Australian Children's
Education & Care
Quality Authority

National Partnership Annual Performance Report

National Quality Agenda

December 2018

Contents

Interactive versions of the charts in this report are available at acecqa.gov.au/APR.

Foreword from the ACECQA Chair

On behalf of ACECQA, and following consideration by the COAG Council, I am pleased to present the second Annual Performance Report on the National Partnership on the National Quality Agenda for Early Childhood Education and Care (NP NQA). It is evidence of the commitment by all Australian governments to openness, transparency and accountability in publicly reporting on the objectives and outcomes of the NP NQA.

While the end of 2018 signals the conclusion of the NP NQA, the National Quality Framework (NQF) itself continues to go from strength to strength.

The objectives of the NQF – notably, ensuring the safety, health and wellbeing of children attending education and care services, and improving their educational and developmental outcomes – remain as vital as ever and, with more than 15,700 covered, it continues to apply to the vast majority of education and care services across Australia.

Investment by governments and providers in quality education and care can result in immediate and profound benefits for individual children and their families, and also contributes to broader long term societal and economic gains.

This second report builds on last year's inaugural report and focusses on progress made during 2017-18. Each chapter provides an introductory overview with references to last year's report for more detailed background.

A number of important developments occurred during 2017-18, including the implementation of changes to the NQF, as well as the publication of the Guide to the National Quality Framework in late 2017. These have contributed to strengthening quality in children's education and care, while at the same time reducing red tape for the sector.

Pleasingly, a range of indicators in this year's report suggest the NQF is realising a number of its intended benefits. For example, more than three quarters of education and care services meet all of the elements of quality assessed under the National Quality Standard (NQS), with the majority improving their quality rating at reassessment.

Last year, I highlighted the ongoing challenge to effectively communicate with families and the broader community about the importance of high quality education and care, and the positive and sustained difference it can make to children's learning and development. This year's report re-emphasises this challenge and ACECQA looks forward to continuing to work with all governments to explore opportunities and implement activities to increase the level of knowledge and awareness of the NQF and NQS across Australia.

Judy Hebblethwaite
ACECQA Chair

Overview of the education and care sector

As at 30 June 2018:

- more than 15,700 education and care services were approved to operate under the National Quality Framework (NQF), including:
  - » 7455 long day care services (47% of approved services)
  - » 4443 outside school hours care services (28%)
  - » 3101 preschools/kindergartens (20%)
  - » 756 family day care services (5%).
- more than 7300 providers were approved to operate education and care services, with 82% of these approved to operate a single education and care service
- the 10 largest providers in the country each operate more than 100 education and care services, for a combined total of more than 3000 services
- 'private for profit' providers operate more than 70 per cent of approved family day care services, almost two thirds of approved long day care services and approaching half of approved outside school hours care services
- half of approved preschools/kindergartens are operated by 'private not for profit community managed' providers, with approaching a quarter being 'state/ territory and local government managed'
- more than 14,700 education and care services had a published quality rating against the National Quality Standard (NQS), of which more than 11,500 (78% of quality rated services) were rated Meeting NQS or above.

It is estimated that there are more than 200,000 staff employed in education and care services, with around 900,000 families accessing education and care services for around 1.3 million children, of which approximately:

- 700,000 children attend long day care services
- 400,000 children attend outside school hours care services
- 200,000 children attend family day care services.

On average, children attend long day care and family day care services for around 30 hours per week, while children attend outside school hours care services for around 12 hours per week.

Collectively, preschools/kindergartens, long day care services and outside school hours care services are referred to as centre-based care services. In total, there were 15,007 NQF-approved centre-based care services as at 30 June 2018.

Preschools in Tasmania, and most preschools in Western Australia, are outside of the scope of the NQF, as are some other types of services nationally, such as occasional care services.

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1. Data on the education and care sector has been drawn from the National Quality Agenda IT System (NQA ITS) and the *Early Childhood and Child Care in Summary*, December quarter 2017.

Sector profile

Total **225** — CB 221 / FDC 4

Total **1182** — CB 1146 / FDC 36

Total **2917** — CB 2798 / FDC 119

NT

QLD

WA

SA

NSW

Total **5428** — CB 5181 / FDC 247

Total **1172** — CB 1157 / FDC 15

ACT

VIC

Total **358** — CB 344 / FDC 14

Total **4249** — CB 3940 / FDC 309

TAS

Total **232** — CB 220 / FDC 12
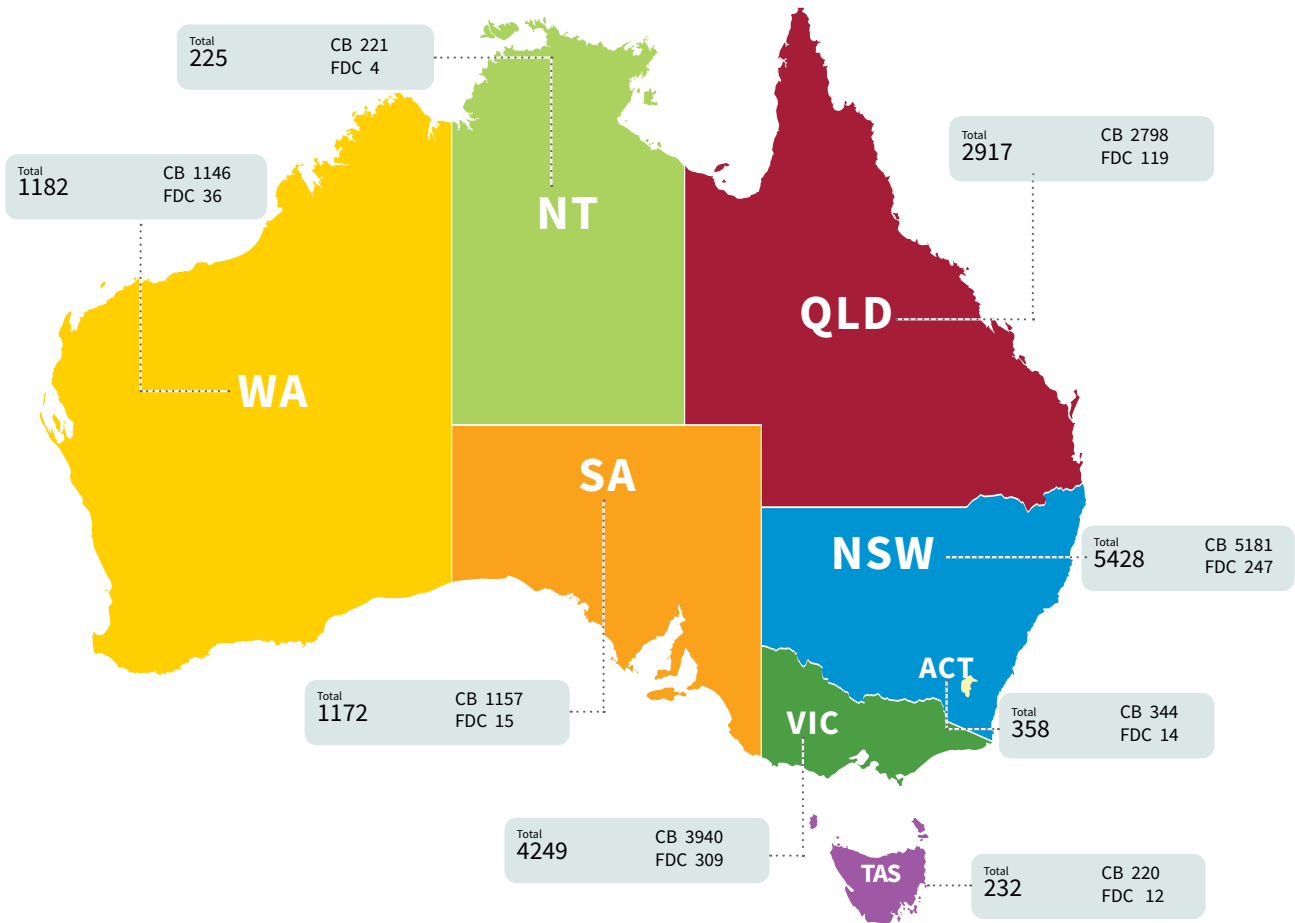
Total Centre-based (CB)	Total Family day care (FDC)	Total
15,007 (95%)	756 (5%)	15,763

Provider management type	Number of services	Proportion of services
Private for profit	7467	47%
Private not for profit community managed	3512	22%
Private not for profit other organisations	2099	13%
State/Territory and Local Government managed	1282	8%
State/Territory government schools	704	4%
Independent schools	481	3%
Catholic schools	177	1%

Executive summary

Well over one million children in Australia attend early childhood and outside school hours care services.

Australia's National Quality Framework (NQF) for early childhood and outside school hours care services aims to ensure that all children attending regulated services receive educational and developmental benefits, including benefits to their health and wellbeing. It represents a **nationwide commitment to quality education and care for our youngest citizens**.

Governments regulate more than 15,700 services under the NQF, with individual children attending services for anywhere from a few irregular hours to more than 50 hours every week.

Making the decision to use an education and care service, and choosing which service to use, can be a stressful and emotive experience, particularly for new parents and recent arrivals to Australia.

The NQF exists to provide assurance and guidance to parents and carers. A national law and regulations govern the minimum standards and requirements that all providers of regulated services must meet in order to operate. There is also a National Quality Standard (NQS) used by all governments to quality assess and rate services.

More than six years since it was introduced on 1 January 2012, there are a range of indicators and measures that would suggest **the NQF is achieving a number of its objectives**.

Foremost among these are the assessment and rating results against the NQS. There are increasingly strong and encouraging signs that **continuous quality improvement is occurring under the NQF**. The proportion of education and care services rated Meeting NQS or above has increased every year since the NQF was introduced (see **Figure 1**). As at 30 June 2018, 78% of services were rated Meeting NQS or above, with 33% of these services rated Exceeding NQS or above (see **Figure 2**). These overall improvements are replicated across all seven quality areas of the NQS.

Figure 1: Proportion of services rated Meeting NQS or above by overall rating and quality area
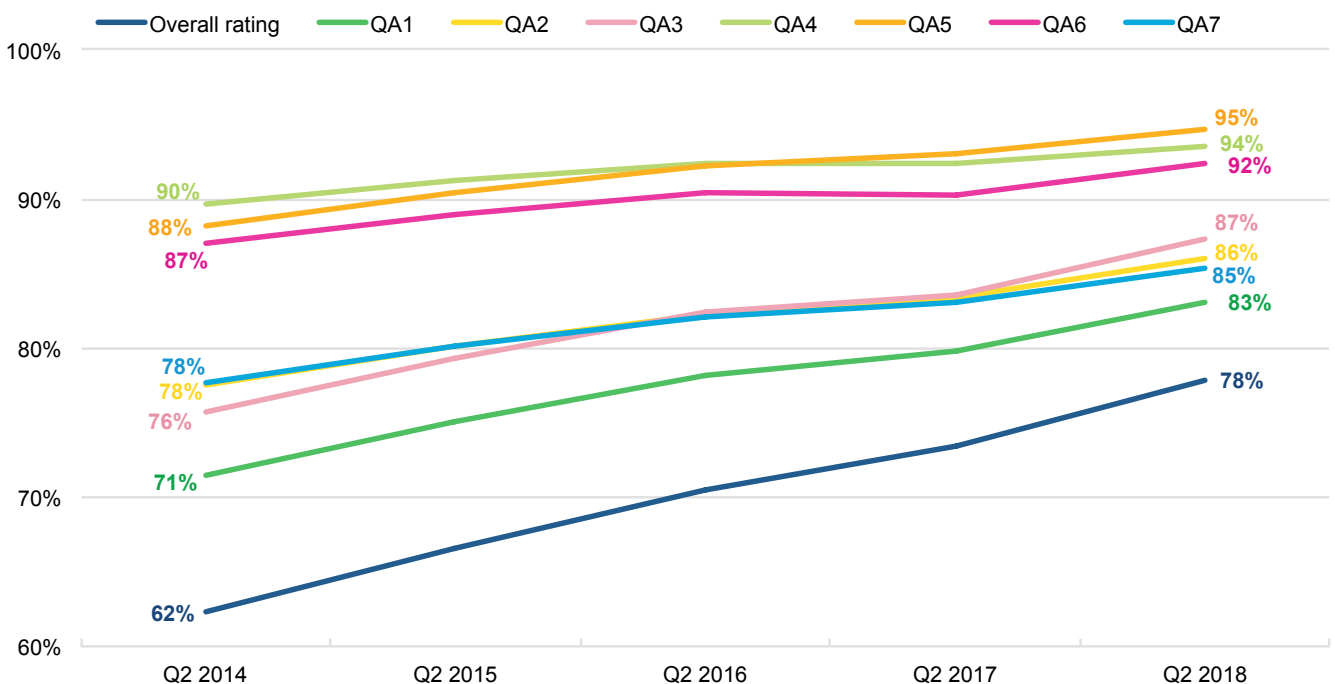
Furthermore, based on almost 5000 reassessments of education and care services, two-thirds (66%) of services originally rated Working Towards NQS improved their quality rating to Meeting NQS or above after reassessment.

While the overall picture is positive, there remain **noticeable differences in quality rating results in some parts of the education and care sector**. For example, as at 30 June 2018, a third (33%) of services located in remote and very remote areas were rated Working Towards NQS, compared to a fifth (20%) of services in metropolitan and regional areas. Of services located in the least disadvantaged areas 39% were rated Exceeding NQS, compared to 31% of services in the most disadvantaged areas.

It is also important to remember that, while continuous quality improvement is occurring, 'quality' is not something that will ever be 'finished'. Continuous quality improvement means just that. The fact that 22% of services are rated below Meeting NQS, and 9% of services receive a lower quality rating after reassessment, emphasises the significant ongoing work required.

With 94% of education and care services having received at least one quality assessment and rating against the NQS, there is a **wealth of information publicly available to inform and guide parental and carer choice**.

However, research undertaken by governments and ACECQA continues to indicate that **families' awareness and use of the quality ratings remains low**. While the research shows that quality matters to parents and carers, and that the dimensions of quality expected by parents and carers closely align with the elements of the NQS, this is offset and often nullified by the fact that parents and carers typically do not know about the NQF or the NQS.

Given that a primary audience for publicly available quality ratings is families, this is disappointing. However, it should be viewed in the context of the NQF still being a relatively new model of regulation. It also offers a valuable opportunity to build on families' interest in quality and raise awareness of the NQF and the NQS, as well as the importance of quality education and care, in particular the enduring positive impact that it can have.

Figure 2: Proportion of services rated Exceeding NQS or above by overall rating and quality area
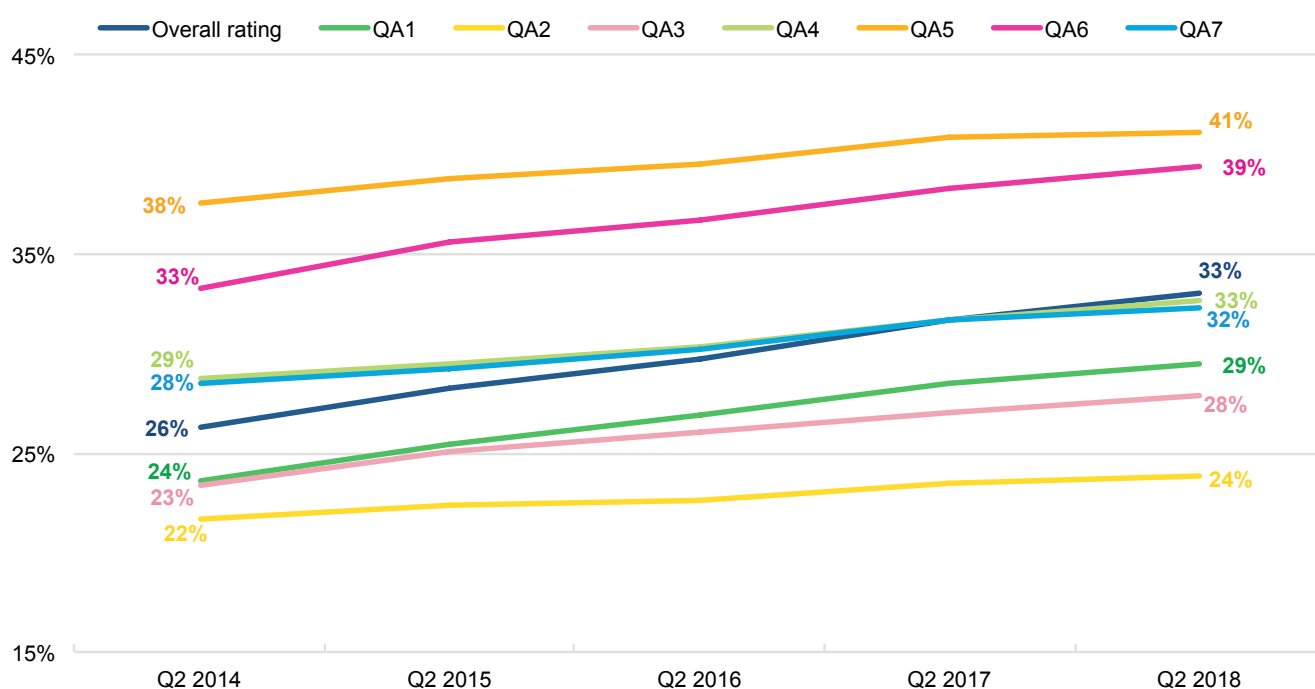
Achieving a step change in the level of awareness will likely require significant investment and a co-ordinated and ongoing national communications strategy aimed at families, promoting the importance and benefits of early childhood education.

A **highly skilled education and care workforce is pivotal to the ongoing success of the NQF**. While the proportion of services rated Meeting NQS or above for Quality Area 4 (Staffing arrangements) has steadily increased, there remain persistent and ongoing staff recruitment and retention issues, particularly in relation to early childhood teachers and services located in remote and very remote areas.

Another objective of the NQF is to improve efficiency in the regulation of education and care services, including the reduction of regulatory burden. In 2018, the NQS was reduced from 18 to 15 standards and 58 to 40 elements to provide greater clarity and remove overlap and duplication between elements and standards. ACECQA's fifth regulatory burden survey indicates that the majority (59%) of providers perceive these changes to the NQS to be more beneficial than burdensome.

Over the lifetime of ACECQA's regulatory burden survey (2013-18), **overall support for the NQF has remained very strong**, with between 97-99% of providers being supportive, and around two thirds to three quarters of providers being highly supportive.

Looking to the future, as children who have attended NQF services advance through other stages of their lives, there will be **valuable opportunities to examine the medium and longer term impacts of high quality education and care**.

As highlighted in this year's and last year's report, measuring and evaluating improvement in the educational and developmental outcomes for children attending education and care services represents a significant challenge, not least because of the need to link disparate data sets to track the educational and developmental journey of individual children, as well as the length of time required to elapse before a comprehensive and in-depth assessment of educational and developmental outcomes can be made.

Nevertheless, these issues should not prevent or curtail existing and ongoing efforts to provide a more holistic examination and evaluation. Indeed, in the years to come, there should be increased focus and investment on these very efforts. If successful, they will provide firm evidence as to whether the NQF has delivered lasting benefits for children in Australia.

