



Australian Children's
Education & Care
Quality Authority

NQF Annual Performance Report

National Quality Framework

December 2019

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Interactive versions of the charts in this report are available at [cecqa.gov.au/APR](https://www.cecqa.gov.au/APR)



Australian Children's
Education & Care
Quality Authority

ACECQA acknowledges the Gadigal peoples of the Eora Nation, the Traditional Custodians of the lands on which ACECQA is located. We recognise the unique status of Aboriginal and Torres Strait Islander Peoples as the First Australians, including their role in the education and care of children. We pay our respects to the past, present and emerging Traditional Custodians of country throughout Australia.

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Foreword from the ACECQA Chair

On behalf of the Australian Children's Education and Care Quality Authority (ACECQA), I am very pleased to present the 2019 National Quality Framework (NQF) Annual Performance Report.

The NQF began in 2012 with the primary objectives of ensuring the health, safety and wellbeing, and improving the educational and developmental outcomes, of children attending education and care services.

ACECQA's role is to support all governments and the sector in realising the benefits of a nationally cohesive system. A significant part of our responsibilities under the *Education and Care Services National Law* is to evaluate and report on the implementation and administration of the NQF. We do this through our quarterly NQF Snapshots, national audits, occasional papers, and our NQF Annual Performance Report.

With more than 900,000 families and 1.3 million children accessing almost 16,000 services, children's education and care is a vital and growing part of Australia's education sector. It is essential that there is transparency and accountability in relation to the quality of that service provision.

This report analyses fundamental aspects of the NQF, including children's health and safety, and educational program and practice, as well as one of its most persistent challenges – workforce.

As outlined in the Executive Summary, one of the key benefits we are seeing nationally since the introduction of the NQF is an increase in overall service quality. Over time, the proportion of children's education and care services rated Meeting National Quality Standard (NQS) or above has risen markedly – from 56% in 2013, to 69% in 2016, to 79% in 2019.

Encouragingly, the improvement has been across all seven quality areas of the NQS. The table at the end of Chapter 2 shows the correlation between the seven quality areas and the 15 quality standards that underpin them. Among other things, it highlights the relationship between high quality educational program and practice, relationships with children, high quality assessment and planning, and governance and leadership. Such insights also help us to identify and target resources needed by the sector, such as our Educational Leader Resource published in March 2019.

We have also started to see improvements in quality ratings for family day care services. Following a concerted effort from all governments and increased investment in compliance monitoring and quality assessment and rating, almost half of family day care services are rated Meeting NQS or above, the highest proportion for almost three years.

It is my hope that the issues identified in Chapter 5 will guide the development of a national approach to encourage a sustainable supply of qualified educators, building upon workforce related initiatives jurisdictions already have in place.

Along with workforce, another persistent challenge has been to raise public awareness of, and the value placed on, high quality children's education and care. Chapter 4 summarises the research conducted in this space and it is expected that the review of the NQF that commenced this year will identify ways to improve this.

Internationally there is widespread interest in the approach Australia has taken and the extent to which the NQF is helping us achieve the goal of improved outcomes for children and families. Continued collaboration across all parts of the sector is essential in helping us to further the objectives of the NQF and strive for such a worthy goal.

Judy Hebblethwaite - ACECQA Chair

Overview of the education and care sector

More than 900,000 families access education and care services for more than 1.3 million children.

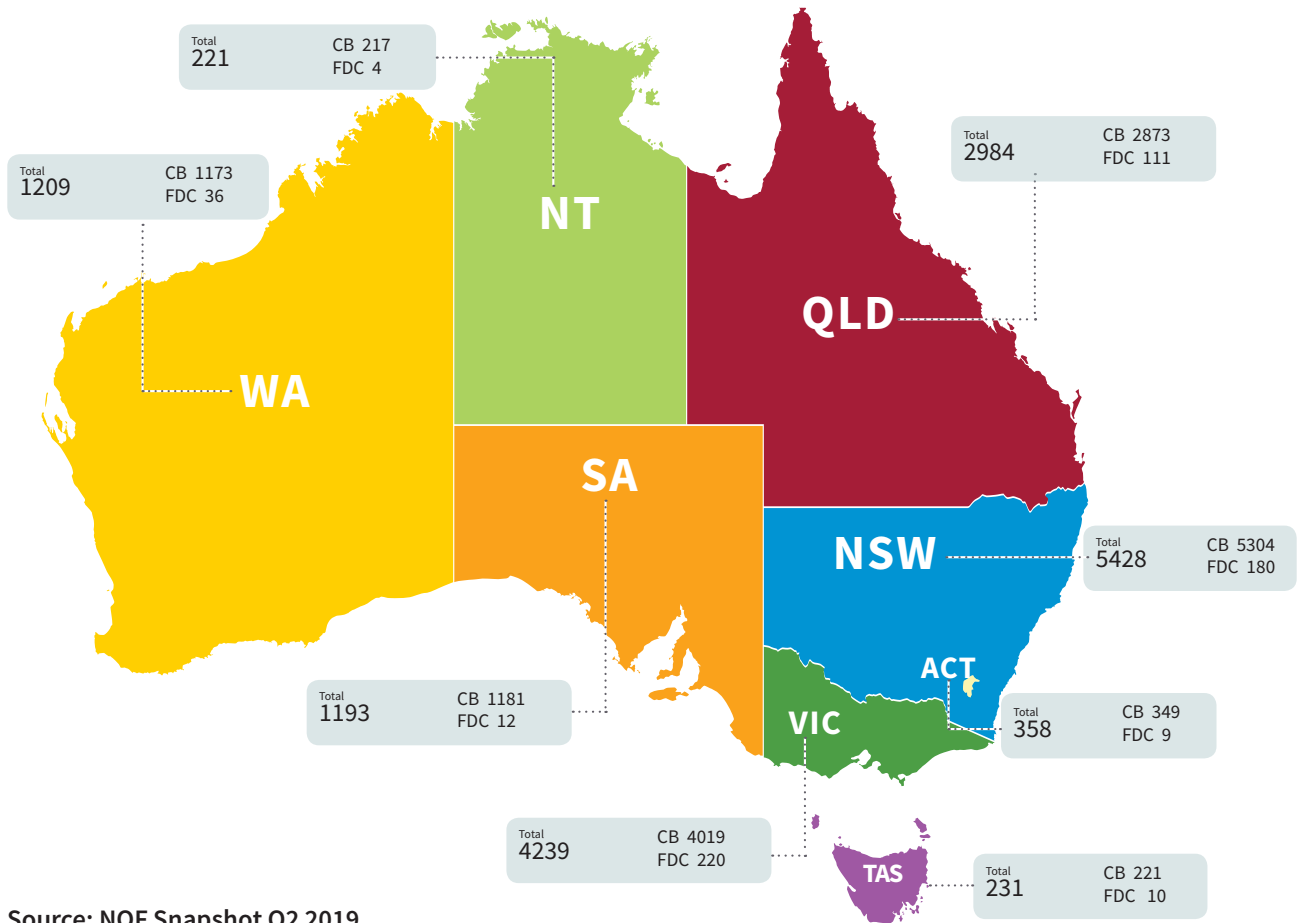
As at 30 June 2019:

- more than 15,900 children's education and care services were approved to operate under the National Quality Framework (NQF), including:
 - » 7744 long day care services (49% of approved services)
 - » 4483 outside school hours care services (28%)
 - » 3106 preschools/kindergartens (20%)
 - » 582 family day care services (4%).
- almost 7300 providers were approved to operate children's education and care services, with 82% of these approved to operate a single service
- the 10 largest providers in the country each operated more than 100 services, with a combined total of around 3200 services (20% of all approved services)
- 'private for profit' providers operated around two thirds of long day care and family day care services, approaching half of approved outside school hours care services, and 2% of preschools/kindergartens
- 'private not for profit community managed' providers operated just under half of preschools/kindergartens, with more than a fifth of preschools/kindergartens being 'state/territory and local government managed'
- four-fifths of services were located in the three most populous states, with more than a third in New South Wales, more than a quarter in Victoria and just under a fifth in Queensland
- almost three quarters of services were located in major cities, with a quarter in inner and outer regional Australia, and 2% in remote and very remote Australia
- more than 14,900 services had a published quality rating against the National Quality Standard (NQS), with 79% rated Meeting NQS or above
- of the roughly 3100 services rated Working Towards NQS, 30% received the rating due to not meeting three or fewer elements of quality
- more than 4600 services were rated Exceeding NQS, with more than 1500 services receiving a rating of Exceeding NQS for all seven quality areas
- on average, around 300 services were quality assessed and rated each month by state and territory regulatory authorities.

Long day care, outside school hours care services, and preschools/kindergartens are collectively referred to as centre-based services.

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

Sector profile



Source: NQF Snapshot Q2 2019

Total Centre-based (CB) 15,337 (96%)	Total Family day care (FDC) 582(4%)	Total 15,919
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Provider management type	Number of services	Proportion of services
Private for profit	7643	48.0%
Private not for profit community managed	3486	21.9%
Private not for profit other organisations	2174	13.7%
State/Territory and Local Government managed	1270	8.0%
State/Territory government schools	669	4.2%
Independent schools	485	3.0%
Catholic schools	178	1.1%

Executive summary

More than 1.3 million children in Australia attend education and care services, including long day care, outside school hours care, preschools/kindergartens, and family day care services.

The [National Quality Framework](#) (NQF) aims to ensure that all children attending regulated services receive educational and developmental benefits, including positive impacts to their health and wellbeing. It represents a nationwide commitment to quality education and care for our youngest citizens.

Governments regulate more than 15,900 services under the NQF, with individual children attending services for anywhere from a handful of 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 families who have recently moved to Australia.

The NQF provides assurance and guidance to parents and carers. The *Education and Care Services National Law* and National 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 state and territory governments to quality assess and rate services.

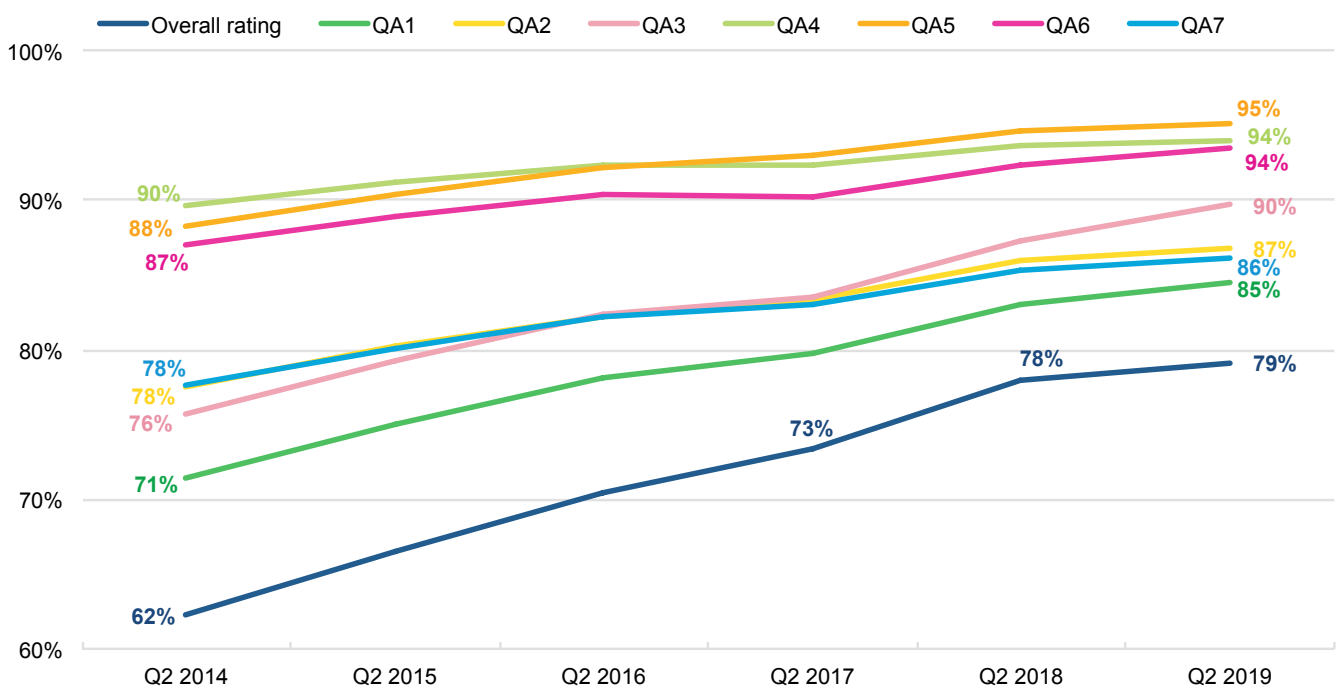
Most of the data used in this report is sourced from the National Quality Agenda IT System (NQA ITS), as at 30 June 2019.

Quality improvement

The proportion of children's education and care services rated Meeting NQS or above has increased every year since the NQF was introduced (see **Figure 1**).

This year, 79% of services were rated Meeting NQS or above, up from 62% five years ago, 73% two years ago and 78% one year ago.

Figure 1: Proportion of services rated Meeting NQS or above by overall rating and quality area



This trend is replicated across all seven quality areas of the NQS, with the largest improvements over the past five years being for Quality Area 1 (Educational program and practice) and Quality Area 3 (Physical environment).

While there was a steady increase between 2014 and 2018, the proportion of services rated Exceeding NQS has decreased in the last year (see **Figure 2**).

A new version of the NQS came in to effect from 1 February 2018. In addition to reducing the number of quality standards and elements, the 2018 NQS introduced a new approach to calculating the Exceeding rating, whereby every standard in a quality area must be rated Exceeding NQS for the quality area to be rated Exceeding NQS.

The 2018 NQS also introduced a requirement at the standard level for practice to be embedded, informed by critical reflection and shaped by meaningful engagement for the Exceeding NQS rating to be achieved for each standard.

As a result of these changes, it is more challenging for a service to achieve a rating of Exceeding NQS against the 2018 NQS.

With more than 8000 reassessments of children’s education and care services completed by state and territory regulatory authorities, there is increasingly strong evidence of continuous quality improvement.

Just under two-thirds (65%) of services rated Working Towards NQS improved their quality rating to Meeting NQS (49%) or Exceeding NQS (16%) following a reassessment (see **Table 1**).

Following the changes that took effect from 1 February 2018, it is more challenging for a service to achieve a rating of Exceeding NQS against the 2018 NQS.

Figure 2: Proportion of services rated Exceeding NQS or above by overall rating and quality area

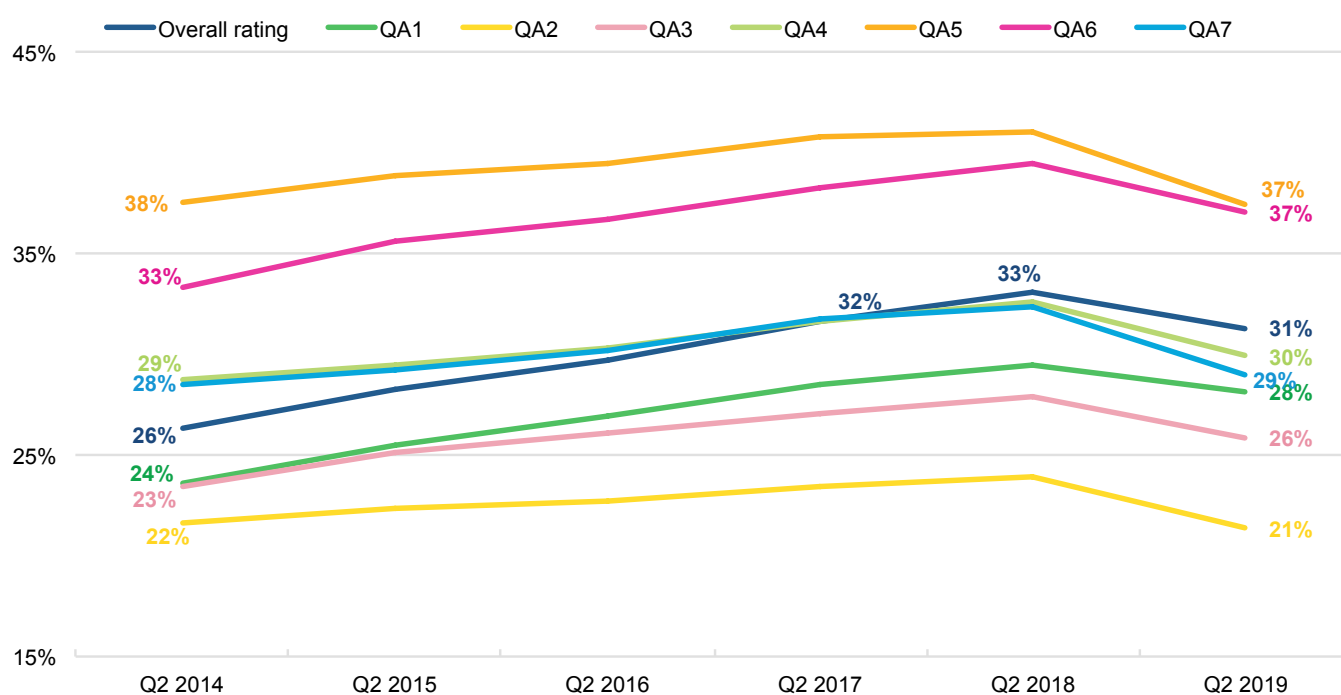


Table 1: Overall ratings before and after reassessments, as at 30 June 2019

		Rating after reassessment				Total
		Significant Improvement Required	Working Towards NQS	Meeting NQS	Exceeding NQS	
Rating before reassessment	Significant Improvement Required	19	50	9	0	78
	Working Towards NQS	21	1401	2015	646	4083
	Meeting NQS	2	519	1536	488	2545
	Exceeding NQS	1	161	506	694	1362
Total		43	2131	4066	1828	8068
		Rating after reassessment				Improvement rate
		Significant Improvement Required	Working Towards NQS	Meeting NQS	Exceeding NQS	
Rating before reassessment	Significant Improvement Required	24%	64%	12%	0%	76%
	Working Towards NQS	1%	34%	49%	16%	65%
	Meeting NQS	0%	20%	60%	19%	19%
	Exceeding NQS	0%	12%	37%	51%	-

Working Towards NQS

Of all the quality rating levels, it is the Working Towards NQS rating that generates most discussion and conjecture, partly due to the ambiguous nature of the words themselves.

To be rated Meeting NQS, all elements across all seven quality areas must be met. This means that a service may be rated Working Towards NQS based on not meeting a single element of quality or not meeting dozens of the elements.

Looking beyond the overall quality rating can therefore provide a much better picture of an individual service's performance.

Figure 3 provides the breakdown of the number of elements not met by the 3103 services rated Working Towards NQS.

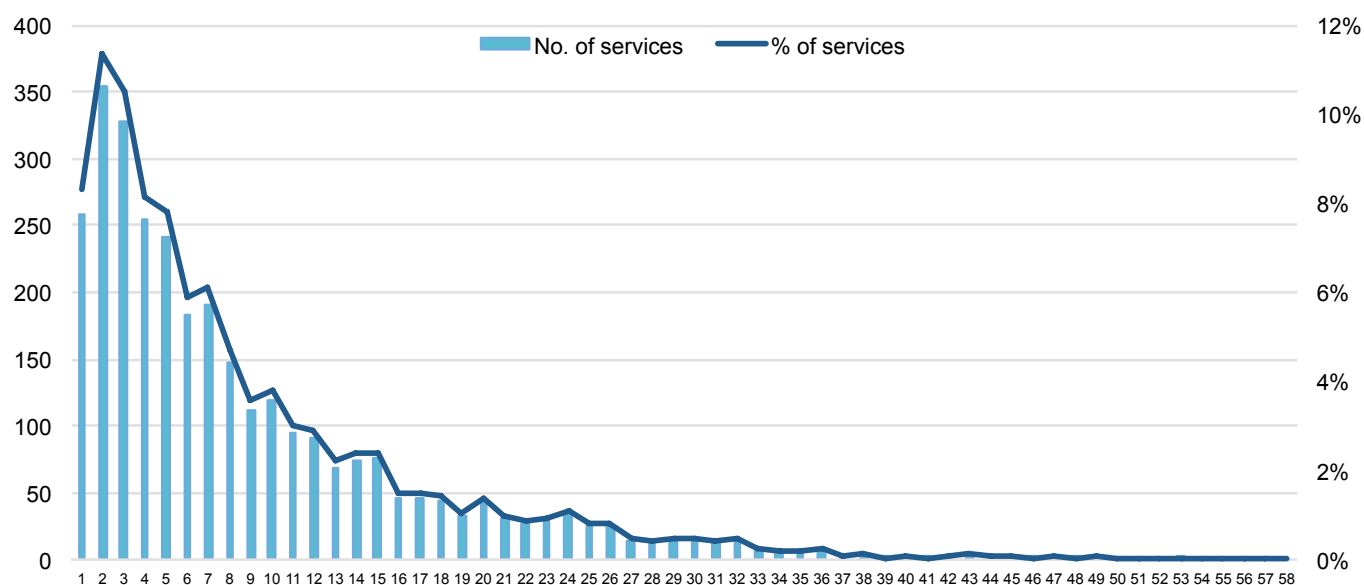
More than 900 services received a rating of Working Towards NQS as a result of not meeting three or fewer quality elements, representing 30% of all services rated Working Towards NQS.

