



Australian Children's
Education & Care
Quality Authority

NQF Annual Performance Report

National Quality Framework

November 2023

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

Suggested citation: Australian Children's Education and Care Quality Authority (ACECQA) (2023), *National Quality Framework Annual Performance Report*, ACECQA, Sydney.

Foreword from the ACECQA Chair

I am pleased to present the 2023 National Quality Framework (NQF) Annual Performance Report on behalf of the Australian Children's Education and Care Quality Authority (ACECQA). It forms part of our ongoing reporting and evaluating of the NQF under section 225 of the Education and Care Services National Law.

On behalf of the nine governments of Australia, we measure the success of the NQF against the nationally agreed objectives contained in the NQF Evaluation Framework.

The NQF's first and foremost objective of a quality education and care service is to ensure the safety, health and wellbeing of children attending the service. In Chapter 1 of this report, we examine a range of indicators associated with children's health and safety in accordance with the National Quality Standard (Quality Area 2). All approved services are monitored and visited by the state and territory regulatory authorities, including a robust process for provider and service approval, designed to safeguard the 1.4 million children who attend NQF approved services.

In the 12th year of the NQF, providers and service staff working with their families, communities and regulatory authorities continue their commitment to continuous quality improvement (the third objective of the NQF) with improvements across all seven quality areas of the National Quality Standard (NQS). Almost 90% of education and care services are rated Meeting NQS or above – a marked increase from 56% when we published our first NQF Snapshot in 2013. This is an impressive result given the very high quality bar the NQS sets: not meeting a single element of one of the seven quality areas automatically results in an overall rating of Working Towards NQS.

The NQF aims to improve public knowledge and access to information about the quality of education and care services. The fourth wave of our biennial families' survey found little change in the level of awareness of the quality rating system, suggesting more work needs to be done to communicate the benefits of the NQF and the value of NQS ratings. To this end, we will continue to develop and enhance StartingBlocks.gov.au, our national family-focused website.

None of the gains we have seen since the introduction of the NQF in 2012 would have been possible without the service providers, teachers, educators and service staff who are dedicated to providing high quality education and care in safe environments to children every day. Highly qualified, experienced and consistent teachers and educators are the backbone of high quality education and care. We, along with governments and sector stakeholders, will continue to progress the actions in Shaping Our Future, the ten-year national workforce strategy (2022-2031), to support a sustainable, flourishing and professional workforce for all children attending every approved service.

On behalf of ACECQA, I would like to thank all those involved in furthering our vision that children have the best start in life through high quality education and care.

Annette Whitehead
ACECQA Chair

Overview of the education and care sector

As at 30 June 2023:

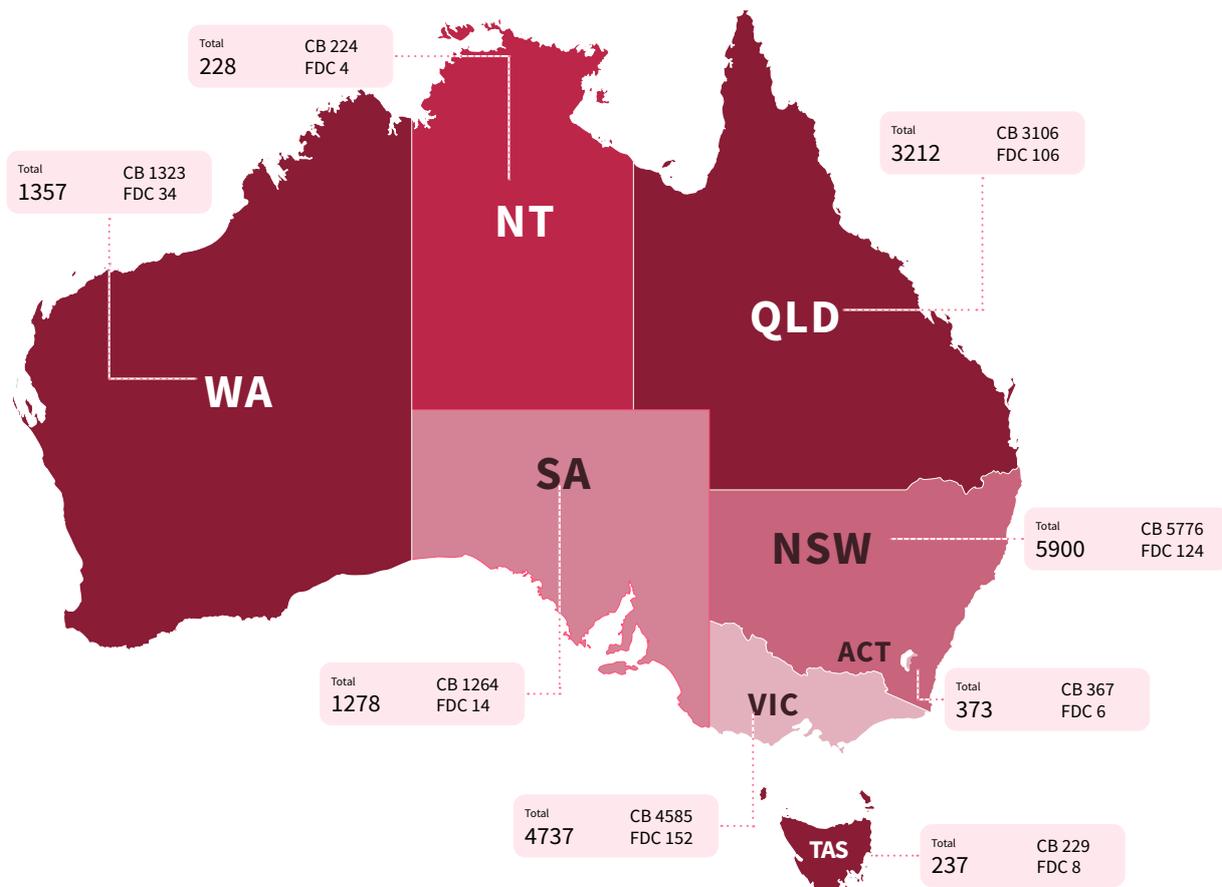
- around 7200 providers are approved to operate children's education and care services under the National Quality Framework (NQF), with 79% of these approved to operate a single service
- in total, providers are approved to operate around 17,300 services, including:
 - » 8855 long day care services (51% of approved services)
 - » 4954 outside school hours care services (29%)
 - » 3062 preschools/kindergartens (18%)
 - » 448 family day care services (3%)
- the 15 largest providers in the country each operate more than 100 services, for a combined total of around 3700 services
- 'private for profit' providers operate more than two-thirds (69%) of long day care services, 63% of family day care services and more than half (52%) of outside school hours care services, but only 1% of preschools/kindergartens
- half (50%) of preschools/kindergartens are operated by 'private not for profit community managed' providers, with more than a fifth (21%) being 'state/territory and local government managed'
- four-fifths (80%) of services are located in the three most populous states, with more than a third (34%) in New South Wales, more than a quarter (27%) in Victoria and just under a fifth (19%) in Queensland
- almost three-quarters (71%) of services are located in major cities, with just over a quarter (26%) in inner and outer regional Australia, and 2% in remote and very remote Australia
- more than 15,700 (91%¹) services have a published quality rating against the National Quality Standard (NQS), with 89% rated Meeting NQS or above
- of the roughly 1700 services rated Working Towards NQS, more than a third (38%) received the rating due to not meeting only one to three elements of quality
- more than 3700 services are rated Exceeding NQS, with more than 1300 services (36%) receiving a rating of Exceeding NQS for all seven quality areas.

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

Tasmanian preschools/kindergartens and most preschools/kindergartens in Western Australia are outside the scope of the NQF, as are other services that are not regulated under the *Education and Care Services National Law*, for example occasional care services.

¹ The proportion of services with a quality rating will not reach 100% at any one time because a proportion of services will only recently have been approved and may not have started operating or may have only been operating for a short period of time. In general, state and territory regulatory authorities will not assess and rate newly approved services which have been operating for less than 9-12 months.

Sector profile



Total Centre-based (CB)
16,874 (97%)
2%
Increase on Q2 2022

Total Family day care (FDC)
448 (3%)
-10%
Decrease on Q2 2022

Total
17,322
2%
Increase on Q2 2022

Provider management type	Number of services	Proportion of services
Private for profit	9002	52%
Private not-for-profit community managed	3417	20%
Private not-for-profit other organisations	2312	13%
State/Territory government managed	1185	7%
State/Territory government schools	682	4%
Independent schools	495	3%
Catholic schools	214	1%
Not stated/Other	15	0%
Total	17,322	100%

Executive summary

Research shows that high quality education and care improves children’s wellbeing and future cognitive, physical, social and emotional outcomes. The NQF represents Australia’s nationwide commitment to this goal and provides a national approach to the regulation of children’s education and care services.

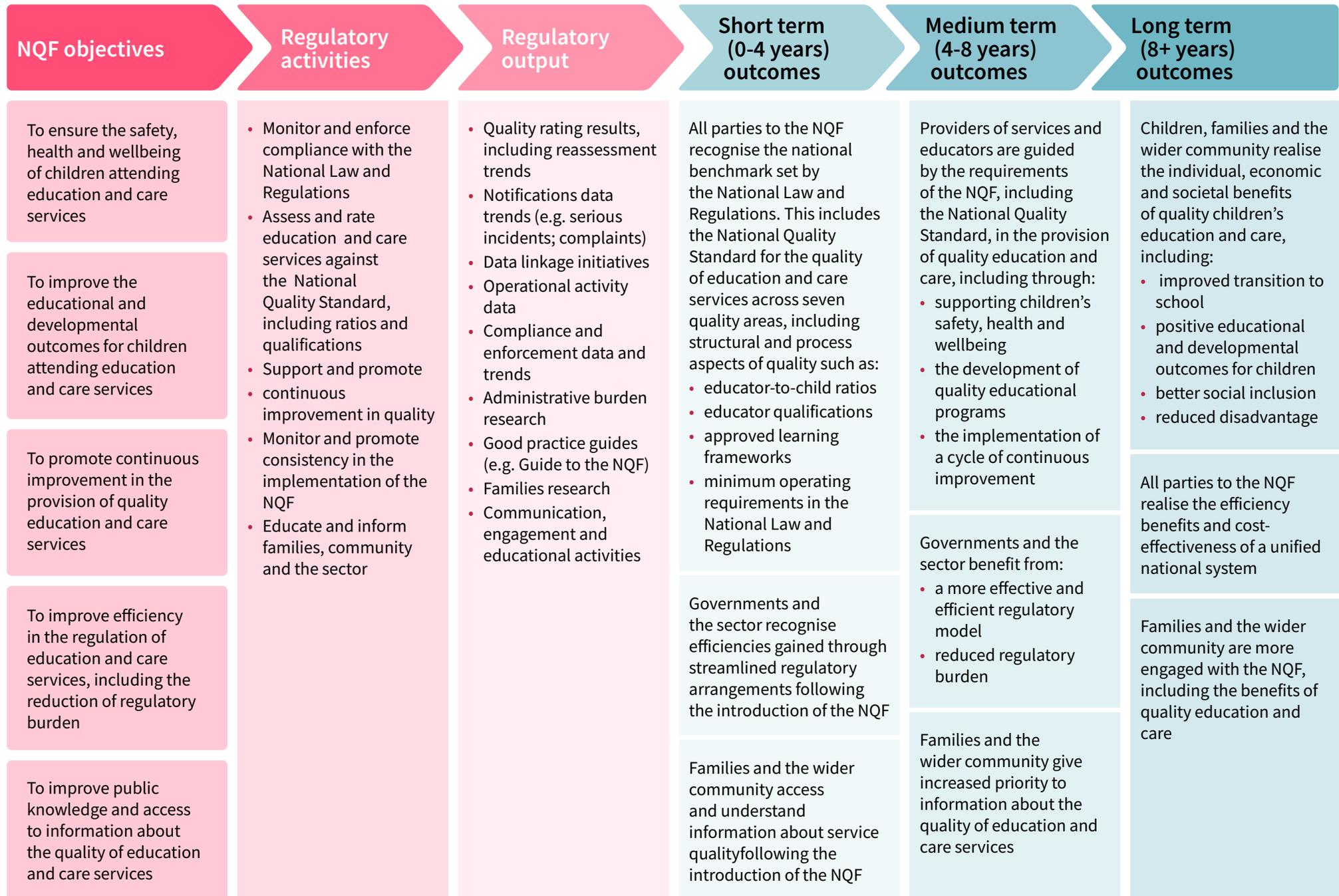
Governments regulate over 17,000 services under the NQF, with around 1.4 million children attending these services. The Education and Care Services National Law and National Regulations govern the minimum standards and requirements that all providers of approved services must meet in order to operate.