Report snapshot

More services meet or exceed health and safety standards

Chapter 1
Safety, health and wellbeing

Educational program and practice has improved across all service types

Chapter 2
Educational and developmental outcomes

Service quality has improved in the most disadvantaged areas

Chapter 3
Social inclusion

Families' awareness of the quality rating system remains low

Chapter 4
Knowledge and access to information

Governments and ACECQA continue to make the NQF more efficient

Chapter 5
Efficiency and cost effectiveness

Support for the NQF remains strong

Chapter 6
Regulatory burden

Latest available data suggest a reduction in enrolments in early childhood education and care qualifications

Chapter 7
Skilled workforce

Key messages

- The National Quality Framework (NQF) recognises that children's safety, health and wellbeing lay the foundation for happy, healthy, self-confident and optimistic individuals.

- The first objective of the NQF outlined in the Education and Care Services National Law is to ensure the safety, health and wellbeing of children attending education and care services, with the first guiding principle being that the rights and best interests of the child are paramount.

- The NQF aims to achieve these goals through a number of methods, including several explicit requirements and obligations within the National Law and Regulations, as well as the quality assessment and rating of services against the National Quality Standard (NQS).

- Quality Area 2 of the NQS encompasses standards and elements that address the health and safety of children attending education and care services.

- In 2017/18, the proportion of services rated Meeting NQS or above for Quality Area 2 increased for all service types.

- The number of Significant Improvement Required ratings decreased in 2017/18, largely due to fewer family day care services receiving the rating in 2017/18 compared to 2016/17.

- The rate of serious incidents per 100 approved services in 2017/18 was very similar to the rate in 2016/17. When compared to the estimated total number of children attending services, this equates to a rate of approximately one incident per 100 children.

- The proportion (45%) of services reporting one or more serious incidents in 2017/18 was very similar to the proportion (43%) in 2016/17.

- The rate of confirmed breaches per 100 approved services in 2017/18 was higher than the rate in 2016/17.

- The proportion of services that had one or more confirmed breaches increased from 21% in 2016/17 to 33% in 2017/18.

- Differences in the number and rate of confirmed breaches over time may be influenced by changes in state and territory regulatory authorities' approaches to compliance and monitoring activities. This may include an increased focus on sector compliance with the requirements of the National Law and Regulations.

- Data concerning confirmed breaches is not comparable across jurisdictions due to differences in administrative and reporting procedures.

- The most commonly breached provisions of the National Law and Regulations in 2017/18 continued to be offences related to protection of children from harm and hazards, inadequate supervision of children, emergency and evacuation procedures, and the upkeep of premises, furniture and equipment.

Overview

One of the objectives of the National Quality Framework (NQF) is to ensure the safety, health and wellbeing of children attending education and care services, with one of its guiding principles being that the rights and best interests of the child are paramount.

The National Law and Regulations include several explicit requirements and obligations aimed at ensuring children's safety, health and wellbeing, such as: health, hygiene and safe food practices, incident, injury, trauma and illness policies and procedures, emergency and evacuation procedures, and risk assessments.

While considerations relating to children's safety, health and wellbeing are embedded throughout the National Quality Standard (NQS), they are the focus of Quality Area 2 (Children's health and safety).

Children's health and safety quality rating results

Figure 1.1 compares performance against Quality Area 2 over time, showing the proportion of services that were rated Meeting NQS or above.

As at 30 June 2018, 86% of services were rated Meeting NQS or above for Quality Area 2, an increase of three percentage points from 30 June 2017.

As at 30 June 2018, 86% of services were rated Meeting NQS or above for Quality Area 2, an increase of three percentage points from 30 June 2017.

Figure 1.1: Proportion of services rated Meeting NQS or above for Quality Area 2
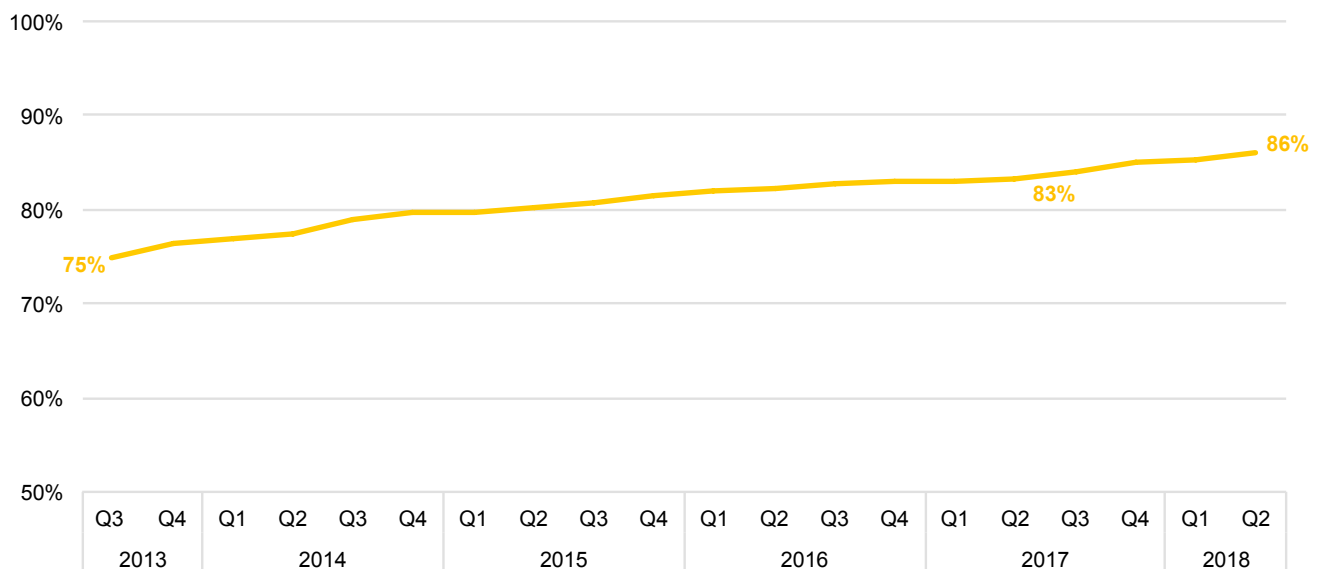
Service type

Figure 1.2 shows that since 30 June 2017, the proportion of services rated Meeting NQS or above for Quality Area 2 has increased for all service types.

As at 30 June 2018, preschools/kindergartens continue to have the highest proportion of approved services rated Meeting NQS or above for Quality Area 2 (96%, an increase of one percentage point from 30 June 2017), followed by long day care services (87%, an increase of five percentage points), outside school hours care services (83%, an increase of two percentage points) and family day care services (56%, an increase of one percentage point).

As at 30 June 2018, preschools/kindergartens (96%) continued to most likely be rated Meeting NQS or above for Quality Area 2, while family day care services (56%) continued to be least likely.

Figure 1.2: Proportion of services rated Meeting NQS or above for Quality Area 2, by service type
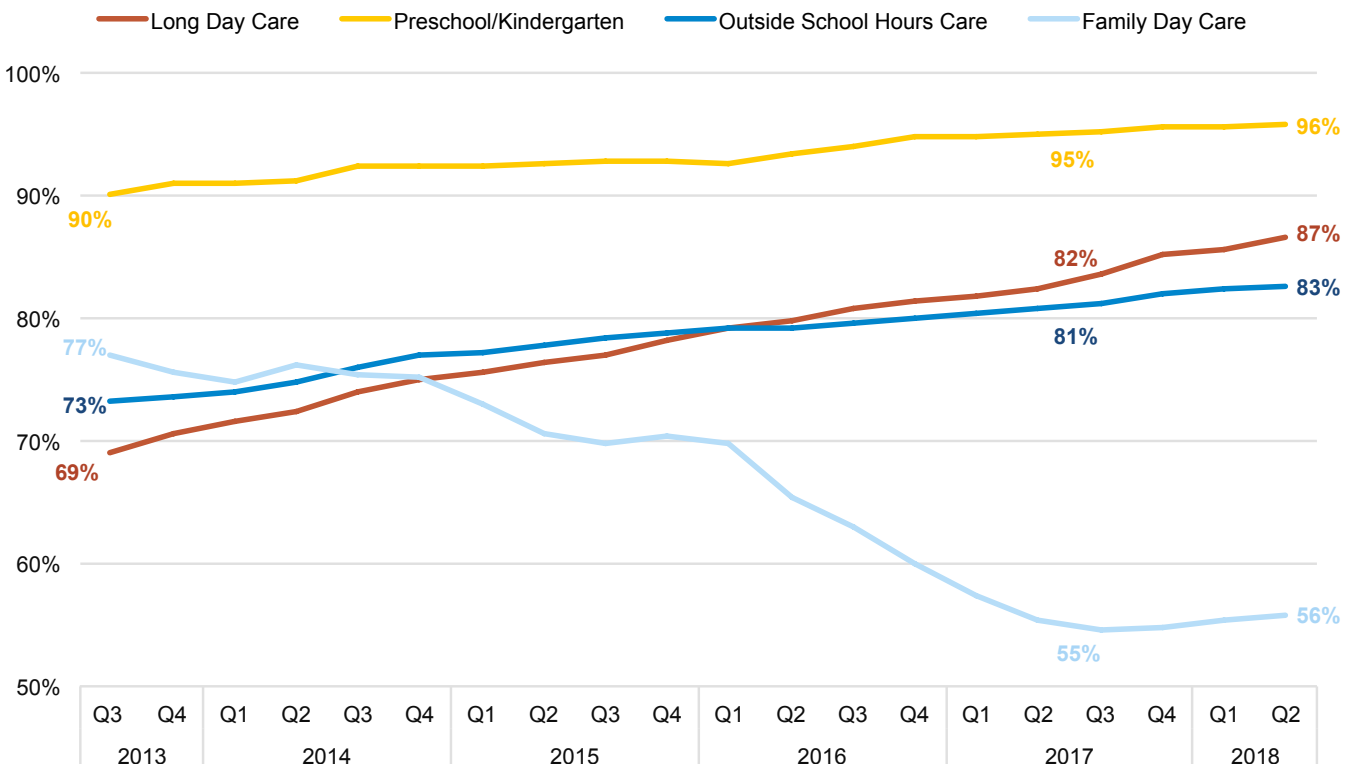
Remoteness classification

Figure 1.3 presents the distribution of centre-based services rated Meeting NQS or above for Quality Area 2 over time according to the Accessibility/Remoteness Index of Australia (ARIA+).[1]

As at 30 June 2018, the proportion of services rated Meeting NQS or above for Quality Area 2 had increased in all remoteness classifications, compared to a year before. Inner Regional areas (89%), Outer Regional areas (87%) and Major Cities (87%) had the highest proportion of services rated Meeting NQS or above, while Remote (85%) and Very Remote (75%) areas had the lowest proportion.

The number of quality rated centre-based services in Remote (181) and Very Remote (118) areas should also be noted, as the relatively low numbers can lead to fluctuations over time.

As at 30 June 2018, the proportion of services rated Meeting NQS or above for Quality Area 2 had increased for all geographic areas, compared to a year before.

Figure 1.3: Proportion of centre-based services rated Meeting NQS or above for Quality Area 2, by remoteness classification
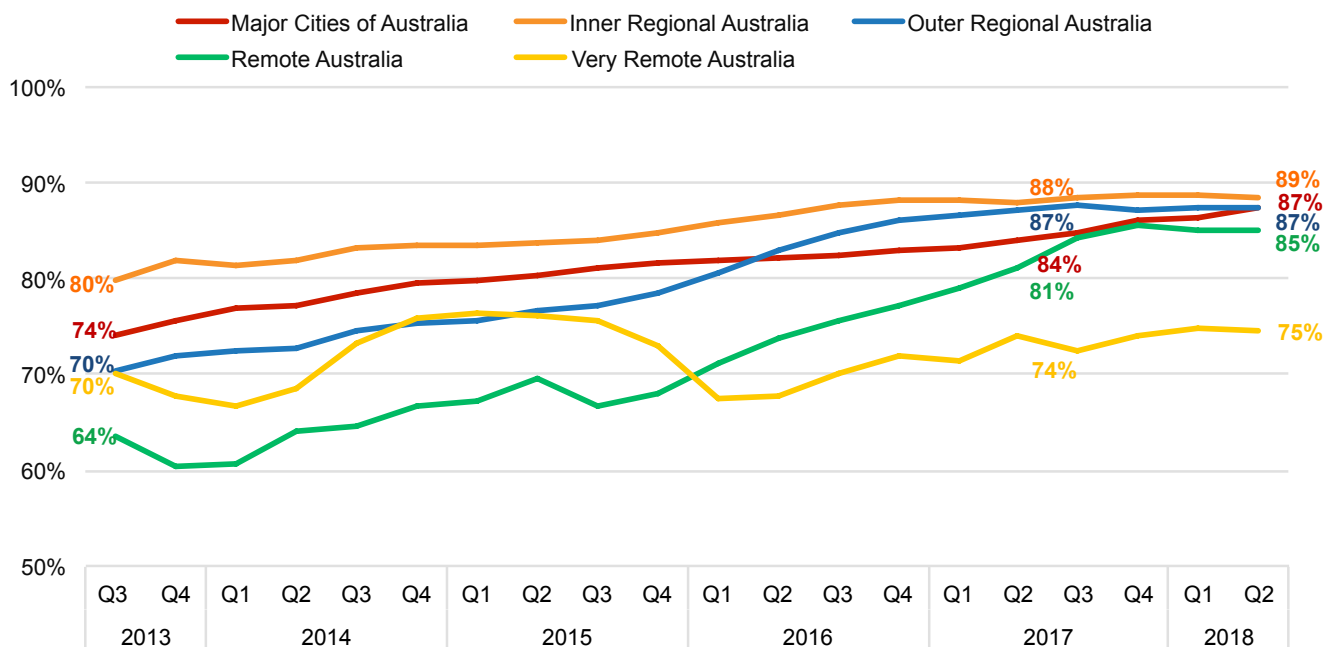
1. Family day care services are excluded from remoteness classification as their approval is not specific to one location.

Use of the Significant Improvement Required rating

State and territory regulatory authorities may rate a service Significant Improvement Required (SIR) for a standard and/or quality area where the service fails to meet a quality area or comply with a relevant regulation in a manner that constitutes a significant risk to the health, safety or wellbeing of children at the service. A rating of SIR in one standard or quality area results in the service receiving an overall rating of SIR.

Table 1.1 shows that, as at 30 June 2018, the SIR rating has been issued by state and territory regulatory authorities on 115 occasions.

In 2016/17, there was a marked increase in the number of SIR ratings (49 in total – more than in the previous four financial years combined),most notably for family day care and outside school hours care services.

In 2017/18, while the number of SIR ratings issued was the second highest for any financial year to date, there was a sharp decrease in the number of SIR ratings compared to 2016/17.

As at 30 June 2018, no preschool/kindergarten has been issued an SIR rating.

Table 1.2 shows that 101 services have been rated SIR as at 30 June 2018. In total, 51 family day care, 32 long day care and 18 outside school hours care services have received the rating. Thirteen of these services have received the rating more than once.

The number of SIR ratings should be viewed in the context of the number of services with a quality rating. As at 30 June 2018, 14,794 services had a published quality rating.

Table 1.1: Number of Significant Improvement Required ratings issued, by service type

Financial year	Long day care	Preschool / Kindergarten	Outside school hours care	Family day care	Total
2012/13	10	0	0	2	12
2013/14	4	0	4	1	9
2014/15	4	0	0	8	12
2015/16	2	0	1	11	14
2016/17	5	0	11	33	49
2017/18	9	0	4	6	19
Total	**34**	**0**	**20**	**61**	**115**

Table 1.2: Number of services rated Significant Improvement Required, by service type

Service type	Number of services rated SIR	Number of services rated SIR more than once
Family day care	51	9
Long day care	32	2
Outside school hours care	18	2
Total	**101**	**13**

As at 30 June 2018, of the 101 services that have been rated SIR, 30 are no longer approved to operate under the NQF, and five received the rating during the 2018 calendar year (i.e. within the last six months).

Figure 1.4 shows that 63 services rated SIR have subsequently been reassessed on one or more occasions. Of these 63 services, 49 (78%) were rated at Working Towards NQS or above as at 30 June 2018.

Figure 1.4: Current quality rating of services that have been reassessed on one or more occasions who were originally rated Significant Improvement Required

Chapter 1 - Safety, health and wellbeing of children attending education and care services
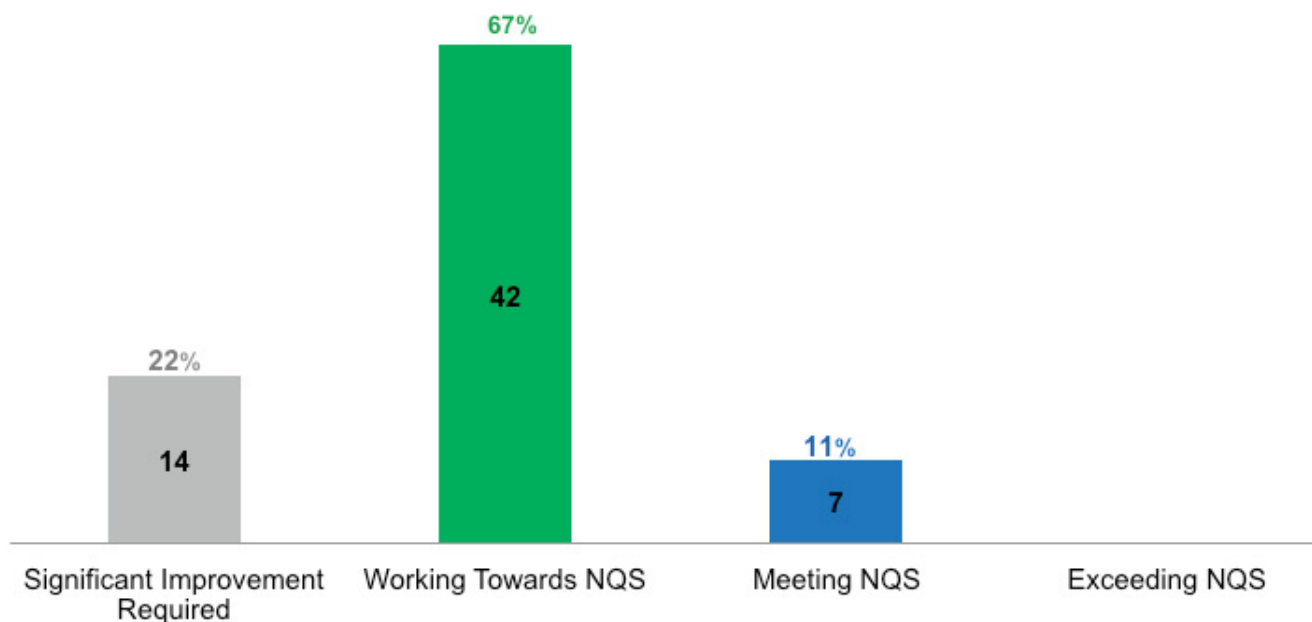
Serious incidents

Providers are required to notify regulatory authorities of serious incidents that occur at their services, such as injury, trauma or illness requiring medical attention or hospital attendance.

A low or decreasing rate of serious incidents over time may suggest that the NQF is achieving one of its key objectives in ensuring the health, safety and wellbeing of children in education and care.

However, it should be noted that, in common with other sectors, there is an ongoing challenge to mediate 'over' and 'under' reporting of serious incidents by service providers. For example, a provider might report a relatively high number of serious incidents because of robust and comprehensive reporting mechanisms, overly cautious reporting procedures, unique child cohorts and service circumstances, or because of poor health and safety standards.