At the other end of the spectrum, almost 600 services received the rating due to not meeting 15 or more quality elements, representing 19% of all services with the rating.

By examining the element level performance of services rated Working Towards NQS, it becomes much clearer how close those services may be to meeting the high standard set by the NQS, as well as how much work may need to be done to reach that high standard.

The assessment and rating system, administered by state and territory regulatory authorities, examines a broad range of quality measures.

Figure 3: Breakdown of the number of elements not met by services rated Working Towards NQS, as at 30 June 2019



It also encourages quality improvement and recognises aspects of high quality performance – for example, almost 300 services rated Working Towards NQS achieved a rating of Exceeding NQS for one or more of the seven quality areas.

Family day care services

Since the introduction of the NQF on 1 January 2012, there has been a steady increase in the overall number of approved services. However, the trend for centre based care services is very different to that for family day care services. At 1 April 2013, there were 12,414 approved centre-based services, rising to 15,337 at 1 July 2019, with the rate of increase higher for long day care and outside school hours care services than preschools/kindergartens.

In contrast, at 1 April 2013, there were 472 approved family day care services, increasing steeply to 1100 services at 1 July 2016 before markedly falling to 582 services at 1 July 2019 (see **Figure 4**).

Significant investment in enforcement and compliance action by a number of state

and territory governments, as well as the Commonwealth Government, has resulted in the removal of a sizeable proportion of family day care services. Some of these services may have been approved, but not commenced operation within the legislated six month timeframe.

In addition to enforcement and compliance action, the significant resource investment by state and territory regulatory authorities extended to increased quality assessment and rating activity.

Between 2013 and 2015, on average 11 family day care services were quality assessed and rated each month. Between 2016 and 2018, the monthly average was 18 services.

A number of the chapters of the inaugural 2017 NQF annual performance report highlighted the relatively poor and deteriorating performance of the family day care sector against the NQS. The report stressed that this does not mean that all family day care services perform poorly and also noted that COAG Education Council Ministers had committed to a range of strategies to support family day care as a valuable education and care option.

Figure 4: Number of family day care and centre-based care services approved under the NQF

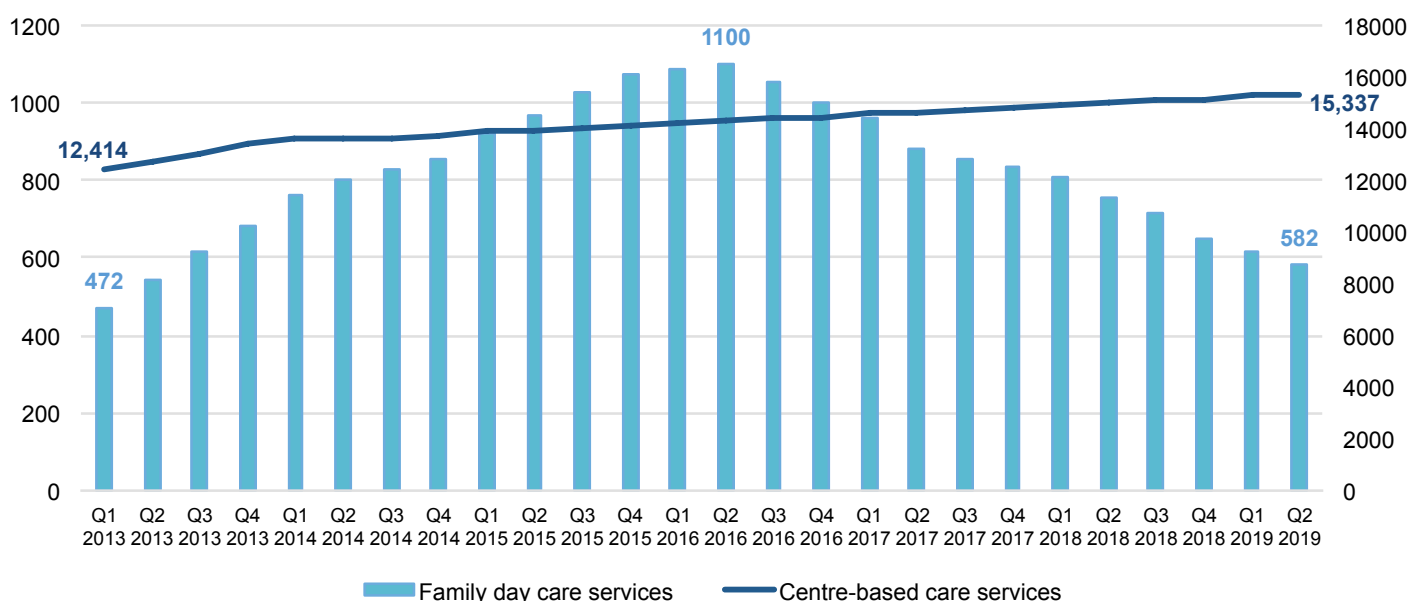


Figure 5 looks at all of the quality assessment and ratings of family day care services ever undertaken.

Both the proportion of family day care services rated Working Towards NQS and the proportion rated Significant Improvement Required (the lowest quality rating, denoting a significant risk to the safety, health and wellbeing of children attending the service) increased between 2014/15 and 2016/17.

Since then, the proportion of family day care services rated Significant Improvement Required has reduced markedly, and the overall distribution of ratings in 2018/19 was notably different to the preceding four financial years.

During 2018/19, for the first time since 2013/14, more than half of family day care services were rated Meeting NQS or above.

As noted in a number of chapters of this report, the recent improvement in performance of family day care services is also evident across multiple quality areas of the NQS.

As at 30 June 2019, ACECQA had awarded the [Excellent rating](#) (the highest quality rating, denoting exceptional education and care)

on 99 occasions to 80 different children’s education and care services (some services were re-assessed and re-awarded the Excellent rating). This includes three family day care services, with one of the three having been awarded the rating twice (the Excellent rating is an optional rating that is available to eligible services). The current eligibility requirement to apply to be assessed for the Excellent rating is a rating of Exceeding NQS in all seven quality areas.

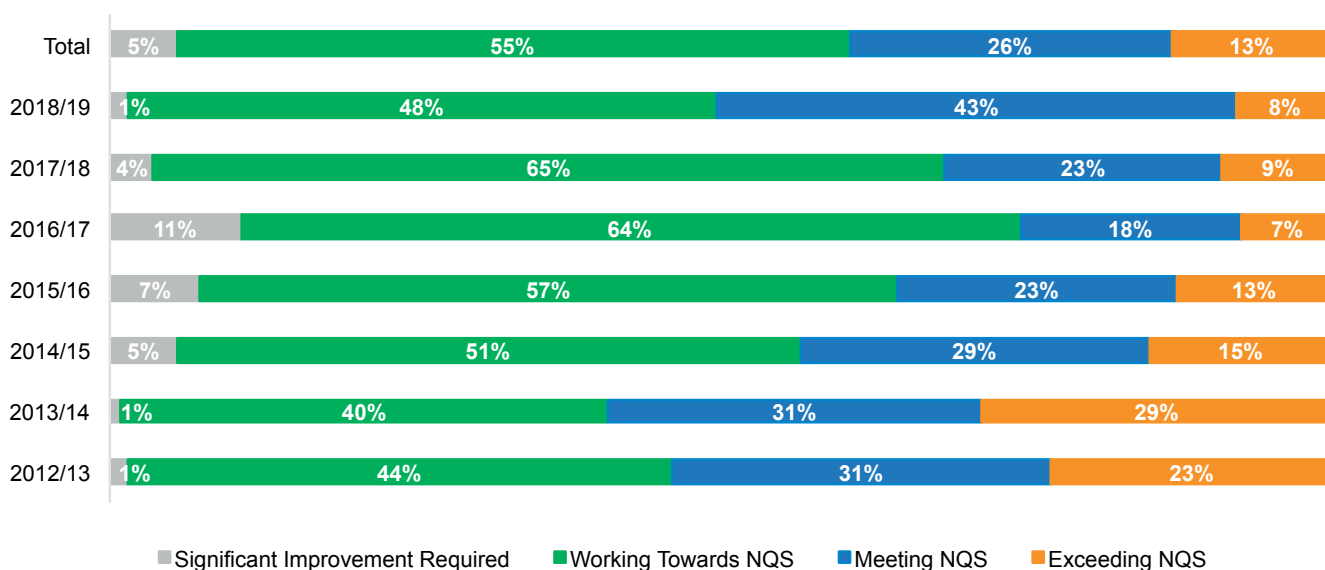
Wynnum Family Day Care (Queensland)

In 2013, Wynnum Family Day Care was the first family day care service to be awarded the Excellent rating, and was also the first family day care service to receive the rating twice, having been re-awarded the Excellent rating in 2016. The co ordination unit for the service is located in the coastal suburb of Wynnum in Brisbane.

Examples of exceptional practice include:

- the ‘Child Development Program’, which provides assistance and support to families, children and educators where there is concern about developmental delay or risk to a child’s wellbeing

Figure 5: Overall quality ratings of all family day care service assessments undertaken since the introduction of the NQF



- the ‘Link Program’, a daily program run in different locations by external consultants as an alternative to traditional playgroup, offered to educators and families at no additional cost
- activities like gymnastics, yoga, sports activities, music lessons, African drumming and art classes that provide opportunities for educators and children to come together socially and participate in a variety of engaging learning environments.

Chapter summary

Below is a brief summary of the five chapters of this year’s report.

Chapter 1 – Children’s health and safety

Ensuring the health and safety of children attending education and care services is the first and most important objective of the NQF. Almost nine out of ten (87%) services are rated Meeting NQS or above for Quality Area 2 (Children’s health and safety).

The most challenging elements of Quality Area 2 relate to health practices and procedures, supervision, and incident and emergency management.

The rate of serious incidents and confirmed breaches increased in 2018/19, with the increase in the latter over the last two years likely reflecting an increased focus by state and territory regulatory authorities on compliance with the requirements of the *Education and Care Services National Law* and National Regulations.

Chapter 2 – Educational program and practice

The second objective of the NQF is to improve the educational and developmental outcomes of children attending education and care services.

Over the past seven years, Quality Area 1 (Educational program and practice) has consistently been the most challenging of the seven quality areas for services to meet. More than four-fifths (85%) of services are rated Meeting NQS or above for Quality Area 1.

The most challenging elements of Quality Area 1 relate to the assessment and planning cycle, and critical reflection.

There is a high degree of correlation between performance against Quality Area 1 and Quality Area 7 (Governance and leadership). This is in no small part due to Quality Area 7 including an assessment of the role of a service's educational leader in leading the development and implementation of the educational program and assessment and planning cycle, including the support provided to them to achieve this crucial role.

Chapter 3 – Children from vulnerable and disadvantaged backgrounds

Children from more 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, with the NQF being underpinned by the principles of equity, inclusion and diversity.

While the difference between the proportion of services rated Meeting NQS or above in the most and least disadvantaged areas is relatively small, there remains a marked difference in terms of services rated Exceeding NQS, with services in the least disadvantaged areas more likely to achieve the rating.

Chapter 4 – Public awareness of service quality

The NQF was introduced on 1 January 2012, with one of its objectives being to improve public knowledge and access to information about the quality of children's education and care services.

Research conducted in 2014 and 2017 (summarised in the [Annual Performance Report 2017](#)) found there was limited awareness of the quality rating system against the NQS.

[Further research](#) in 2018 and 2019 confirmed these findings. However, the research also confirmed that the notion of 'quality' is crucial in parents' decision-making process when choosing a children's education and care service.

Potential ways to increase public awareness of service quality is one of the areas being considered as part of the 2019 NQF Review, with respondents to the initial consultation period raising a number of issues, including the language, structure and frequency of the quality ratings, as well as whether a different approach to quality ratings might be appropriate for outside school hours care services.

Chapter 5 – Workforce

Research continues to emphasise the importance of educator to child interactions, with evidence that improved educator to child ratios and educator qualifications are associated with higher quality education and care.

The overwhelming majority (94%) of services are rated Meeting NQS or above for Quality Area 4 (Staffing arrangements).

Enrolments in the Diploma of Early Childhood Education and Care and Certificate III in Early Childhood Education and Care decreased overall between 2015 and 2018, with a marked decrease in enrolments in the diploma in 2018.

Services in remote and very remote areas continue to have the highest proportion of staffing waivers, reflecting the increased difficulty of recruiting and retaining staff in those locations.

A broad range of stakeholders has emphasised the need for an agreed and coordinated national approach to the children's education and care workforce, with workforce related issues remaining a key challenge and priority for the children's education and care sector.

Report snapshot



More services meet or exceed health and safety standards

Chapter 1
Children's health and safety



Educational program and practice has improved across all service types

Chapter 2
Educational program and practice



Service quality has improved in the most disadvantaged areas

Chapter 3
Children from vulnerable and disadvantaged backgrounds



Families' awareness of the quality rating system remains low

Chapter 4
Public awareness of service quality



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

Chapter 5
Workforce



Key messages

- The National Quality Framework (NQF) aims to ensure the health and safety of all children attending education and care services. This is the first and most important objective under the Education and Care Services National Law.
- Quality Area 2 of the National Quality Standard (NQS) provides a detailed assessment of a service's health and safety practices and procedures, including:
 - » meeting each child's need for sleep, rest and relaxation
 - » effective illness, injury and hygiene management
 - » promoting healthy eating and physical activity
 - » providing adequate supervision
 - » responding to any child at risk of abuse of neglect.
- As at 30 June 2019, 87% of services were rated Meeting NQS or above for Quality Area 2, up from 86% as at 30 June 2018 and 83% as at 30 June 2017.
- Almost two-thirds (61%) of family day care services were rated Meeting NQS or above – the highest proportion since 30 September 2016.
- Standards 2.2 (Safety) and 2.1 (Health) are the third and fourth most challenging of all 15 standards of the NQS, with three of the most challenging of all 40 elements of the NQS sitting within them - Element 2.1.2 (Health practices and procedures), Element 2.2.1 (Supervision), and Element 2.2.2 (Incident and emergency management).
- The rate of serious incidents and confirmed breaches increased in 2018/19, with the increase in the latter over the last two years likely reflecting an increased focus by state and territory regulatory authorities on compliance with the requirements of the National Law and Regulations.
- The most frequently breached sections and regulations of the National Law and Regulations relate to the protection of children from harm and hazards, supervision of children, emergency and evacuation procedures, and the upkeep of premises, furniture and equipment.

Overview

The National Quality Framework (NQF) aims to ensure the health and safety of all children attending education and care services. This is the first and most important objective under the *Education and Care Services National Law*.

While health and safety related considerations are embedded throughout the National Quality Standard (NQS), they are the focus of Quality Area 2 (Children’s health and safety).

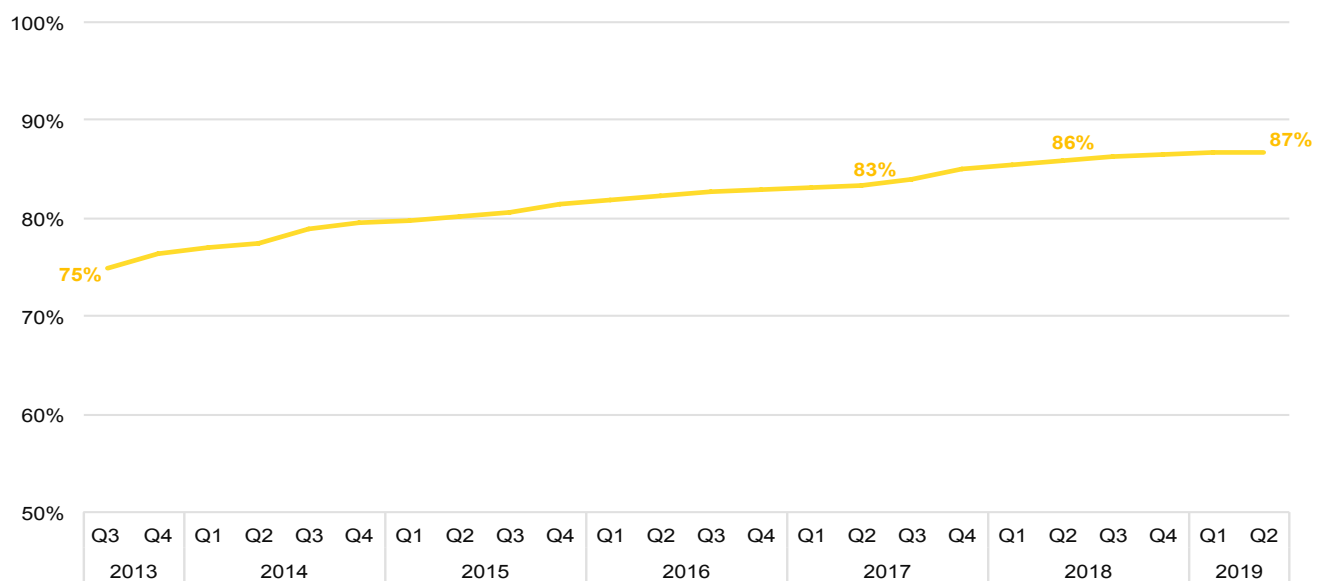
The first and most important objective of the NQF is to ensure the health and safety of all children attending education and care services.

Children’s health and safety results

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

As at 30 June 2019, 87% of services are rated Meeting NQS or above for Quality Area 2, up from 86% as at 30 June 2018 and 83% as at 30 June 2017.

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



Preschools/kindergartens continue to have the highest proportion of services rated Meeting NQS or above for Quality Area 2, followed by long day care, outside school hours care and family day care services (see **Figure 1.2**).

While family day care services continue to have by far the lowest proportion of services rated Meeting NQS or above for Quality Area 2, 61% of family day care services are rated Meeting NQS or above – the highest proportion since 30 September 2016.

