support Program Provider workshop	Sydney, NSW	18 May 2017
Goodstart Early Learning Ltd State and Regional Managers Meeting	Sydney, NSW	24 May 2017
Yarra City Council Yarra City Early Years May Conference	Melbourne, VIC	24 May 2017
Early Learning Association Australia (ELAA)Early Childhood Education Conference	Caulfield, VIC	27 May 2017
All Areas Family Day Care Educator Conference	Parramatta, NSW	27 May 2017
Network of Community Activities Biennial Conference 2017	Manly, NSW	27 May 2017
Sutherland Shire Directors Directors Meeting	Kareela, NSW	1 Jun 2017
Australian Childcare Alliance (ACA) ACA Qld 2017 National Conference	Broadbeach, QLD	3 Jun 2017
Education Standards Board – South Australia Professional discussion with South Australian Authorised Officers	Adelaide, SA	5 Jun 2017
Early Childhood Australia Queensland Branch AGM	Herston, QLD	14 Jun 2017
Australian Family Early Childhood 2017 Australian Family Early Education & Care Awards Gala	Sydney, NSW	16 Jun 2017
Early Childhood Teachers Association (ECTA) 42nd ECTA Annual Conference	Sheldon, QLD	24 Jun 2017
NSW Department of Education Professional Learning for Executive Supervising Preschool Programs	Sydney, NSW	28 Jun 2017
Victorian Curriculum & Assessment Authority (VCAA) VCAA – DET Early Years Curriculum Forum	Melbourne, VIC	28 Jun 2017

ACECQA National Workshops

Engagement	Location	Date
Sustainable Environments	Alice Springs, NT	2 Aug 2016
Sustainable Environments	Katherine, NT	3 Aug 2016
Sustainable Environments	Palmerston, NT	4 Aug 2016
Sustainable Environments	Darwin, NT	4 Aug 2016
Agency of the Child	Stirling, ACT	20 Sep 2016
Promoting quality through staffing arrangements	Mt Claremont, WA	13 Feb 2017
Promoting quality through staffing arrangements	Kalgoorlie, WA	14 Feb 2017
Promoting quality through staffing arrangements	Booragoon, WA	16 Feb 2017
Promoting quality through staffing arrangements	Busselton, WA	16 Feb 2017
Educational Leadership	Roma, QLD	13 Mar 2017
Educational Leadership	Toowoomba, QLD	14 Mar 2017
Educational Leadership	Ipswich, QLD	15 Mar 2017
Educational Leadership	North Lakes, QLD	15 Mar 2017
Educational Leadership	Coorparoo, QLD	16 Mar 2017
Educational Leadership	Cornubia, QLD	16 Mar 2017
Educational Leadership	Southport, QLD	17 Mar 2017
Educational Leadership	Townsville, QLD	20 Mar 2017
Educational Leadership	Mackay, QLD	20 Mar 2017
Educational Leadership	Cairns, QLD	21 Mar 2017
Educational Leadership	Rockhampton, QLD	22 Mar 2017
Educational Leadership	Maroochydore, QLD	23 Mar 2017
Educational Leadership	Hamilton, QLD	24 Mar 2017
Educational Leadership	Mount Isa, QLD	27 Mar 2017
Sustainable Environments	Hobart, TAS	24 May 2017
Sustainable Environments	Hobart, TAS	24 May 2017
Sustainable Environments	Launceston, TAS	25 May 2017
Sustainable Environments	Devonport, TAS	26 May 2017
Educational Leadership	Victor Harbor, SA	6 Jun 2017
Educational Leadership	Adelaide, SA	7 Jun 2017
Educational Leadership	Adelaide, SA	7 Jun 2017
Educational Leadership	Port Lincoln, SA	8 Jun 2017