Similarly, a provider might report a relatively low number of serious incidents because of exceptional health and safety standards, lax reporting procedures, or because of restrictive learning and development opportunities.

It is also important to consider the data in the context of the number of children attending education and care services (for example, more than 700,000 children attend long day care services, more than 400,000 attend outside school hours care services, and approaching 200,000 attend family day care services).

Table 1.3 shows that, in 2017/18, there was a rate of 98 serious incidents per 100 approved services, compared to a rate of 99 serious incidents per 100 approved services in 2016/17.

When compared to the estimated number of children attending services, this equates to a rate of approximately one incident per 100 children.

In 2017/18, long day care services continued to have the highest rate of serious incidents (133 serious incidents per 100 approved long day care services). This is unsurprising given the size of long day care services, the number and age of children attending, and the duration that they attend for.

In terms of comparisons between 2017/18 and 2016/17, long day care and preschool/kindergarten were the only service types to decrease in the rate of serious incidents, while the rate for other service types increased. The year on year rates for all service types were largely consistent.

Table 1.3: Rate of serious incidents by service type (using number of approved services)[2]

Service type	Rate per 100 approved services	
	2016/17	2017/18
Long day care	140	133
Family day care	67	78
Outside school hours care	64	67
Preschool/Kindergarten	41	39
Total	**99**	**98**

2. Rate is calculated by dividing the number of serious incidents during the financial year by the number of NQF approved services as at 30 June (the final day of that financial year), multiplied by 100.

An alternative approach to estimating a rate of serious incidents is to use the total number of approved places for each centre-based care service type, rather than the total number of approved services. This approach recognises that there are differences in the average number of children who attend the different centre-based care service types. For example, as at 30 June 2018, there was an average of 69 approved places across outside school hours care services, compared to an average of 67 approved places for long day care services, and 38 approved places for preschools/kindergartens.

It is important to note, however, that the number of approved places is not the same as the actual number of children in attendance at a centre-based care service. Therefore, approved places is a proxy for the number of children.

Table 1.4 shows that long day care services (1.98) had the highest rate of serious incidents per 100 approved places, followed by preschools/kindergartens (1.29) and outside school hours care services (1.11).

It is also important to note that neither approach (using number of approved services or number of approved places) to estimate a rate of serious incidents by service type accounts for the different average lengths of time or ages of children in attendance.

Table 1.5 shows 45% of approved services reported one or more serious incidents in 2017/18, very similar to the proportion of 43% in 2016/17.

Long day care services continued to have the highest proportion of services reporting one or more serious incidents, while the proportion of family day care services reporting at least one serious incident increased six percentage points in 2017/18.

Table 1.4: Rate of serious incidents by service type (using number of approved places)[3,4]

Service type	Rate per 100 approved services	
	2016/17	**2017/18**
Long day care	2.13	1.98
Preschool/Kindergarten	1.35	1.29
Outside school hours care	1.07	1.11
Total	**1.67**	**1.61**

Table 1.5: Proportion of services reporting one or more serious incidents by service type

Service type	% of all approved services as at 30 June	
	2016/17	**2017/18**
Long day care	56%	56%
Outside school hours care	36%	37%
Preschool/Kindergarten	31%	32%
Family day care	22%	28%
Total	**43%**	**45%**

3. Rate is calculated by dividing the number of serious incidents during the financial year by the number of approved places as at 30 June (the final day of that financial year), multiplied by 100.

4. Excludes family day care services as the number of approved places is not recorded for this service type.

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Table 1.6: Proportion of serious incidents by category

Service type	% of all serious incidents	
	2016/17	**2017/18**
Injury/Trauma/Illness	84.3%	81.3%
Emergency services attended	9.0%	10.4%
Child missing or unaccounted for	5.5%	6.6%
Child locked in/out of the service	0.9%	1.3%
Child taken away or removed	0.3%	0.4%

Table 1.6 shows that incidents involving injury, trauma or illness continue to account for a very large proportion of all reported serious incidents. Compared to 2016/17, the proportion of serious incidents involving injury, trauma or illness decreased by three percentage points, while the proportion of serious incidents for each of the other categories increased slightly.

Confirmed breaches

A 'confirmed breach' is recorded within the NQA ITS when a regulatory authority finds that a provider, nominated supervisor or family day care educator has failed to abide by relevant legislation, regulations or conditions at an NQF approved service.

Not all confirmed breaches represent a risk to children's health, safety or wellbeing, and the degree of risk varies in individual situations. For example, a breach may relate to a failure to display prescribed information at the service premises. It is also important to note that multiple confirmed breaches can be the result of a single event.

Table 1.7 shows that, in 2017/18, there was an increased rate of confirmed breaches per 100 approved services (126 per 100 approved services compared to a rate of 98 confirmed breaches per 100 approved services in 2016/17).

Family day care services continued to have the highest rate of confirmed breaches, however it was the only service type that decreased its rate of confirmed breaches (from 307 per 100 approved services in 2016/17 to 296 per 100 approved services in 2017/18).

The most notable year on year increase was for outside school hours care services, from a rate of 61 confirmed breaches per 100 services in 2016/17 to a rate of 82 confirmed breaches per 100 services in 2017/18.

An increased focus by a number of states and territories on compliance with the requirements of the National Law and Regulations is likely to have contributed to the increases in the rates of confirmed breaches across the sector in 2017/18.

Table 1.7: Rate of confirmed breaches by service type[5]

Service type	Rate per 100 approved services	
	2016/17	**2017/18**
Family day care	307	296
Long day care	115	155
Outside school hours care	61	82
Preschool/Kindergarten	28	43
Total	**98**	**126**

5. Rate is calculated by dividing the number of confirmed breaches during the financial year by the number of NQF approved services as at 30 June (the final day of that financial year), multiplied by 100.

Table 1.8 shows that the proportion of services with one or more confirmed breaches represents 33% of all approved services as at 30 June 2018. This is an increase of 12 percentage points compared to the proportion as at 30 June 2017.

The largest year on year increases relate to preschools/kindergartens (+17 percentage points) and outside school hours care services (+14 percentage points).

Table 1.9 shows that the following two sections continue to be the most frequently breached sections of the National Law:

- Section 167 (the approved provider, nominated supervisor and family day care educator must ensure that every reasonable precaution is taken to protect children from any harm and any hazard likely to cause injury): 29%

- Section 165 (the approved provider, nominated supervisor and family day care educator must ensure all children being educated and cared for by the service are adequately supervised at all times): 21%.

These two sections of the National Law are central to ensuring children's health, safety and wellbeing. They are also interrelated in that providing adequate supervision significantly contributes to protecting children from harm and hazard. Furthermore, the very broad nature of Section 167 means that it may be relevant in a wide range of circumstances.

The most notable year on year change relates to Section 165, where the proportion of all confirmed breaches has risen by five percentage points between 2016/17 and 2017/18.

Table 1.8: Proportion of services with one or more confirmed breaches recorded in the NQA ITS by service type

Service type	% of approved services	
	2016/17	**2017/18**
Long day care	27%	37%
Family day care	37%	34%
Outside school hours care	16%	30%
Preschool/Kindergarten	11%	28%
Total	**21%**	**33%**

Table 1.9: Most frequently breached sections of the National Law

Section	Offence	% of all confirmed breaches	% of all confirmed breaches
		2016/17	**2017/18**
167	Offence relating to protection of children from harm and hazards	30%	29%
165	Offence to inadequately supervise children	16%	21%
174	Offence to fail to notify certain information to Regulatory Authority	10%	9%
172	Offence to fail to display prescribed information.	7%	7%
168	Offence relating to required programs	7%	6%

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Table 1.10 shows that Regulation 97 (emergency and evacuation procedures) was the most frequently breached of the National Regulations in 2017/18, an increase of three percentage points from 2016/17.

Regulation 97 was closely followed by Regulation 103 (premises, furniture and equipment to be safe, clean and in good repair), which had been the most frequently breached regulation in 2016/17.

The same four regulations (Regulation 97, 103, 173 and 170) were the most frequently breached in both 2017/18 and 2016/17.

Table 1.10: Most frequently breached regulations of the National Regulations

Regulation	Offence	% of all confirmed breaches	% of all confirmed breaches
		2016/17	2017/18
97	Emergency and evacuation procedures	7%	10%
103	Premises, furniture and equipment to be safe, clean and in good repair	11%	10%
173	Prescribed information to be displayed	5%	5%
170	Policies and procedures to be followed	5%	5%
147	Staff members	4%	5%

References

Australian Children's Education and Care Quality Authority (2017), *National Partnership Annual Performance Report*, Sydney.

Educational and developmental outcomes for children

Key messages

- The National Quality Framework (NQF) seeks to improve the educational and developmental outcomes for children attending education and care services.

- The second objective of the NQF outlined in the Education and Care Services National Law is to improve the educational and developmental outcomes for children attending education and care services, with the second guiding principle being that children are successful, competent and capable learners.

- There is strong evidence that quality education and care makes a significant difference in improving children's future cognitive, educational, physical, social and emotional outcomes.

- Central tenets of the NQF are research-based and designed to make a difference to children's educational and developmental outcomes.

- Quality Area 1 of the National Quality Standard (NQS) provides a detailed assessment of a service's educational program and practice, and has consistently been the most challenging of the seven quality areas for services to meet.

- In 2017/18, the proportion of services rated Meeting NQS or above for Quality Area 1 increased for all service types.

- State and territory regulatory authorities have undertaken more than 4800 quality rating reassessments. Two-thirds of services previously rated Working Towards NQS improved their overall quality rating at reassessment.

- Measuring and evaluating improvement in the educational and developmental outcomes for children attending education and care services represents a significant challenge, not least because of the need to link disparate data sets to track the educational and developmental journey of individual children, as well as the length of time required to elapse before a comprehensive and in-depth assessment of educational and developmental outcomes can be made.

Overview

One of the objectives of the National Quality Framework (NQF) is to improve the educational and developmental outcomes for children attending education and care services, with one of its guiding principles being that children are successful, competent and capable learners.

There is strong evidence that quality education and care makes a significant difference in improving children's future cognitive, educational, physical, social and emotional outcomes (see Annual Performance Report 2017 for more detail).

The NQF approved learning frameworks (for example, The Early Years Learning Framework, and the Framework for School Age Care) outline practices that support and promote children's development and learning. These practices are also the focus of Quality Area 1 (Educational program and practice) of the National Quality Standard (NQS).

Educational program and practice quality rating results

Figure 2.1 compares performance against Quality Area 1 over time, showing the proportion of services that were rated Meeting NQS or above.

As at 30 June 2018, 83% of services were rated Meeting NQS or above for Quality Area 1, an increase of three percentage points from 30 June 2017.

There is strong evidence that quality education and care makes a significant difference in improving children's future cognitive, educational, physical, social and emotional outcomes.

Figure 2.1: Proportion of services rated Meeting NQS or above for Quality Area 1
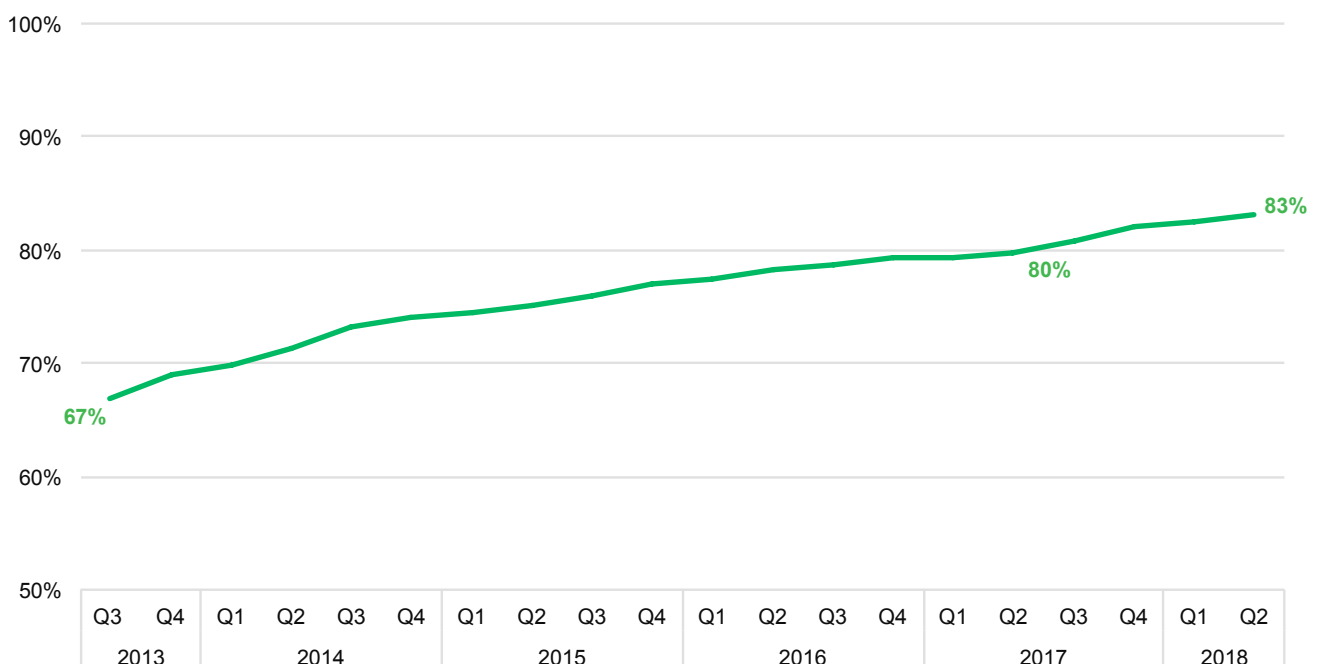
Service type

Figure 2.2 shows that since 30 June 2017, the proportion of services rated Meeting NQS or above for Quality Area 1 has increased for all service types.

As at 30 June 2018, preschools/kindergartens continue to have the highest proportion of approved services rated Meeting NQS or above for Quality Area 1 (95%, an increase of one percentage point from 30 June 2017), followed by long day care services (85%, an increase of five percentage points), outside school hours care services (77%, an increase of three percentage points) and family day care services (50%, an increase of one percentage point).

Following a prolonged period of decline, the proportion of family day care services rated Meeting NQS or above for Quality Area 1 has stabilised since the start of 2017.

As at 30 June 2018, preschools/kindergartens (95%) continued to most likely be rated Meeting NQS or above for Quality Area 1, followed by long day care services (85%).

Figure 2.2: Proportion of services rated Meeting NQS or above for Quality Area 1, by service type
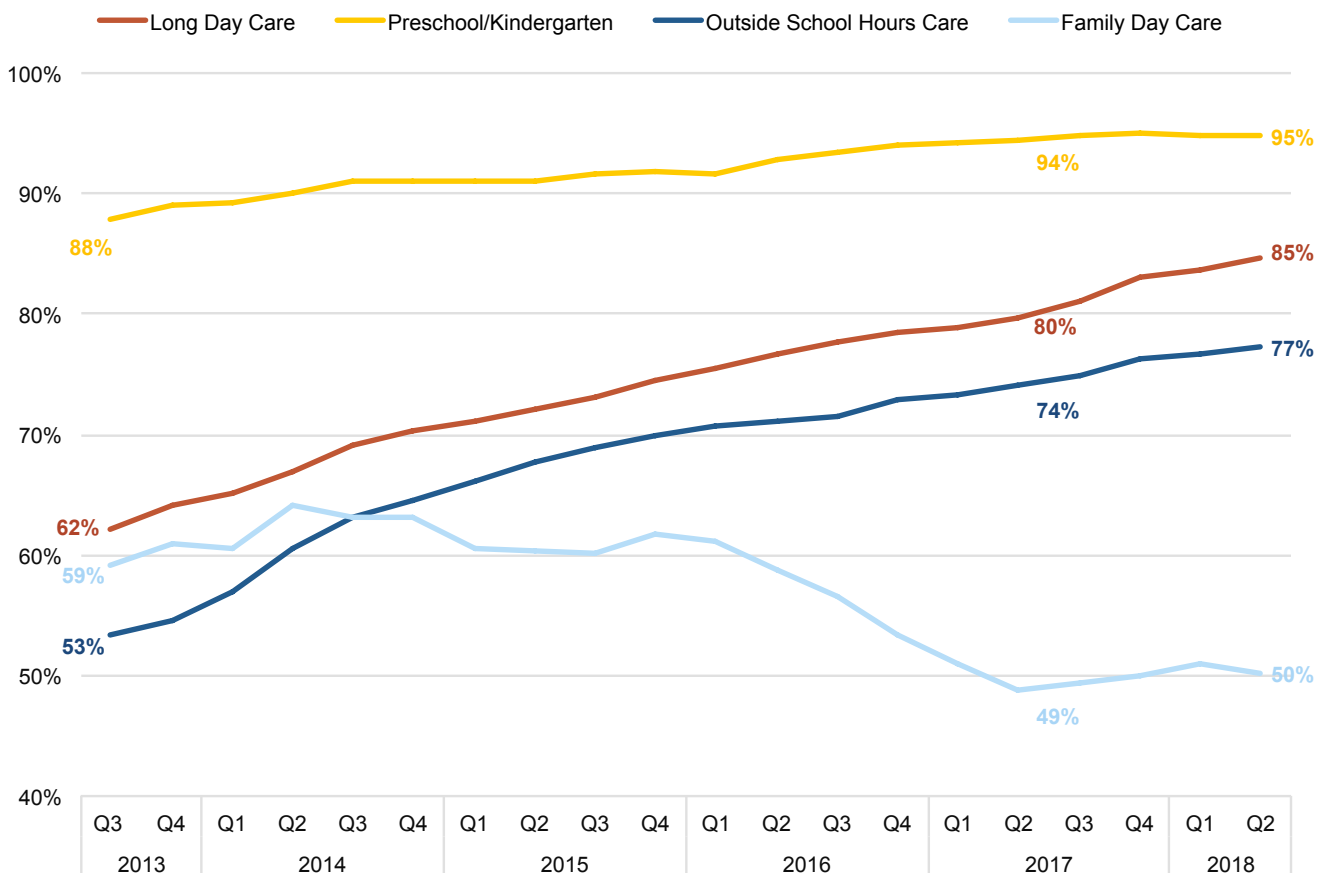
Remoteness classification

Figure 2.3 presents the distribution of centre-based services rated Meeting NQS or above for Quality Area 1 over time according to the Accessibility/Remoteness Index of Australia (ARIA+).[1]

As at 30 June 2018, the proportion of services rated Meeting NQS or above for Quality Area 1 had increased, or remained steady, in all remoteness classifications, compared to a year before.

Inner Regional areas (86%), Major Cities (85%) and Outer Regional areas (84%) had the highest proportion of services rated Meeting NQS or above, while Remote (80%) and Very Remote (66%) areas had the lowest proportion.

The number of quality rated centre-based services in Remote (181) and Very Remote (118) areas should also be noted, as the relatively low numbers can lead to fluctuations over time.