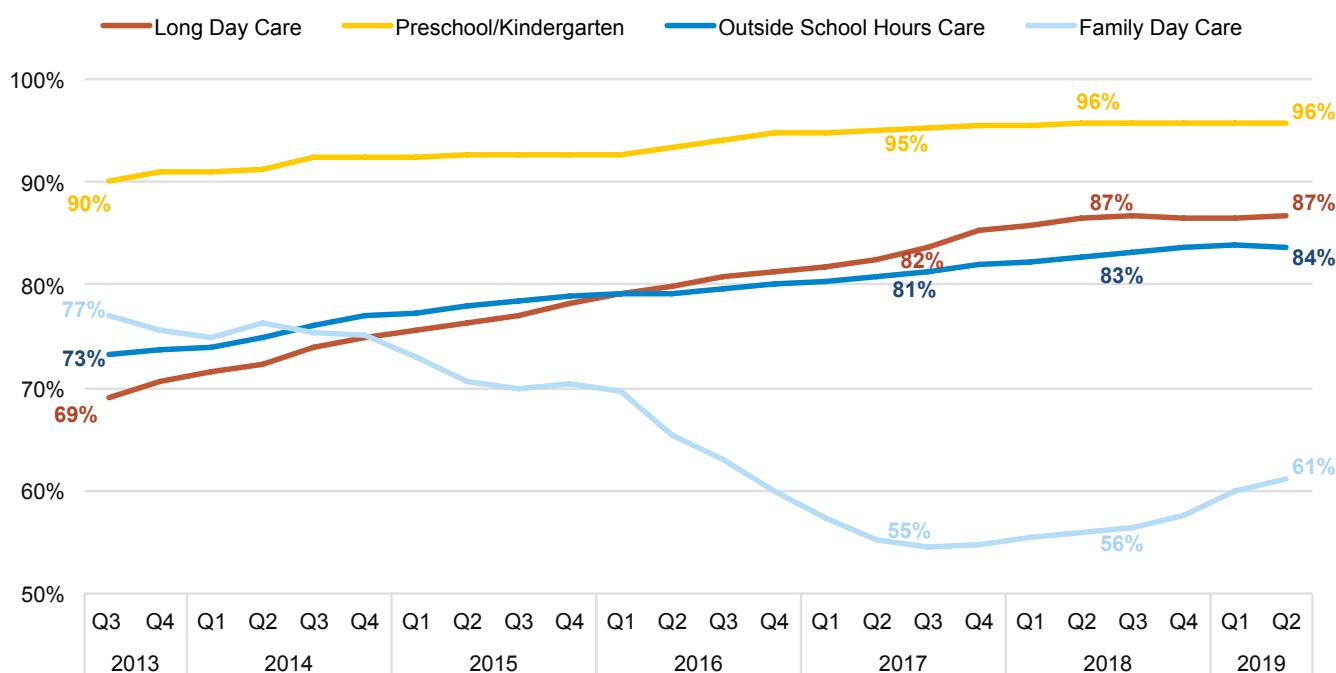
Figure 1.3 shows that services have found Standard 2.1 (Health) and 2.2 (Safety) more challenging than most other standards of the NQS¹.

As at 30 June 2019, 88% of services are rated Meeting NQS or above for Standard 2.1, and 87% for Standard 2.2, making them the fourth and third most challenging of the 15 standards.

In addition to being challenging to meet, Standard 2.1 has the second lowest number of services rated Exceeding NQS, with Standard 2.2 having the lowest.

Of all 40 elements of the NQS, Element 2.1.2 (Health practices and procedures) has the fourth highest number of services assessed as Not Met, with Element 2.2.1 (Supervision) having the sixth highest, and Element 2.2.2 (Incident and emergency management) having the ninth highest.

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



1. A new version of the NQS came into effect from 1 February 2018. Analysis at the standard and element level is based on the performance of services against the revised version.

Figure 1.4 shows the proportion of services assessed as Met for Element 2.1.2, 2.2.1 and 2.2.2.

Looking across the four service types, preschools/kindergartens are most likely to be assessed as Met for all three elements, with family day care services most likely to be assessed as Not Met for all three.

Figure 1.3: Proportion of services rated Meeting NQS or above for each standard of the 2018 NQS, as at 30 June 2019

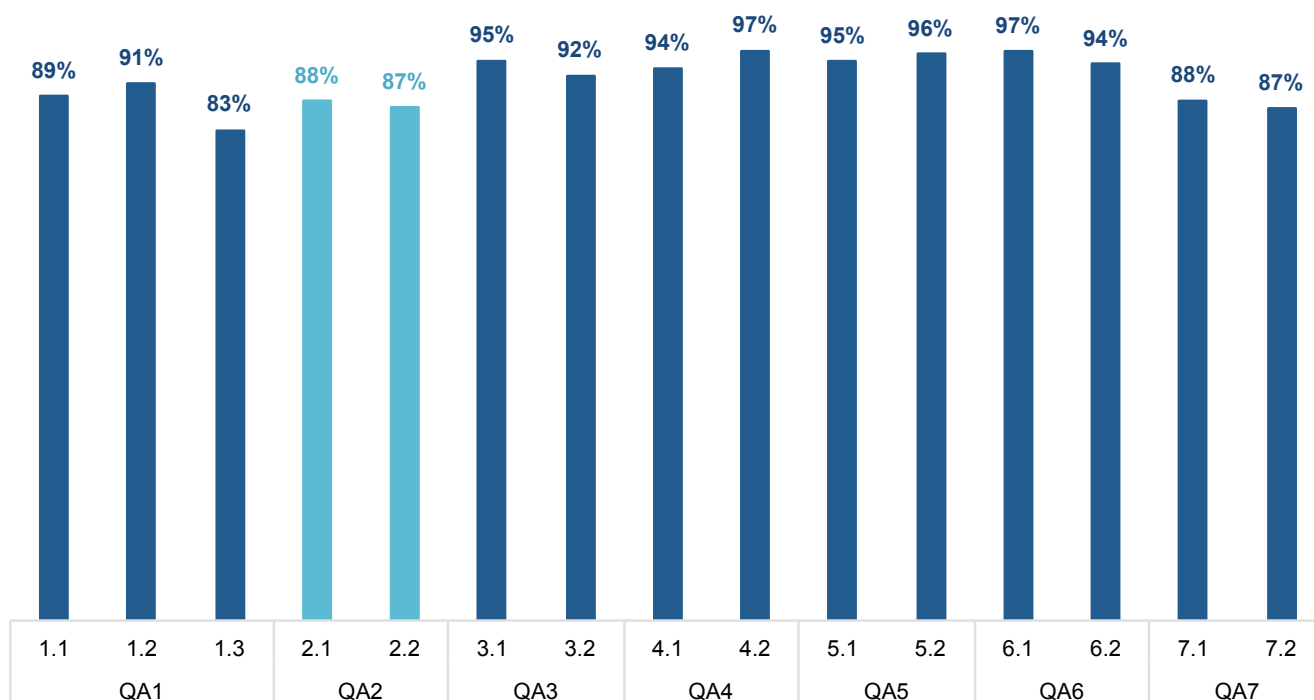
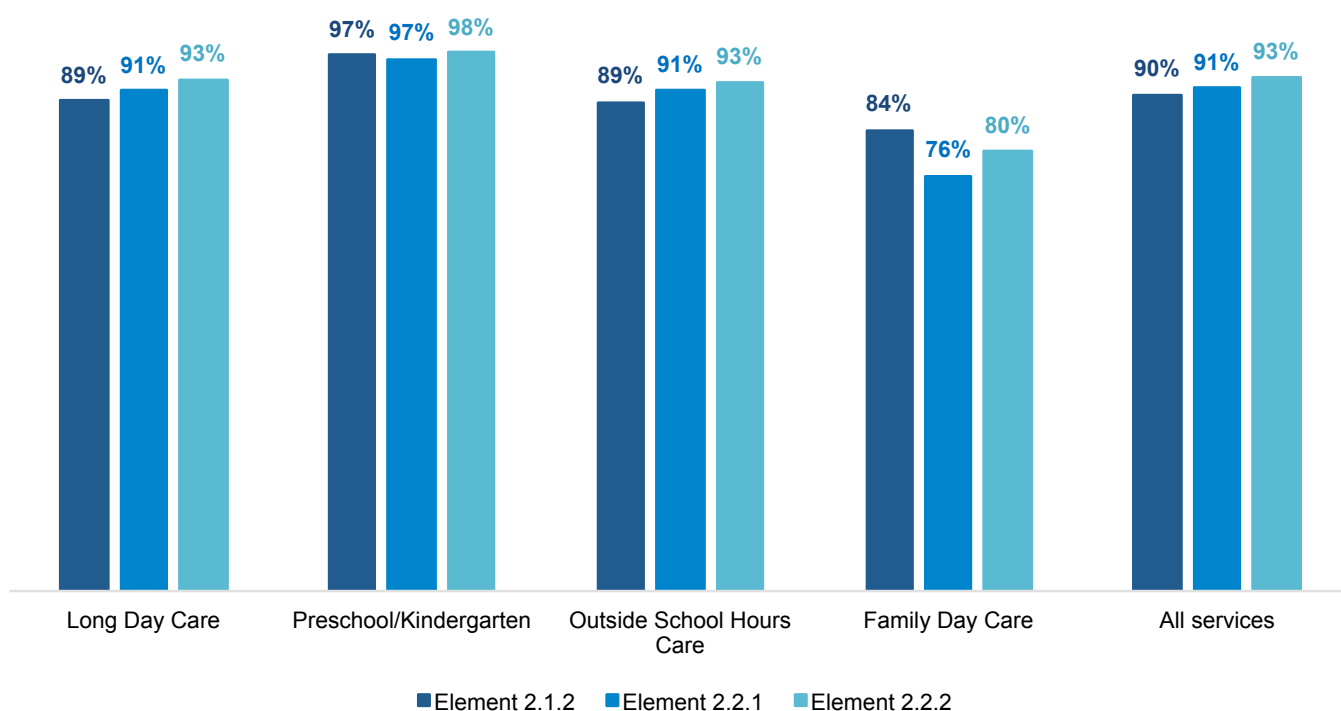


Figure 1.4: Proportion of services assessed as Met for Element 2.1.2 (Health practices and procedures), 2.2.1 (Supervision) and 2.2.2 (Incident and emergency management), as at 30 June 2019



Serious incidents

Education and care service providers are required to notify state and territory regulatory authorities of serious incidents that occur at their services, such as child injury, trauma or illness that requires medical attention or hospital attendance.

Making robust judgments on comparative rates of serious incidents, for example across service types or financial years, is challenging. In common with other sectors, dealing with the likely ‘over’ and ‘under’ reporting of serious incidents by service providers is particularly difficult.

For example, a provider might report a relatively high number of serious incidents because of one or more of the following factors:

- robust and comprehensive reporting mechanisms
- overly cautious reporting procedures
- unique child cohorts and service circumstances
- poor health and safety standards.

Equally, a provider might report a relatively low number of serious incidents because of one or more of the following factors:

- exceptional health and safety standards
- lax reporting procedures
- restrictive learning and development opportunities.

Table 1.1 shows that, in 2018/19, there was a rate of 102 serious incidents per 100 approved services, compared to a rate of 98 serious incidents per 100 approved services in 2017/18 and 99 serious incidents per 100 approved services in 2016/17.

In 2018/19, long day care services continued to have a markedly higher rate of serious incidents compared to other service types. This is unsurprising given the fact that long day care services tend to have more children attending for much longer periods of time, with these children also often being younger.

Table 1.1: Rate of serious incidents (based on number of approved services)²

Service type	Rate per 100 approved services		
	2016/17	2017/18	2018/19
Long day care	140	133	133
Family day care	67	78	87
Outside school hours care	64	67	83
Preschool/Kindergarten	41	39	53
Total	99	98	102

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

Table 1.2 shows that long day care services also had a markedly higher rate of serious incidents per 100 places compared to other centre-based service types.

However, in contrast to the rate per 100 approved services, the rate of serious incidents per 100 approved places for long day care services decreased in 2018/19. Indeed, long day care services were the only centre-based service type to have a lower rate of serious incident per 100 approved places in 2018/19 compared to 2017/18.

It is important to note that neither approach (using number of approved services or number of approved places) for estimating a rate of serious incidents accounts for the age of children or the length of time that they may attend an education and care service.

It is also important to note that the analysis is based on notifications of serious incidents by education and care service providers.

Table 1.3 shows that 47% of approved services reported one or more serious incidents in 2018/19, continuing the steady increase from 45% in 2017/18 and 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 again had the highest year on year increase.

Table 1.4 shows that incidents involving injury, trauma or illness continue to account for around 80% of all reported serious incidents.

Table 1.2: Rate of serious incidents (based on number of approved places)^{3,4}

Service type	Rate per 100 approved places		
	2016/17	2017/18	2018/19
Long day care	2.13	1.98	1.94
Preschool/Kindergarten	1.35	1.29	1.36
Outside school hours care	1.07	1.11	1.18
Total	1.67	1.61	1.68

Table 1.3: Proportion of services reporting one or more serious incidents

Service type	% of all approved services as at 30 June each year		
	2016/17	2017/18	2018/19
Long day care	56%	56%	57%
Outside school hours care	36%	37%	40%
Preschool/Kindergarten	31%	32%	34%
Family day care	22%	28%	33%
Total	43%	45%	47%

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.

A modest year on year decrease in the proportion of incidents involving injury, trauma or illness has resulted in a slight year on year increase in the proportion of incidents involving the attendance of emergency services, as well as those involving a child being missing or unaccounted for.

Confirmed breaches

A ‘confirmed breach’ occurs when a state or territory regulatory authority finds that relevant legislation, regulations or conditions at a children’s education and care service has not been adhered to.

Not all confirmed breaches represent a risk to children’s health and safety, and the degree of risk varies according to the individual circumstances of the breach. 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 1.5 shows that, in 2018/19, there was a rate of 132 confirmed breaches per 100 approved services, compared to a rate of 126 confirmed breaches per 100 approved services in 2017/18 and 98 confirmed breaches per 100 approved services in 2016/17.

While family day care services continue to have by far the highest rate of confirmed breaches, they are again the only service type to have a year on year decrease in the rate of confirmed breaches.

An increased focus by state and territory regulatory authorities on compliance with the requirements of the *Education and Care Services National Law* and Regulations is likely to have contributed to the increases in the rates of confirmed breaches in the last two years.

Not all confirmed breaches represent a risk to children’s health and safety.

Table 1.4: Proportion of serious incidents by incident type

Incident type	% of all serious incidents		
	2016/17	2017/18	2018/19
Injury/Trauma/Illness	84.3%	81.3%	79.1%
Emergency services attended	9.0%	10.4%	12.0%
Child missing or unaccounted for	5.5%	6.6%	7.2%
Child locked in/out of the service	0.9%	1.3%	1.3%
Child taken away or removed	0.3%	0.4%	0.4%

Table 1.5: Rate of confirmed breaches⁵

Service type	Rate per 100 approved services		
	2016/17	2017/18	2018/19
Family day care	307	296	292
Long day care	115	155	159
Outside school hours care	61	82	109
Preschool/Kindergarten	28	43	70
Total	98	126	132

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

Table 1.6: Proportion of services with one or more confirmed breaches

Service type	% of all approved services as at 30 June each year		
	2016/17	2017/18	2018/19
Family day care	37%	34%	38%
Long day care	27%	37%	36%
Outside school hours care	16%	30%	28%
Preschool/Kindergarten	11%	28%	19%
Total	21%	33%	30%

Table 1.6 shows that 30% of approved services had one or more confirmed breaches in 2018/19, down from 33% in 2017/18, but up from 21% in 2016/17.

Family day care services had the highest proportion of services with one or more confirmed breaches, while the proportion of preschools/kindergartens with one or more confirmed breaches decreased markedly compared to 2017/18.

Table 1.7 shows that the following two sections of the *Education and Care Services National Law* continue to be the most frequently breached:

- 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

- 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.

These two sections of the National Law are central to ensuring children's health and safety. 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 makes it relevant in a wide range of circumstances.

Table 1.7: Most frequently breached sections of the National Law

Section	Offence	% of all confirmed breaches		
		2016/17	2017/18	2018/19
167	Protection of children from harm and hazards	30%	29%	28%
165	Inadequate supervision of children	16%	21%	20%
174	Failure to notify certain information to the regulatory authority	10%	9%	8%
172	Failure to display prescribed information	7%	7%	6%

Table 1.8 shows that within the Education and Care Services National Regulations the following two continue to be the most frequently breached:

- Regulation 97 – emergency and evacuation procedures
- Regulation 103 – premises, furniture and equipment to be safe, clean and in good repair.

Issues relating to emergency and evacuation procedures that have led to confirmed breaches of Regulation 97 include:

- lack of documentation for emergency and evacuation rehearsals
- missing or inadequate emergency and evacuation floor plan and instructions, or a failure to display the plan and instructions in a prominent position
- failure to rehearse emergency and evacuation procedures.

Table 1.8: Most frequently breached regulations of the National Regulations

Regulation	Offence	% of all confirmed breaches		
		2016/17	2017/18	2018/19
97	Emergency and evacuation procedures	7%	10%	11%
103	Premises, furniture and equipment to be safe, clean and in good repair	11%	10%	9%
147	Staff member records	4%	5%	6%
173	Prescribed information to be displayed	5%	5%	5%
170	Policies and procedures to be followed	5%	5%	5%



Key messages

- There is strong evidence that quality education and care makes a significant difference in improving children's future learning and developmental outcomes.
- The first and most important objective of the National Quality Framework (NQF) under the Education and Care Services National Law is to ensure the safety, health and wellbeing of children attending education and care services, with the second objective being to improve their 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, including:
 - » organising the program to maximise learning opportunities
 - » responding to children's ideas and play
 - » promoting each child's agency
 - » assessing each child's learning and development
 - » informing families about their child's progress.
- Over the past seven years, Quality Area 1 has consistently been the most challenging of the seven quality areas for services to meet.
- As at 30 June 2019, 85% of services were rated Meeting NQS or above for Quality Area 1, up from 83% as at 30 June 2018 and 80% as at 30 June 2017.
- More than half (55%) of family day care services were rated Meeting NQS or above – the highest proportion since 30 September 2016.
- Standard 1.3 (Assessment and planning) was found to be the most challenging of all 15 standards of the NQS, with the two most challenging of all 40 elements of the NQS sitting within it – Element 1.3.1 (Assessment and planning cycle) and Element 1.3.2 (Critical reflection).
 - There was a high degree of correlation between performance against Quality Area 1 (Educational program and practice) and Standard 7.2 (Leadership), and Quality Area 7 (Governance and leadership) and Standard 1.3 (Assessment and planning).
 - This is in no small part due to Element 7.2.2 of Standard 7.2, which outlines the role of a service's educational leader in leading the development and implementation of the educational program, and assessment and planning cycle, including the support provided to them to achieve this crucial role.
 - There is also a high degree of correlation between performance against Quality Area 5 (Relationships with children) and Standard 1.2 (Practice) and Standard 1.1 (Program).

Overview

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).

Practices that support and promote children’s development and learning are the focus of Quality Area 1 (Educational program and practice) of the National Quality Standard (NQS).

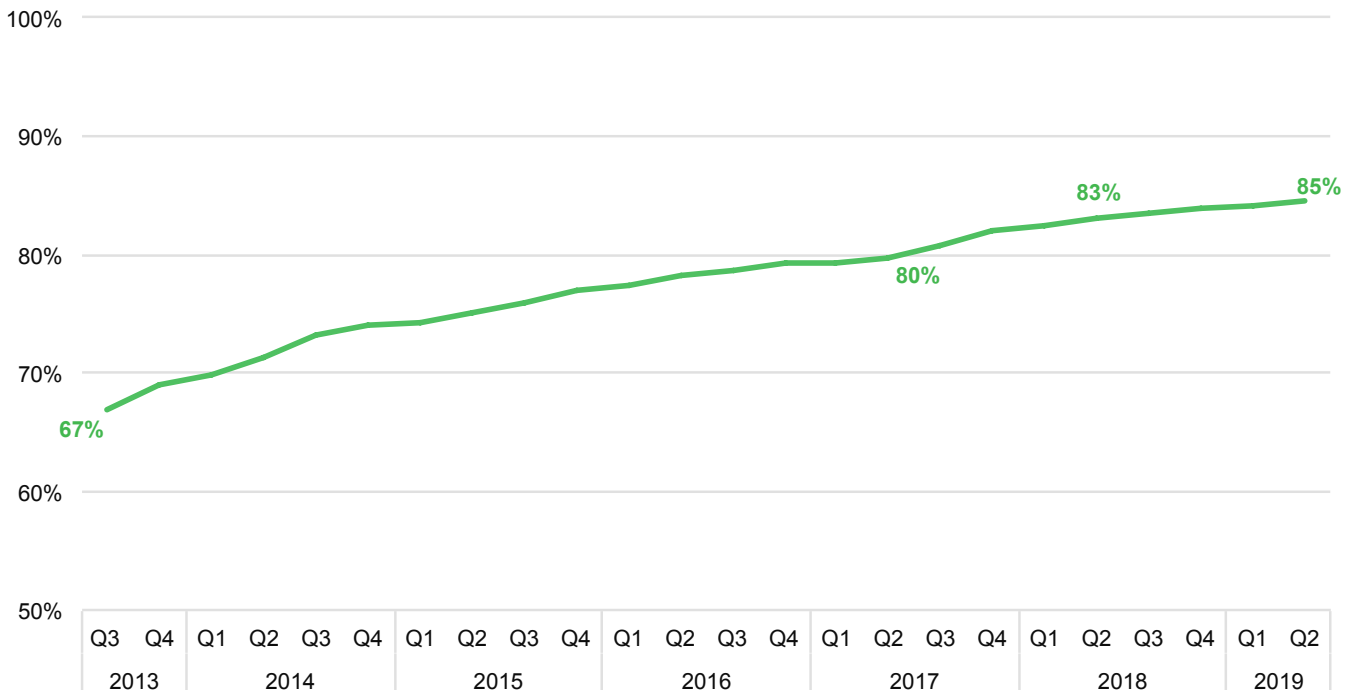
Educational program and practice ratings

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

As at 30 June 2019, 85% of services were rated Meeting NQS or above for Quality Area 1, up from 83% as at 30 June 2018 and 80% as at 30 June 2017.