As part of the NQF, there is also a National Quality Standard used by state and territory governments to assess and rate services. This quality rating serves as a source of information and guidance for families and the wider community, as well as a marker for continuous quality improvement for service providers and staff.

The [NQF Evaluation Framework](#) was developed so that governments and their regulatory agencies have an agreed way of understanding whether and how the NQF is meeting its objectives (see Figure 1). This report is one of several activities undertaken by ACECQA to monitor and report on the administration of the NQF.

Most of the data used in this report is sourced from the National Quality Agenda IT System (NQA ITS), as at 30 June 2023. The data is also published on ACECQA’s website.

Figure 1: NQF Evaluation Framework



Quality over time

Figure 2 shows that the proportion of children’s education and care services rated Meeting NQS or above by state and territory regulatory authorities has increased every year since the NQF was introduced.

As at 30 June 2023, 89% of services are rated Meeting NQS or above overall, with between 92-98% of services rated Meeting NQS or above for each of the individual quality areas that comprise the National Quality Standard.

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

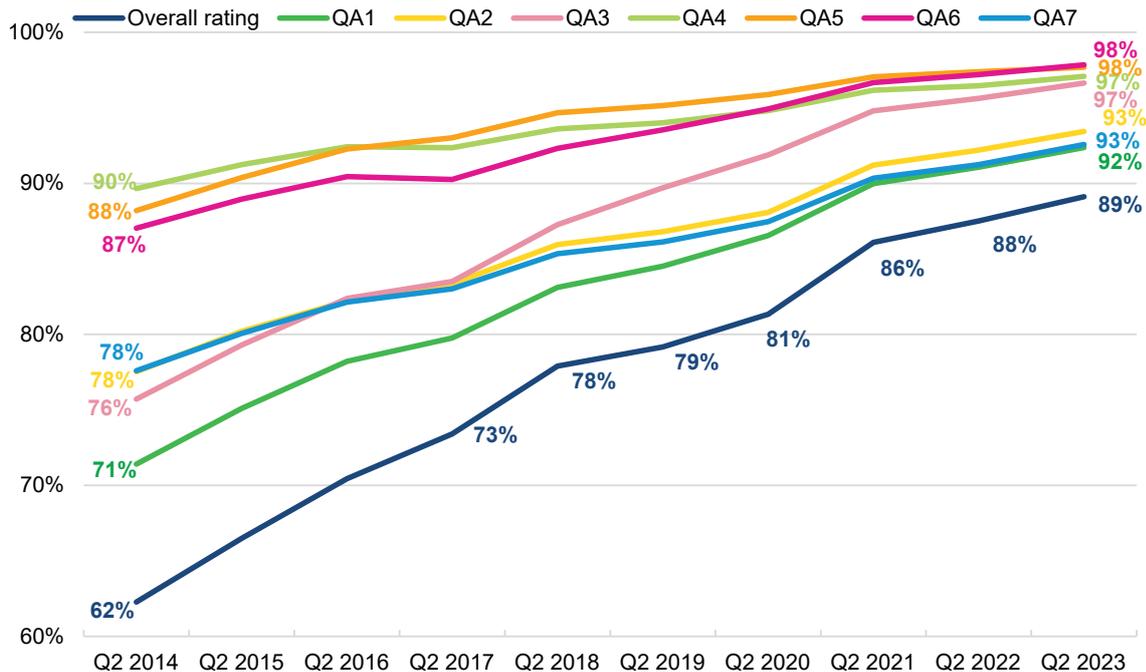


Table 1 presents the previous overall ratings alongside the reassessed overall ratings for those services that have been quality assessed and rated multiple times by state and territory regulatory authorities.

More than two-thirds (68%) of services rated Working Towards NQS improved their overall quality rating at reassessment, while 15% of services rated Meeting NQS improved their overall quality rating to Exceeding NQS.

Table 1: Overall ratings before and after reassessments, as at 30 June 2023²

	Rating after reassessment				
	Significant Improvement Required	Working Towards NQS	Meeting NQS	Exceeding NQS	Improvement rate
Significant Improvement Required	20	80	17	0	117
Working Towards NQS	52	2,207	4,012	792	7,063
Meeting NQS	6	1,031	4,350	944	6,331
Exceeding NQS	2	395	1,800	1,983	4,180
TOTAL	80	3,713	10,179	3,719	17,691

	Rating after reassessment				
	Significant Improvement Required	Working Towards NQS	Meeting NQS	Exceeding NQS	Improvement rate
Significant Improvement Required	17%	68%	15%	0%	83%
Working Towards NQS	1%	31%	57%	11%	68%
Meeting NQS	0%	16%	69%	15%	15%
Exceeding NQS	0%	9%	43%	47%	-

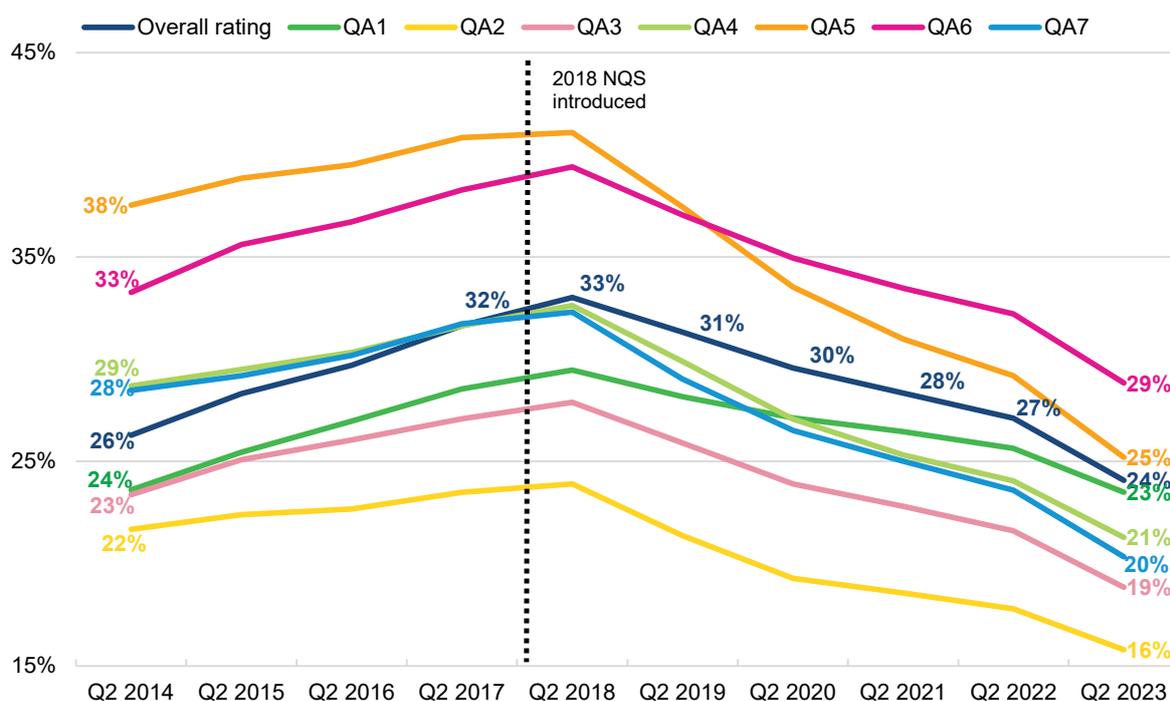
A new version of the NQS was introduced in 2018, which included a revised approach to calculating the Exceeding NQS rating and new requirements for the rating to be achieved.

² Reassessments include the following processes described in the National Law: i. Partial reassessment and re-rating requested by provider; ii. Partial reassessment and re-rating instigated by the regulatory authority; iii. Full reassessment and re-rating requested by provider; iv. Full reassessment and re-rating instigated by the regulatory authority.

Figure 3 demonstrates how it has become more challenging for services to achieve the Exceeding NQS rating since the new version of the NQS, with just under one-quarter (24%) of services rated Exceeding NQS or above overall as at 30 June 2023, down from one-third (33%) as at 30 June 2018.

ACECQA continues to provide guidance and support regarding the [Exceeding NQS](#) rating, including service type specific case studies.

Figure 3: Proportion of services rated Exceeding NQS or above by overall rating and quality area



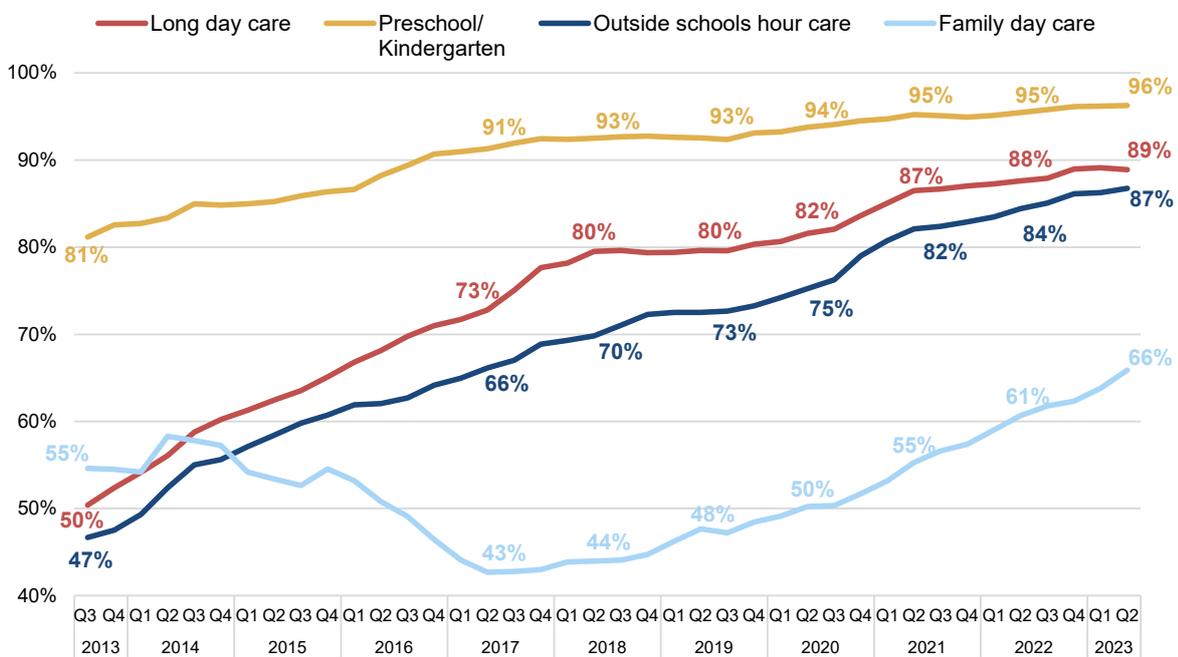
Family day care

Family day care (FDC) offers a home-style education and care environment that can be a flexible and attractive option for a range of reasons, including for shift and emergency workers, parents and carers of children with additional needs, and families living in regional and remote areas.