Figure 2.3: Proportion of centre-based services rated Meeting NQS or above for Quality Area 1, by remoteness classification
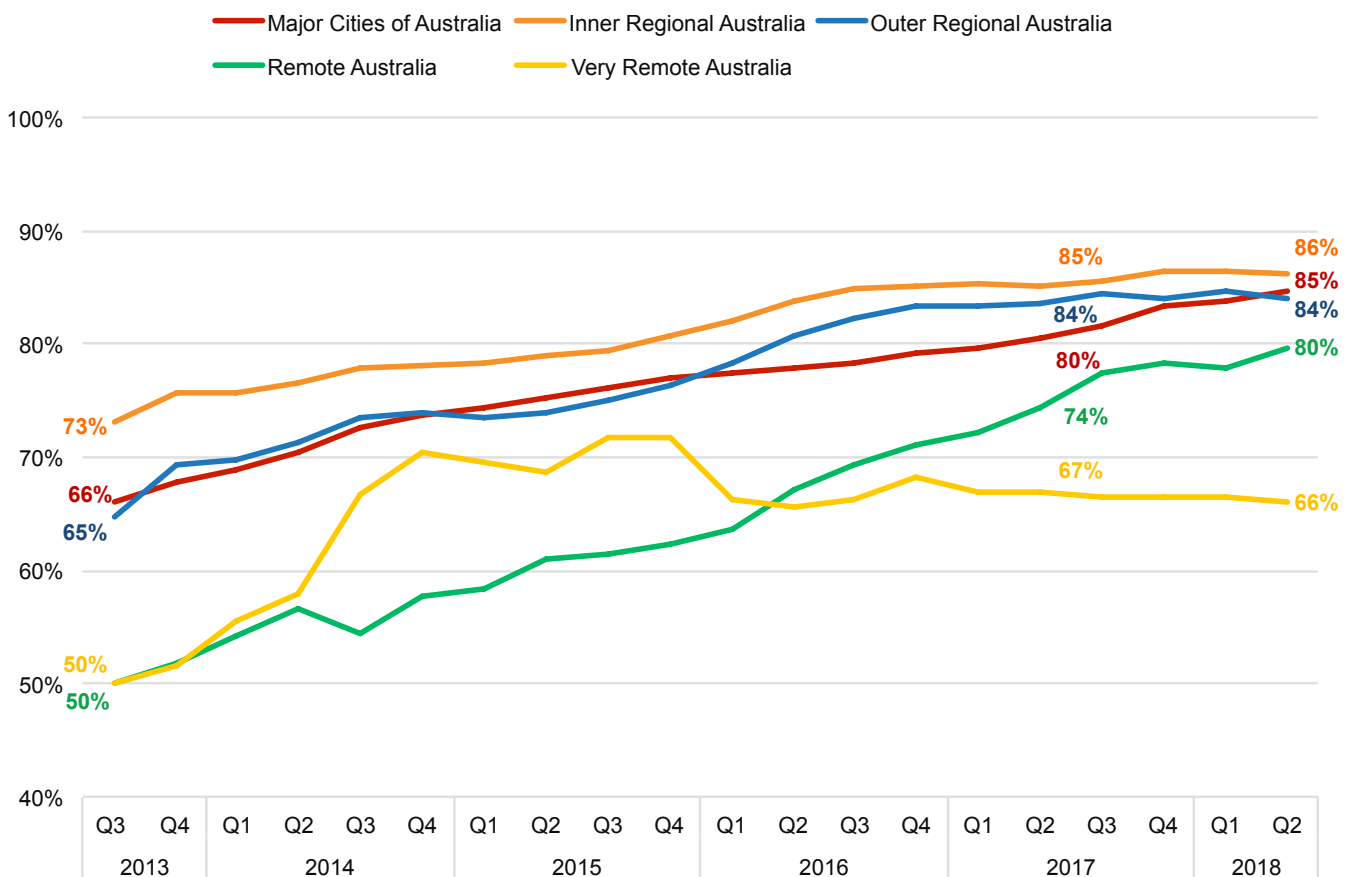
Quality improvement

Table 2.1 shows that, as at 30 June 2018, 4817 education and care services had been reassessed, almost double the number of services (2419) that had been reassessed at 30 June 2017. The majority of reassessments (3243 out of 4817) have been of services rated Working Towards NQS.

The most likely reassessment outcome is for a service rated Working Towards NQS to receive an improved overall quality rating of Meeting NQS. This has occurred on 1546 occasions. On a further 597 occasions, a reassessment of a service rated Working Towards NQS has resulted in an overall quality rating of Exceeding NQS. Combining these two outcomes gives a quality improvement rate for services rated Working Towards NQS prior to reassessment of 66%.

In other words, two thirds of services previously rated Working Towards NQS improved their overall quality rating to Meeting NQS or Exceeding NQS at reassessment. This would suggest that the continuous quality improvement envisaged as part of the NQF is occurring.

Around a quarter (27%) of services previously rated Meeting NQS improve their overall quality rating to Exceeding NQS at reassessment, with roughly a fifth (22%) receiving a lower quality rating of Working Towards NQS.

Although only relatively few reassessments have been undertaken of services rated Exceeding NQS (459 out of 4817), more than half (56%) of these resulted in another rating of Exceeding NQS, with 29% leading to a rating of Meeting NQS, and 14% leading to a rating of Working Towards NQS.

It is important to remember that Exceeding NQS is the highest rating a state and territory regulatory authority can award, therefore it is not possible for a service rated Exceeding NQS to improve its overall quality rating at reassessment.

Table 2.1: Reassessments by overall quality rating

		Quality rating after reassessment				
		Significant Improvement Required	Working Towards NQS	Meeting NQS	Exceeding NQS	Total
Quality rating before reassessment	Significant Improvement Required	14	42	7	0	63
	Working Towards NQS	17	1083	1546	597	3243
	Meeting NQS	1	231	538	282	1052
	Exceeding NQS	0	66	135	258	459
Total		32	1422	2226	1137	4817

		Quality rating after reassessment				
		Significant Improvement Required	Working Towards NQS	Meeting NQS	Exceeding NQS	Improvement rate
Quality rating before reassessment	Significant Improvement Required	22%	67%	11%	0%	78%
	Working Towards NQS	1%	33%	48%	18%	66%
	Meeting NQS	0%	22%	51%	27%	27%
	Exceeding NQS	0%	14%	29%	56%	-

Service type

Figure 2.4 tracks reassessment outcomes over time by service type for services that were rated Working Towards NQS before reassessment and received a higher overall quality rating after reassessment.

The proportion of services previously rated Working Towards NQS that received a higher overall quality rating at reassessment varies markedly by service type. Preschools/kindergartens (81%) previously rated Working Towards NQS were most likely to receive a higher overall quality rating at reassessment, followed by long day care services (66%), and outside school hours care services (62%). Less than half (49%) of family day care services previously rated Working Towards

NQS received a higher overall quality rating at reassessment.

Services across all service types previously rated Working Towards NQS were less likely to receive a higher overall quality rating at reassessment at 30 June 2018 than they were a year before.

It is important to remember that a service may be rated Working Towards NQS due to not meeting a single element of quality or several elements of quality. Therefore, how 'close' or 'far away' different services and service types are from achieving overall quality improvement can influence the likelihood of them receiving a higher overall quality rating at reassessment.

Figure 2.4: Proportion of services that received a higher overall quality rating at reassessment where previous rating was Working Towards NQS, by service type
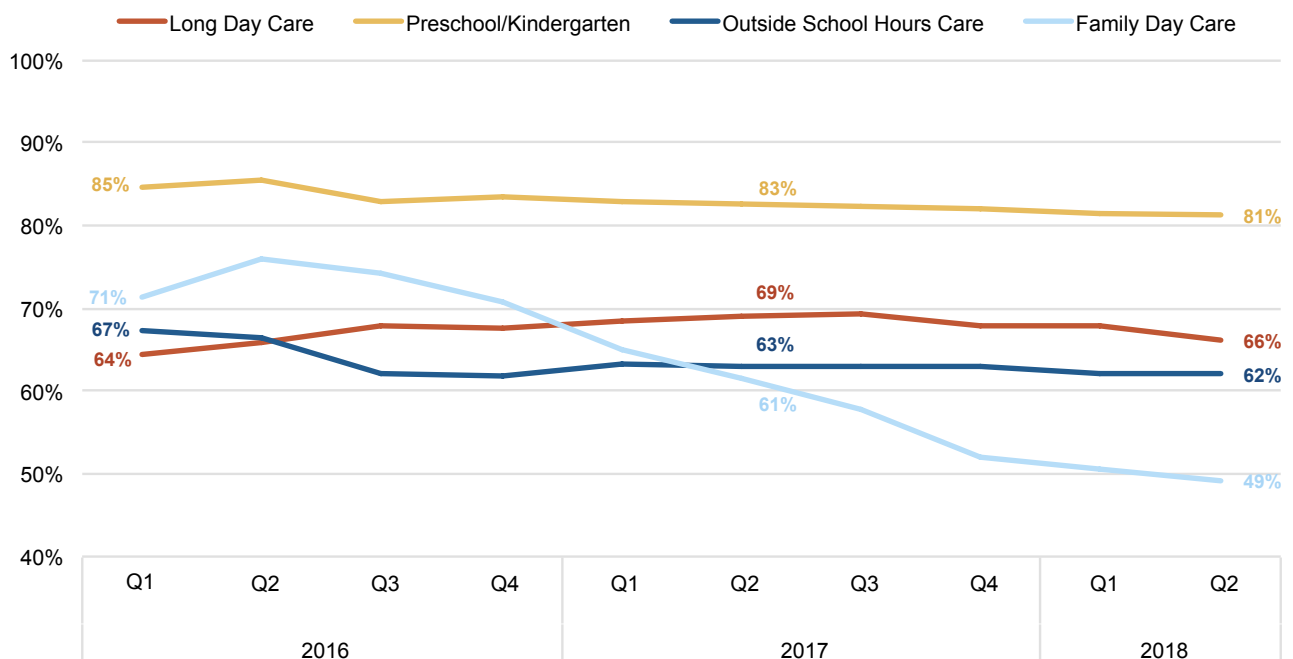
Current and future research initiatives

ACECQA's published Research and Evaluation Strategy and Implementation Plan 2017-2021 sets out its approach to research and evaluation under the NQF. The strategy outlines ACECQA's role in relation to research and evaluation, and summarises a number of challenges and opportunities in measuring and evaluating the objectives of the NQF.

In ACECQA's view, accurately and comprehensively measuring and evaluating educational and developmental outcomes for children attending education and care services is the most challenging of the NQF objectives. Not least of all because it requires linking several disparate data sets to meaningfully track the educational and developmental journey of more than one million individual children over several years.

As noted in its published strategy, ACECQA intends to undertake research projects examining educational and developmental outcomes in 2019 and 2022. These projects will draw upon a number of data sources, including NQS ratings and the Australian Early Development Census (AEDC), to examine the ongoing effect of high quality early childhood education and care as children progress through formal schooling. The timing of the proposed research projects coincides with the availability of the triennial AEDC data.

References

Australian Children's Education and Care Quality Authority (2016), *Research and Evaluation Strategy and Implementation Plan 2017-2021*, Sydney.

Australian Children's Education and Care Quality Authority (2017), *National Partnership Annual Performance Report*, Sydney.

Chapter 2 - Educational and developmental outcomes for children

Social inclusion and children from vulnerable and disadvantaged backgrounds

Chapter 3

Key messages

- The National Partnership on the National Quality Agenda for Early Childhood Education and Care 2015-16 to 2017-18 aims to facilitate better social inclusion and reduced disadvantage by providing greater access to quality education and care experiences, which have been demonstrated to have particular benefits for children from disadvantaged backgrounds.

- This outcome closely relates to the National Quality Framework (NQF) objective of improving the educational and developmental outcomes for children attending education and care services.

- One of the six guiding principles of the NQF outlined in the Education and Care Services National Law is that it is underpinned by the principles of equity, inclusion and diversity.

- According to the Australian Early Development Census, children from the most disadvantaged backgrounds are more likely to be developmentally vulnerable than children from less disadvantaged backgrounds.

- There is strong evidence that children from disadvantaged backgrounds receive the greatest benefits from attending high quality education and care.

- Geographical remoteness and an area's level of socio-economic disadvantage are two community risk factors that may contribute to developmental vulnerability.

- As at 30 June 2018, a higher proportion of services across all service types in both the most and least disadvantaged areas were rated Meeting National Quality Standard (NQS) compared to a year ago. This trend was also apparent across all seven quality areas of the NQS.

- Services in the least disadvantaged areas continue to be more likely to be rated Exceeding NQS than services in the most disadvantaged areas.

- Services in remote and very remote areas continue to be less likely to be rated Meeting NQS or above compared to services in metropolitan and regional areas.

Overview

The National Partnership on the National Quality Agenda for Early Childhood Education and Care 2015-16 to 2017-18 aims to facilitate better social inclusion and reduced disadvantage by providing greater access to quality education and care experiences, which have been demonstrated to have particular benefits for children from disadvantaged backgrounds. This outcome closely relates to the National Quality Framework (NQF) objective of improving the educational and developmental outcomes for children attending education and care services (see Chapter 2 for more information).

There is strong evidence that children from disadvantaged backgrounds receive the greatest benefits from attending high quality education and care. If developmental vulnerability is not addressed in the period from birth to school age, it becomes more difficult and expensive to address later. Beyond promoting social justice and equity, there is a large body of cost-benefit literature that shows quality early childhood education and care yields higher returns for children from disadvantaged backgrounds, and that the accrued benefit is greater than the cost of early interventions (see Annual Performance Report 2017 for more detail).

One widely used model for explaining and examining how children develop is the ecological systems theory of child development.[1] This model presents a child's development as the result of interactions between the child, their immediate social connections (typically their family) and the community in which they live.

Using this model, risks that contribute to developmental vulnerability can be grouped into child, family and community level factors. Child level factors include the child's age, disability status and English language proficiency, while family level factors include the size and composition of the child's family, the family's economic situation and parental wellbeing. Community level factors include the geography and socioeconomic status of the child's local community.

The interaction of risk and protective factors is complex and can result in different outcomes depending on the individual child.[2] There is no single definitive list of risk factors that negatively impact on children's development. Research surrounding the association of different risk factors and child outcomes in Australia remains an emerging field. Linking disparate education, health and social data sets presents an opportunity to understand and monitor the association that a range of factors may have with developmental vulnerability and child outcomes.

This chapter analyses the performance of centre-based education and care services against the National Quality Standard (NQS) by their geographical remoteness and the socio-economic status of the area in which they are located. As such, it only offers a narrow analysis of community level factors. Furthermore, there are inherent limitations with the analysis. For example, the level of socio-economic disadvantage of an area does not necessarily reflect the socio-economic background of children attending a service in that area.

It is also important that issues affecting children from vulnerable and disadvantaged backgrounds are not exclusively or disproportionately viewed as relating to those children living in remote and very remote areas. A high number of developmentally vulnerable and socio-economically disadvantaged children live in metropolitan areas.

1. Bronfenbrenner (1979).
2. Bronfenbrenner & Morris (2006).

SEIFA analysis

Socio-Economic Indexes for Areas (SEIFA) ranks areas according to socio-economic advantage and disadvantage based on census data. The analysis below compares the performance of centre-based services[3] in the most and least disadvantaged areas of Australia (SEIFA quintiles 1 and 5, respectively).

Figure 3.1 shows that 78% of services in the most disadvantaged areas of Australia (SEIFA quintile 1) were rated Meeting NQS or above as at 30 June 2018, an increase of four percentage points from 30 June 2017. Similarly, the proportion of services rated Meeting NQS or above in the least disadvantaged areas (SEIFA quintile 5) has increased by five percentage points compared to a year ago.

While the differences between the proportions of services rated Working Towards NQS in SEIFA quintile 1 and 5 are small, there continues to be a notably larger proportion of services in SEIFA quintile 5 (39%) rated Exceeding NQS compared to services in SEIFA quintile 1 (31%).

Similar to last year, proportionally fewer services in the most disadvantaged areas (SEIFA quintile 1) were rated Exceeding NQS for individual quality areas when compared to

services in the least disadvantaged areas (SEIFA quintile 5). This was evident across all seven quality areas (see **Figure 3.2**).

The greatest differences relate to Quality Area 4 (Staffing arrangements), Quality Area 1 (Educational program and practice) and Quality Area 3 (Physical environment), all of which displayed a difference of eight percentage points between SEIFA quintile 1 and 5. The smallest difference (three percentage points) relates to Quality Area 6 (Collaborative partnerships with families and communities).

As at 30 June 2018, 78% of services in the most disadvantaged areas of Australia were rated Meeting NQS or above, an increase of four percentage points from 30 June 2017.

Figure 3.1: Overall quality ratings of centre-based services by SEIFA quintiles 1 and 5

Legend: ■ Working Towards NQS ■ Meeting NQS ■ Exceeding NQS

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3. Family day care services are excluded from this analysis as their approval is not specific to one location.

Figure 3.2: Quality area ratings of centre-based services by SEIFA quintiles 1 and 5

SEIFA Quintile 1 (Most disadvantaged)

	QA1	QA2	QA3	QA4	QA5	QA6	QA7
Exceeding NQS	28%	22%	26%	30%	39%	40%	30%
Meeting NQS	56%	63%	61%	63%	55%	53%	55%
Working Towards NQS	16%	14%	13%	7%	5%	7%	15%

■ Working Towards NQS ■ Meeting NQS ■ Exceeding NQS

SEIFA Quintile 5 (Least disadvantaged)

	QA1	QA2	QA3	QA4	QA5	QA6	QA7
Exceeding NQS	36%	28%	34%	38%	46%	43%	37%
Meeting NQS	51%	60%	56%	57%	50%	51%	52%
Working Towards NQS	14%	12%	10%	5%	4%	7%	11%

■ Working Towards NQS ■ Meeting NQS ■ Exceeding NQS

Quality areas of the National Quality Standard

QA1 Educational program and practice

QA2 Children's health and safety

QA3 Physical environment

QA4 Staffing arrangements

QA5 Relationships with children

QA6 Collaborative partnerships with families and communities

QA7 Governance and leadership

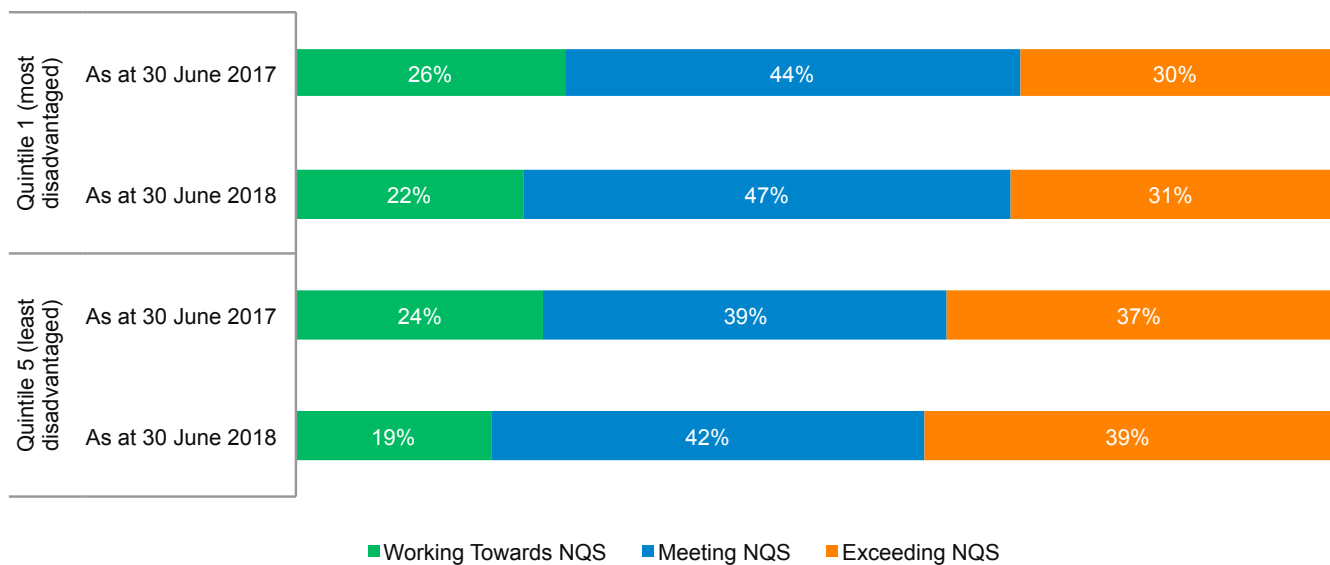Just as last year, proportionally fewer services in the most disadvantaged areas (SEIFA quintile 1) were rated Meeting NQS or above when compared to services in the least disadvantaged areas (SEIFA quintile 5) across all three centre-based service types (see **Figure 3.3**).