Since 30 June 2017, at least 80% of services have been rated Meeting NQS or above for Quality Area 1 (Educational program and practice).

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



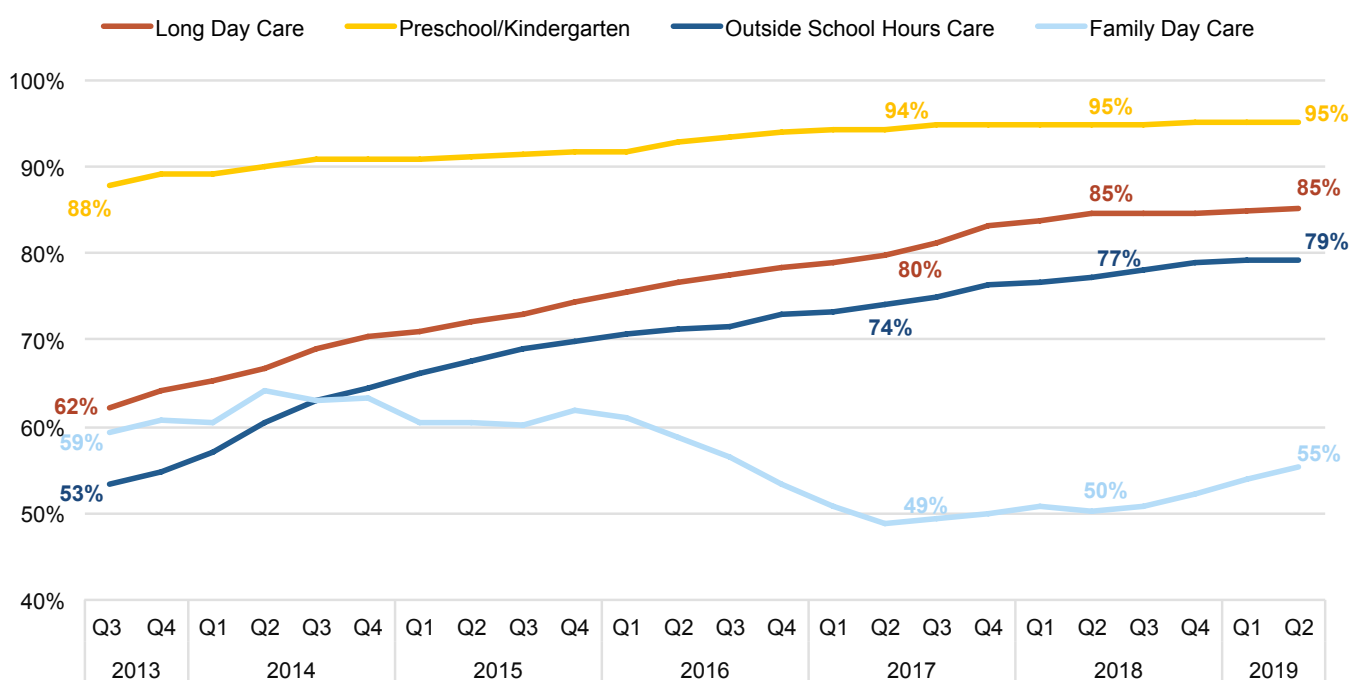
Preschools/kindergartens continue to have the highest proportion of services rated Meeting NQS or above for Quality Area 1, followed by long day care, outside school hours care and family day care services (see **Figure 2.2**).

While family day care services continue to have by far the lowest proportion of services rated Meeting NQS or above for Quality Area 1, 55% of family day care services were rated Meeting NQS or above (as at 30 June 2019) – the highest proportion since 30 September 2016.

Figure 2.3 shows that services have found Standard 1.1 (Program), 1.2 (Practice), and 1.3 (Assessment and planning) in particular, more challenging than many of the other standards of the NQS⁶.

As at 30 June 2019, 55% of family day care services were rated Meeting NQS or above – the highest proportion since 30 September 2016.

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



6. A new version of the NQS came into effect from 1 February 2018. Analysis at the standard and element level is based on the performance of services against the revised version.

As at 30 June 2019, 89% of services were rated Meeting NQS or above for Standard 1.1, 91% for Standard 1.2, and 83% for Standard 1.3, making them the sixth, seventh and most challenging of the 15 standards.

While the three standards are comparatively challenging to meet, Standard 1.1 has the fifth highest number of services rated Exceeding NQS, with Standard 1.3 having the sixth highest, and Standard 1.2 having the seventh highest.

Of all 40 elements of the NQS, Element 1.3.1 (Assessment and planning cycle) has the highest number of services assessed as Not Met, with Element 1.3.2 (Critical reflection) having the second highest, and Element 1.1.3 (Program learning opportunities) having the seventh highest.

Of all 40 elements of the NQS, Element 1.3.1 (Assessment and planning cycle) has the highest number of services assessed as Not Met, with Element 1.3.2 (Critical reflection) having the second highest.

Figure 2.3: Proportion of services rated Meeting NQS or above for each standard of the 2018 NQS, as at 30 June 2019

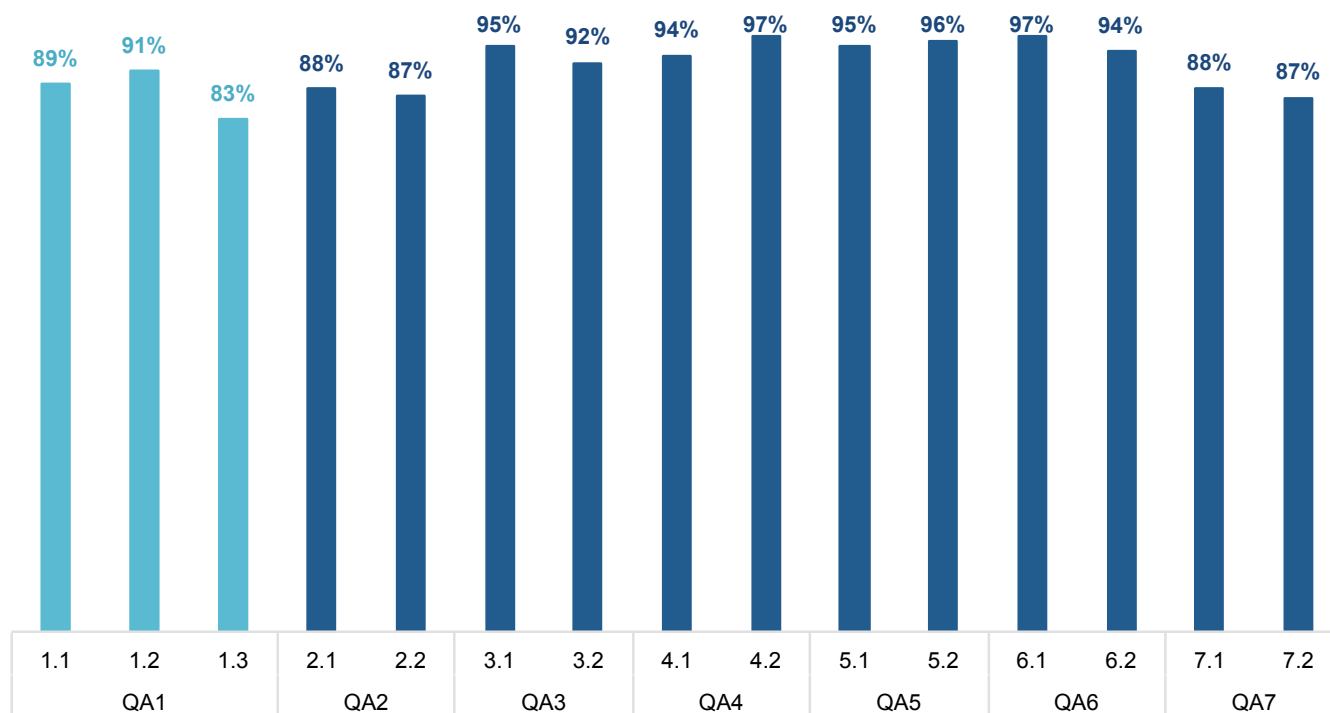


Figure 2.4 shows the proportion of services assessed as Met for Element 1.3.1, 1.3.2 and 1.1.3.

Looking across the four service types, preschools/kindergartens are most likely to be assessed as Met for all three of these elements, with family day care services most likely to be assessed as Not Met for all three.

Of all 15 standards of the NQS, Standard 7.2 (Leadership) is the second most challenging.

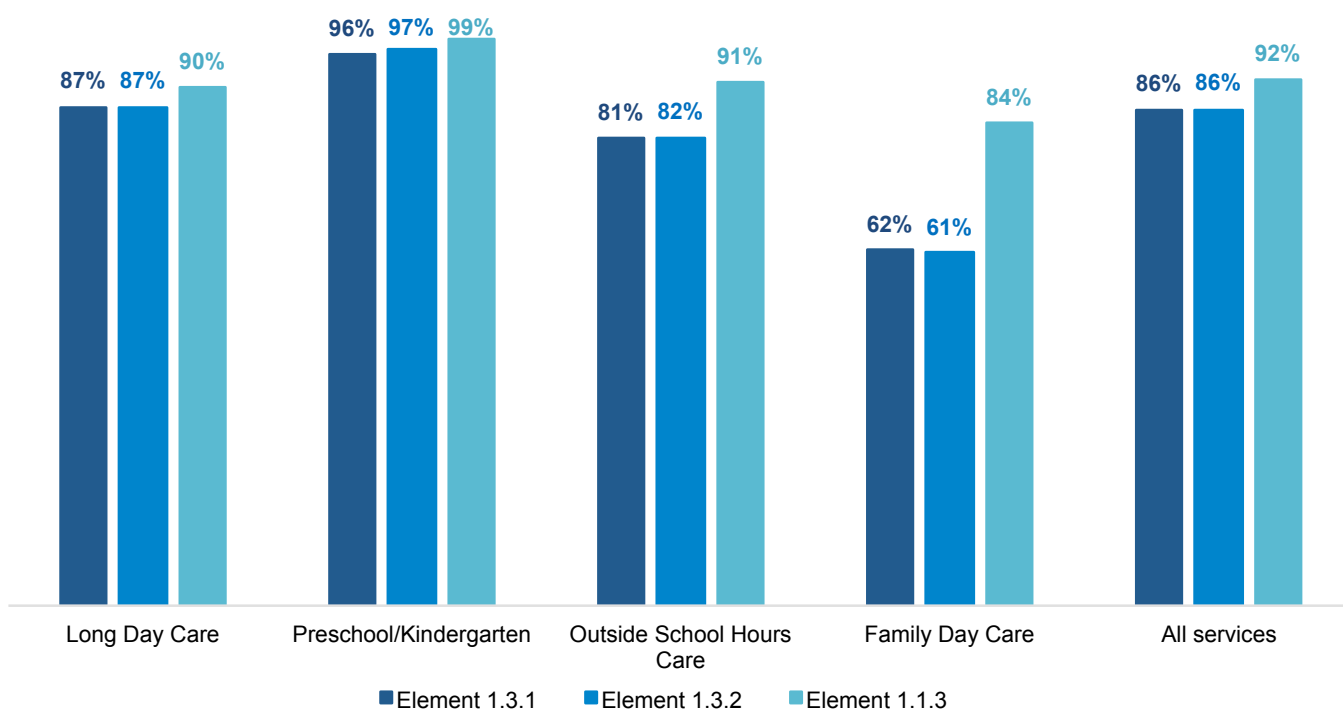
Educational leadership

While Quality Area 1 provides a detailed assessment of a children’s education and care service’s educational program and practice, Quality Area 7 addresses governance and leadership, including the role of the service’s educational leader.

Services have found Standard 7.1 (Governance), and 7.2 (Leadership) in particular, more challenging than most other standards of the NQS.

As at 30 June 2019, 88% of services were rated Meeting NQS or above for Standard 7.1, and 87% for Standard 7.2, making them the fifth and second most challenging of the 15 standards respectively.

Figure 2.4: Proportion of services assessed as Met for Element 1.3.1 (Assessment and planning cycle), 1.3.2 (Critical reflection) and 1.1.3 (Program learning opportunities), as at 30 June 2019



In addition to being challenging to meet, Standard 7.1 has the fourth lowest number of services rated Exceeding NQS, with Standard 7.2 having the fifth lowest.

Of all 40 elements of the NQS, Element 7.1.2 (Management systems) has the third highest number of services assessed as Not Met, with Element 7.2.2 (Educational leadership) having the fifth highest, and Element 7.2.3 (Development of professionals) having the eighth highest.

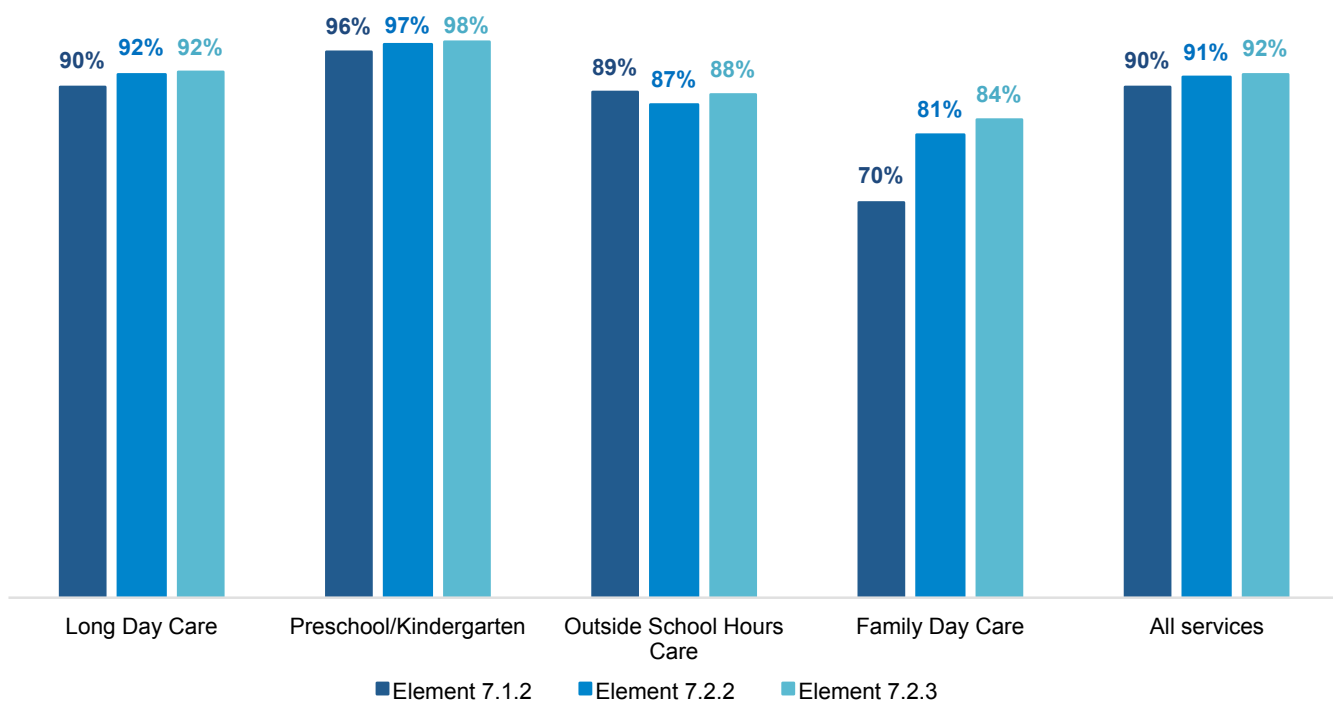
Figure 2.5 shows the proportion of services assessed as Met for Elements 7.1.2, 7.2.2 and 7.2.3.

Looking across the four service types, preschools/kindergartens are most likely to be assessed as Met for all three elements, with family day care services most likely to be assessed as Not Met for all three.

A service’s educational leader leads the development and implementation of the educational program, and the assessment and planning cycle. The role therefore has a clear relationship with the standards and elements of Quality Area 1.

This relationship is confirmed by correlation analysis of the NQS.

Figure 2.5: Proportion of services assessed as Met for Element 7.1.2 (Management systems), 7.2.2 (Educational leadership) and 7.2.3 (Development of professionals), as at 30 June 2019



In addition to the expected high degree of correlation between performance at the quality area level and performance against the standards that make up that quality area, there is a high degree of correlation between Quality Area 1 (Educational program and practice) and Standard 7.2 (Leadership), and Quality Area 7 (Governance and leadership) and Standard 1.3 (Assessment and planning) (see **Figure 2.6**).

There is also a high degree of correlation between Quality Area 5 (Relationships with children) and Standard 1.2 (Practice) and Standard 1.1 (Program).

There is a high degree of correlation between performance against Quality Area 1 (Educational program and practice) and Standard 7.2 (Leadership), and Quality Area 7 (Governance and leadership) and Standard 1.3 (Assessment and planning).

Figure 2.6: 2018 NQS correlation analysis matrix⁷ (quality areas to standards), as at 30 June 2019

	QA1	QA2	QA3	QA4	QA5	QA6	QA7
Standard 1.1	0.84	0.60	0.63	0.65	0.70	0.66	0.63
Standard 1.2	0.84	0.58	0.63	0.64	0.72	0.66	0.60
Standard 1.3	0.93	0.62	0.62	0.63	0.65	0.67	0.68
Standard 2.1	0.62	0.84	0.61	0.59	0.57	0.57	0.63
Standard 2.2	0.61	0.89	0.60	0.58	0.54	0.56	0.64
Standard 3.1	0.55	0.54	0.87	0.59	0.60	0.58	0.55
Standard 3.2	0.64	0.56	0.86	0.59	0.63	0.65	0.59
Standard 4.1	0.62	0.54	0.58	0.92	0.62	0.64	0.61
Standard 4.2	0.62	0.51	0.59	0.85	0.66	0.66	0.59
Standard 5.1	0.66	0.52	0.60	0.63	0.93	0.66	0.55
Standard 5.2	0.64	0.51	0.60	0.61	0.91	0.65	0.54
Standard 6.1	0.61	0.50	0.57	0.61	0.63	0.90	0.60
Standard 6.2	0.64	0.53	0.59	0.62	0.65	0.93	0.61
Standard 7.1	0.63	0.65	0.60	0.64	0.56	0.65	0.88
Standard 7.2	0.69	0.61	0.60	0.63	0.56	0.67	0.90

7 Higher numbers indicate higher levels of correlation between individual quality areas and standards.

Key messages

- Children from more disadvantaged backgrounds are more likely to be developmentally vulnerable than children from less disadvantaged backgrounds.
- One of the guiding principles of the National Quality Framework (NQF) is that it is underpinned by equity, inclusion and diversity.
- There is strong evidence that children from disadvantaged backgrounds receive the greatest benefits from attending high quality education and care.
- The proportion of children's education and care services in the most disadvantaged areas of Australia rated Meeting National Quality Standard (NQS) or above increased between 2017 and 2019.
- While the difference between the proportion of services rated Meeting NQS or above in the most and least disadvantaged areas is relatively small, there remains a marked difference in terms of services rated Exceeding NQS, with services in the least disadvantaged areas more likely to achieve the rating.
- At the quality area level, the greatest difference in services rated Exceeding NQS between the most and least disadvantaged areas relates to Quality Area 4 (Staffing arrangements), followed by Quality Area 1 (Educational program and practice), Quality Area 3 (Physical environment) and Quality Area 5 (Relationships with children).
- The likelihood of a service to be rated Working Towards NQS increases as its geographic remoteness increases. While 19% of services located in major cities are rated Working Towards NQS, this increases to over 20% for outer regional and remote areas, and to 34% for very remote areas.
- The inverse is apparent for the likelihood of a service to be rated Exceeding NQS. While 33% of services located in major cities are rated Exceeding NQS, this decreases to less than 30% for outer regional and remote areas, and to 17% for very remote areas.
- Looking across the three types of centre-based service, the greatest differences in quality ratings by socio-economic area and geographical remoteness are for preschools/ kindergartens.