Family Day Care Australia National Engagement Program

	Location	Date
National Engagement Program – Leadership in action for action	Melbourne, VIC	25 Nov 2016
FDCA – National Engagement Program – Ready, steady, document	Melbourne, VIC	26 Nov 2016
National Engagement Program (NEP) Approved Service Forum	Adelaide, SA	10 Feb 2017
National Engagement Program (NEP) Educator Forum	Adelaide, SA	11 Feb 2017
National Engagement Program – Leadership in action for action	Melbourne, VIC	25 Nov 2016
National Engagement Program (NEP) Approved Service Forum	Adelaide, SA	3 Mar 2017
National Engagement Program (NEP) Educator Forum	Brisbane, QLD	4 Mar 2017
National Engagement Program (NEP) Approved Service Forum	Campbell Town, TAS	17 Mar 2017
National Engagement Program (NEP) Educator Forum	Campbell Town, TAS	18 Mar 2017
National Engagement Program (NEP) Approved Service Forum	Canberra, ACT	5 May 2017
National Engagement Program (NEP) Educator Forum	Canberra, ACT	6 May 2017
National Engagement Program (NEP) Approved Service Forum	Yarrawonga, NT	19 May 2017
National Engagement Program (NEP) Educator Forum	Yarrawonga, NT	20 May 2017
National Engagement Program (NEP) Approved Service Forum	Sydney, NSW	31 May 2017
National Engagement Program (NEP) Educator Forum	Sydney, NSW	3 Jun 2017
National Engagement Program (NEP) Approved Service Forum	Perth, WA	23 Jun 2017
National Engagement Program (NEP) Educators Forum	Perth, WA	24 Jun 2017

The National Out of School Hours Services Association Workshops

	Location	Date
NOSHSA National Engagement Program	Wagga Wagga, NSW	27 Feb 2017
NOSHSA National Engagement Program	Brisbane, QLD	1 Mar 2017
NOSHSA National Engagement Program	Gold Coast, QLD	2 Mar 2017
NOSHSA National Engagement Program	Preston, VIC	6 Mar 2017
NOSHSA National Engagement Program	Bendigo, VIC	7 Mar 2017
NOSHSA National Engagement Program	Geelong, VIC	8 Mar 2017
NOSHSA National Engagement Program	Dandenong, VIC	9 Mar 2017
NOSHSA National Engagement Program	Melbourne, VIC	10 Mar 2017
NOSHSA National Engagement Program	Sydney, NSW	13 Mar 2017
NOSHSA National Engagement Program	Adelaide, SA	14 Mar 2017
NOSHSA National Engagement Program	Noarlunga, SA	15 Mar 2017
NOSHSA National Engagement Program	Elizabeth, SA	16 Mar 2017

The National Out of School Hours Services Association Workshops

	Location	Date
NOSHSA National Engagement Program	Penrith, NSW	17 Mar 2017
NOSHSA National Engagement Program	Perth, WA	21 Mar 2017
NOSHSA National Engagement Program	Bunbury, WA	22 Mar 2017
NOSHSA National Engagement Program	Townsville, QLD	28 Mar 2017
NOSHSA National Engagement Program	Cairns, QLD	29 Mar 2017
NOSHSA National Engagement Program	Darwin, NT	30 Mar 2017
NOSHSA National Engagement Program	Newcastle, NSW	3 Apr 2017
NOSHSA National Engagement Program	Sydney, NSW	4 Apr 2017
NOSHSA National Engagement Program	Launceston, TAS	10 Apr 2017
NOSHSA National Engagement Program	Hobart, TAS	11 Apr 2017

Victorian Inclusion Agency Workshops

	Location	Date
Victorian Inclusion Support Programme (ISP) Expo	Maribyrnong, VIC	30 May 2017
Victorian Inclusion Support Programme (ISP) Expo	Wangaratta, VIC	1 Jun 2017
Victorian Inclusion Support Programme (ISP) Expo	Whittlesea, VIC	13 Jun 2017
Victorian Inclusion Support Programme (ISP) Expo	Geelong, VIC	14 Jun 2017
Victorian Inclusion Support Programme (ISP) Expo	Dandenong, VIC	19 Jun 2017
Victorian Inclusion Support Programme (ISP) Expo	Mildura, VIC	21 Jun 2017

Index

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