Figure 4 shows the marked improvement in the proportion of FDC services rated Meeting NQS or above over the past five years. As at 30 June 2023, 66% of FDC services are rated Meeting NQS or above, up from 44% as at 30 June 2018.

The proportion of family day care services rated Meeting NQS or above is the highest since quality ratings first began, with recent year-on-year improvement rates of between 4-5 percentage points. If this trend continues, approaching 90% of family day care services will be rated Meeting NQS or above before the end of 2025.

Figure 4: Proportion of services rated Meeting NQS or above by service type



01



CHILDREN'S HEALTH AND SAFETY

- Supporting children's safety, health and wellbeing is the first and most important objective of the National Quality Framework.
- 93% of services are rated Meeting NQS or above for children's health and safety (Quality Area 2 of the National Quality Standard) – the highest proportion since the introduction of the NQF in 2012.
- There has been a noticeable increase in the rate of reported serious incidents for services rated Working Towards NQS, bringing them more closely in line with services rated Meeting and Exceeding NQS.
- The most frequently breached parts of the National Law and Regulations continue to relate to:
 - » the protection of children from harm and hazards (section 167)
 - » supervision of children (section 165)
 - » upkeep of premises, furniture and equipment (regulation 103)
 - » emergency and evacuation procedures (regulation 97).

02



EDUCATIONAL PROGRAM AND PRACTICE

- Improving educational and developmental outcomes for children attending education and care services is one of the primary objectives of the NQF.
- 92% of services are rated Meeting NQS or above for educational program and practice (Quality Area 1 of the National Quality Standard) – the highest proportion since the introduction of the NQF in 2012.
- 72% of family day care services are rated Meeting NQS or above for educational program and practice – the highest proportion to date.
- Of all 15 standards of the NQS, assessment and planning (Standard 1.3) remains the most challenging, with the two most challenging elements of quality within it:
 - » Assessment and planning cycle (Element 1.3.1)
 - » Critical reflection (Element 1.3.2).
- There is a high degree of correlation between performance against educational program and practice (Quality Area 1), and leadership (Standard 7.2). This demonstrates the critical role of leadership, in particular educational leadership, in maintaining high quality educational programs.

03



CHILDREN FROM VULNERABLE AND DISADVANTAGED BACKGROUNDS

- Children from more disadvantaged backgrounds are more likely to be developmentally vulnerable. They also receive the greatest benefits from attending high quality education and care.
- Due to the strong links between early childhood education and care and children’s developmental outcomes, investing in quality education and care is one of the most effective ways to reduce educational disadvantage.
- In the most disadvantaged areas, the proportion of services rated Meeting NQS or above and Exceeding NQS or above still trails the proportions in the most advantaged areas.
- Differences between socioeconomic areas persist across all service types, with the most pronounced differences being for preschools/kindergartens rated Exceeding NQS or above.

04



WORKFORCE

- Quality outcomes for children depend upon a highly skilled, well supported and professionally recognised workforce.
- 97% of services are rated Meeting NQS or above for staffing arrangements (Quality Area 4 of the National Quality Standard) – the highest proportion since the introduction of the NQF in 2012.
- 95% of family day care services are rated Meeting NQS or above for staffing arrangements – the highest proportion to date.
- Almost 10% of services hold a staffing waiver, with the proportion rising to 17% for long day care services. These waivers mostly relate to temporary issues in meeting early childhood teacher staffing requirements.
- *Shaping Our Future* (2022-2031) is a ten-year national workforce strategy for the children’s education and care sector, which aims to ensure a sustainable, high quality workforce.

05



FAMILIES' UNDERSTANDING OF QUALITY

- Improving public knowledge and access to information about the quality of children's education and care services is one of the objectives of the NQF.
 - The fourth wave of ACECQA's biennial families' survey found:
 - » while a marked increase on the level seen in 2019 and 2017, there has been little change in the level of awareness of the quality rating system between 2023 and 2021
 - » there has been a marked decrease in knowledge of individual service quality rating between 2023 and 2021, with the 2023 level back to the level seen in 2019 and 2017
 - » skilled educators, cost and location are the most important decision-making factors for families
 - » the quality rating of the service continues to be ranked the least important relative to other decision-making factors. It is, however, noteworthy that factors deemed more important, such as the early learning program and the educators, are encompassed within the quality rating awarded to services by state and territory regulatory authorities.
-

Report snapshot

The NQF aims to ensure the health and safety of all children attending approved education and care services

More than 90% of services are rated Meeting NQS or above for educational program and practice

More services than ever in the most disadvantaged areas of Australia are rated Meeting NQS or above

Quality outcomes for children depend upon a highly skilled, well supported and professionally recognised workforce

The NQF aims to improve public knowledge and access to information about the quality of children's education and care services

Figure 1.2 shows that preschools/kindergartens continue to have the highest proportion of services rated Meeting NQS or above, followed by long day care and outside school hours care services.

While family day care services continue to have the lowest proportion, over three quarters (78%) are rated Meeting NQS or above – the highest proportion to date.

Figure 1.2: Proportion of services rated Meeting NQS or above for children’s health and safety, by service type

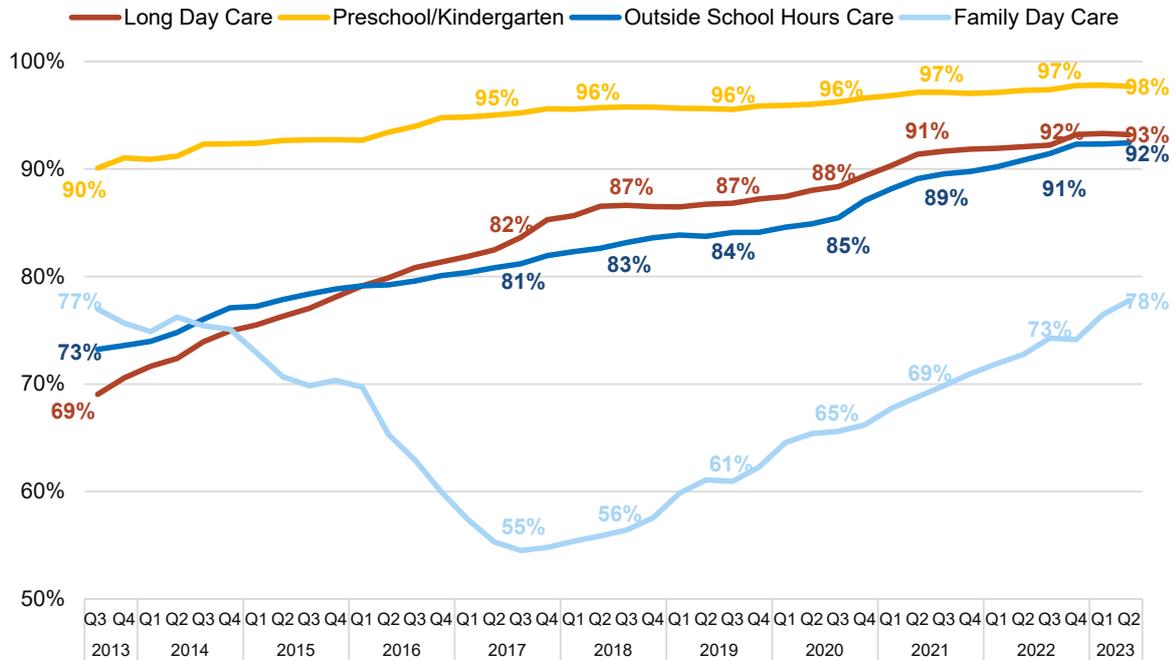
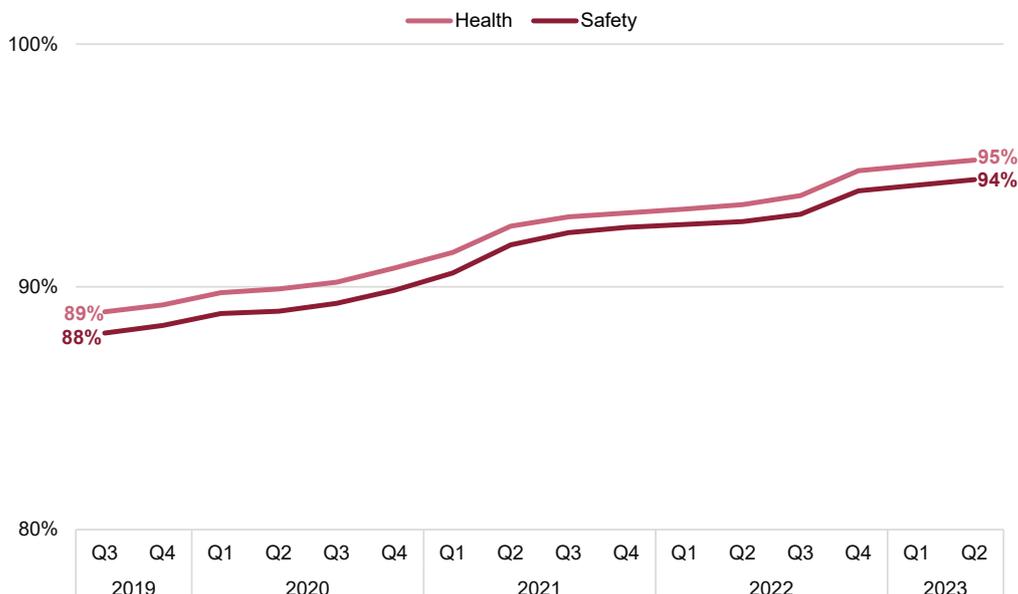


Figure 1.3 shows that performance against both standards within Quality Area 2 continues to improve.

As at 30 June 2023, 95% of services are rated Meeting NQS or above for health and 94% for safety.

Figure 1.3: Proportion of services rated Meeting NQS or above for health and safety



Serious incidents

Ensuring the health, safety and wellbeing of children attending education and care services is of paramount importance. Approved providers are required to notify state and territory regulatory authorities of serious incidents that occur at their services, such as child injury that requires medical attention or hospital attendance.

It is very challenging to make robust comparisons of the rate of reported serious incidents across service types or financial years for a number of reasons. In common with other sectors, dealing with both the likely ‘over’ and ‘under’ reporting of serious incidents from different parts of the sector is particularly difficult.

For example, an approved 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
- Lack of understanding of what constitutes a serious incident
- Poor health and safety standards.

Equally, an approved 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
- Lack of understanding of what constitutes a serious incident
- Concern around reputational impact
- Restrictive and risk averse learning and development opportunities for children.

Table 1.1 shows that incidents involving injury, trauma or illness continue to account for around 80% of all reported serious incidents.

Table 1.1: Proportion of reported serious incidents by incident type

Incident type	% of all reported serious incidents						
	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
Injury/Trauma/ Illness	84.3%	81.3%	79.1%	78.6%	79.9%	78.1%	77.8%
Emergency services attended	9.0%	10.4%	12.0%	12.9%	11.5%	12.5%	12.6%
Child missing or unaccounted for	5.5%	6.6%	7.2%	7.0%	7.2%	7.9%	8.0%
Child locked in/out of the service	0.9%	1.3%	1.3%	1.2%	1.2%	1.3%	1.4%
Child taken away or removed	0.3%	0.4%	0.4%	0.3%	0.3%	0.2%	0.2%

Our [ninth occasional paper](#) looked at the number and characteristics of serious incidents that involve injury, trauma or illness recorded in the NQA ITS between 1 April 2020 and 31 March 2022.

Figure 1.4 shows the summary of key findings relating to serious incidents (injury, trauma or illness) for this specific time period.

Figure 1.4 Summary of findings from occasional paper 9 (serious incidents – injury, trauma or illness), published June 2023



Figure 1.5 shows that in 2022/23 there was a rate of 139 reported serious incidents per 100 approved services, higher than the rate of 124 in 2021/22.

Long day care services continue to report a much higher rate of serious incidents than other service types. This is to be expected given they typically have more children attending for longer periods of time, with these children also often being younger.