Overview

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 early in life, it becomes more challenging and expensive to address later. Beyond promoting social inclusion and equity, there is a large body of cost-benefit literature that demonstrates 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 2018](#) for more detail).

There is no single definitive list of risk factors that negatively impact on children’s developmental and educational outcomes. This chapter analyses the quality of centre-based children’s education and care services by the socio-economic status of the area in which they are located and their geographical remoteness.

In addition to only being a narrow consideration of such community level factors, there are other 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.

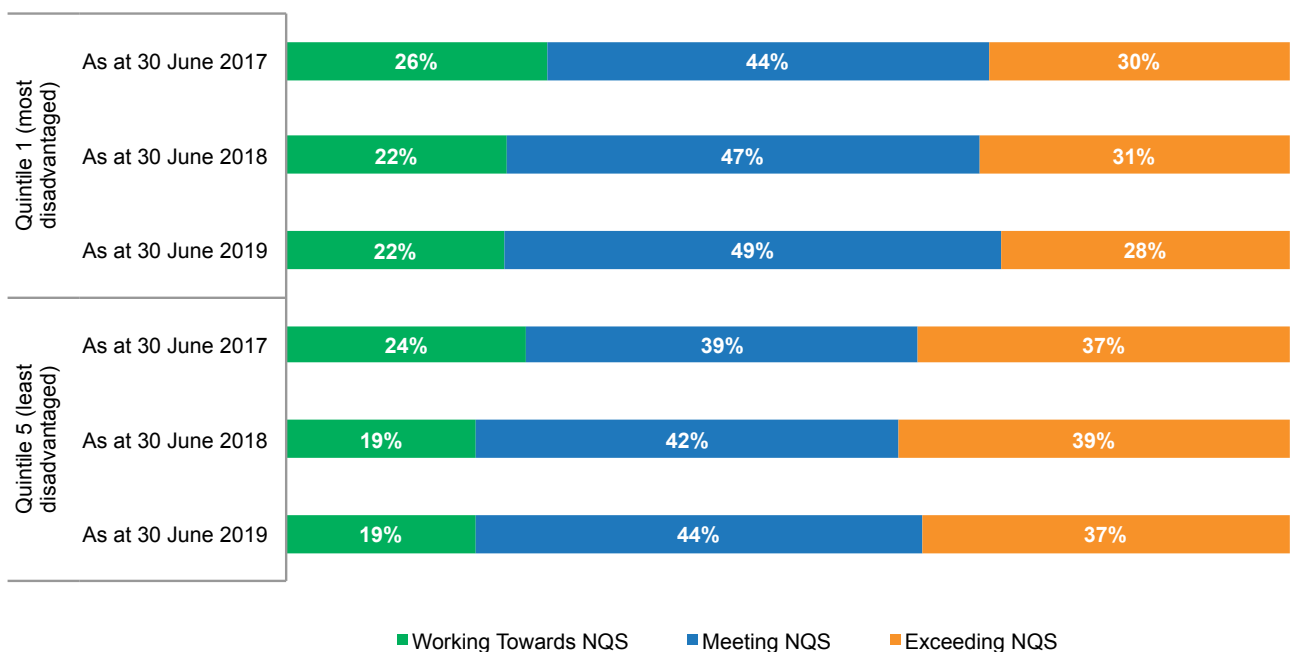
Analysis by most and least disadvantaged areas

The Socio-Economic Indexes for Areas (SEIFA) rank areas according to socioeconomic advantage and disadvantage based on census data. The analysis below compares the performance of children’s education and care services⁸ in the most and least disadvantaged areas of Australia (SEIFA quintiles 1 and 5).

Figure 3.1 shows that 78% of services in the most disadvantaged areas of Australia (SEIFA quintile 1) and 81% of services in the least disadvantaged areas (SEIFA quintile 5) are rated Meeting NQS or above.

These figures are unchanged from a year ago, and represent an improvement from the equivalent figures at 30 June 2017, when 74% of services in the most disadvantaged areas and 76% of services in the least disadvantaged areas were rated Meeting NQS or above.

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



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

While the difference between the proportion of services rated Meeting NQS or above in the most and least disadvantaged areas is relatively small, there remains a marked difference in terms of services rated Exceeding NQS.

As at 30 June 2019, 37% of services in the least disadvantaged areas are rated Exceeding NQS, compared to 28% of services in the most disadvantaged areas.

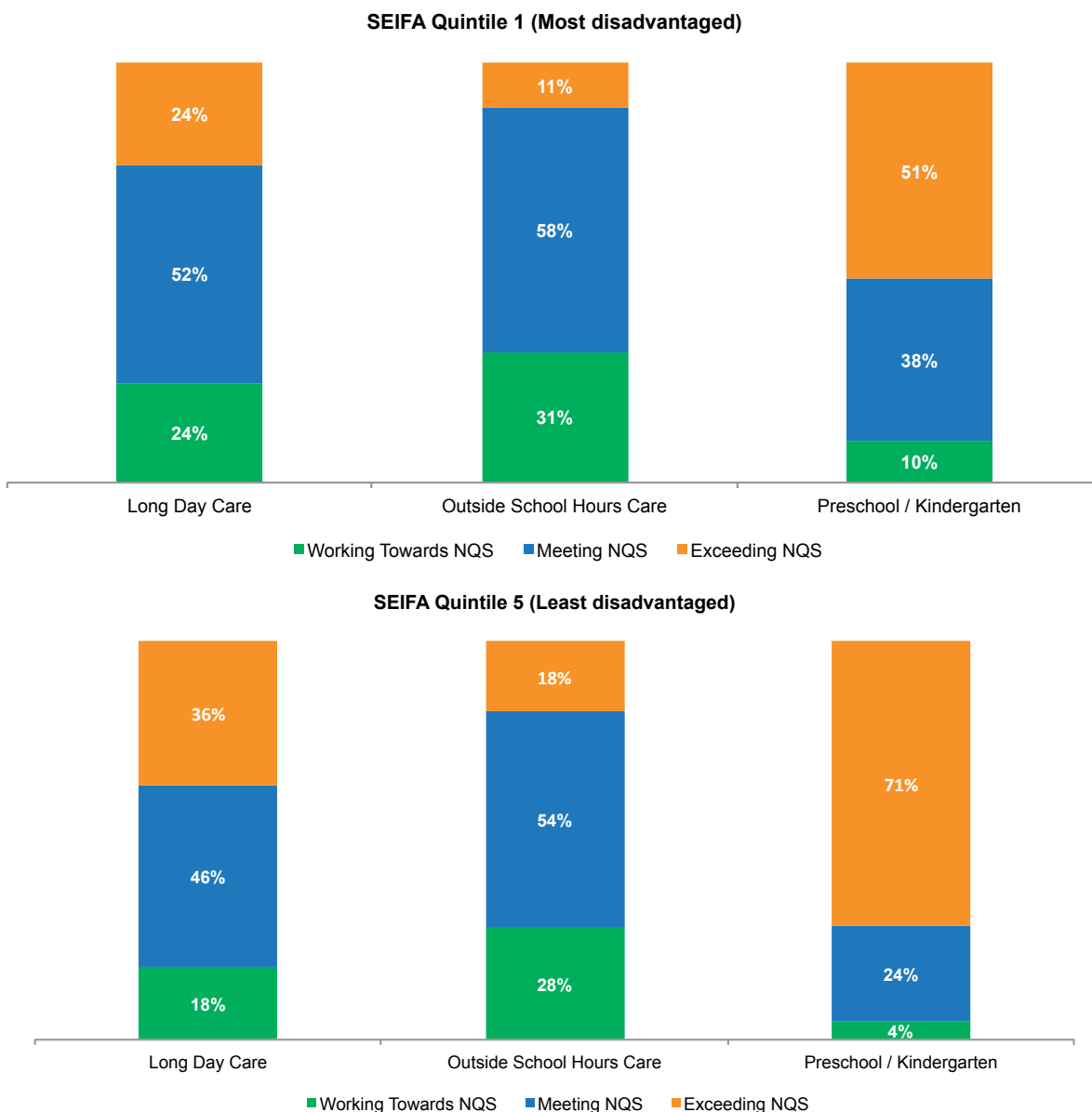
At the quality area level, the greatest difference (nine percentage points) in services rated Exceeding NQS between the most and least disadvantaged areas relates to Quality Area 4 (Staffing arrangements), followed by Quality Area 1 (Educational program and practice), Quality Area 3 (Physical environment) and Quality Area 5 (Relationships with children).

The smallest difference (two percentage points) relates to Quality Area 6 (Collaborative partnerships with families and communities).

Looking across the three types of centre-based service, the greatest difference (six percentage points) between services in the least disadvantaged and most disadvantaged areas rated Working Towards NQS is for long day care services and preschools/kindergartens (see **Figure 3.2**).

In terms of the proportion of services rated Exceeding NQS, by far the largest difference is for preschools/kindergartens, with 71% in the least disadvantaged areas rated Exceeding NQS, compared to 51% in the most disadvantaged areas.

Figure 3.2: Overall quality ratings of centre-based services by SEIFA quintiles 1 and 5 and service type, as at 30 June 2019



While services in the most disadvantaged areas are less likely to be rated Exceeding NQS, there are examples of services in these areas achieving the Excellent rating. Two such examples are below:

There are examples of services in the most disadvantaged areas achieving the Excellent rating.

Examples of exceptional practice in services located in the most disadvantaged areas

Lansvale Public School Preschool (New South Wales)

Lansvale Public School Preschool, located in the south west of Sydney, was awarded the Excellent rating in December 2017.

Examples of exceptional practice at the service include its:

- ‘Positive Behaviour Learning’ program that supports children in becoming responsible for their own behaviour. The program reflects the outcomes of the Early Years Learning Framework and is supported by a matrix of behavioural expectations developed by children, families and educators
- community language educators who support bilingual children and families by providing opportunities for them to engage with educators and learning experiences using their home language
- collaboration with community liaison officers who support culturally diverse families by organising outings and workshops to help families make connections and build relationships.

Jindi Woraback Children’s Centre (Victoria)

Jindi Woraback Children’s Centre was awarded the Excellent rating for the second time in October 2017, having been first awarded the rating in September 2014.

The service is located in St Albans, north west of Melbourne. ‘Jindi Woraback’ means ‘to join and unite’, and its name was given to the service by the Wurundjeri people of the Kulin Nation.

Examples of exceptional practice at the service include:

- developing its own curriculum framework called ‘Foundation in Early Learning Development’, which is specific to the service’s community and combines New Zealand’s Te Whariki and the Early Years Learning Framework
- a strong commitment to early intervention, inclusion and supporting children with additional needs through its ‘Little Champs Program’
- supporting educators to attend a variety of high quality professional development opportunities, including funding training in applied behavioural analysis and Auslan
- tours of the service, its ‘Open Educator Expo’ to share, network and support professional development and collaboration, and the creation of the Brimbank Early Childhood Professional Services Support Group.

Analysis by geographical remoteness

Figure 3.3 presents the distribution of centre-based services' quality ratings by the Accessibility/Remoteness Index of Australia (ARIA+).

The likelihood of a service to be rated Working Towards NQS increases as its geographic remoteness increases. While 19% of services located in major cities and inner regional areas are rated Working Towards NQS, this increases to over 20% for outer regional and remote areas, and to 34% for very remote areas.

The inverse is apparent for the likelihood of a service to be rated Exceeding NQS. While 33% of services located in major cities are rated Exceeding NQS, this decreases to less than 30% for outer regional and remote areas, and to 17% for very remote areas.

It is important to note that very remote areas are also often areas of high socio-economic disadvantage, highlighting the interplay and relationship between community level factors that can contribute to children experiencing developmental vulnerability and disadvantage.

Social inclusion in the National Quality Standard

The NQS contains both explicit and implicit references to social inclusion including:

- Standard 3.2 (Use) – the service environment is inclusive, promotes competence and supports exploration and play-based learning
- Standard 6.2 (Collaborative partnerships) – collaborative partnerships enhance children's inclusion, learning and wellbeing
- Element 1.1.2 (Child-centred) – each child's current knowledge, strengths, ideas, culture, abilities and interests are the foundation of the program
- Element 6.2.2 (Access and participation) – effective partnerships support children's access, inclusion and participation in the program.

Figure 3.3: Overall quality ratings of centre-based services by ARIA+ classification, as at 30 June 2019

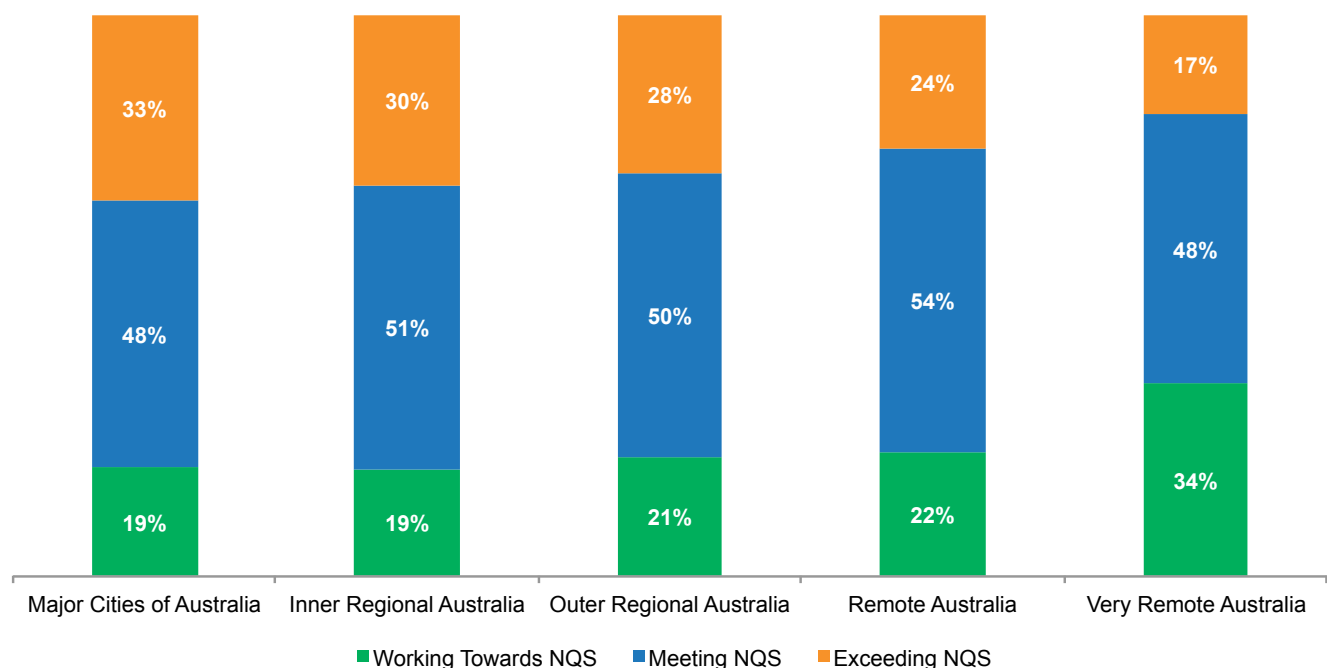


Figure 3.4 shows that services have found Standard 3.2 and 6.2 less challenging than some other standards of the NQS⁹.

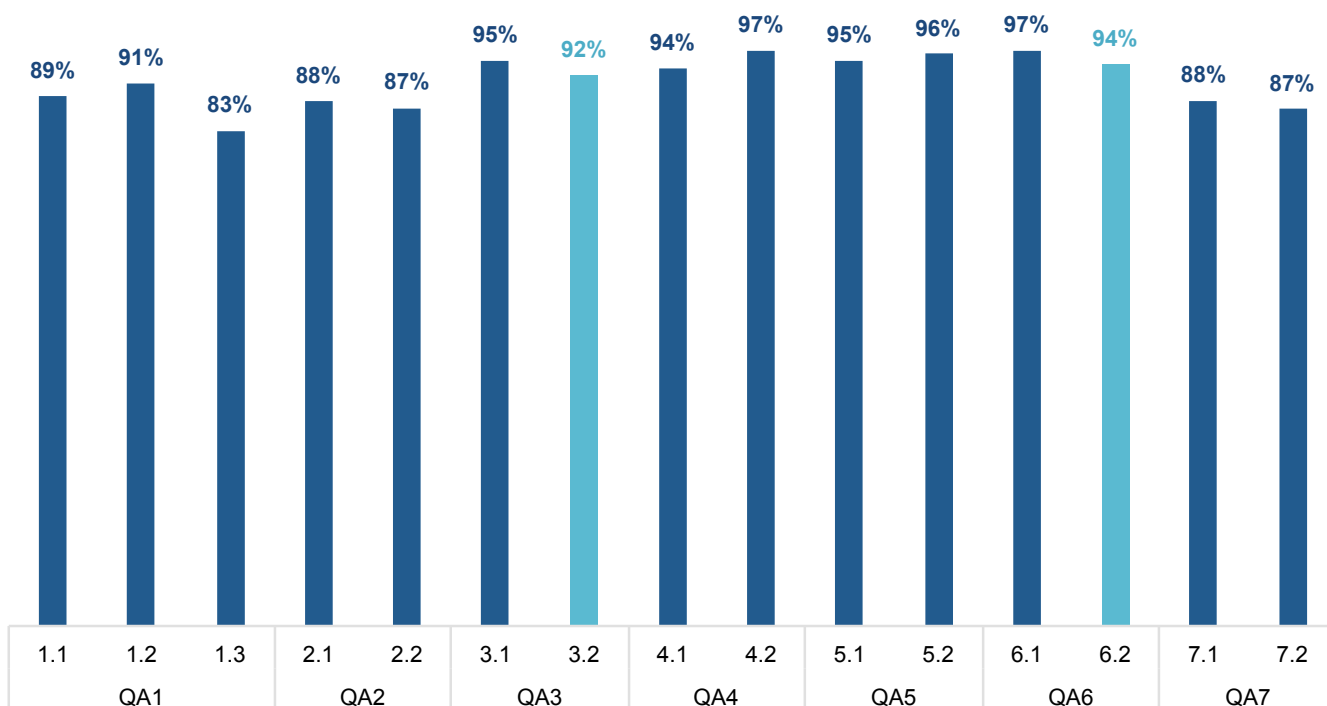
As at 30 June 2019, 92% of services are rated Meeting NQS or above for Standard 3.2, and 94% for Standard 6.2, making them the eighth and tenth most challenging of the 15 standards.

In addition to being comparatively less challenging to meet, Standard 3.2 has the eighth highest number of services rated Exceeding NQS, with Standard 6.2 having the highest.

Of all 40 elements of the NQS, Element 1.1.2 (Child-centred) has the sixteenth highest number of services assessed as Not Met, with Element 6.2.2 having the thirty-second highest.

Services have found Standard 3.2 (Use) and 6.2 (Collaborative partnerships) less challenging than some other standards of the NQS.