In terms of the proportion of services rated Exceeding NQS, all three centre-based service types continued to perform better in the least disadvantaged areas (SEIFA quintile 5) when compared to the most disadvantaged areas (SEIFA quintile 1). For preschools/kindergartens, the difference was 21 percentage points (an increase of three percentage points from a year ago).

Figure 3.3: Overall quality ratings of centre-based services by SEIFA quintiles 1 and 5 and service type

SEIFA Quintile 1 (Most disadvantaged)

	Long Day Care	Outside School Hours Care	Preschool / Kindergarten
Exceeding NQS	28%	13%	51%
Meeting NQS	49%	55%	38%
Working Towards NQS	23%	32%	11%

■ Working Towards NQS ■ Meeting NQS ■ Exceeding NQS

SEIFA Quintile 5 (Least disadvantaged)

	Long Day Care	Outside School Hours Care	Preschool / Kindergarten
Exceeding NQS	38%	21%	72%
Meeting NQS	44%	50%	23%
Working Towards NQS	18%	29%	4%

■ Working Towards NQS ■ Meeting NQS ■ Exceeding NQS

Remoteness classification

Figure 3.4 presents the distribution of centre-based services' quality ratings according to the Accessibility/Remoteness Index of Australia (ARIA+).

As at 30 June 2018, services in Very Remote areas continued to be the least likely to be rated Meeting NQS or above (57%), followed by those in Remote areas (76%). Compared to last year, the greatest differences in the proportion of services rated Meeting NQS or above relate to services in Major Cities and Remote areas, which both increased by six percentage points.

It is important to remember that Very Remote areas are more commonly areas of high socio-economic disadvantage than other geographic classifications. Very Remote areas had the highest proportion of services in SEIFA quintile 1 (56%), compared to Major Cities (16%), Inner Regional (34%), Outer Regional (43%) and Remote areas (40%).

Comparing services in Remote and Very Remote areas to all services nationally by service type, there continues to be noticeable differences in the performance of particular service types.

Most notably, 53% of preschools/kindergartens in Very Remote areas were rated Meeting NQS or above, compared to 93% of preschools/kindergartens nationally (a difference of 40 percentage points).

Furthermore, a smaller proportion of preschools/kindergartens in Remote (33%) and Very Remote (15%) areas were rated Exceeding NQS, compared to all preschools/kindergartens nationally (60%).

Comparing services in Remote and Very Remote areas to all services nationally by service type, there continues to be noticeable differences in the performance of particular service types.

Figure 3.4: Overall quality ratings of centre-based services by ARIA+ classification

	Major Cities of Australia	Inner Regional Australia	Outer Regional Australia	Remote Australia	Very Remote Australia
Exceeding NQS	35%	32%	31%	24%	14%
Meeting NQS	45%	49%	48%	52%	42%
Working Towards NQS	20%	19%	21%	24%	43%

■ Working Towards NQS ■ Meeting NQS ■ Exceeding NQS

Chapter 3 - Social inclusion and children from vulnerable and disadvantaged backgrounds
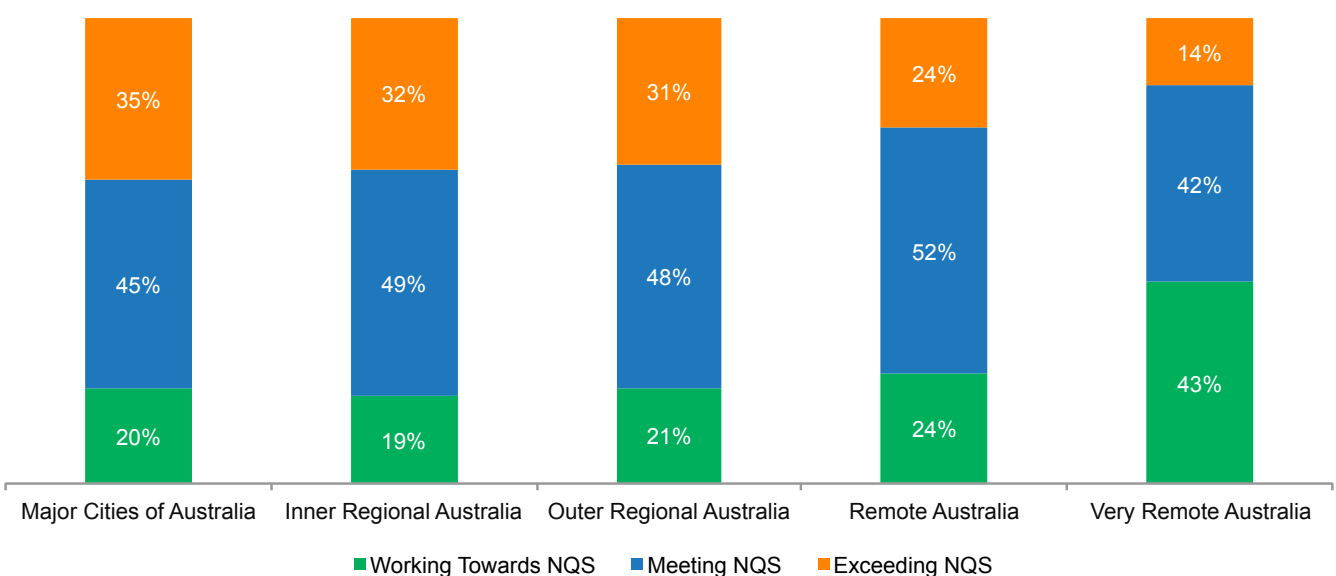
References

Australian Bureau of Statistics (2013a), *Census of Population and Housing: Socio-Economic Indexes for Areas (SEIFA)* (Cat. No. 2033.0.55.001), Canberra.

Australian Statistical Geography Standard: Volume 5 - Remoteness Structure (Cat. No. 1270.0.55.005), Canberra.

Australian Children's Education and Care Quality Authority (2017), *National Partnership Annual Performance Report*, Sydney.

Australian Early Development Census (2015), *AEDC National Report*.

Bronfenbrenner, U. (1979). The ecology of human development: experiments by nature and design. Cambridge, MA: Harvard University Press.

Bronfenbrenner, U. & Morris, P. (2007). *The Bioecological Model of Human Development*. In. Handbook of Child Psychology. John Wiley & Sons, Inc.

Chapter 3 - Social inclusion and children from vulnerable and disadvantaged backgrounds

Key messages

- The National Quality Framework (NQF) aims to improve public knowledge and access to information about the quality of education and care services, most notably through the quality rating assessment against the National Quality Standard (NQS).

- The fifth objective of the NQF, as outlined in the Education and Care Services National Law, is to improve public knowledge and access to information about the quality of education and care services, with the fifth guiding principle being that the role of parents and families is respected and supported.

- Two pieces of research conducted in 2014 by the Australian Government and ACECQA suggested there was limited awareness of the NQF among families. Further research conducted by ACECQA in 2017 suggested there was still only a moderate level of awareness of the quality rating system.

- In 2018, ACECQA commissioned qualitative research with families to further understand parents' decision-making processes when choosing an education and care service for their child.

- The research found that parents placed a high degree of trust in the perceptions of other parents and many relied heavily on these subjective sources to inform their

decision-making. Importantly, parents' own judgement ultimately superseded all other influences.

- Though few specifically mentioned the word, the notion of 'quality' was crucial in their decision-making and parents had their own methods of assessing it. Parents' priorities for education and care service quality centred on their child's wellbeing, particularly support for their physical and emotional wellbeing, and thereafter support for their growth and development.

- Parents assumed all education and care services are required to meet minimum government standards to operate, but, consistent with the previous research, awareness of the NQF and use of NQS ratings remained low. The potential value of the NQF and the NQS ratings became clearer to parents as they learned more about them.

- The 2018 research continued to confirm the findings of the 2017 and 2014 research, namely that families' and general public knowledge and awareness of the NQF and NQS remains low. One of the recommendations from the 2018 research reflected that significant investment in knowledge and awareness raising would be required to achieve a step change.

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Families' and general public knowledge and access to information about education and care service quality - **Chapter 4**

Overview

One of the objectives of the National Quality Framework (NQF) is to improve public knowledge and access to information about the quality of education and care services, with one of its guiding principles being that the role of parents and families is respected and supported.

All governments and ACECQA are committed to helping families and the wider community understand the importance of high quality education and care, including the benefits accrued through attendance at high quality services.

Information about the quality of education and care services is published on the ACECQA website, the Starting Blocks website, and in quarterly NQF Snapshot reports.

As highlighted in the Q2 2018 NQF Snapshot report, 94% (14,974 services) of the 15,763 education and care services approved to operate under the NQF have a quality rating (as at 30 June 2018). In general, state and territory regulatory authorities will not quality assess and rate newly approved services that have been operating for less than 12 months. When services approved for less than 12 months are removed from the figures, the proportion of services with a quality rating rises to 98%.

Research conducted by the Australian Government and ACECQA in 2014 and 2017 found there was limited awareness of the NQF and the quality rating system against the National Quality Standard (NQS) (see Annual Performance Report 2017 for more detail).

The findings of the 2017 quantitative research led to ACECQA commissioning further qualitative research during 2018.

ACECQA families research (2018)

In early 2018, ACECQA commissioned Hall and Partners to conduct qualitative research with families. The objectives of the research were to understand parents' decision-making processes when choosing an education and care service for their child; the information sources that influence this decision; and the key determining factors affecting their choices, including the role of quality.

The main component of the research was 12 focus groups across four states and territories with parents currently using or intending to use an education and care service. More than 80 parents participated in the focus groups.

Key findings

The research found that parents understood the importance of education and care as crucial for children's development. However, what this meant in practice differed depending on the child's age – parents of babies and toddlers were typically most concerned with their children's wellbeing and emotional development. Parents typically viewed cognitive development as more important as children got older.

Choosing an education and care service was a stressful and highly emotive decision that could leave parents feeling overwhelmed. This was not just a matter of choosing a specific service, but also involved deciding whether to seek care in the first place, and if so, what type of care.

The research found there was an underlying need for a centralised, comprehensive and trustworthy source of information and advice relating to education and care services that was well known and widely used by parents.

Service choice

Some parents faced limited choice when choosing a service for a child. This was impacted by a number of factors, including:

- living in an area of low population density with few viable options of education and care services

- seeking a type of care or specific service that is oversubscribed or of limited availability

- requiring unusual and/or flexible patterns of care

- having particular child needs or requirements that are less easily accommodated.

Commonalities in parents' decision-making processes were observed across the education and care service types. However, there were some differences depending on the type of care parents ultimately chose.

Figure 4.1 describes a typical 'journey' taken by parents who chose long day care or family day care for their child, outlining the complexity of the journey, and the emotions and steps that it can encompass.

Influences on the decision-making process

Parents relied heavily on subjective sources to inform their decision-making. Word of mouth played a crucial role in influencing their decisions, namely known and trusted sources such as family and friends, as well as social media sources such as Facebook groups. Parents placed a high degree of trust in the perceptions of other parents and relied heavily on these subjective sources to inform their decisions.

Parents particularly valued information that was recent, consistent and based on insider knowledge. There was an underlying trust in government information sources, but these were mainly used in the initial fact-finding phases, rather than to help assess service quality. Few parents actively sought out government information sources and importantly, parents' own judgement ultimately superseded all other influences.

Factors considered

In deciding on an education and care service, despite some parents facing limited choice because of supply or demand issues, the quality of a service was important for all parents who took part in the research.

Though few specifically mentioned the word, the notion of 'quality' was crucial in their decision-making and parents had their own methods of assessing it. Parents' priorities for education and care service quality centred on their child's wellbeing, particularly support for their physical and emotional wellbeing, and thereafter support for their growth and development.

There were five priorities that influenced parents' perceptions of education and care service quality. In order of importance, they are:

- Physical wellbeing (safety)

- Emotional wellbeing (sense of belonging)

- Developmental wellbeing (supporting children's growth)

- Community wellbeing (sense of connection)

- Organisational wellbeing (management, processes and governance).

Table 4.1 shows how the seven NQS quality areas relate to the way parents prioritise aspects of quality.

Though few specifically mentioned the word, the notion of 'quality' was crucial in their decision-making, and parents had their own methods of assessing it.

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Families' and general public knowledge and access to information about education and care service quality - **Chapter 4**

Figure 4.1: Long day care and family day care service decision-making journey

	Build list	Shortlist	Visits	Waitlist	Offered Place
Feelings	Freaking out, Worried, Confused, Guilty	Determined, Optimistic, Frustrated, Disappointed	Unsure, Impressed, Hopeful, Confident, Clear, Excited	Nervous, Stressed, Impatient, Concerned	Relieved, Thankful, Happy, Guilty

Sources of information:

- **Build list:**
  - Family
  - Friends
  - Other parents
  - Play group
  - Mothers' Group
  - Passing by
  - Google
  - Government websites:
    - Local councils
    - Education Dept
    - MyChild
  - Facebook Groups

- **Shortlist:**
  - Online reviews
  - Social media
  - Centre websites
  - Inside information:
    - Parents
    - Staff
  - Word of Mouth:
    - Known
    - Unknown

- **Visits:**
  - Word of Mouth

- **Waitlist:**
  - Word of Mouth

Alarmed Shocked Disheartened

Legend:
- Feelings
- May re-visit stages
- May not be distinct stages
- Sources of information

Hall & Partners (2018) *Families qualitative research project – Stage 2*, Final report

Table 4.1: Parents' quality priorities and perceptions and the NQS

Quality priority	Underlying emotional benefit	Impact on quality perceptions	Link(s) with NQS
Physical wellbeing	Safety	• Highest impact on perceptions of quality • Central issue when deciding on a service – safety foremost in parents' minds • Unwilling to trade-off or compromise	Quality Area 2 (Children's health and safety) Quality Area 3 (Physical environment)
Emotional wellbeing	Belonging	• High impact on perceptions of quality • Based on observations of relationships, interactions and dynamics • Seen to be largely delivered by educators and service staff • Can be defining factor in choosing a service • Will only trade-off if no other choice • An area of perceived difference between services • Used to help distinguish between them	Quality Area 5 (Relationships with children) Quality Area 4 (Staffing arrangements)
Developmental wellbeing	Growth	• Moderate impact on perceptions of quality • Differs by age of child and stage of development • Parents have different beliefs and preferences regarding what supports development • An area of perceived difference between services and used to help distinguish between them • Area where most trade-offs happen i.e. willing to compromise one aspect of development in favour of another	Quality Area 1 (Educational program and practice) Quality Area 3 (Physical environment) Quality Area 5 (Relationships with children)
Community wellbeing	Connection	• Lesser impact on perceptions of quality • Links between services, families and communities valued by some • May be traded off for more influential and higher valued factors	Quality Area 6 (Collaborative partnerships with families and communities)
Organisational wellbeing	Stability	• Little or no impact on perceptions of quality • Management, processes, staffing arrangements and governance not considered a matter for parents • Valued as underpinning smooth functioning of the service, but not a clear feature of the decision-making process	Quality Area 4 (Staffing arrangements) Quality Area 7 (Governance and leadership)

National Quality Framework

Parents assumed all education and care services were required to meet minimum government standards to operate. However, awareness of the NQF and use of NQS ratings remained low – a finding consistent with previous research undertaken by the Australian Government and ACECQA.

The potential value of the NQF and the NQS ratings became clearer to parents as they learned more about them. Parents felt this information would be most useful during the initial listbuilding phase of the decision-making journey.

As they learned more about the rating system, some parents began to consider and probe what goes on 'behind the scenes'. For example, seeking clarity about the regulatory process (how services are quality rated), the currency of the quality ratings (how frequently services are quality rated), as well as their impact (what the consequences are for under-performing services).

The language and presentation of the NQS rating scale seemed to encourage parents to conflate the NQS with the minimum standards required under the Education and Care Services National Law and Regulations for services to operate under the NQF.

Specifically, participants tended to assume that services rated Working Towards NQS were falling below the minimum standard for education and care services. As such, they queried why these services would be allowed to operate and typically felt that they would not want to send their child to a service with this quality rating (although some became more open to considering services with this rating after further consideration, discussion and review of the information provided).

Awareness of the NQF and use of the NQS ratings remains low.

Recommendations

Based on the research findings, a number of recommendations were made, aimed at increasing access to the understanding of, and priority given to, information about education and care service quality. These recommendations relate to four main areas:

- Raising awareness
- Engaging parents by focusing on their priorities
- Developing messaging that resonates with parents
- Building trust.

The overarching recommendation from the research was to try to engage with parents in a concerted and high profile fashion at an early stage in their decision-making journey by using language that is meaningful and relevant to them, while ensuring that all messaging recognises them as the ultimate decision-maker and the expert in what is best for their child.

References

Australian Children's Education and Care Quality Authority (2017), *National Partnership Annual Performance Report*, Sydney.

Hall & Partners (2014), *Families Research Project: Knowledge and Meaning on National Quality Standard Ratings Pilot Study*.

Hall & Partners (2018), *Families qualitative research project – Stage 2*, Final report.

Woolcott Research and Engagement (2014), *2014 Review of the National Partnership Agreement on the National Quality Agenda for Early Childhood Education and Care*.

Efficiency and cost effectiveness of the regulation of education and care services

Chapter 5

Key messages

- The National Quality Framework (NQF) recognises the importance of improving the efficiency and cost effectiveness of regulation in the education and care sector, and promoting continuous improvement.

- Governments and ACECQA continue to undertake a number of activities to pursue efficiency and cost effectiveness, including:

  » promoting a risk based approach to regulation

  » national audits on a number of aspects of the NQF

  » system enhancements to the National Quality Agenda IT System

  » a single, comprehensive Guide to the National Quality Framework for both regulators and the regulated sector

  » other support, including guidance and resources, newsletters, blogs, and training and information sessions for education and care service providers, educators, and state and territory authorised officers.

Overview

All Australian governments and ACECQA are committed to reducing unnecessary or inefficient regulation of providers of education and care services, and individuals who work in the sector (see [Annual Performance Report 2017](#) for more detail).

The National Quality Framework (NQF) represents a significant, long-term reform that is the result of an agreement between all governments to work together to provide better educational and developmental outcomes for children.

The National Partnership Agreement on the National Quality Agenda for Early Childhood and Education Care ended in December 2018.