Figure 1.5: Rate of reported serious incidents per 100 approved services

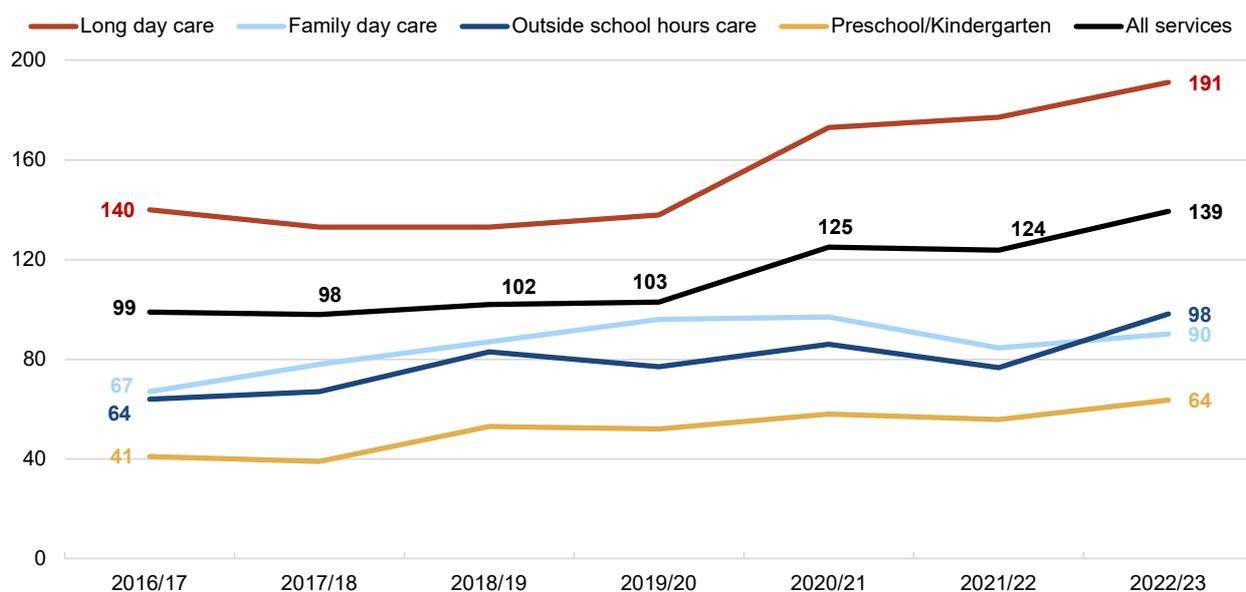
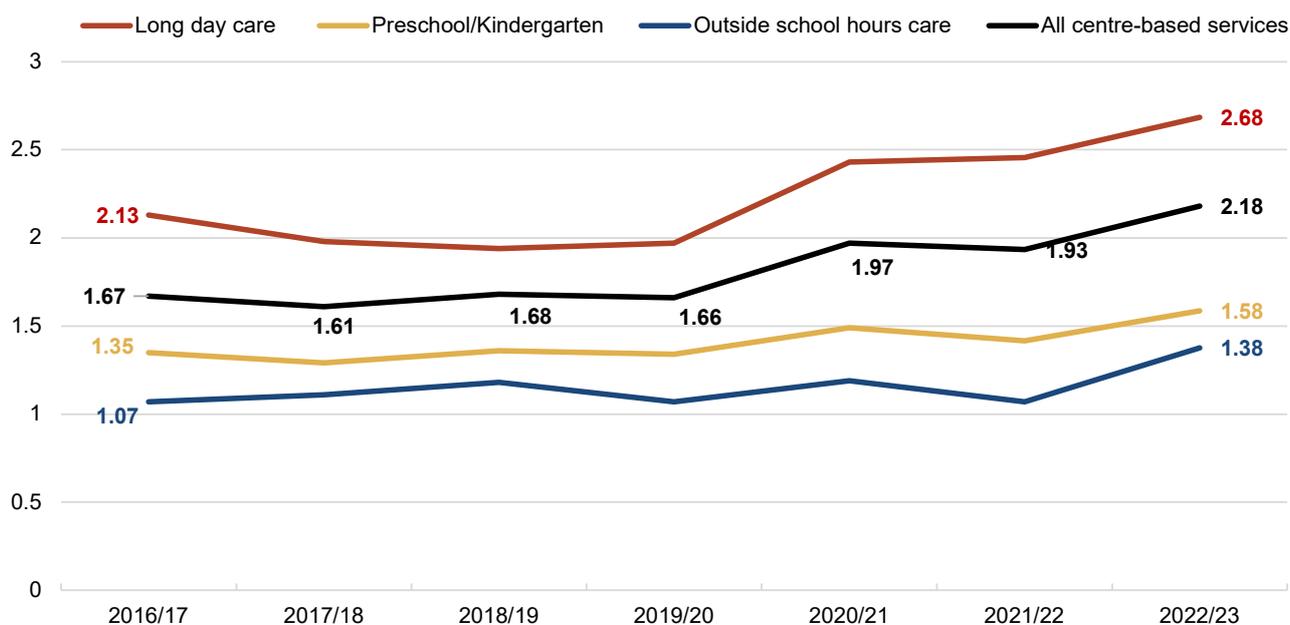


Figure 1.6 shows that in 2022/23 there was a rate of 2.18 reported centre-based service serious incidents per 100 approved places, higher than the rate of 1.93 in 2021/22.

Long day care services again have a much higher rate of reported serious incidents per 100 approved places compared to other centre-based service types. Calculating rates based on approved places rather than approved services may be more robust and meaningful, as it goes some way to accounting for relative service size.

Figure 1.6: Rate of reported centre-based service serious incidents per 100 approved places^{3,4}



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

It is also important to note that most reported serious incidents result in no further action being taken by state and territory regulatory authorities, with only a small proportion resulting in formal compliance action.

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.

Figure 1.7 shows that more than half of all approved services reported one or more serious incidents in 2022/23. The proportion rises to two-thirds (66%) for long day care services.

Figure 1.7: Proportion of services reporting one or more serious incidents

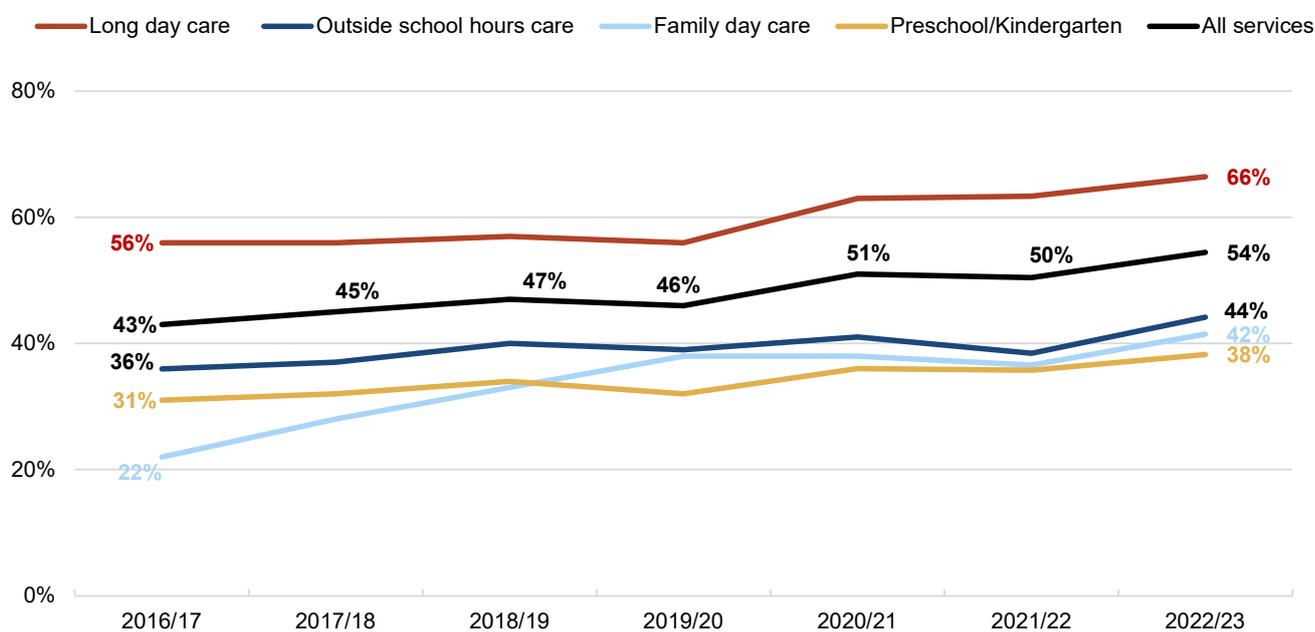


Table 1.2 shows that services with higher quality ratings are consistently more likely to report serious incidents than those with lower quality ratings. In 2022/23, services rated Exceeding NQS continue to have the highest rate of reported serious incidents – 146 per 100 approved services.

In the most recent reporting period, there has been a noticeable increase in the rate of reported serious incidents for services rated Working Towards NQS, bringing them more closely in line with services rated Meeting and Exceeding NQS.

Table 1.2: Rate of reported serious incidents by overall quality rating

Rating (at end of financial year)	Rate per 100 approved services					
	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
Working Towards NQS	86	93	93	112	106	137
Meeting NQS	99	102	107	127	128	143
Exceeding NQS	114	113	110	136	133	146
All services (including unrated)	98	102	103	125	124	139

Confirmed breaches

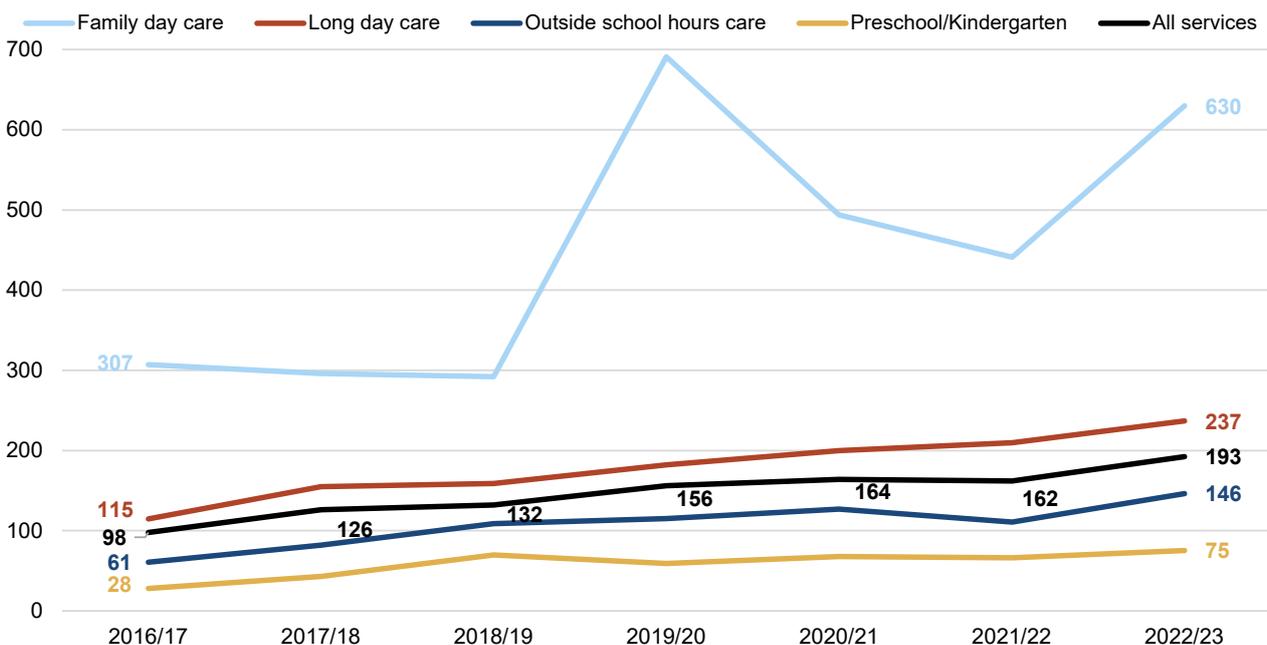
A 'confirmed breach' occurs when a state or territory regulatory authority finds that relevant legislation, regulations or conditions at a children's education and care service have not been adhered to.