Figure 3.4: Proportion of services rated Meeting NQS or above for each standard of the 2018 NQS, as at 30 June 2019



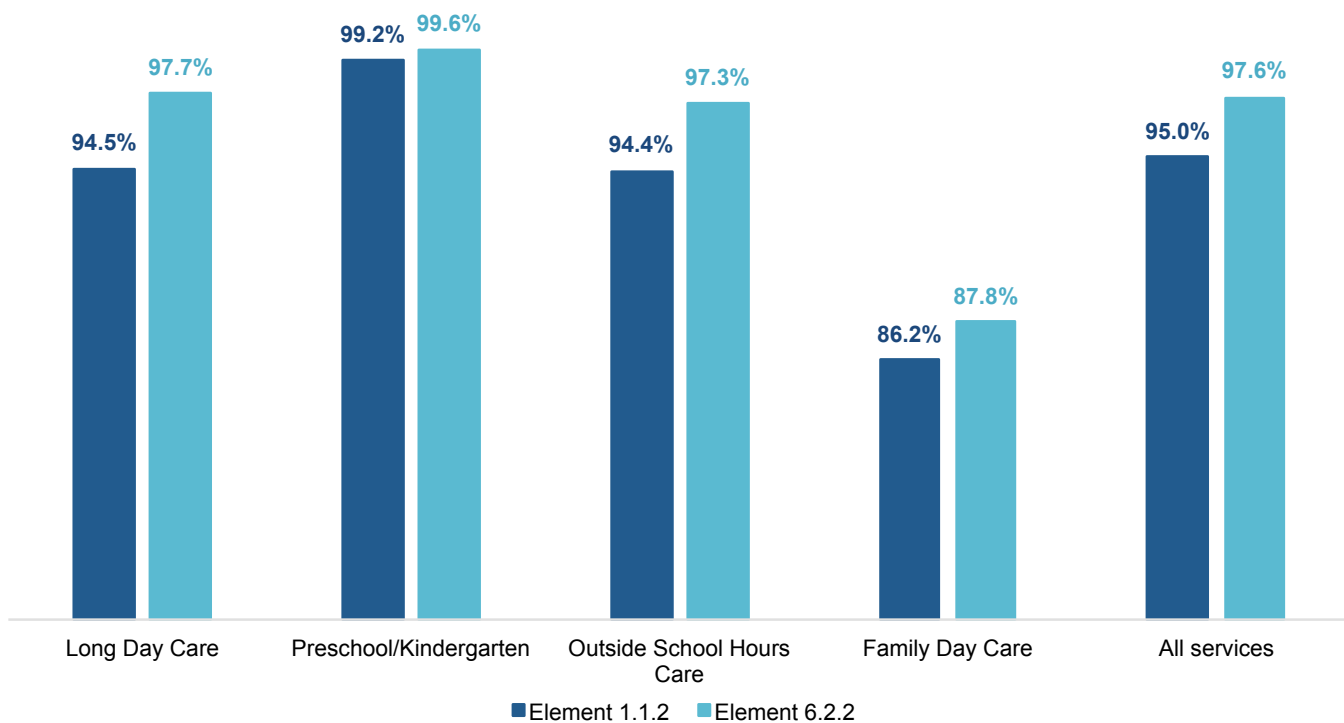
9. A new version of the NQS came into effect from 1 February 2018. Analysis at the standard and element level is based on the performance of services against the revised version.

Figure 3.5 shows the proportion of services assessed as Met for Element 1.1.2 and 6.2.2.

Looking across the four service types, preschools/kindergartens are most likely to be assessed as Met for both elements, with family day care services most likely to be assessed as Not Met for both.

Across all four types of services, more than 85% of services are assessed as Met for Element 1.1.2 (Child-centred) and 6.2.2 (Access and participation).

Figure 3.5: Proportion of services assessed as Met for Element 1.1.2 (Child-centred) and 6.2.2 (Access and participation), as at 30 June 2019



Key messages

- The National Quality Framework (NQF) was introduced on 1 January 2012, with one of its objectives being to improve public knowledge and access to information about the quality of children’s education and care services.
- Research conducted in 2014 and 2017 found there was limited awareness of the quality rating system against the National Quality Standard (NQS).
- These findings led to further qualitative research in 2018, which confirmed the findings of the previous research, namely that knowledge and awareness of the NQS remains low. However, the research also confirmed that the notion of ‘quality’ is crucial in parents’ decision-making process when choosing a children’s education and care service.
- In 2019, the 2017 survey was repeated to measure any change over time in the level of knowledge and awareness.
- Based on the 2019 survey, while the overall level of awareness remains low, there has been an increase in the level of awareness of the quality rating system when compared to the 2017 survey.
- This increase is offset by a decrease in the level of awareness of the individual quality ratings of the services that survey respondents use or intend to use.
- Consistent with the 2017 survey results, the most important factors to survey respondents when choosing an education and care service were location/accessibility, cost/affordability, and the reputation of the service and its provider.
- A service’s quality rating was again considered to be the least important factor when choosing an education and care service.
- While the low importance placed on a service’s quality rating was common across users of all service types, the relative importance of other factors differed according to the type of service used. For example, a high quality early learning program ranked as the most important factor for those using preschools/ kindergartens, with such a program being deemed of relatively low importance by users of outside school hours care services.
- Potential ways to increase public awareness of service quality is an area being considered as part of the 2019 National Quality Framework (NQF) Review, with respondents to the initial consultation period raising a number of issues. These include the language, structure and frequency of the quality ratings, as well as whether a different approach to quality ratings might be appropriate for outside school hours care services.

Overview

All governments and ACECQA are committed to helping families and the wider community understand the importance of high quality education and care.

Information about the quality of children’s education and care services is published on the [ACECQA](#) website, the [Starting Blocks](#) website, and in quarterly Snapshot reports.

Research conducted in 2014 and 2017 found there was limited awareness of the quality rating system against the National Quality Standard (see [Annual Performance Report 2017](#) for more detail).

These findings led to further qualitative research (see [Annual Performance Report 2018](#)).

The 2018 research confirmed the findings of the 2017 and 2014 research, namely that families’ knowledge and awareness of the National Quality Framework (NQF) and National Quality Standard (NQS) remains low.

However, it also confirmed that the notion of ‘quality’ was crucial in parents’ decisionmaking process when choosing an education and care service. The research also found that the value of the NQF and the NQS ratings became clearer to parents as they learned more about them.

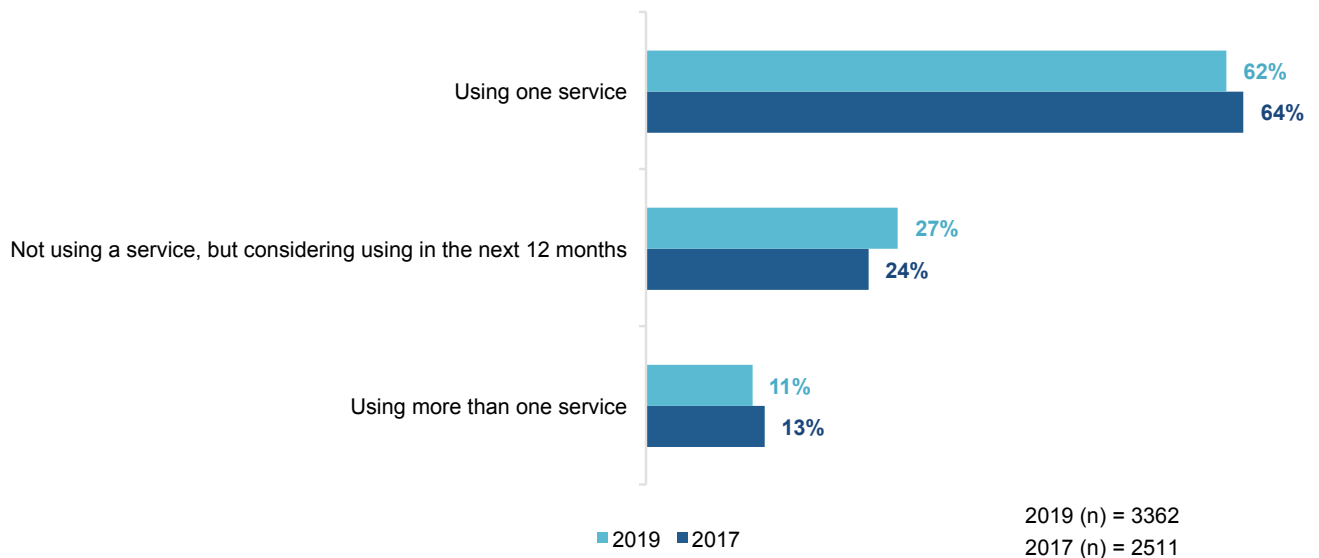
In 2019, the 2017 survey was repeated to measure any change over time in the level of knowledge and awareness.

2019 survey

The 2019 survey received a total of 3362 responses, compared to 2511 responses to the 2017 survey.

The respondent profile to both surveys was very similar, with around three quarters of respondents using one or more children’s education and care services, and the remainder considering using a service in the next 12 months (see **Figure 4.1**).

Figure 4.1: Survey respondent profile



The types of service used by respondents to the 2019 and 2017 survey were also very similar, with around two fifths of respondents using outside school hours care, a third using long day care and preschools/kindergartens, and a fifth using family day care (see **Figure 4.2**).

Level of awareness of quality ratings

In 2019, 46% of respondents were aware that children’s education and care services are quality rated, with 44% unaware and 10% unsure.

This represents a five percentage point increase in the level of awareness of the quality rating system since 2017 (see **Figure 4.3**).

Figure 4.2: Type of service used by survey respondents

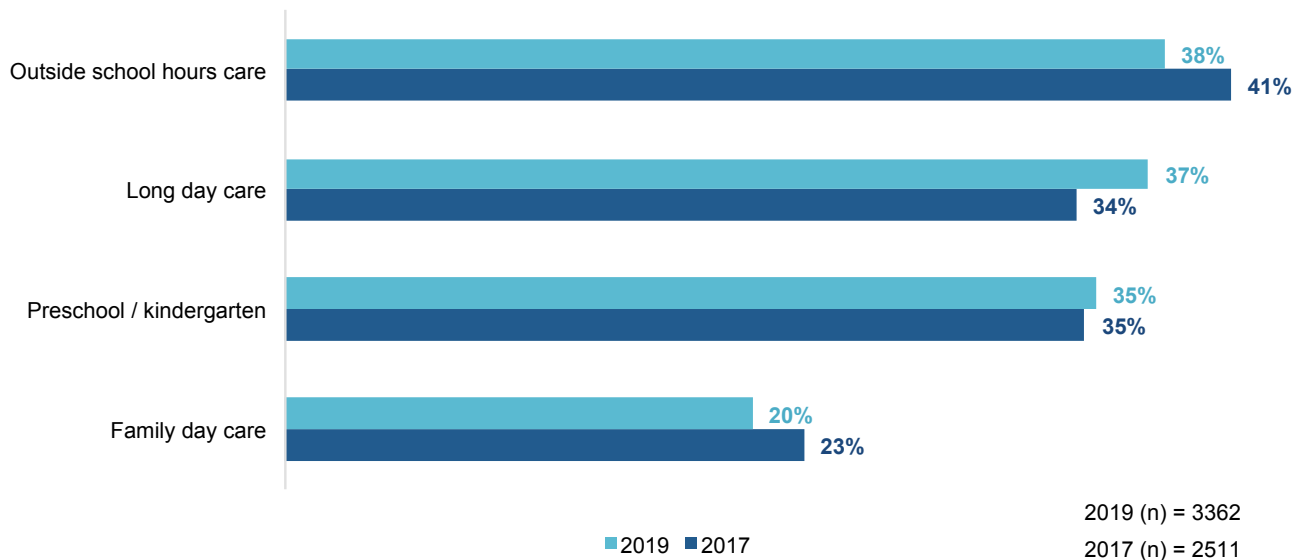
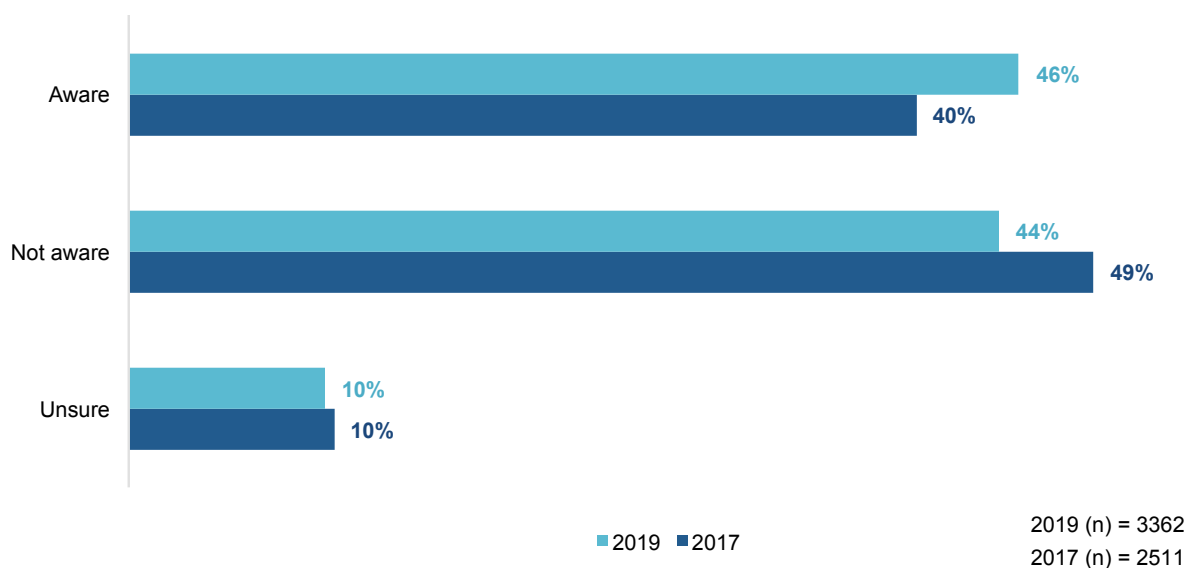


Figure 4.3: Survey respondents’ awareness of the quality rating system



Of the 1530 respondents who were aware that children’s education and care services are quality rated, just over half (51%) knew the quality rating(s) of the service(s) that they use or intend to use.

This represents a three percentage point decrease when compared to the 2017 results (see **Figure 4.4**).

Similar to 2017, higher levels of awareness were seen in respondents who were using one or more education and care services, compared to those who were considering using an education and care service in the next 12 months. Lower levels of awareness were seen in respondents using outside school hours care services, compared to those using other service types.

Helpfulness of quality rating information

Two new questions were added to the 2019 survey about the helpfulness of quality rating information. These questions were only asked of those respondents who were aware of the quality rating(s) of the service(s) they use, resulting in 786 responses to the first new question.

Figure 4.5 shows that most respondents stated that they found the quality rating information helpful (35%) or very helpful (45%).

While the level of awareness has increased, less than half of survey respondents in 2017 and 2019 were aware of the quality rating system.

Figure 4.4: Survey respondents’ knowledge of individual service quality rating(s)

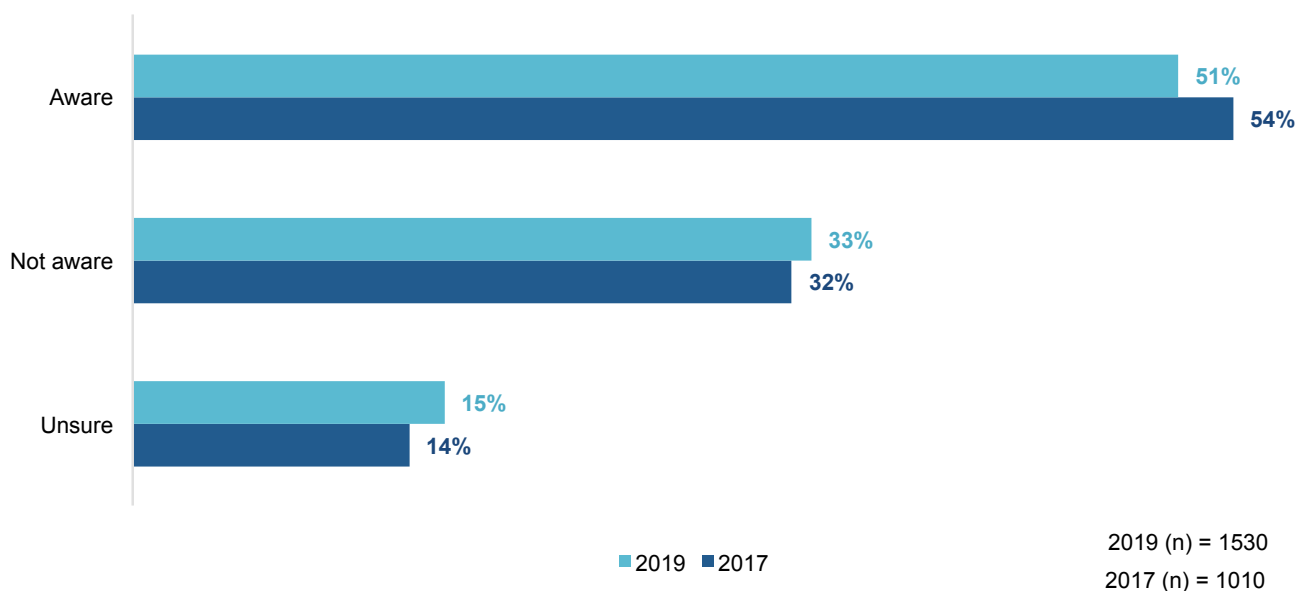
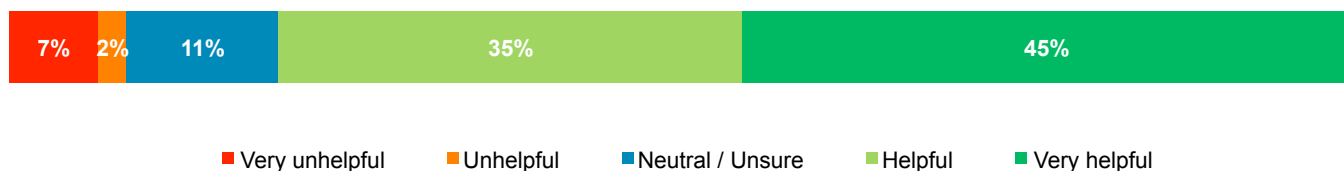


Figure 4.5: Survey respondents’ opinion of the helpfulness of quality rating information



2019 (n) = 786

Word of mouth remains by far the most likely source of information about service quality relied upon by survey respondents.

The 69 respondents who indicated that they found the quality rating information unhelpful or very unhelpful were then asked why this was the case.

Common responses included that the quality rating is not a true representation of service quality and that the quality rating information needs more detail and explanation.

Information sources

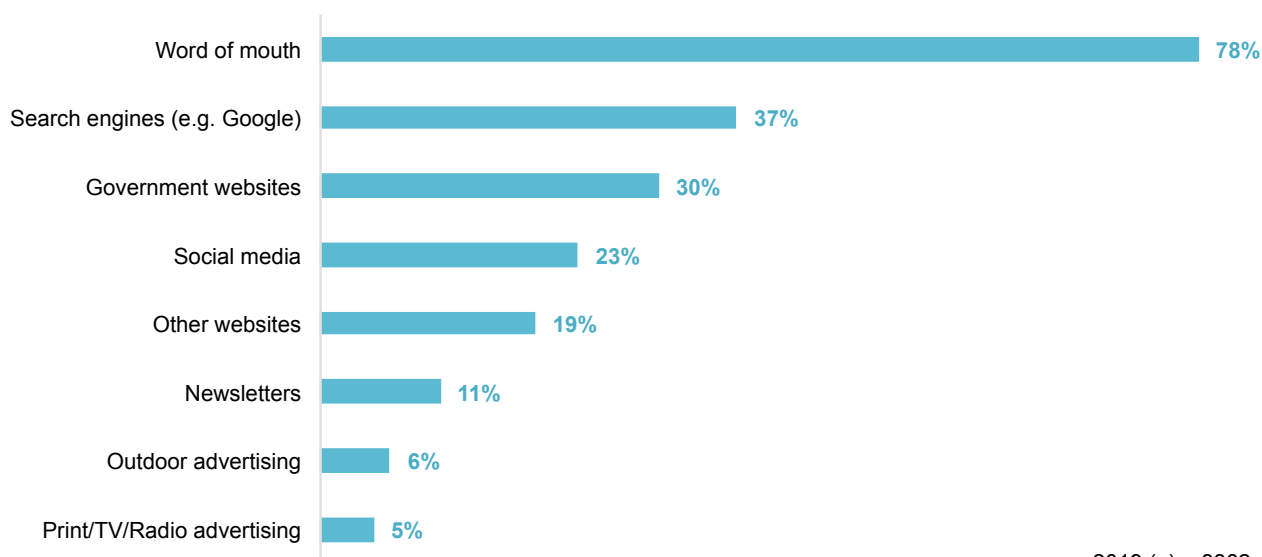
Similar to the 2017 results, a high proportion of survey respondents relied on word of mouth to help them find out more about the service(s) they used, or were considering using in the next 12 months (see **Figure 4.6**).