From 2019, the regulation of education and care service quality is funded directly by state and territory governments. The Australian Government has committed to fund the ongoing work of ACECQA through to 30 June 2020 in monitoring and overseeing the administration of the NQF.

The NQF continues to apply to the vast majority of education and care services across Australia. Furthermore, the governance arrangements described in last year's report remain in place.

The regulatory authority in each state and territory is primarily responsible for administering the NQF, including approving, monitoring and quality assessing services. ACECQA continues to work with all governments to oversee and guide the administration of the NQF.

In October 2016, the Australian Senate established a Red Tape Committee to inquire into the effect of restrictions and prohibitions on business (red tape) on the economy and community. In 2018, the Red Tape Committee examined the effect of red tape on childcare.[1]

A total of 13 stakeholders made submissions to the inquiry, including ACECQA[2]. These stakeholders were also invited to a public hearing in June 2018. A number of the written submissions and verbal evidence provided at the public hearing highlighted the value and benefits of early childhood education and care, as well as the importance of monitoring and improving both quality and efficiency under the NQF.

As part of its submission, ACECQA also took the opportunity to highlight the improved efficiency achieved through the introduction of a unified national regulatory system under the NQF, with the phasing in of common standards and requirements since 2012 being a pragmatic and appropriate approach to transitioning from nine disparate regulatory models.

The Red Tape Committee's interim report, published in August 2018, made a number of recommendations aimed at:

- reducing regulatory burden in the family day care sector

- developing a stronger evidence base for staffing ratios and staffing qualifications in early childhood education and care

- providing greater transparency about red tape reductions in the sector.[3]

All Australian governments and ACECQA are committed to reducing unnecessary or inefficient regulation of providers of education and care services, and individuals who work in the sector.

1. Australian Senate (2018) [The effect of red tape on childcare](#).
2. ACECQA (2018) [Senate Inquiry into the effect of red tape on childcare – Submission 5](#).
3. Australian Senate (2018) [Select Committee on Red Tape - Effect of red tape on child care interim report](#).

Chapter 5 - Efficiency and cost effectiveness of the regulation of education and care services

Continuous improvement

National audits

ACECQA conducts audits of aspects of the NQF as part of its legislated national audit function. Audit topics are identified, prioritised and agreed in collaboration with state and territory regulatory authorities and the Australian Government.

ACECQA has completed a total of 16 national audits, with the following audits completed since June 2017:

- Serious incidents (injury, trauma, illness)
- Conditions on approval
- Waivers.

The audit on serious incidents found that recent enhancements to the National Quality Agenda IT System have enabled more efficient and detailed analysis of serious incidents data. State and territory regulatory authorities and approved providers interviewed as part of the audit indicated a high degree of satisfaction with the enhancements and the online form for notifying serious incidents.

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

National Quality Agenda Information Technology System (NQA ITS)

ACECQA, in collaboration with all state and territory governments, continues to provide a regular, rolling program of updates to the NQA ITS – the online business tool that facilitates communication between providers of education and care services, and state and territory regulatory authorities. The NQA ITS is also the primary business system used by regulators to administer the NQF.

The NQA ITS interacts with an increasing number of related government IT systems. Some of this interaction allows for enhanced fraud detection, such as through the Document Verification Service that enables state and territory regulatory authorities to cross-reference an individual's identity document and compare this against the corresponding record of the issuing agency.

Recent system enhancements include changes to support amendments to the NQF which came into effect in October 2017 and February 2018, as well as simplified processes and increased user guidance.

Overall, NQA ITS enhancements in 2017/18 addressed more than 300 issues and improvements suggested by regulatory authorities and sector users, including enabling mobile capability on tablets for regulatory authority users and integration with the Australian Government's new Child Care Subsidy (CCS) IT system.

Promoting quality and efficiency

In late 2017, ACECQA published the Guide to the National Quality Framework[4], which provides a single, comprehensive source of information about the NQF for both regulators and the regulated sector. All governments and ACECQA worked collaboratively to develop the Guide, which replaced a range of separate and overlapping guidance documents.

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4. Guide to the National Quality Framework.

State and territory regulatory authorities and ACECQA provide a number of other types of support. These include newsletters, blogs, face-to-face and online training and information sessions, often delivered in partnership with sector peak bodies. Ongoing training and support is also provided by ACECQA to the state and territory authorised officers responsible for the quality assessment and rating of education and care services.

In July 2018, ACECQA published its sixth occasional paper[5], analysing the performance of education and care services reassessed against the 2012 National Quality Standard. The paper identifies two factors that contribute to quality improvement:

- service staff familiarity with the regulatory system, including the quality rating system
- high quality leadership, particularly from the service's educational leader.

Case studies describing quality improvement practices that were evident at reassessment are included in the paper. These case studies are intended to support the process of continuous quality improvement and the ongoing development of Quality Improvement Plans (QIPs).

The Guide to the National Quality Framework, published in late 2017, provides a single, comprehensive source of information about the NQF for both regulators and the regulated sector.

References

Australian Children's Education and Care Quality Authority (2018), *Guide to the National Quality Framework*, Sydney.

Australian Children's Education and Care Quality Authority (2018), *Occasional Paper 6: Quality rating reassessments: An analysis of quality improvement in education and care services 2013-2017*, Sydney.

Australian Children's Education and Care Quality Authority (2018), *Senate Inquiry into the effect of red tape on childcare – Submission 5*, Sydney.

Australian Children's Education and Care Quality Authority (2017), *National Partnership Annual Performance Report*, Sydney.

Australian Senate (2018), *The effect of red tape on childcare*, Canberra.

Australian Senate (2018), *Select Committee on Red Tape - Effect of red tape on child care interim report*, Canberra.

5. ACECQA (2018) *Occasional Paper 6: Quality rating reassessments*.

Regulatory burden for education and care service providers

Chapter 6

Key messages

- The National Quality Framework (NQF) was introduced in 2012 as a means of uniting nine different education and care regulatory frameworks into a single unified framework.

- The sixth objective of the NQF outlined in the Education and Care Services National Law is to reduce the regulatory and administrative burden for education and care services.

- ACECQA, in collaboration with state and territory regulatory authorities, has developed a survey to measure approved providers' perception of burden associated with administrative requirements under the NQF. The survey was administered annually from 2013-2015 and again in 2017 and 2018.

- Overall support for the NQF amongst providers of education and care services has been consistently above 95% and remained very strong in 2018.

- The perception of overall burden increased slightly in 2018 compared to 2017.

- Recent changes to the NQF, implemented in October 2017 and February 2018, are likely to have contributed to this slight increase given that approved providers have been required to understand, communicate and respond to the changes.

- Just as last year, perceived overall burden was largely influenced by perceptions of burden associated with six administrative requirements. Respondents who indicated they found a requirement burdensome considered four of the six requirements more beneficial than burdensome, including ensuring staff are aware of the National Law and Regulations, maintaining policies and procedures, and documenting children's learning. However, just as last year, quality assessment and rating visits were considered by a slim majority of providers to be more burdensome than beneficial.

- While 'changes to the National Quality Standard (NQS)' was selected by a large number of respondents as contributing most to their perception of burden with the recent changes to the NQF, the majority of these respondents considered these changes more beneficial than burdensome.

Overview

Governments have been committed to monitoring and reducing unnecessary burden associated with the NQF since its introduction in 2012. Defining and measuring regulatory burden can be approached in a number of ways (see Annual Performance Report 2017 for more detail).

ACECQA's research focuses on measuring the perceptions of regulatory burden experienced by the providers of education and care services. These perceptions relate to the administrative costs of the NQF, also known as 'paperwork costs' or the costs of complying with information requirements. The administrative tasks include time spent keeping records, reporting to regulatory authorities, and preparing for inspections.

Regulatory burden research under the NQF

In 2013, ACECQA designed a perception survey that measured the administrative costs associated with the NQF. This survey was conducted as a longitudinal survey from 2013-15.

A refreshed version of the survey was administered in 2017 using a slightly different methodology, where all approved providers were invited to participate. This survey was run again in 2018, with new questions about providers' perceptions of burden with the changes to the NQF which came into effect from October 2017 and February 2018.

Where appropriate, results from the 2018 survey have been analysed and compared to the results from previous surveys.

2018 survey

The 2018 survey was completed by 2178 providers (29% of all approved providers under the NQF) and was broadly representative of provider characteristics (e.g. provider size, management and service type) in the total population.

Overall support for the NQF

Overall support for the NQF has consistently been above 95% since the survey was first run in 2013 and remained very strong in 2018 (see **Table 6.1**).

Table 6.1: Overall support for the NQF

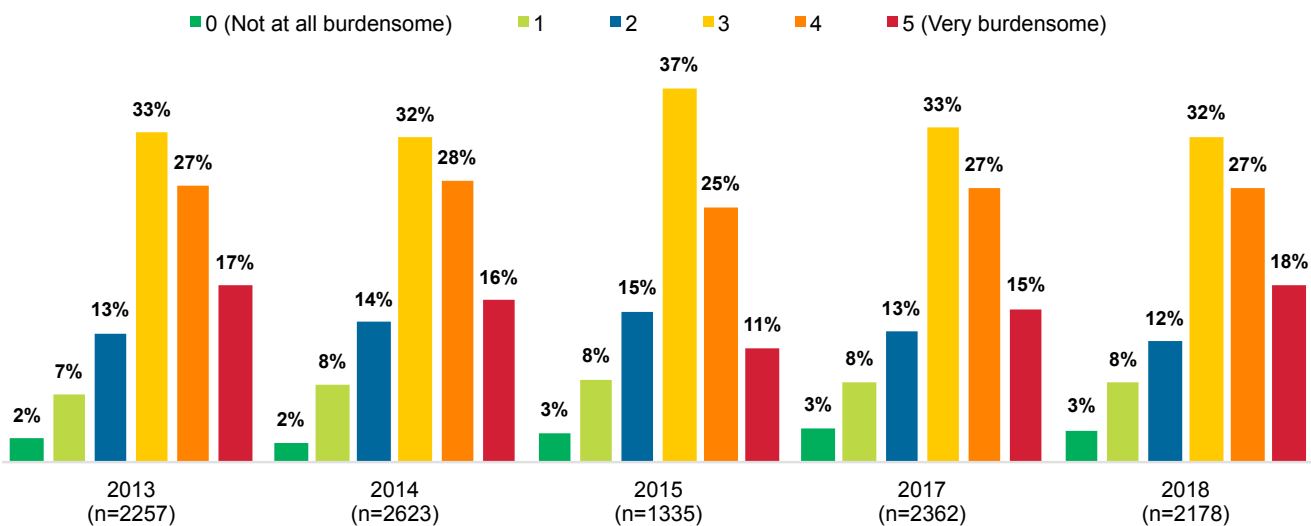|	Number of respondents	% of respondents that were supportive of the NQF
2013 survey	2257	98%
2014 survey	2623	98%
2015 survey	1335	99%
2017 survey	2362	97%
2018 survey	2178	97%

Overall perception of burden

Respondents were asked to report on their overall perception of burden using a scale from 0 to 5, where 0 was not at all burdensome and 5 was very burdensome.

The perception of overall burden was very similar in 2018 compared to 2017, although there was an increase in the proportion of providers perceiving the overall burden as very burdensome (18% of respondents in 2018, compared to 15% of respondents in 2017) (see **Figure 6.1**).

Both the type of services provided and the size of the provider influenced the perception of overall burden.

Figure 6.1: Overall perception of burden

Legend: ■ 0 (Not at all burdensome) ■ 1 ■ 2 ■ 3 ■ 4 ■ 5 (Very burdensome)

2013 (n=2257): 2%, 7%, 13%, 33%, 27%, 17%
2014 (n=2623): 2%, 8%, 14%, 32%, 28%, 16%
2015 (n=1335): 3%, 8%, 15%, 37%, 25%, 11%
2017 (n=2362): 3%, 8%, 13%, 33%, 27%, 15%
2018 (n=2178): 3%, 8%, 12%, 32%, 27%, 18%

Both the type of service provided and the size of the provider influenced the perception of overall burden. In 2018, small providers (those with one approved service) and medium sized providers (those with two to 24 approved services) reported a higher level of burden than large providers (those with 25 or more approved services). This is in contrast to 2017, where large providers reported a higher level of burden than small or medium sized providers (see **Table 6.2**).

Similar to 2017, providers of outside school hours care services and preschools/kindergartens reported slightly higher levels of burden than providers of long day care services, while providers of family day care services continued to report much lower levels of burden.

Table 6.2: Overall perception of burden by service type and provider size

Service type[1]	2017		2018	
	Number of respondents	High perception of burden (4 or 5 on scale of 0-5)	Number of respondents	High perception of burden (4 or 5 on scale of 0-5)
Long day care	1234	43%	1210	44%
Preschool/Kindergarten	578	44%	695	46%
Outside school hours care	600	46%	558	47%
Family day care	250	28%	160	28%
Total	**2362**	**42%**	**2178**	**45%**

Provider size	2017		2018	
	Number of respondents	High perception of burden (4 or 5 on scale of 0-5)	Number of respondents	High perception of burden (4 or 5 on scale of 0-5)
1 approved service	1810	41%	1744	45%
2-24 approved services	507	44%	403	43%
25 or more approved services	45	58%	31	35%
Total	**2362**	**42%**	**2178**	**45%**

Similar to last year, providers of outside school hours care services and preschools/kindergartens reported slightly higher levels of burden than providers of long day care services, while providers of family day care services continued to report much lower levels of burden.

1. Multiple service types could be selected so the sum of the service type rows does not equal the total row.

Burden associated with specific administrative requirements

The proportion of respondents reporting high perceptions of burden (defined as respondents who selected 4 or 5 on a scale of 0-5, where 0 was 'not at all burdensome' and 5 was 'very burdensome') increased for the majority of the 10 specified administrative requirements in 2018 (see **Figure 6.2**).

The highest increases compared to last year concerned:

- maintaining policies and procedures (+5 percentage points)

- ensuring staff know about the National Law and Regulations (+4 percentage points)

- Quality Improvement Plans (+3 percentage points)

- quality assessment and rating visits (+3 percentage points)

- keeping records (+3 percentage points).

Respondents who indicated they found a specified administrative requirement burdensome were then asked whether they felt that the benefits accrued from that requirement outweighed the burden associated with complying with it (see **Figure 6.3**). The requirements identified as more beneficial than burdensome by the majority of this subset of respondents were the same in 2018 as they had been in 2017:

- ensuring staff know about the National Law and Regulations

- maintaining policies and procedures

- keeping administrative records

- documenting children's learning

- provider and service approvals.

Similarly, there was no change between 2017 and 2018 in the requirements considered more burdensome than beneficial by the majority of this subset of respondents:
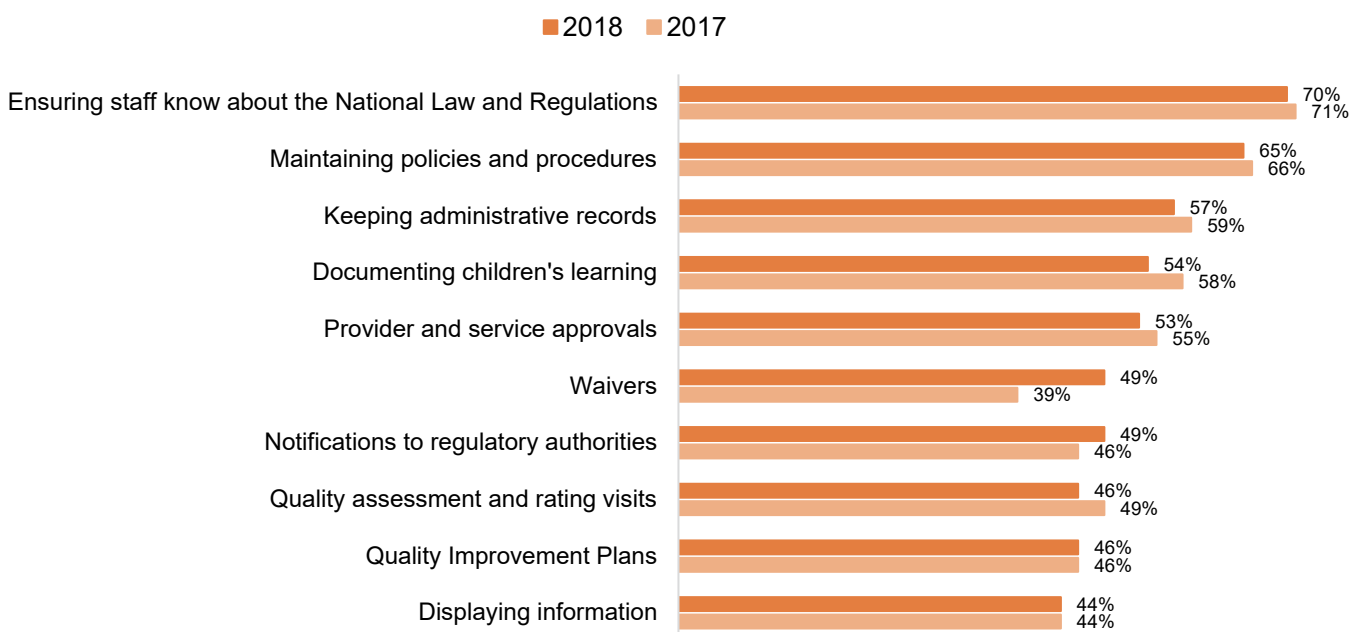
- displaying information

- quality assessment and rating visits

- Quality Improvement Plans (QIPs)

- waivers

- notifications to regulatory authorities.

Figure 6.2: Proportion of approved providers that reported burden at the highest levels (4 or 5 on a scale of 0-5) with specified administrative requirements of the NQF[2]
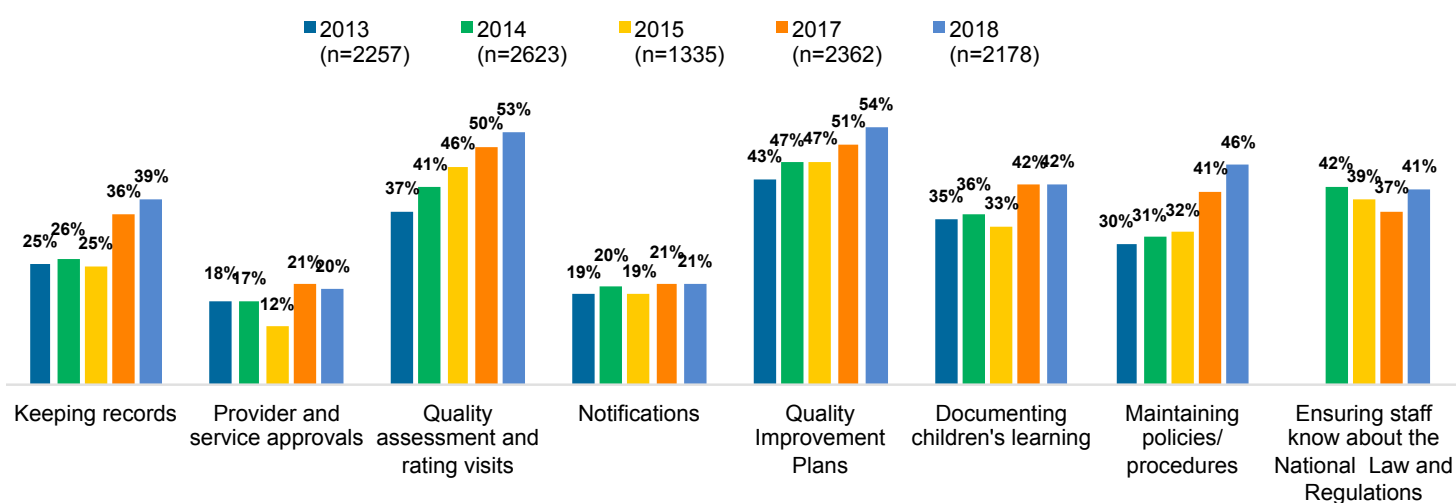
2. Approved providers were not asked about 'ensuring staff know about the National Law and Regulations' in the 2013 survey. This option was added in the 2014 survey.