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 and the same service can be the subject of several confirmed breaches.

Figure 1.8 shows that in 2022/23 there was a rate of 193 confirmed breaches per 100 approved services. In the most recent reporting period, there has been an increase in the rate of confirmed breaches for all service types.

Year on year fluctuations in rates of confirmed breaches for family day care services are likely the result of targeted compliance and monitoring activities undertaken by state and territory regulatory authorities.

Figure 1.8: Rate of confirmed breaches⁵



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.

Figure 1.9 shows that 46% of approved services had one or more confirmed breaches in 2022/23, with long day care (55%) and family day care (53%) services continuing to have the highest proportions.

Figure 1.9: Proportion of services with one or more confirmed breaches

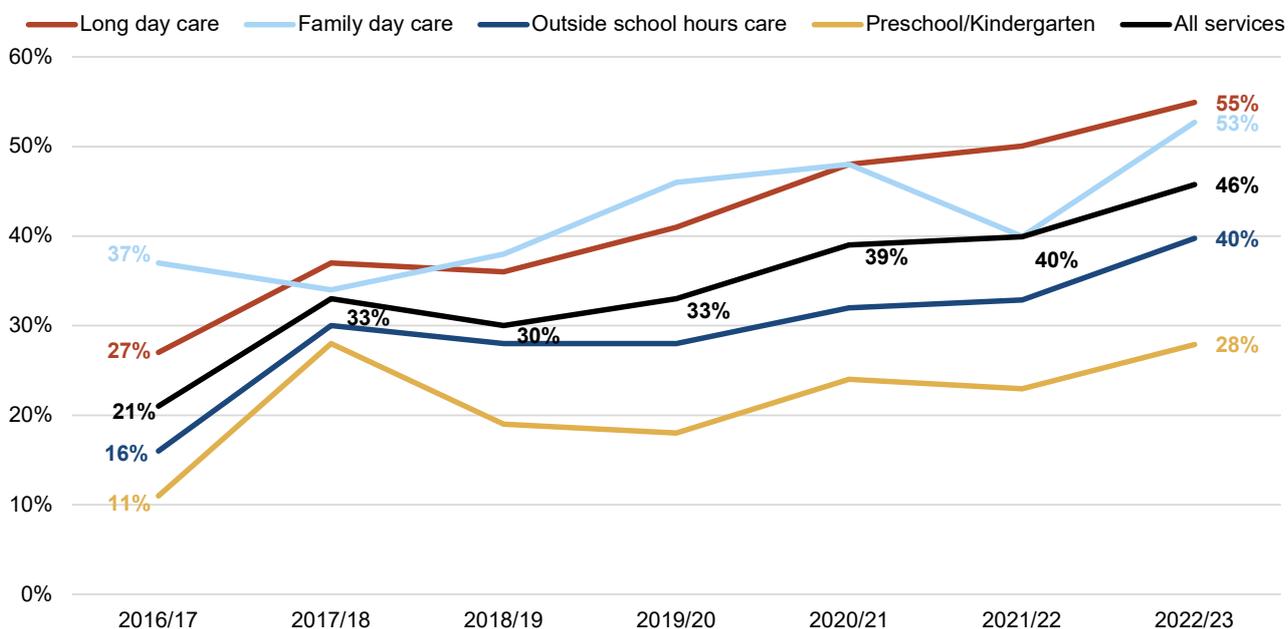


Table 1.3 shows that services with higher quality ratings are consistently less likely to have confirmed breaches than those with lower quality ratings. In 2022/23, services rated Exceeding NQS had a rate of 92 confirmed breaches per 100 approved services, compared to a rate of 179 for services rated Meeting NQS, and a rate of 478 for services rated Working Towards NQS.

Table 1.3: Rate of confirmed breaches by overall quality rating

Rating (at end of financial year)	Rate per 100 approved services					
	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
Working Towards NQS	225	227	333	388	327	478
Meeting NQS	108	119	118	142	160	179
Exceeding NQS	64	71	70	88	91	92
All services (including unrated)	125	132	156	164	162	193

Table 1.4 shows that the following two sections of the National Law continue to be the most frequently breached:

- 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 167)
- 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 (Section 165).

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. The broad scope of Section 167 also makes it relevant in a wide range of circumstances.

The eight most frequently breached sections account for almost nine-tenths (89%) of breaches in 2022/23.

Table 1.4: Most frequently breached sections of the National Law

Section	Offence	% of all confirmed breaches of the National Law						
		16/17	17/18	18/19	19/20	20/21	21/22	2022/23
167	Failure to protect children from harm and hazards	30%	29%	28%	29%	29%	31%	33%
165	Inadequate supervision of children	16%	21%	20%	19%	19%	22%	22%
174	Failure to notify certain information to the regulatory authority	10%	9%	8%	7%	9%	9%	8%
172	Failure to display prescribed information	7%	7%	6%	6%	10%	9%	7%
166	Use of inappropriate discipline	3%	3%	5%	5%	5%	6%	6%
169	Failure in relation to staffing arrangements	5%	5%	7%	6%	4%	4%	4%
175	Failure to keep enrolment and other documents	6%	5%	6%	8%	5%	4%	4%
162A	Failure of persons in day-to-day charge and/or nominated supervisors to have child protection training	–	3%	5%	5%	6%	4%	4%

Table 1.5 shows that the following two regulations of the National Regulations continue to be the most frequently breached:

- Premises, furniture and equipment to be safe, clean and in good repair (regulation 103)
- Emergency and evacuation procedures (regulation 97).

Issues that may lead to confirmed breaches include:

- lack of appropriate measures to avoid hazards causing injuries
- lack of documentation for emergency and evacuation rehearsals
- missing or inadequate emergency and evacuation floor plan and instructions, or a failure to prominently display the plan and instructions
- failure to rehearse emergency and evacuation procedures.

Table 1.5: Most frequently breached regulations of the National Regulations

Reg	Requirement	% of all confirmed breaches of the National Regulations						
		16/17	17/18	18/19	19/20	20/21	21/22	2022/23
103	Premises, furniture and equipment to be safe, clean and in good repair	11%	10%	9%	9%	10%	12%	13%
97	Emergency and evacuation procedures	7%	10%	11%	13%	13%	13%	13%
170	Policies and procedures to be followed	5%	5%	5%	5%	6%	8%	7%
160	Child enrolment records to be kept by approved provider and family day care educator	4%	3%	3%	4%	5%	5%	4%
173	Prescribed information to be displayed	5%	5%	5%	4%	3%	4%	4%
162	Health information to be kept in enrolment record	4%	4%	4%	5%	5%	3%	3%
147	Staff members (required information and evidence of qualifications and training)	4%	5%	6%	5%	5%	4%	3%

Chapter 2

Educational program and practice



Overview

High quality early education and care improves children’s wellbeing and future cognitive, physical, social and emotional outcomes. The impact is greatest for children experiencing economic disadvantage or disability, and for children from diverse cultural and linguistic backgrounds.^{6,7}

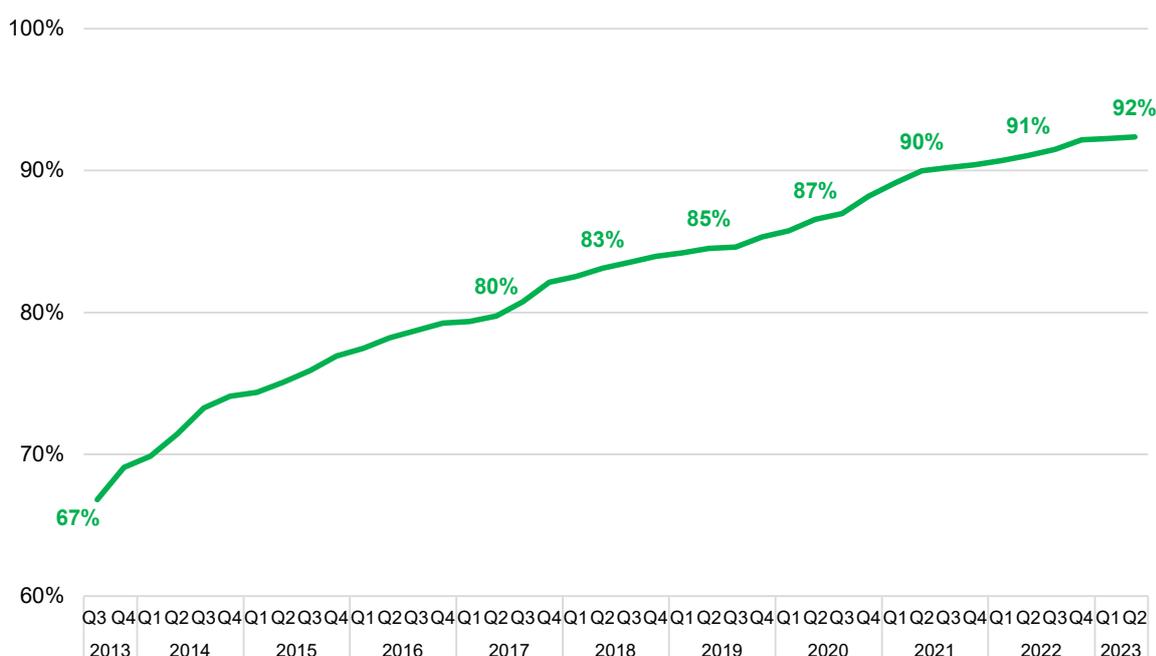
Quality Area 1 (Educational program and practice) of the National Quality Standard focuses on practices that support and promote children’s development and learning.

Educational program and practice quality ratings

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

As at 30 June 2023, 92% of services are rated Meeting NQS or above – the highest proportion since the introduction of the NQF in 2012.

Figure 2.1: Proportion of services rated Meeting NQS or above for educational program and practice



6 OECD (2020), [Early Childhood Education: Equity, Quality, and Transitions: Report for the G20 Education Working Group](#), OECD Publishing, Paris.

7 OECD (2021), [Measuring What Matters for Child Well-being and Policies](#), OECD Publishing, Paris.

Figure 2.2 shows that preschools/kindergartens continue to have the highest proportion of services rated Meeting NQS or above for Quality Area 1, followed by long day care and outside school hours care services.

While family day care services continue to have the lowest proportion, almost three-quarters (72%) are rated Meeting NQS or above – the highest proportion to date.