Other sources frequently used included search engines, government websites and social media.

Of those survey respondents who used word of mouth to find out more about education and care services, they primarily spoke with friends and/or family, followed by educators at the service, other parents, and teachers at the school where the service is located.

Of those survey respondents who used government websites to find out more about education and care services, the most commonly used websites were the [Child Care Finder](#) website, followed by state and territory government websites, the [ACECQA](#) website and the [Starting Blocks](#) website.

Figure 4.6: Information sources used by survey respondents



2019 (n) = 3362

Decision-making factors

Survey respondents were asked to rank in order of importance to them a range of factors when choosing an education and care service for their child.

Consistent with the 2017 results, the most important factors were location/accessibility, cost/affordability, and the reputation of the service and its provider (see **Figure 4.7**).

A service's quality rating was again considered to be the least important factor when choosing an education and care service.

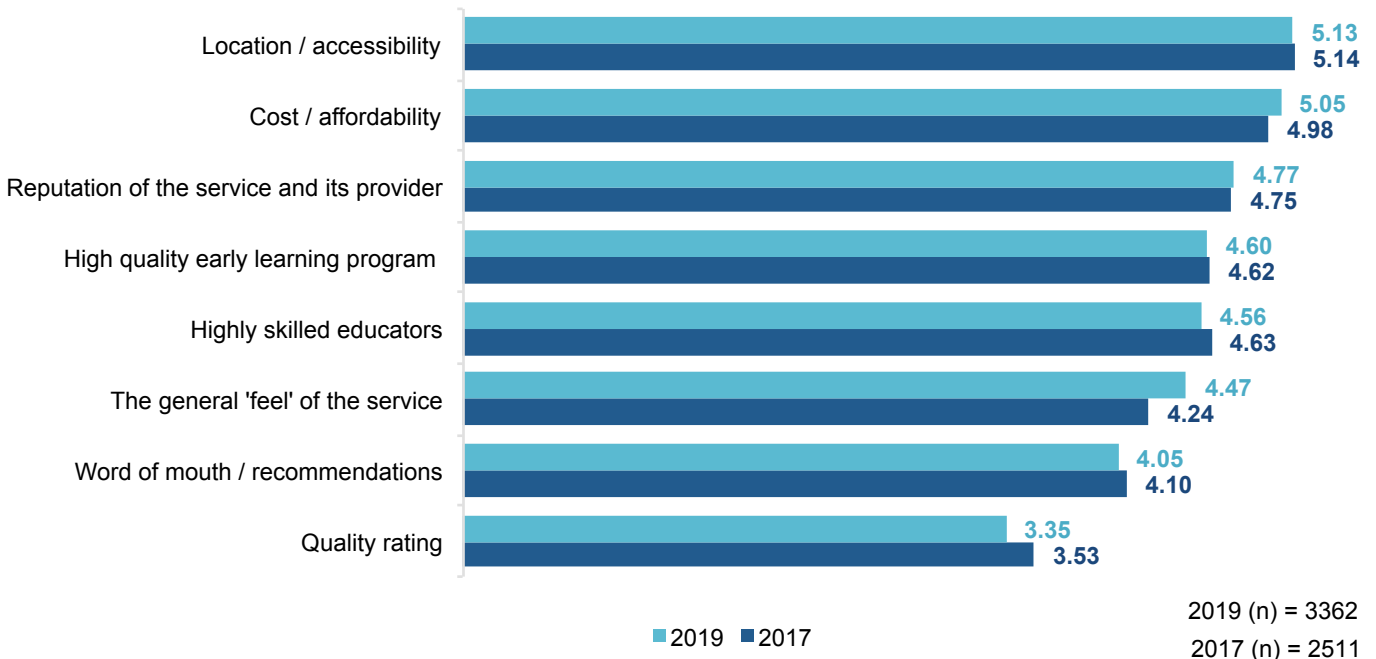
Figure 4.7: Survey respondents' ranking of the most important factors when choosing a children's education and care service (weighted averages)

The factors of most importance varied according to the characteristics of survey respondents. For example, the importance of a high quality early learning program and highly skilled educators ranked more highly for families who knew the quality rating(s) of the service(s) they were using or considering using.

Consistent with the 2017 results, the type of service a survey respondent was using also influenced the importance they placed on specific factors they considered when choosing an education and care service.

For example, as can be seen in **Table 4.1**, location/accessibility was the most important factor for survey respondents using long day care and outside school hours care services, whereas a high quality early learning program ranked as the most important factor for those using preschools/kindergartens, and cost/affordability was the most important for those using family day care services.

Figure 4.7: Survey respondents' ranking of the most important factors when choosing a children's education and care service (weighted averages)¹⁰



10. A weighted average is a calculation of the average ranking for each answer choice so that the most preferred answer choice can be determined. For example, a respondent's most preferred choice has the largest weight, and their least preferred choice has the lowest weight.

Cost/affordability was also an important factor for survey respondents using outside school hours care services and preschools/ kindergartens, but was considered less important by those using long day care services.

Survey respondents using outside school hours care services placed a relatively low importance on those services having a high quality early learning program.

A common factor across all service types was the low importance placed on a service's quality rating.

Survey respondents were also asked what other factors, if any, influenced (or would influence) their choice of service.

The results were very similar to 2017, with the most frequently cited factors being:

- relationships with, and between, educators and children (such as how friendly and approachable the educators are)
- how happy and comfortable the children are at the service
- physical environment features (such as indoor and outdoor spaces, quality of the facilities, and the natural elements provided)
- health, safety and wellbeing of children while at the service (for example, the cleanliness of the service).

The most frequently cited factors are all encompassed within the quality rating assessment against the NQS.

Table 4.1: Survey respondents' ranking of the most important factors when choosing a children's education and care service (weighted averages), by service type¹¹

Factors	Long day care	Family day care	Preschool/ Kindergarten	Outside school hours care
Location / accessibility	5.11	4.65	4.98	5.80
The general 'feel' of the service	4.95	4.30	4.31	4.28
High quality early learning program	4.83	4.62	5.03	3.89
Highly skilled educators	4.68	4.49	4.75	4.23
Reputation of the service and its provider	4.60	4.83	4.77	4.80
Cost / affordability	4.59	5.20	4.86	5.60
Word of mouth / recommendations	3.85	4.20	4.07	4.24
Quality rating	3.40	3.72	3.22	3.16

11. Higher numbers (green) denote factors considered as relatively more important by survey respondents. Lower numbers (red and orange) denote factors considered as relatively less important by survey respondents.

2019 NQF Review

The 2019 NQF Review is intended to build on the 2014 Review of the National Quality Agenda, which led to a number of improvements that were generally well received by the children's education and care sector.

To commence the 2019 NQF Review, governments developed an *Issues Paper* as the basis for consultation, undertaken from April to June 2019.

More than 1700 stakeholders took the opportunity to respond to an online survey via the [2019 NQF Review website](#) and more than 2500 participants attended the nationwide consultation sessions.

One of the issues consulted upon was public awareness of education and care service quality, with the following findings:

- less than half (46%) of survey respondents agreed or strongly agreed that the quality ratings are easy to understand, with just over a third (34%) disagreeing or strongly disagreeing
- a similar proportion (44%) agreed or strongly agreed that the quality ratings provide useful information, with again a similar proportion (33%) disagreeing or strongly disagreeing
- suggestions from survey respondents and consultation session participants for how public knowledge and understanding about the quality ratings could be improved included:
 - » changing the language and structure of the quality ratings (for example, reconsidering the language of 'Working Towards NQS', as well as the breadth of service performance covered by that rating)

- » a national media campaign to promote the value of children's education and care, and the quality assessment and rating system
 - » involving parents and children more in the quality assessment and rating system, including in the determination of service ratings.
- respondents and participants also raised the frequency of quality ratings, as well as the inherent differences between outside school hours care services and other centre-based services regulated under the NQF, querying whether a different approach to quality rating might be appropriate for those services.

Stakeholders raised the inherent differences between outside school hours care services and other centre-based services regulated under the NQF, querying whether a different approach to quality rating might be appropriate for those services.

Key messages

- Research continues to emphasise the importance of educator to child interactions, with evidence that improved educator to child ratios and educator qualifications are associated with higher quality education and care.
- One of the guiding principles of the National Quality Framework (NQF) is that best practice is expected in the provision of children's education and care services.
- Quality Area 4 of the National Quality Standard (NQS) provides a detailed assessment of a service's staffing arrangements, including:
 - » organising educators across the service to support children's learning and development
 - » striving for continuity of educators
 - » having professional standards guide practice, interactions and relationships.
- As at 30 June 2019, 94% of services were rated Meeting NQS or above for Quality Area 4, up from 92% as at 30 June 2017.
- Four-fifths (80%) of family day care services were rated Meeting NQS or above – the highest proportion since 30 June 2016.
- While services have found Standard 4.1 (Staffing arrangements) and 4.2 (Professionalism) less challenging to meet than many other standards of the NQS, the two standards have a comparatively low number of services rated Exceeding NQS. Element 4.1.1 (Organisation of educators) is also the tenth most challenging of all 40 elements of the NQS.
- Enrolments in the Diploma of Early Childhood Education and Care and Certificate III in Early Childhood Education and Care decreased overall between 2015 and 2018, with a marked decrease in enrolments in the diploma in 2018.
- Commencement and completion numbers for early childhood and primary initial teaching training degrees increased between 2009 and 2017, however the 2017 figure for early childhood commencements is lower than the equivalent figures between 2012 and 2015.
- Services in remote and very remote areas continue to have the highest proportion of staffing waivers, reflecting the increased difficulty of recruiting and retaining staff.
- A broad range of stakeholders has emphasised the need for an agreed and co-ordinated national approach to the children's education and care workforce, with workforce related issues remaining a key challenge and priority for the children's education and care sector.

Overview

The National Quality Framework’s aim for a highly skilled workforce is supported by a growing body of research around the importance of educator to child interactions, with evidence that improved educator to child ratios and educator qualifications are associated with higher quality early childhood education and care (see [Annual Performance Report 2017](#) for more detail).

While a highly skilled workforce is integral to the provision of high quality education and care across the National Quality Standard (NQS), Quality Area 4 (Staffing arrangements) specifically focusses on staffing.

A highly skilled workforce is integral to the provision of high quality education and care

Staffing arrangements results

Figure 5.1 compares performance against Quality Area 4 over time, showing the proportion of services rated Meeting NQS or above.

As at 30 June 2019, 94% of services were rated Meeting NQS or above for Quality Area 4, up from 92% as at 30 June 2017.

Preschools/kindergartens continue to have the highest proportion of services rated Meeting NQS or above for Quality Area 4, followed by outside school hours care, long day care and family day care services (see **Figure 5.2**).

While family day care services continue to have by far the lowest proportion of services rated Meeting NQS or above for Quality Area 4, 80% of family day care services were rated Meeting NQS or above as at 30 June 2019 – the highest proportion since 30 June 2016.

Figure 5.1: Proportion of services rated Meeting NQS or above for Quality Area 4

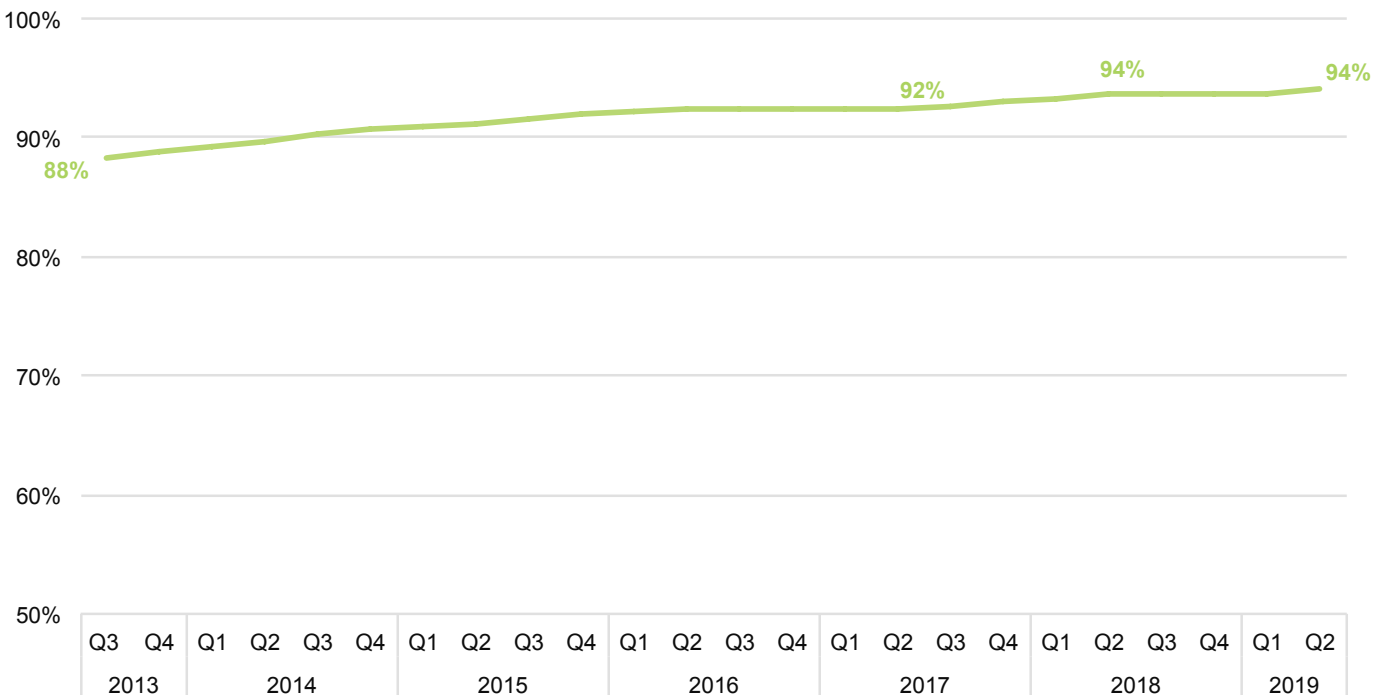


Figure 5.2: Proportion of services rated Meeting NQS or above for Quality Area 4, by service type

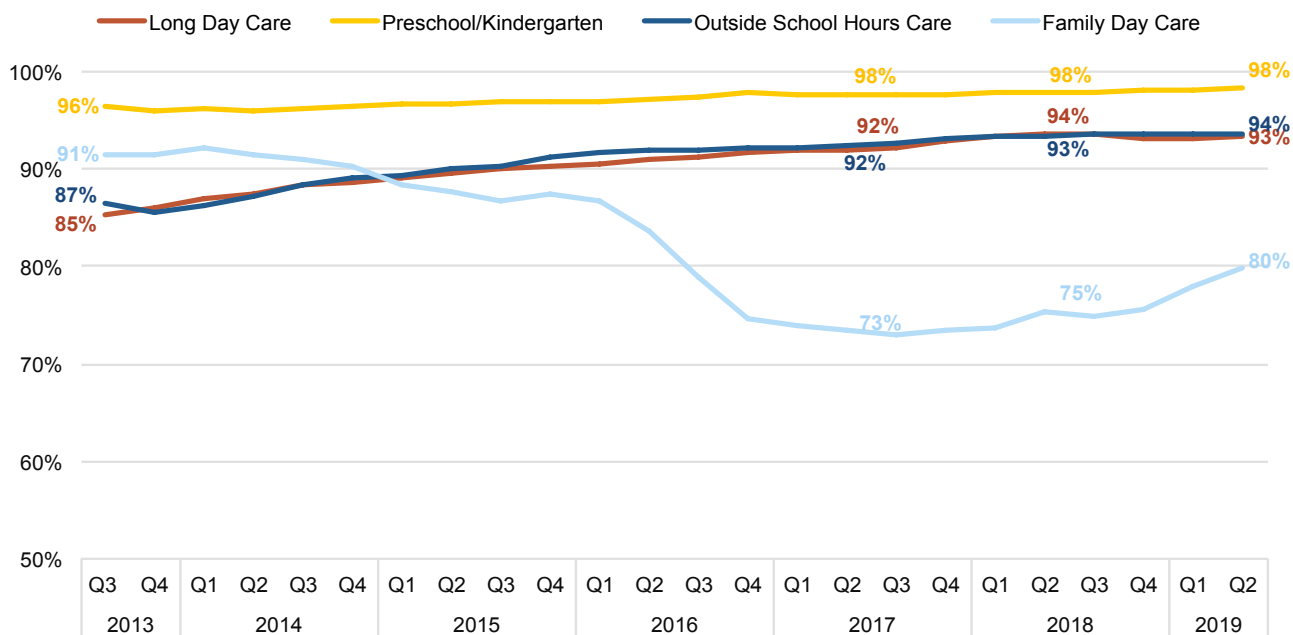


Figure 5.3 shows that services have found Standard 4.1 (Staffing arrangements) and 4.2 (Professionalism) less challenging than many other standards of the NQS¹².

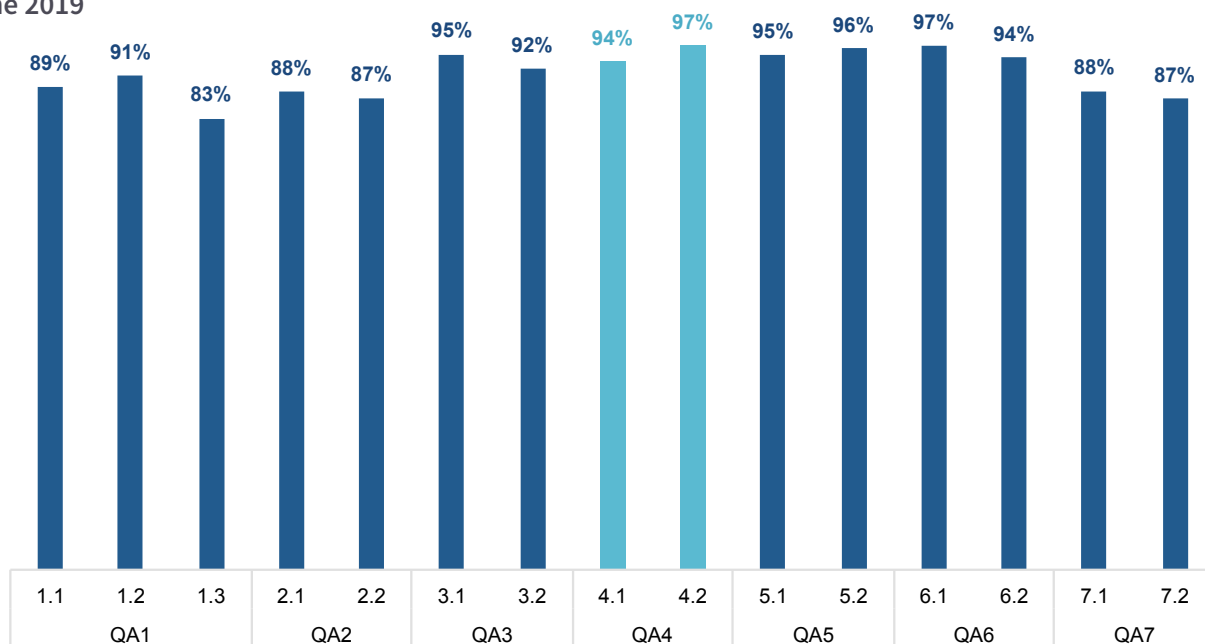
As at 30 June 2019, 94% of services were rated Meeting NQS or above for Standard 4.1 and 97% for Standard 4.2, making them the ninth and fifteenth most challenging of the 15 standards.