Figure 6.3: Proportion of providers who considered the benefit of specified NQF administrative requirements outweighed the associated burden[3]

■ 2018 ■ 2017

Requirement	2018	2017
Ensuring staff know about the National Law and Regulations	70%	71%
Maintaining policies and procedures	65%	66%
Keeping administrative records	57%	59%
Documenting children's learning	54%	58%
Provider and service approvals	53%	55%
Waivers	49%	39%
Notifications to regulatory authorities	49%	46%
Quality assessment and rating visits	46%	49%
Quality Improvement Plans	46%	46%
Displaying information	44%	44%

Respondents who indicated a high level of burden associated with more than one administrative requirement were also asked to select the single most burdensome requirement. Similar to last year, one in five respondents (20%) selected QIPs, with 18% selecting quality assessment and rating visits, 17% selecting documenting children's learning, and 16% selecting maintaining policies and procedures (see **Figure 6.4)**.

The main reasons respondents provided to explain why they perceived specific administrative requirements to be burdensome were the same as in 2017, namely that:

• the time staff spent on meeting those requirements was excessive

• they diverted attention from other activities.

Again, similar to last year, respondents also reported frustration and stress as a driver of burden associated with quality assessment and rating visits (see **Figure 6.5**).

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3. The number of respondents differed for each question as providers were only asked this question if they identified the specified requirement as burdensome in a previous question.

Figure 6.4: Provider perceptions about which is the single most burdensome specified administrative requirement of the NQF
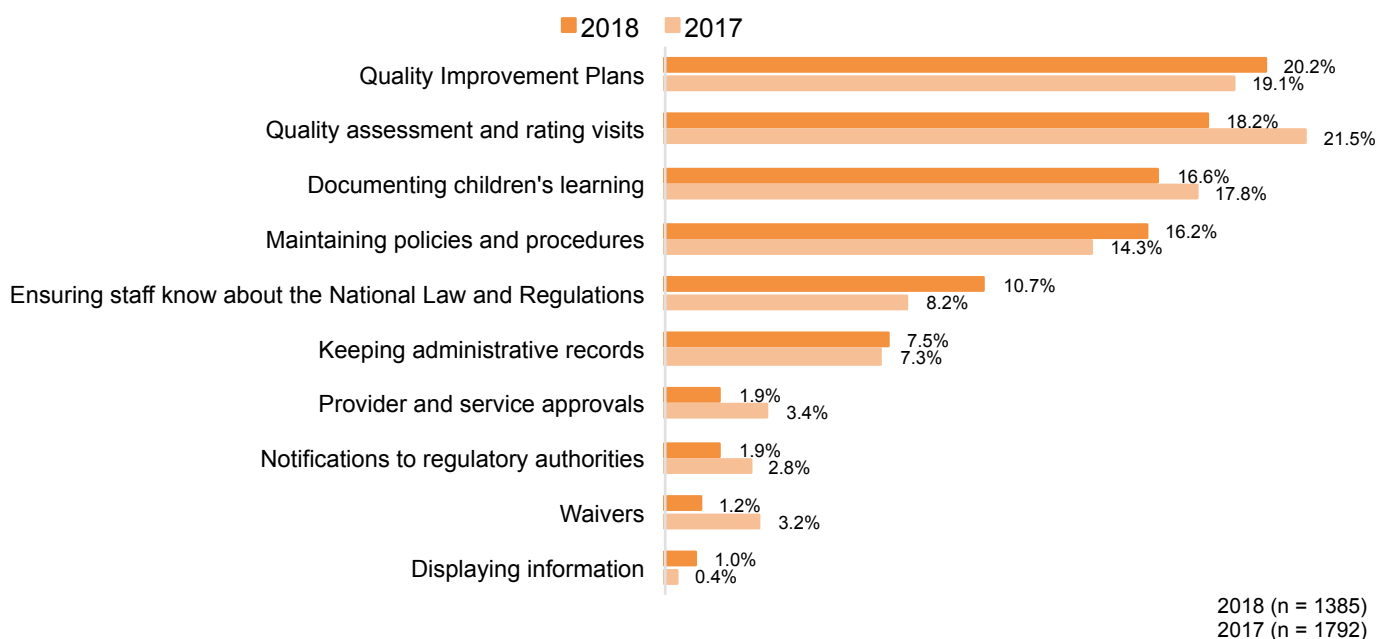
■ 2018 ■ 2017

Requirement	2018	2017
Quality Improvement Plans	20.2%	19.1%
Quality assessment and rating visits	18.2%	21.5%
Documenting children's learning	16.6%	17.8%
Maintaining policies and procedures	16.2%	14.3%
Ensuring staff know about the National Law and Regulations	10.7%	8.2%
Keeping administrative records	7.5%	7.3%
Provider and service approvals	1.9%	3.4%
Notifications to regulatory authorities	1.9%	2.8%
Waivers	1.2%	3.2%
Displaying information	1.0%	0.4%

2018 (n = 1385)
2017 (n = 1792)

Figure 6.5: Reasons respondents provided to explain why they perceived specific administrative requirement to be burdensome[4]

■ Staff hours/time ■ Diverts attention from other activities ■ Frustration or stress ■ Financial costs ■ Difficulty understanding the requirements

	Staff hours/time	Diverts attention from other activities	Frustration or stress	Financial costs	Difficulty understanding the requirements
Keeping administrative records	30%	29%	21%	14%	7%
Provider and service approvals	14%	20%	34%	11%	20%
Quality assessment and rating visits	20%	28%	28%	11%	13%
Quality Improvement Plans	32%	31%	19%	8%	10%
Documenting children's learning	34%	32%	14%	10%	10%
Maintaining policies and procedures	36%	32%	14%	10%	8%

n= 1385

Quality Improvement Plans (QIPs) and quality assessment and rating visits were again perceived to be the most burdensome administrative requirements.

4. Respondents who selected 4 or 5 on a scale of 0–5, where 0 was 'not at all burdensome' and 5 was 'very burdensome'.

Examining perceptions of burden associated with quality assessment and rating visits

In 2018, small and medium sized providers, and providers of preschools/kindergartens, were more likely to report that quality assessment and rating visits were burdensome (see **Table 6.3**).

In contrast, large providers and providers of family day care services were less likely to report that quality assessment and rating visits were burdensome.

In keeping with last year, providers again reported that preparing paperwork and preparing staff were the most burdensome activities associated with quality assessment and rating visits.

Table 6.3: Perception of burden associated with *quality assessment and rating visits* by service type and provider size

Service type[5]	2017		2018	
	Number of respondents	High perception of burden (4 or 5 on scale of 0-5)	Number of respondents	High perception of burden (4 or 5 on scale of 0-5)
Long day care	1234	49%	1210	51%
Preschool/Kindergarten	578	56%	695	59%
Outside school hours care	600	52%	558	53%
Family day care	250	36%	160	38%
Total	**2362**	**50%**	**2178**	**53%**

Provider size	2017		2018	
	Number of respondents	High perception of burden (4 or 5 on scale of 0-5)	Number of respondents	High perception of burden (4 or 5 on scale of 0-5)
1 approved service	1810	49%	1744	53%
2-24 approved services	507	53%	403	52%
25 or more approved services	45	44%	31	45%
Total	**2362**	**50%**	**2178**	**49%**

5. Multiple service types could be selected so the sum of the service type rows does not equal the total row.

Chapter 6 - Regulatory burden for education and care service providers

Changes to the National Quality Framework

Following a comprehensive review initiated in 2014, Education Ministers agreed to changes to the NQF to strengthen quality in children's education and care, while at the same time reducing red tape for the sector. The changes, implemented in October 2017 and February 2018, included:
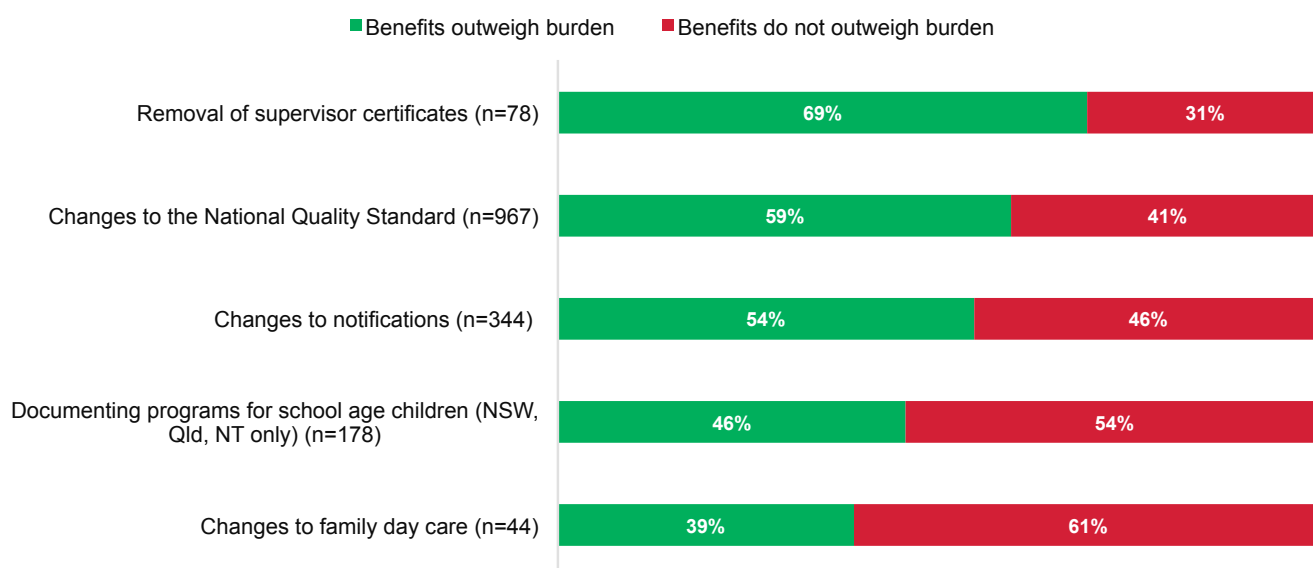
- the 2018 National Quality Standard (NQS), which removed overlap between elements and standards, clarified language and reduced the number of standards from 18 to 15, and the number of elements from 58 to 40

- improved oversight and support for the family day care sector

- removal of supervisor certificate requirements so service providers have more autonomy in deciding who can be the responsible person in each service

- a national educator to child ratio of 1:15 for services providing education and care to school age children.

Just under half of all providers (49%) reported that developing/updating policies and procedures to comply with the changes to the NQF was the most burdensome activity associated with the changes.

'Changes to the NQS' was selected by the large majority of respondents (82%) as contributing most to their perception of burden. No other NQF changes contributed as strongly to perceptions of burden, with changes to notifications (29%) being selected as the next most burdensome change. However, of those respondents who indicated they found changes to the NQS and notifications burdensome, the majority considered these changes more beneficial than burdensome. This was also the case for the removal of supervisor certificates (see **Figure 6.6**).

Encouragingly, two thirds (66%) of respondents agreed that, overall, the benefits of the changes to the NQF, implemented in October 2017 and February 2018, outweighed the burden they placed on them.

Figure 6.6: Provider perceptions about benefit vs burden of changes to the NQF

■ Benefits outweigh burden   ■ Benefits do not outweigh burden

	Benefits outweigh burden	Benefits do not outweigh burden
Removal of supervisor certificates (n=78)	69%	31%
Changes to the National Quality Standard (n=967)	59%	41%
Changes to notifications (n=344)	54%	46%
Documenting programs for school age children (NSW, Qld, NT only) (n=178)	46%	54%
Changes to family day care (n=44)	39%	61%

References

Australian Children's Education and Care Quality Authority (2013), *Report on the National Quality Framework and Regulatory Burden (Wave I)*.

Australian Children's Education and Care Quality Authority (2014), *Report on National Quality Framework and Regulatory Burden (Wave II)*.

Australian Children's Education and Care Quality Authority (2015), *Report on National Quality framework and Regulatory Burden (Wave III)*.

Australian Children's Education and Care Quality Authority (2017), *National Partnership Annual Performance Report*, Sydney.

Skilled education and care workforce

Chapter 7

Key messages

- One of the objectives of the National Partnership on the National Quality Agenda for Early Childhood Education and Care 2015-16 to 2017-18 is to build a highly skilled workforce.

- The sixth guiding principle of the National Quality Framework (NQF) outlined in the Education and Care Services National Law is that best practice is expected in the provision of education and care services.

- Research supports the NQF's focus on educator to child ratios and educator qualification requirements, with evidence that improved ratios and qualifications are associated with higher quality education and care.

- Enrolments in the Diploma of Early Childhood Education and Care and Certificate III in Early Childhood Education and Care increased overall between 2015 and 2017, however enrolments in the Diploma dropped markedly between 2016 and 2017.

- Commencement numbers for early childhood and primary initial teaching training degrees increased slightly overall between 2009 and 2016, however there was a year on year decrease between 2015 and 2016 for both early childhood (12% decrease) and primary (18% decrease) initial teacher training degrees.

- Completion numbers for early childhood initial teacher training degrees increased overall between 2009 and 2016, however completion numbers for primary teaching degrees decreased overall across the same period. Furthermore, between 2015 and 2016, there was a decrease in completion numbers for both early childhood (11% year on year decrease) and primary (3% year on year decrease) initial teacher training degrees.

- Quality Area 4 of the National Quality Standard (NQS) encompasses standards and elements that address an education and care service's staffing arrangements.

- In 2017/18, the proportion of services rated Meeting NQS or above for Quality Area 4 increased, or remained the same, for all service types.

- Governments, cognisant of ongoing workforce shortages and retention issues, particularly in relation to early childhood teachers, continue to implement a range of initiatives to support the development of the education and care workforce.

Overview

Building a highly skilled workforce is one of the objectives of the National Partnership on the National Quality Agenda for Early Childhood Education and Care 2015-16 to 2017-18.

Research supports the NQF's focus on educator to child ratios and educator qualification requirements, with evidence that improved ratios and qualifications are associated with higher quality education and care (see Annual Performance Report 2017 for more detail).

Student enrolment, commencement and completion data

Table 7.1 shows total enrolments in early childhood vocational education and training (VET) courses have increased slightly between 2015 and 2017. However, while the number of enrolments in the Certificate III in Early Childhood Education and Care (ECEC) has remained stable over the past three years, the number of enrolments in the Diploma of ECEC increased from 67,395 in 2015 to 75,060 in 2016, before dropping back down to 67,535 in 2017.[1]

Figure 7.1 shows the number of students commencing early childhood and primary initial teacher training degrees at Australian higher education institutions from 2009 to 2016. While some primary teaching degrees only qualify graduates to teach in schools, many programs cover birth to eight years or birth to 12 years, qualifying graduates to teach across the early childhood and primary school age range.

Commencement numbers for early childhood initial teaching training degrees increased slightly from 3186 in 2009 to 4017 in 2016, with commencement numbers for primary initial teacher training degrees also increasing very slightly from 8810 to 8835 across the same period.

However, there was a year on year decrease in commencement numbers between 2015 and 2016 for both early childhood and primary initial teacher training degrees. For primary initial teacher training degree commencements, this amounted to an 18% decrease, and for early childhood, it was a 12% decrease.

Table 7.1: Diploma and Certificate III in ECEC enrolment numbers

Qualification	2015	2016	2017
Diploma of Early Childhood Education and Care	67,395	75,060	67,535
Certificate III in Early Childhood Education and Care	51,950	54,295	54,225
Total	**119,345**	**129,355**	**121,760**

1. National Centre for Vocational Education Research (2017), Total VET students and courses 2017.

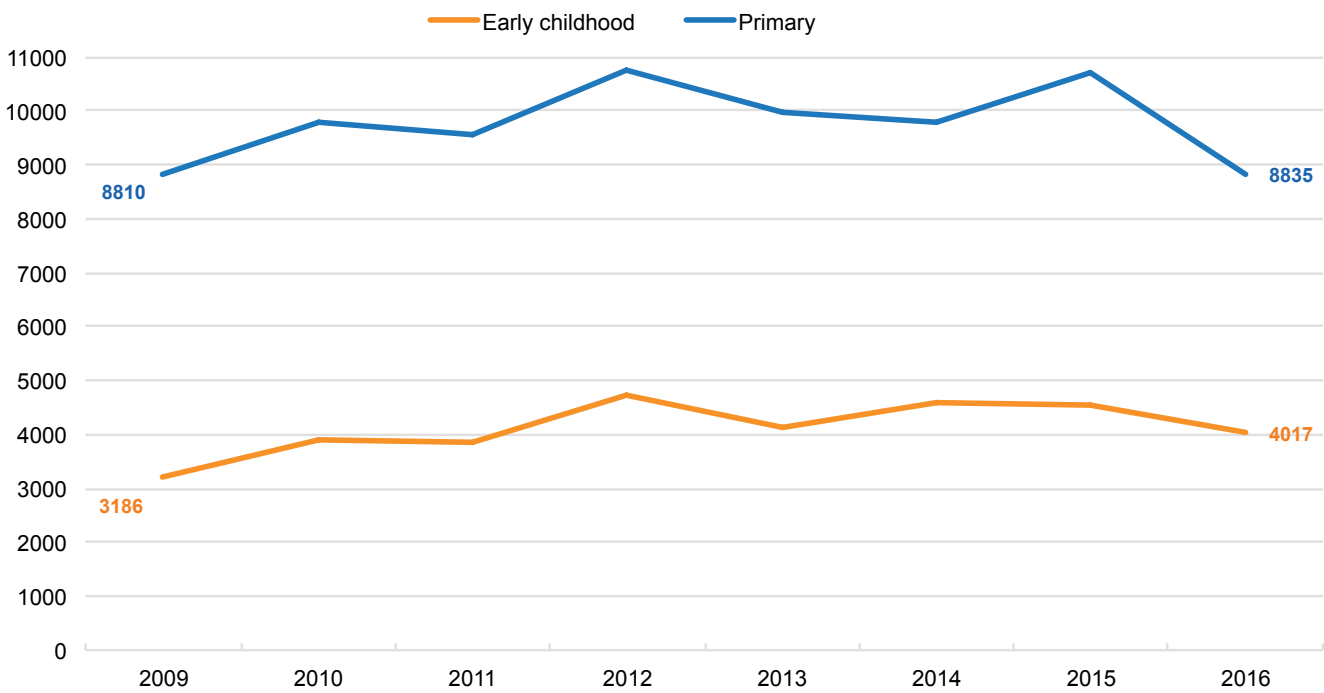**Figure 7.1: Early childhood and primary initial teacher training degree commencement numbers**

Figure 7.2 shows the number of students completing early childhood and primary initial teacher training degrees at Australian higher education institutes from 2009 to 2016. Completion numbers for early childhood initial teacher training degrees increased from 1784 in 2009 to 2245 in 2016, while completion numbers for primary teaching degrees decreased from 6027 to 5865 across the same period.