Figure 2.2: Proportion of services rated Meeting NQS or above for educational program and practice, by service type

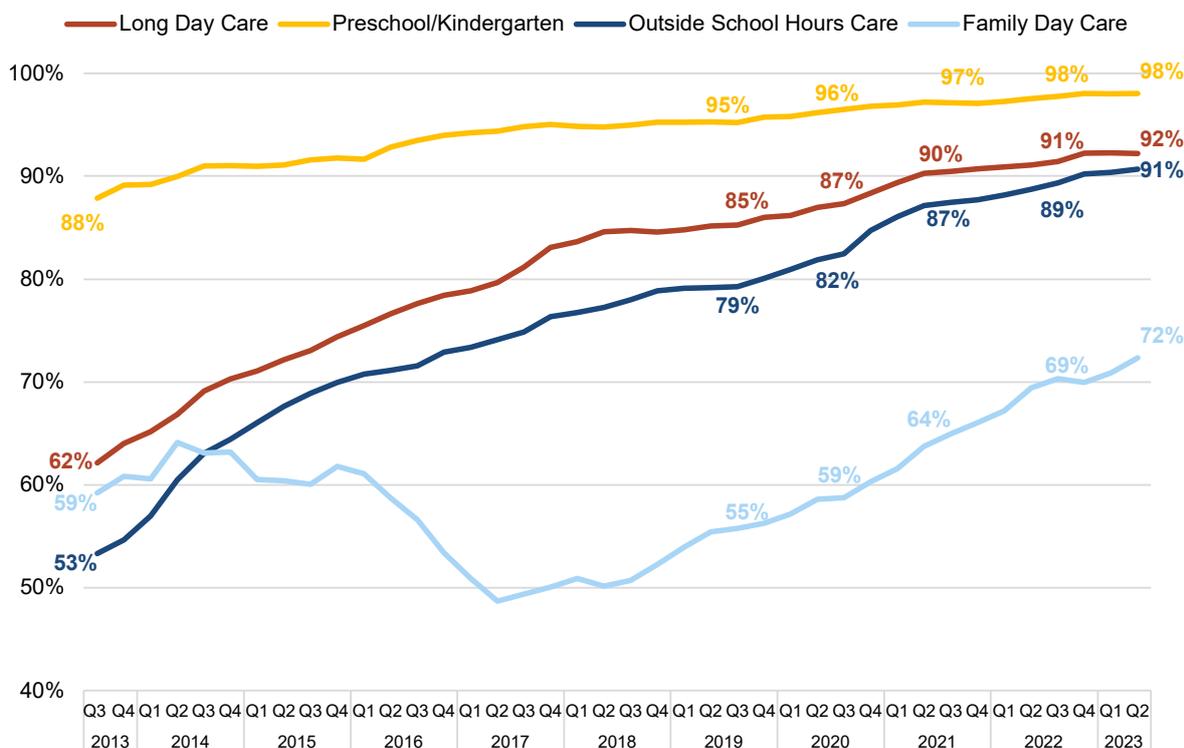
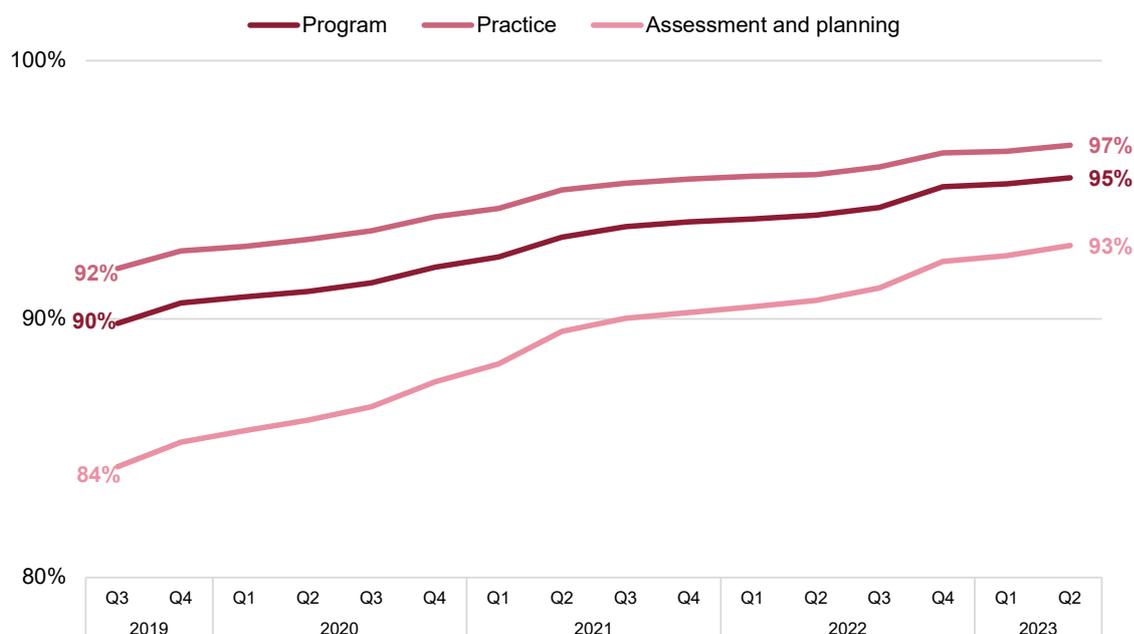


Figure 2.3 shows that performance against all three standards within Quality Area 1 continues to improve.

As at 30 June 2023, 95% of services are rated Meeting NQS or above for the educational program, 97% for educational practice, and 93% for educational assessment and planning.

State and territory regulatory authorities and ACECQA continue to produce a number of resources for service leaders to support them in [meeting the NQS](#), with an emphasis on Quality Area 1.

Figure 2.3: Proportion of services rated Meeting NQS or above for educational program, practice, and assessment and planning



Relationships with children, professionalism and educational leadership

Quality Area 5 of the National Quality Standard addresses relationships with children, including between educators and children, and among children. Quality Area 4 addresses staffing arrangements, including the professionalism of educators. Quality Area 7 addresses governance and leadership, including the role of a service’s educational leader.

The important relationship between these aspects of the National Quality Standard and the educational program and practice is confirmed by the correlation analysis in **Figure 2.4**.

Green cells indicate a higher level of correlation between specified quality areas and standards. In contrast, yellow and orange cells indicate moderate levels of correlation, and red cells indicate relatively low levels of correlation.

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 (indicated by unshaded cells), there is a high degree of correlation between educational program and practice (Quality Area 1), and leadership (Standard 7.2). This demonstrates the critical role of leadership, in particular educational leadership, in maintaining high quality educational programs.

There is also a high degree of correlation between relationships with children (Quality Area 5) and educational practice (Standard 1.2), program (Standard 1.1) and professionalism (Standard 4.2). This demonstrates the importance of positive relationships with children, as well as the importance of high quality practice, program and professionalism in fostering and maintaining those positive relationships.

Figure 2.4: Correlation analysis matrix⁸ (quality areas to standards), as at 30 June 2023

	QA1	QA2	QA3	QA4	QA5	QA6	QA7
Standard 1.1	0.87	0.61	0.65	0.68	0.73	0.71	0.66
Standard 1.2	0.88	0.60	0.65	0.68	0.74	0.71	0.64
Standard 1.3	0.92	0.62	0.63	0.67	0.69	0.70	0.70
Standard 2.1	0.65	0.85	0.63	0.61	0.62	0.61	0.64
Standard 2.2	0.63	0.91	0.62	0.60	0.58	0.58	0.66
Standard 3.1	0.62	0.60	0.92	0.63	0.64	0.62	0.58
Standard 3.2	0.66	0.59	0.85	0.62	0.66	0.67	0.60
Standard 4.1	0.66	0.57	0.62	0.93	0.69	0.67	0.63
Standard 4.2	0.67	0.56	0.63	0.89	0.72	0.70	0.64
Standard 5.1	0.71	0.56	0.64	0.69	0.94	0.70	0.60
Standard 5.2	0.69	0.56	0.63	0.68	0.93	0.71	0.60
Standard 6.1	0.66	0.54	0.60	0.65	0.68	0.93	0.63
Standard 6.2	0.66	0.54	0.60	0.64	0.68	0.92	0.63
Standard 7.1	0.67	0.67	0.61	0.66	0.62	0.67	0.91
Standard 7.2	0.72	0.63	0.61	0.66	0.62	0.69	0.92

⁸ Higher numbers indicate higher levels of correlation between individual quality areas and standards.

Chapter 3

Children from vulnerable and disadvantaged backgrounds



Overview

Participation in quality early childhood education and care equips children with vital cognitive and social skills to prepare them for future learning.

High quality early learning can also offset educational disadvantages that may exist in the home environment and narrow the achievement gap between children. OECD research suggests investing in early education is one of the most effective means of reducing disadvantage.⁹

Quality ratings by socio-economic status of areas

Figure 3.1 compares the performance of children’s education and care services in the most relatively disadvantaged (SEIFA quintile 1) and advantaged (SEIFA quintile 5) areas of Australia.¹⁰

As at 30 June 2023, 86% of services in the most disadvantaged areas are rated Meeting NQS or above, compared with 92% in the most advantaged areas. This gap has endured over the last seven years.

Differences in the distribution of quality ratings are most pronounced at the high end, with 21% of services in Australia’s most disadvantaged areas rated Exceeding NQS or above, compared with 29% in the most advantaged areas. Again, this gap has remained consistent over the last seven years.

⁹ Organisation for Economic Co-operation and Development, Early Childhood Education: Equity, Quality and Transitions. Report for the G20 Education working group. OECD, Paris, 2020.

¹⁰ The [Socio-Economic Indexes for Areas \(SEIFA\)](#) indexes are based on information from the five-yearly Census. ACECQA uses the address details of a service at the Statistical Area 1 (SA1) level to identify its SEIFA Index of Relative Socio-Economic Advantage and Disadvantage (ISRAD) classification. Some services are excluded from SEIFA classifications because of poor quality address matching.

Figure 3.1: Comparison of overall quality ratings between the most disadvantaged and most advantaged areas

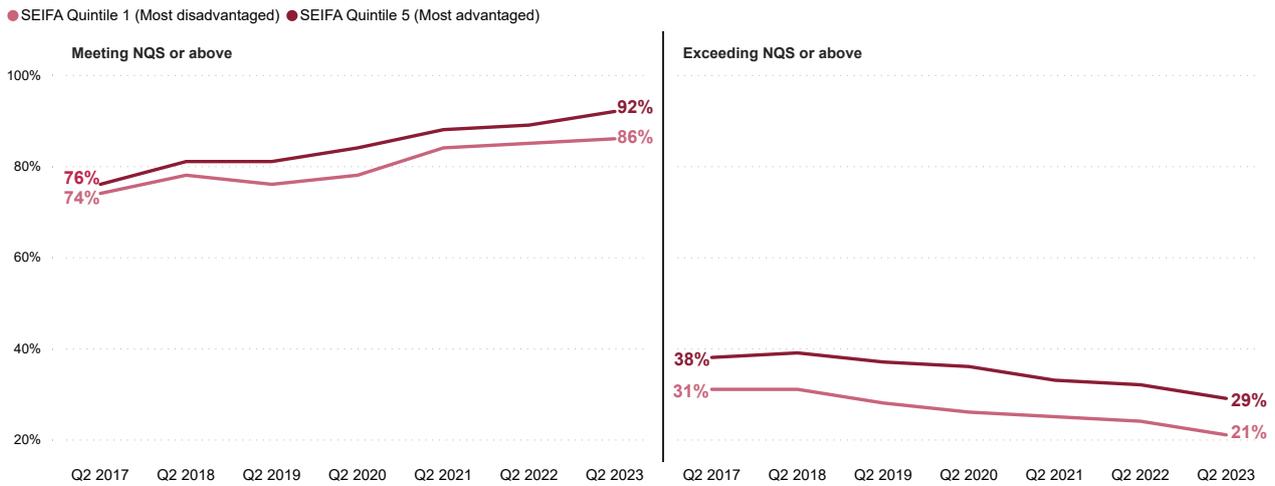
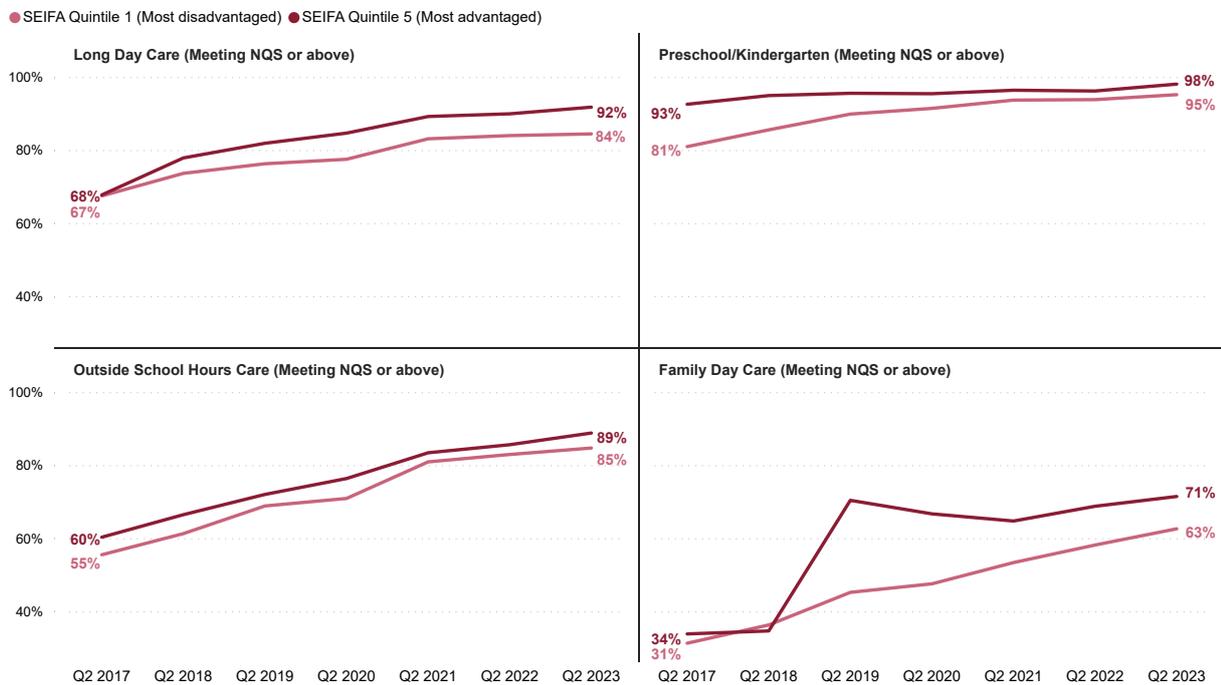