While the two standards are not comparatively challenging to meet, Standard 4.1 has the sixth lowest number of services rated Exceeding NQS, with Standard 4.2 having the seventh lowest.

Of all 40 elements of the NQS, Element 4.1.1 (Organisation of educators) has the tenth highest number of services assessed as Not Met.

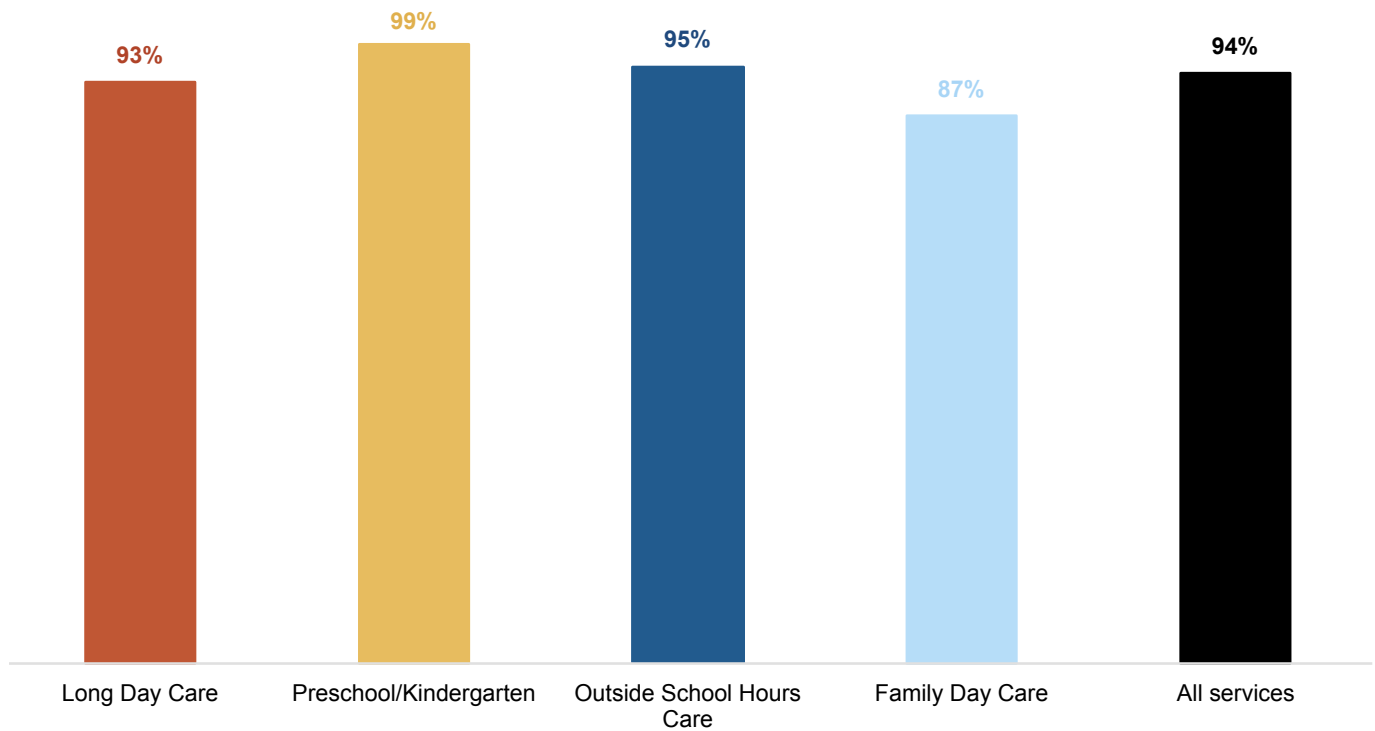
Figure 5.4 shows the proportion of services assessed as Met for Element 4.1.1.

Figure 5.3: Proportion of services rated Meeting NQS or above for each standard of the 2018 NQS, as at 30 June 2019



12. A new version of the NQS came into effect from 1 February 2018. Analysis at the standard and element level is based on the performance of services against the revised version

Figure 5.4: Proportion of services assessed as Met for Element 4.1.1 (Organisation of educators), as at 30 June 2019



Student enrolment, commencement and completion data

Table 5.1 shows that total enrolments in early childhood vocational education and training (VET) courses decreased between 2015 and 2018.

While the number of enrolments in the Certificate III in Early Childhood Education and Care (ECEC) remained stable over the past four years, the number of enrolments in the Diploma of ECEC increased from 67,307 in 2015 to 74,954 in 2016, before dropping back to 67,281 in 2017 and falling markedly to 52,237 in 2018. The year on year decrease since 2016 can likely be at least partly attributed to changes in funding and fee relief arrangements.

Figure 5.5 shows the number of students commencing early childhood and primary initial teacher training degrees at Australian higher education institutions from 2009 to 2017.

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 teacher training degrees have increased from 3186 in 2009 to 4019 in 2017, however the 2017 figure is lower than the equivalent figures between 2012 and 2015.

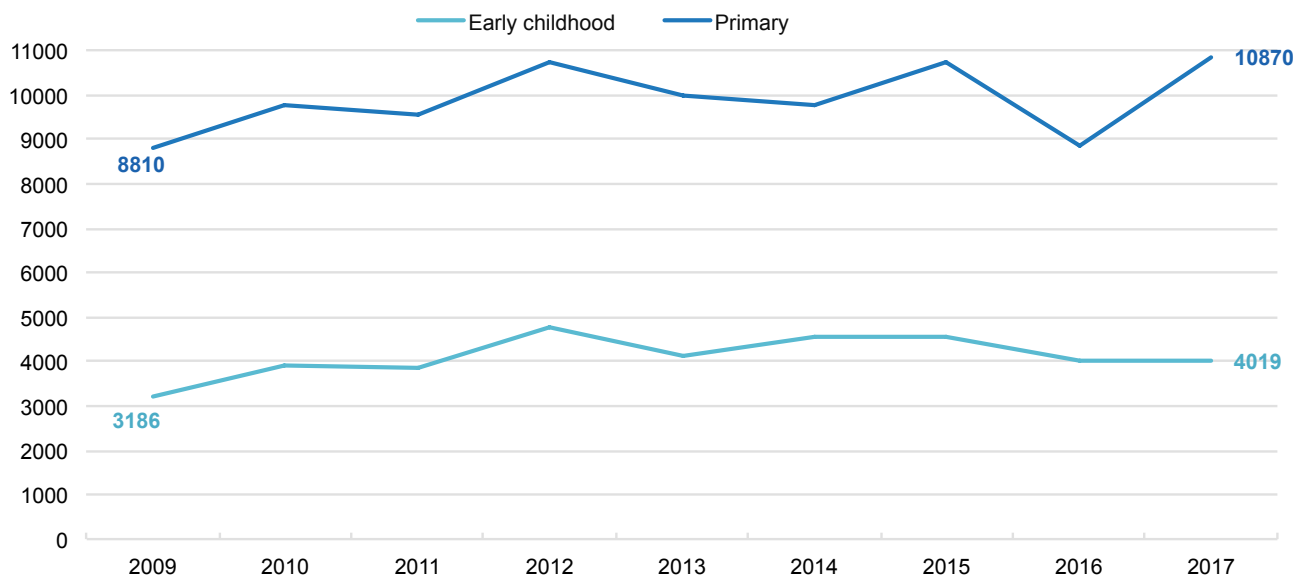
Commencement numbers for primary initial teacher training degrees have increased from 8810 to 10870 across the same period, with the 2017 figure being the highest number of commencements in any of the past nine years.

Table 5.1: Diploma and Certificate III enrolment numbers¹³

Qualification	Number of enrolments			
	2015	2016	2017	2018
Diploma of Early Childhood Education and Care	67,307	74,954	67,281	52,237
Certificate III in Early Childhood Education and Care	51,710	53,941	53,793	52,802
Total	119,017	128,895	121,074	105,039

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.

Figure 5.5: Early childhood and primary initial teacher training degree commencement numbers



13. National Centre for Vocational Education Research (NCVER), [Total VET students and courses](#).

Figure 5.6: Early childhood and primary initial teacher training degree completion numbers

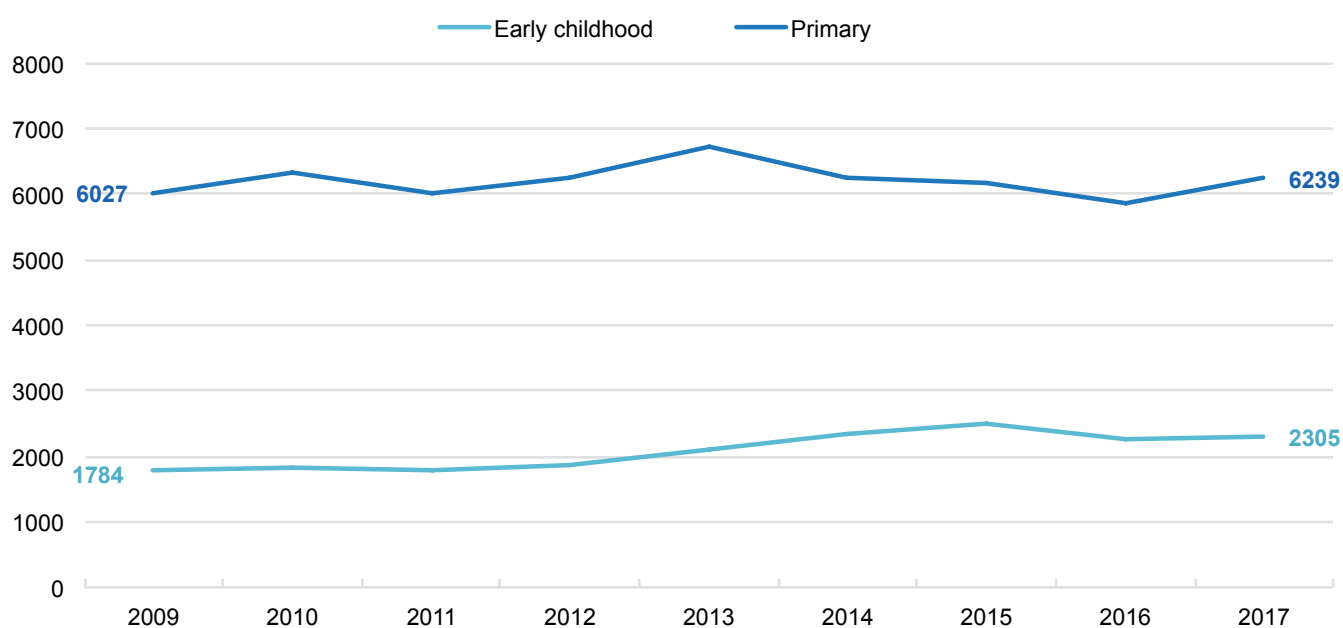


Figure 5.6 shows the number of students completing early childhood and primary initial teacher training degrees at Australian higher education institutes from 2009 to 2017.

Completion numbers for early childhood initial teacher training degrees increased from 1784 in 2009 to 2305 in 2017, while completion numbers for primary teaching degrees increased from 6027 to 6239 across the same period.

Staffing waivers

State and territory regulatory authorities may issue a waiver if an approved provider can demonstrate difficulty meeting staffing requirements at a children’s education and care service.

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 5.7 shows that 4.5% of services hold a staffing waiver, up from 3.9% at both 30 June 2018 and 30 June 2017.

Previous increases in the proportion of services with staffing waivers reflect the short term difficulties some providers had in meeting new staffing requirements that came into effect on 1 January 2014 and 1 January 2016. The current proportion of services with a staffing waiver may further increase next year due to the incoming new staffing requirement from 1 January 2020¹⁴.

Figure 5.8 shows that children’s education and care services located in remote and very remote areas continue to have the highest proportion of staffing waivers, reflecting the greater difficulty of recruiting and retaining staff in those locations.

Services in remote and very remote areas continue to have the highest proportion of staffing waivers, reflecting the increased difficulty of recruiting and retaining staff in these locations.

14. ACECQA - [Qualification Requirements](#).

Figure 5.7: Proportion of services with a staffing waiver

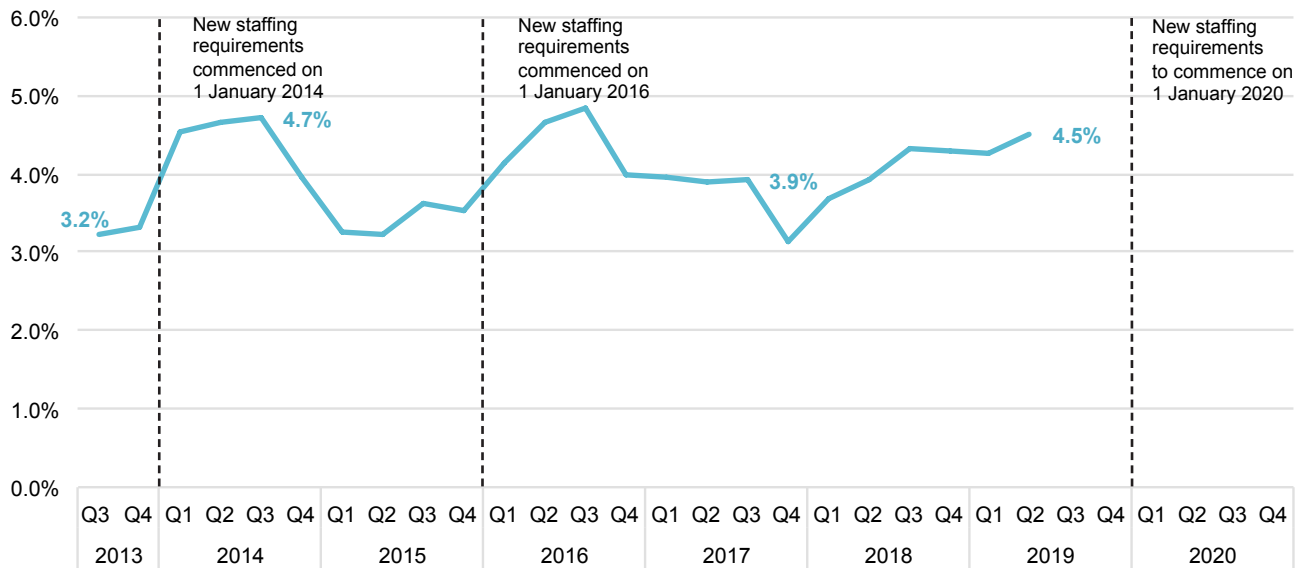
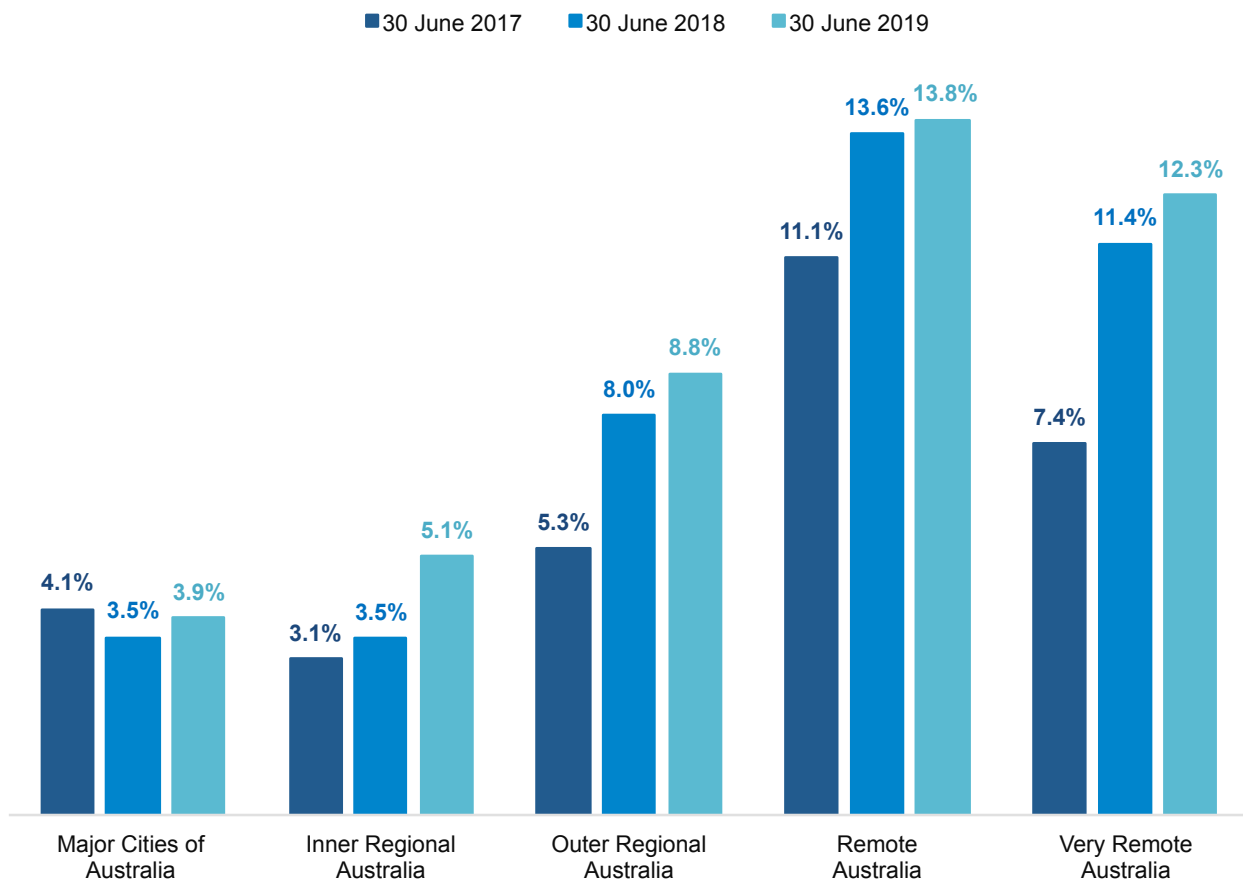


Figure 5.8: Proportion of services with a staffing waiver by remoteness classification



Progressing a national approach to the children's education and care workforce

In 2019, working with all governments, ACECQA undertook desktop analysis, research and consultation to consolidate the available intelligence on current workforce issues and initiatives.

Findings from this work indicate an increasing issue in relation to the supply of suitably qualified educators and early childhood teachers (ECTs), driven by:

- an estimated 20 per cent increase in the workforce needed between May 2018 and May 2023 (with conservative estimates of a requirement for around 39,000 additional educators, including 9000 additional ECTs)
- increased workforce demand, due to future expiry of transitional staffing provisions under the Education and Care Services National Regulations, incoming regulatory requirements and increased access to preschool/kindergarten
- declining year on year enrolments in specialised children's education and care qualifications, combined with systemically low completion rates
- high staff turnover and levels of attrition to other sectors, in particular degree qualified teachers to the school sector.

The work also identified a number of themes and issues that impact service provider efforts to recruit and retain a highly skilled workforce, including community perspectives of the children's education and care sector.

The themes and issues are not unique to the Australian context, with similar challenges reported in the United Kingdom, New Zealand and Canada.

As part of the consultation work undertaken, a broad range of stakeholders emphasised the need for an agreed and co-ordinated national approach to the children's education and care workforce. The most recent national workforce strategy expired in 2016.

Workforce related issues remain a key challenge and priority, with a broad range of stakeholders emphasising the need for an agreed and co-ordinated national approach to the children's education and care workforce.

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ABN 59 372 786 746

Level 6, 175 Liverpool Street, Sydney NSW 2000

Web: www.acecqa.gov.au

Email: enquiries@acecqa.gov.au

Media enquiries: media@acecqa.gov.au