Between 2015 and 2016, there was a decrease in completion numbers for both early childhood (11% year on year decrease) and primary (3% year on year decrease) initial teacher training degrees.

Figure 7.2: Early childhood and primary initial teacher training degree completion numbers
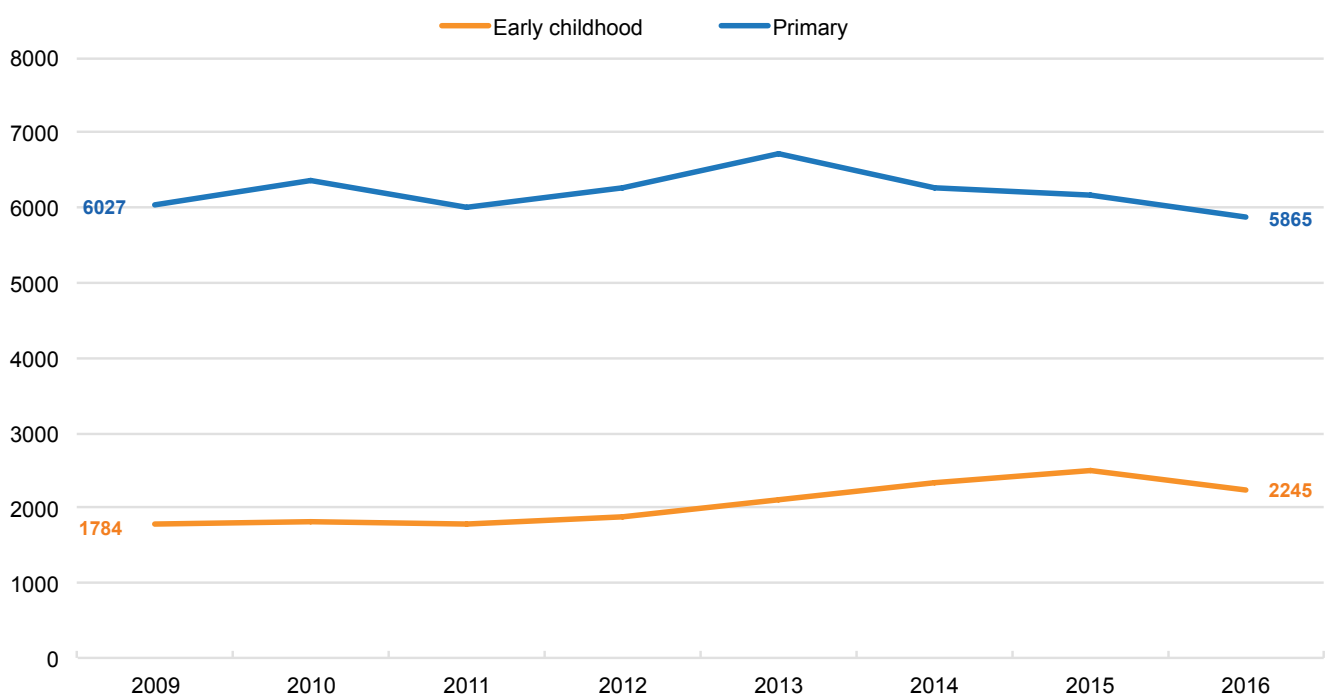
National review of teacher registration

In September 2018, the Australian Institute for Teaching and School Leadership (AITSL) published the findings of its national review of teacher registration. The report[2] makes a number of recommendations aimed at supporting the professional growth and recognition of teachers, reducing red tape and increasing community confidence in all teachers.

The findings of the expert panel that conducted the review have led to proposals to streamline processes so that:

- teachers can seamlessly transfer between courses across Australia

- all early childhood teachers can be brought into teacher registration

- stronger links can be made between teacher registration and the different career stages of the Australian Professional Standards for Teachers.

AITSL is working with key stakeholders, including state and territory teacher regulatory authorities and ACECQA, to progress an implementation plan for the review's recommendations.

Staffing arrangements quality rating results

Figure 7.3 compares performance against Quality Area 4 (Staffing arrangements) of the National Quality Standard (NQS) over time, showing the proportion of services that were rated Meeting NQS or above.

As at 30 June 2018, 94% of services were rated Meeting NQS or above for Quality Area 4, compared to 92% at 30 June 2017.

Figure 7.3: Proportion of services rated Meeting NQS or above for Quality Area 4

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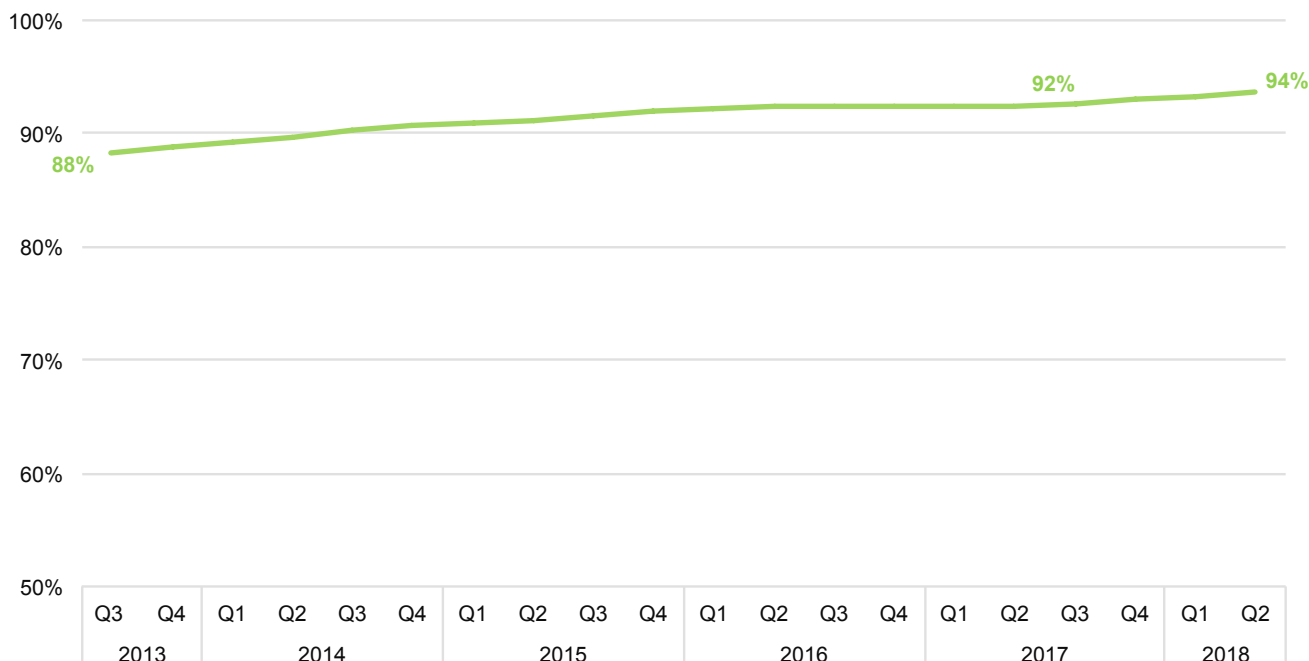
2. Australian Institute for Teaching and School Leadership (2018) One Teaching Profession: Teacher Registration in Australia.
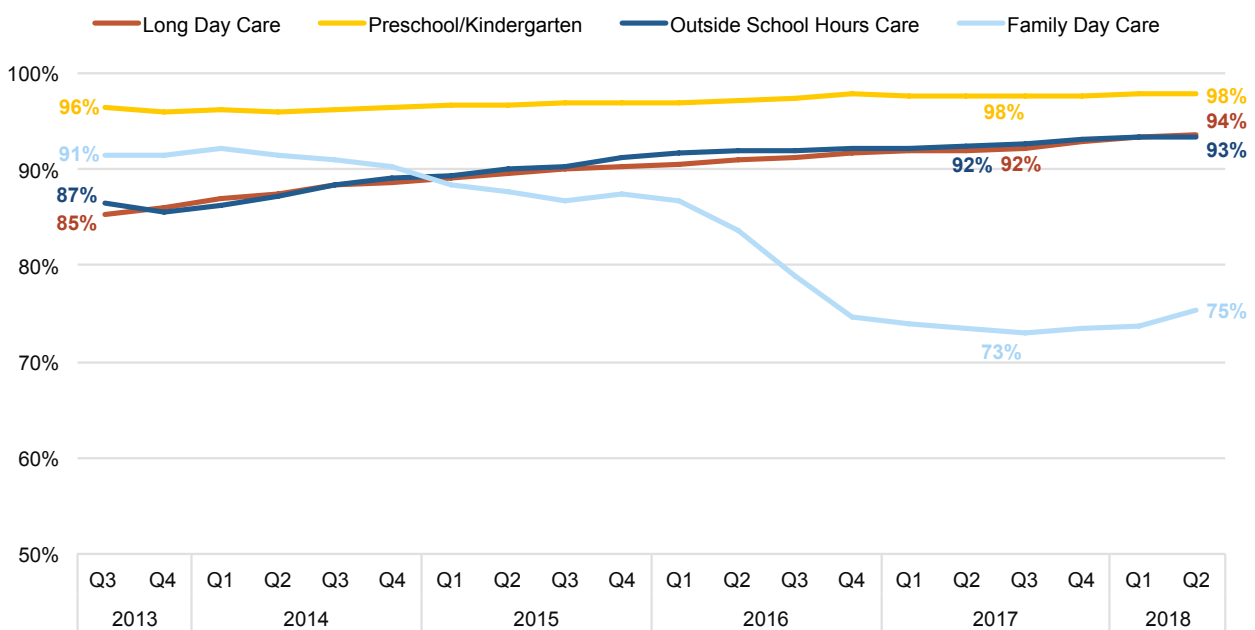
Service type

Figure 7.4 shows that since 30 June 2017, the proportion of services rated Meeting NQS or above for Quality Area 4 has increased or remained the same for all service types.

As at 30 June 2018, preschools/kindergartens continue to have the highest proportion of approved services rated Meeting NQS or above for Quality Area 4 (98%), followed by long day care services (94%, an increase of two percentage points from 30 June 2017), outside school hours care services (93%, an increase of one percentage point) and family day care services (75%, an increase of two percentage points).

As at 30 June 2018, the proportion of services rated Meeting NQS or above for Quality Area 4 had increased or remained the same for all service types, compared to a year before.

Figure 7.4: Proportion of services rated Meeting NQS or above for Quality Area 4, by service type
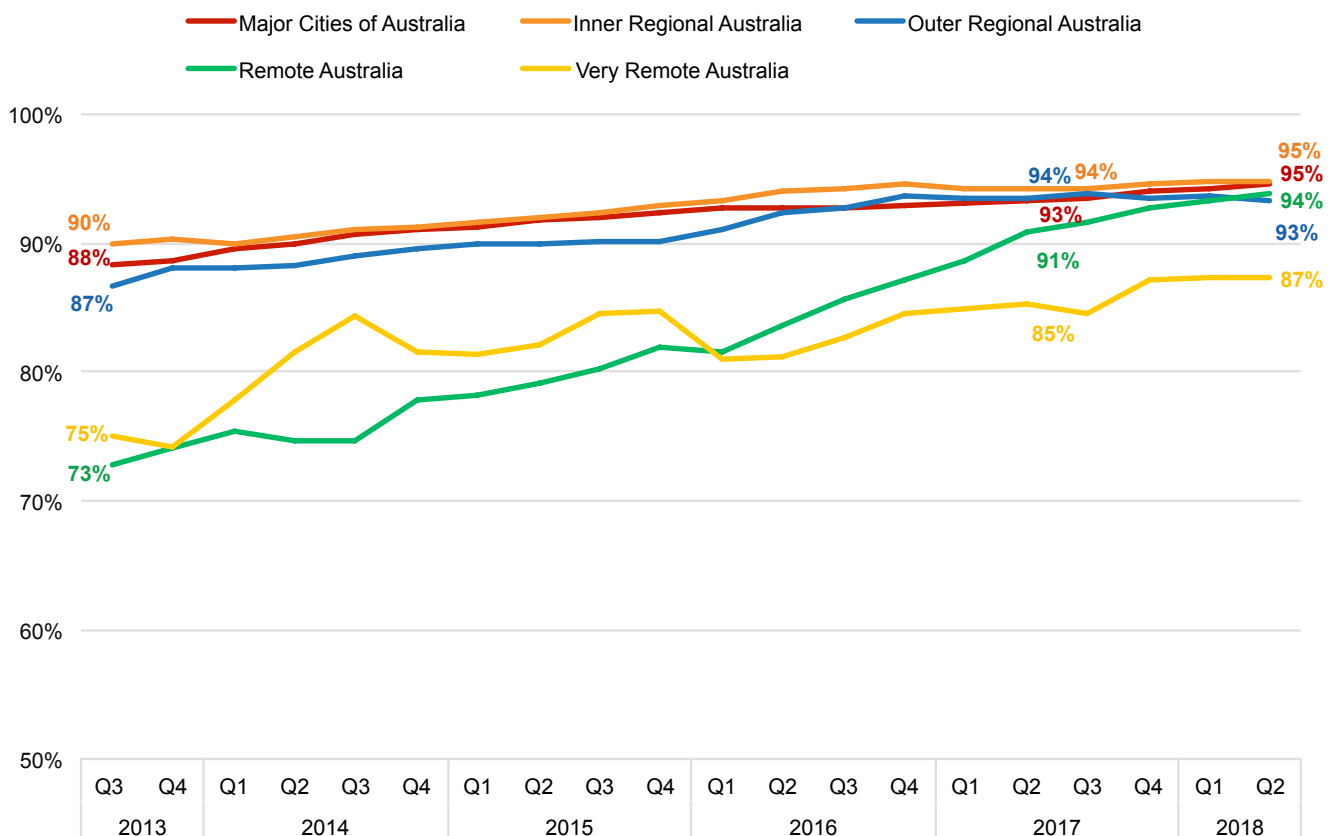
Remoteness classification

Figure 7.5 presents the distribution of centre-based services rated Meeting NQS or above for Quality Area 4 over time according to the Accessibility/Remoteness Index of Australia (ARIA+).[3]

Since 30 June 2017, the proportion of services rated Meeting NQS or above for Quality Area 4 has increased for all geographic areas, except for Outer Regional Australia.

The number of quality rated centre-based services in Remote (181) and Very Remote (118) areas should also be noted, as the relatively low numbers can lead to fluctuations over time.

Since 2013, the proportion of remote and very remote services rated Meeting NQS or above for Quality Area 4 has markedly increased.

Figure 7.5: Proportion of centre-based services rated Meeting NQS or above for Quality Area 4, by remoteness classification

3. Family day care services are excluded from remoteness classification because their approval is not specific to one location.

Staffing waivers

Under the NQF, regulatory authorities may issue a waiver if an approved provider can demonstrate difficulty meeting requirements in relation to staffing arrangements. Approved providers can apply for a service waiver, where an issue is likely to be ongoing, or a temporary waiver, where the issue can be addressed within 12 months.

Figure 7.6 shows that, as at 30 June 2018, 3.9% of services held a staffing waiver, an identical proportion to the previous year. Periodic increases in the proportion of services with staffing waivers reflect some service providers experiencing short term difficulties in meeting

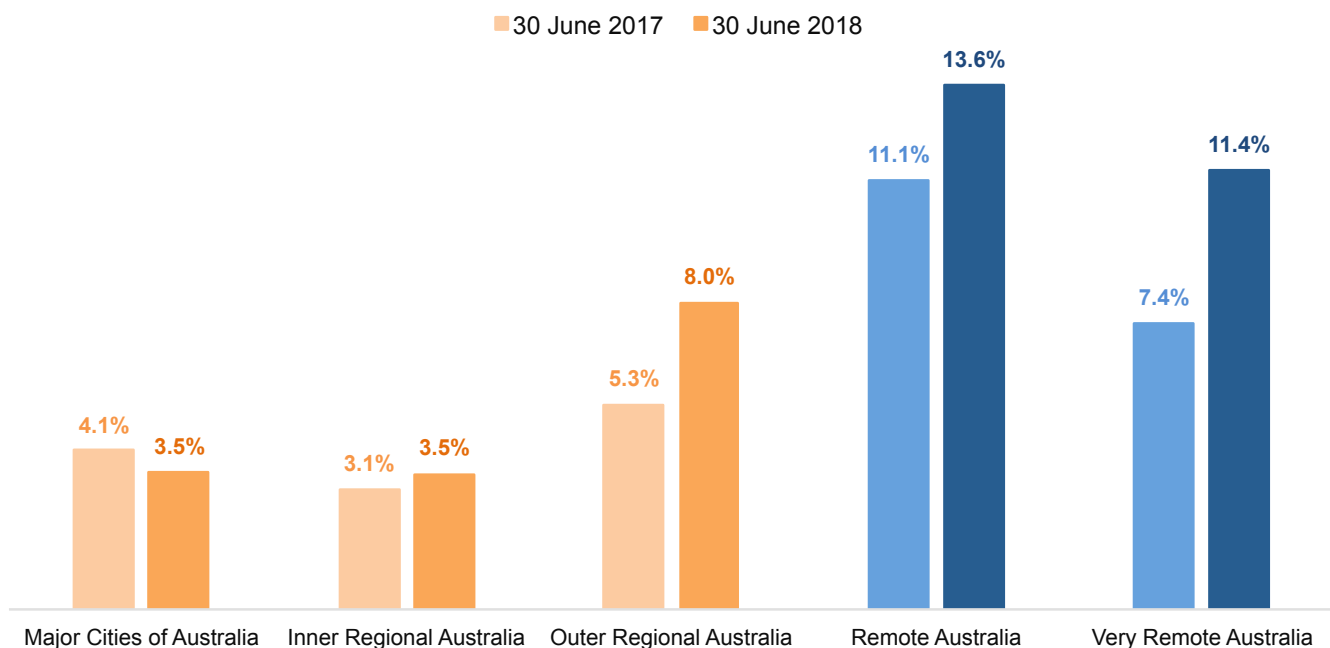new staffing requirements that came into effect on 1 January 2014 and 1 January 2016.

Most staffing waivers are temporary waivers that apply for no longer than 12 months. This is indicative of the nature of recruitment, as a provider may apply for a temporary waiver while they are recruiting to fill a position at a service (particularly the early childhood teacher position).

Figure 7.7 shows that, as at 30 June 2018, services in Remote (13.6%) and Very Remote areas (11.4%) continued to have the highest proportion of staffing waivers, reflecting the increased difficulty of recruiting and retaining staff in those locations.

Figure 7.6: Proportion of services with a staffing waiver

Figure 7.7: Proportion of services with a staffing waiver by remoteness classification

Legend: ■ 30 June 2017 ■ 30 June 2018

- Major Cities of Australia: 4.1%, 3.5%
- Inner Regional Australia: 3.1%, 3.5%
- Outer Regional Australia: 5.3%, 8.0%
- Remote Australia: 11.1%, 13.6%
- Very Remote Australia: 7.4%, 11.4%

References

Australian Children's Education and Care Quality Authority (2017), *National Partnership Annual Performance Report*, Sydney.

Australian Institute for Teaching and School Leadership (2018) *One Teaching Profession: Teacher Registration in Australia*, Melbourne.

National Centre for Vocational Education Research (2017), *Total VET students and courses 2017*, Canberra.

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