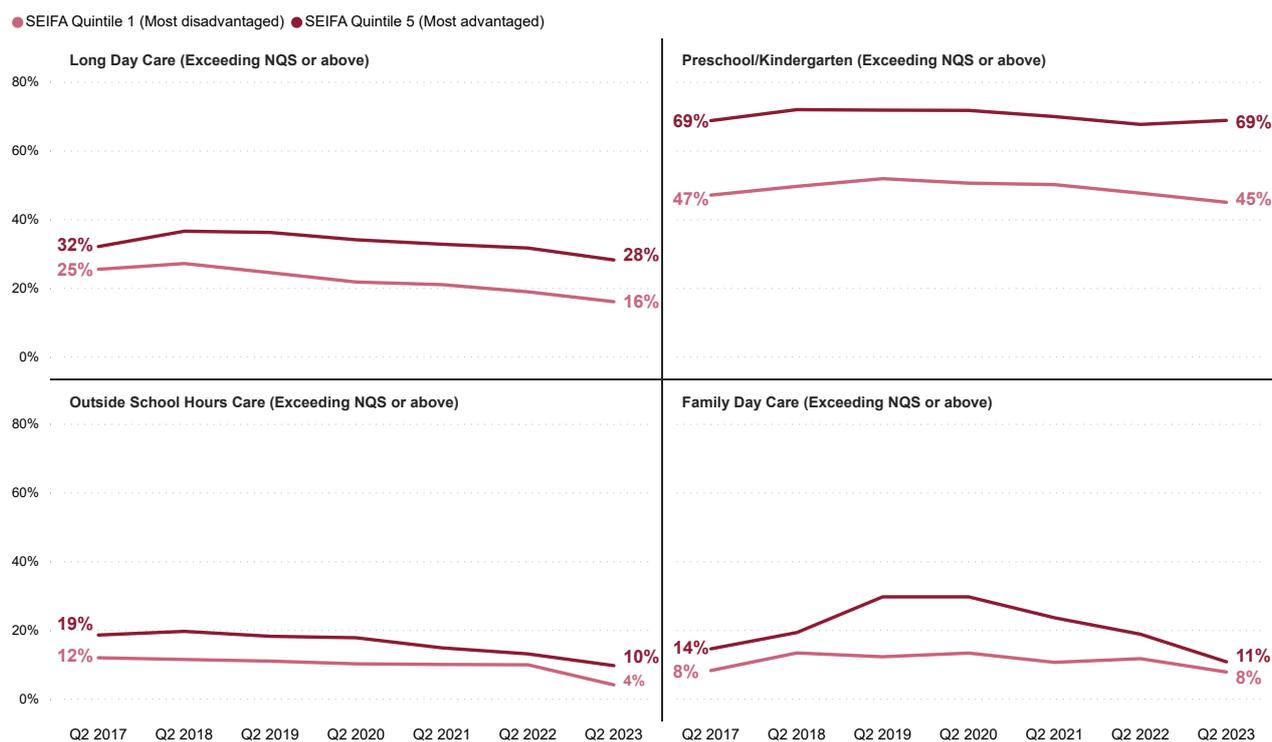
Figure 3.2 compares the quality ratings by service type. Across all service types, a greater proportion of services in the most advantaged areas are rated Meeting NQS or above and Exceeding NQS or above compared with services in the most disadvantaged areas. The gap is most pronounced for preschools/kindergartens rated Exceeding NQS or above.

Figure 3.2: Comparison of overall quality ratings between the most disadvantaged and most advantaged areas by service type

Meeting NQS or above



Exceeding NQS or above



While services in the most disadvantaged areas are less likely to be rated Exceeding NQS, there are services in these areas achieving exceptional quality that have applied for and been awarded the Excellent rating. Two examples are [Gowrie Victoria Broadmeadows Valley](#) and [Bribie Island Community Kindergarten](#).

Gowrie Victoria Broadmeadows Valley

Gowrie Victoria Broadmeadows Valley was re-awarded the Excellent rating by ACECQA in September 2022.

Examples of exceptional practice at the service include:

- partnering with local agencies to deliver specialised speech programs to improve school readiness and safeguard against delays in accessing specialist referrals
- establishing Arabic and Spanish learning programs for children and organising biweekly women's English classes for families from the service and local school, many of whom recently arrived in Australia
- undertaking the Alannah and Madeline Foundation Playing IT Safe pilot program to support children's safe and respectful use of technology
- supporting educators by developing a comprehensive leadership manual and restructuring the kindergarten program to allow an ongoing focus on curriculum and pedagogy.

Bribie Island Community Kindergarten

Bribie Island Community Kindergarten in Queensland was awarded the Excellent rating in April 2023 for the fourth time.

Examples of exceptional practice at the service include:

- maintaining relationships with local aged care facilities to offer regular opportunities for co-learning between residents and children
- publishing two books written by children and educators, one about a volunteer in the community garden focused on diversity and inclusion, and the other about a community nature walk featuring First Nations historical knowledge and artwork by children and other students from across the Bribie Island community
- completing stage three of the Joondoburri Walk Project by receiving an Indigenous Languages Grant from the Department of Aboriginal and Torres Strait Islander Partnerships, and creating a second sign in the Gabi Gabi Language and featuring the artwork of a traditional owner.

Chapter 4

Workforce



Overview

The [Alice Springs \(Mparntwe\) Education Declaration](#) acknowledges that the early years provide the foundation for learning in school and beyond. Building on this, [Shaping Our Future](#), the national children's education and care workforce strategy (2022-2031), recognises that the children's education and care workforce is critical to the success of the National Quality Framework.

The strategy represents a long-term commitment to the workforce by Australian governments and sector stakeholders. It acknowledges the complexity of the workforce challenges faced by the sector and provides a call to action for all stakeholders to work towards ambitious goals. The 21 nationally agreed actions in the strategy are being monitored via an [online dashboard](#) and guided by an implementation and evaluation plan.

While a highly skilled workforce is integral to the provision of high quality children's education and care across all aspects of the National Quality Standard, Quality Area 4 (Staffing arrangements) specifically focusses upon staffing.

Staffing arrangements quality ratings

Figure 4.1 compares performance against Quality Area 4 over time, showing the proportion of services rated Meeting NQS or above.

As at 30 June 2023, 97% of services are rated Meeting NQS or above – the highest proportion since the introduction of the NQF in 2012.

Figure 4.1: Proportion of services rated Meeting NQS or above for staffing arrangements

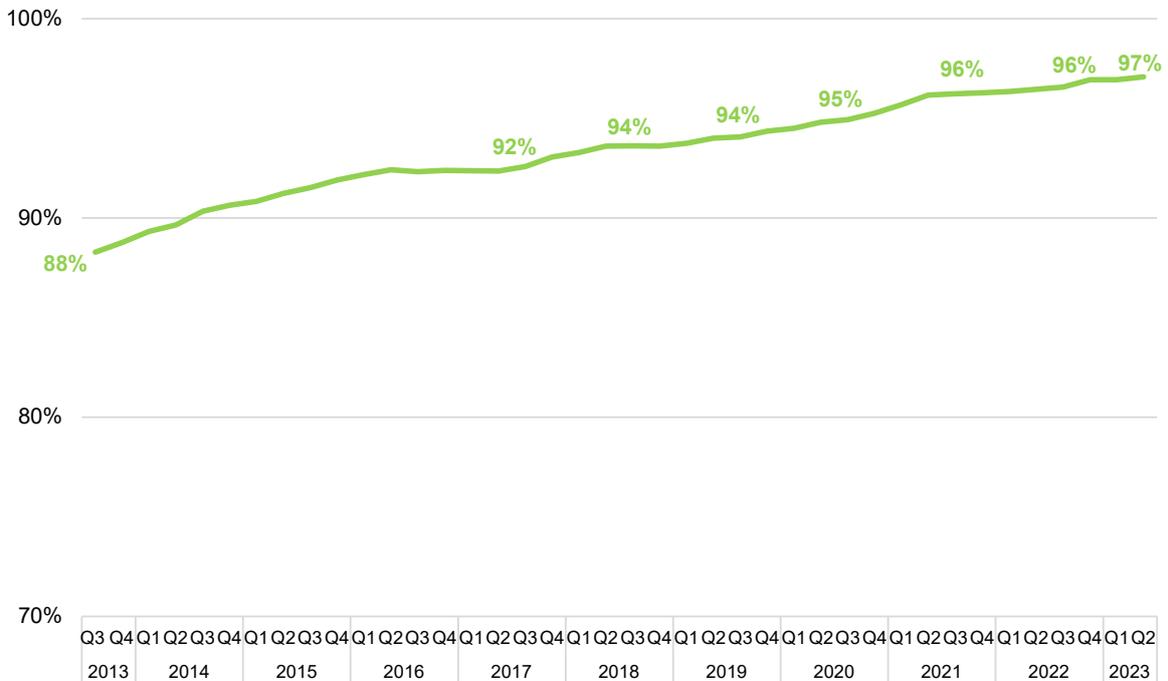
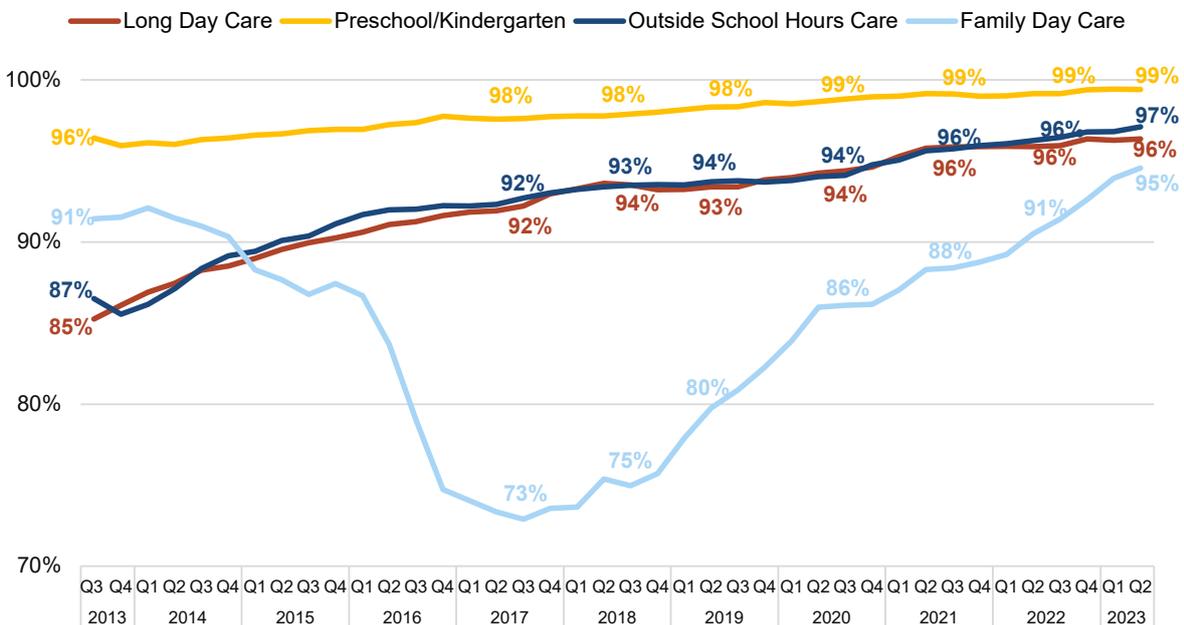


Figure 4.2 shows that preschools/kindergartens continue to have the highest proportion of services rated Meeting NQS or above, closely followed by outside school hours care, long day care and family day care services.

Figure 4.2: Proportion of services rated Meeting NQS or above for staffing arrangements, by service type



Vocational education data

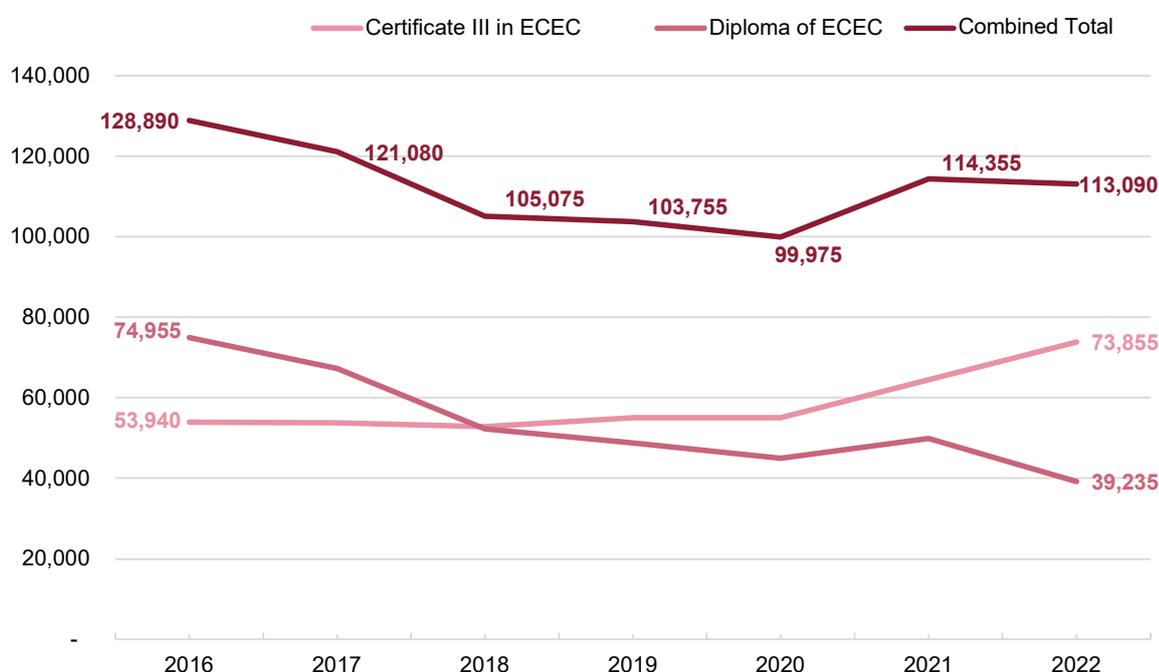
The majority of educators in the children’s education and care sector hold vocational education and training (VET) level qualifications, typically at a certificate III or diploma level. More than 300 Registered Training Organisations (RTOs) are approved to deliver the nationally recognised children’s education and care qualifications.

Figure 4.3 shows the total enrolments in the two major early childhood VET courses between 2016 and 2022. The number of enrolments in the Certificate III in Early Childhood Education and Care (ECEC) has remained above 50,000, increasing to a high of almost 75,000 in 2022.

In contrast, the number of enrolments in the Diploma of ECEC has decreased from just under 75,000 in 2016 to less than 40,000 in 2022.

The combined total enrolments across the two qualifications was almost 115,000 in 2022, slightly down on 2021 numbers.

Figure 4.3: Vocational education enrolment numbers¹¹

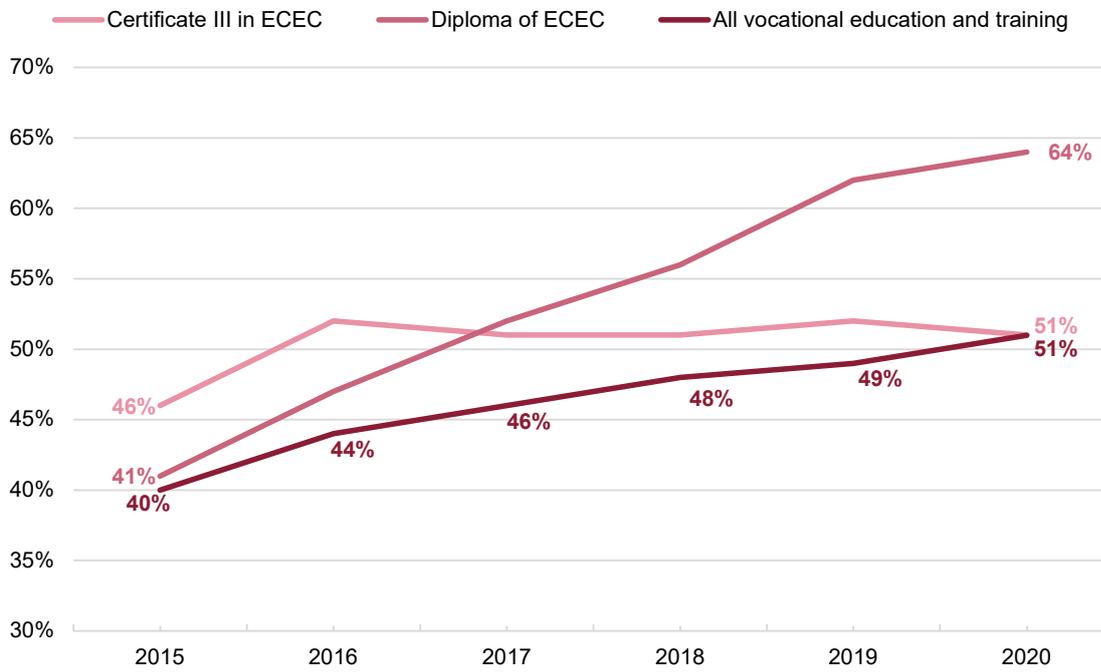


As well as recording enrolment numbers, the National Centre for Vocational Education and Research (NCVER) tracks vocational education completion rates using the unique student identifier.

¹¹ NCVER, [Total VET students and courses](#) – historical data is refreshed each year.

Figure 4.4 shows completion rates for students undertaking the Diploma of ECEC are forecast to grow year on year. Almost two-thirds (64%) of students who enrolled in the Diploma of ECEC are expected to complete their qualification.

Figure 4.4: Vocational education completion rates¹²



¹² NCVER, customised unpublished completion rates as of October 2023. 2017–2018 completion rates are actual (observed), while 2019–2020 completion rates are projected.

Higher education data

Figure 4.5 shows the number of students commencing early childhood and primary initial teacher training degrees at Australian higher education institutions from 2009 to 2021.

Commencement numbers for early childhood initial teacher training degrees have increased from 3,187 in 2009 to 4,683 in 2021, the highest number since 2015.

Commencement numbers for primary initial teacher training degrees have fluctuated across the overall period, from 8,806 in 2009, to a high of 10,868 in 2017, to 10,502 in 2021.

Figure 4.5: Early childhood and primary initial teacher training degree commencement numbers

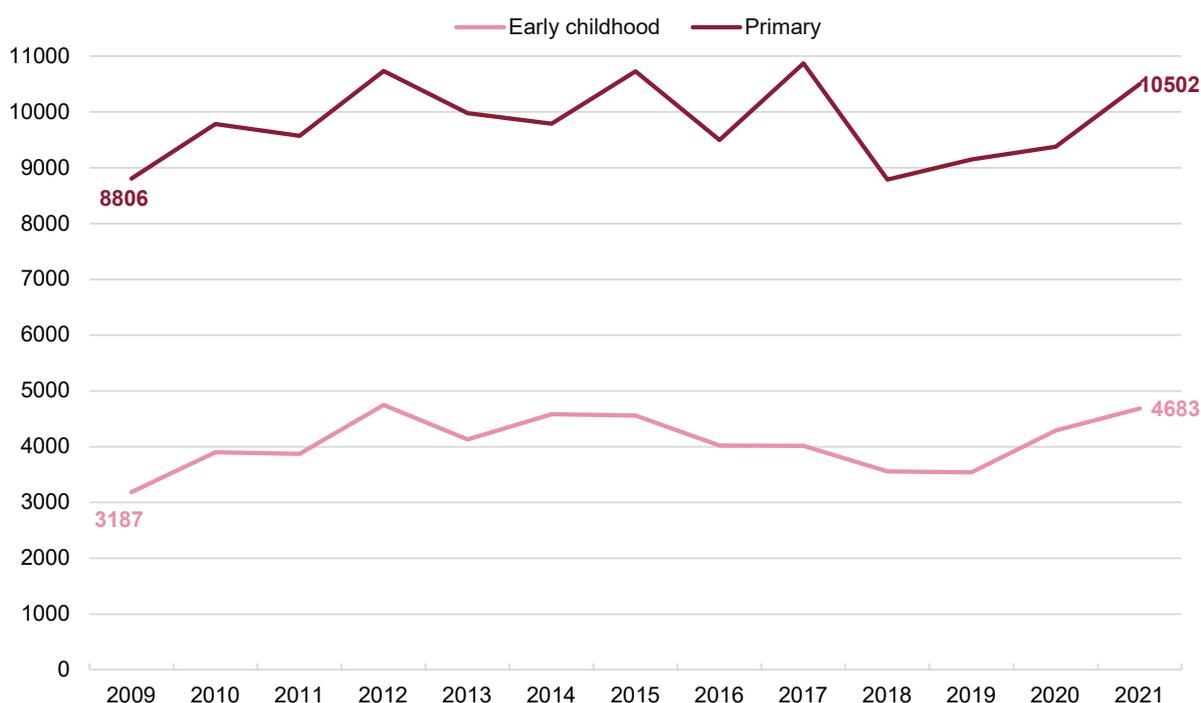


Figure 4.6 shows the proportion of early childhood teaching programs by age focus approved by ACECQA since the NQF was established in 2012.

While some primary teaching degrees only qualify graduates to teach in schools, most NQF approved early childhood teaching qualifications cover birth to eight years or birth to 12 years, qualifying graduates to teach across the early childhood and primary school age range.

These programs must meet both [ACECQA's requirements](#) and the [Accreditation of Initial Teacher Education Programs in Australia: Standards and Procedures](#) endorsed by Education Ministers, overseen by AITSL, and administered by state and territory teacher regulatory authorities.

ACECQA also publishes [quarterly data](#) detailing applications received from individuals for NQF qualification approval, as well as migration skills assessment in line with ACECQA's role as a skills assessing authority as part of Australia's skilled migration program.

Figure 4.6: Age focus of early childhood teaching programs approved by ACECQA

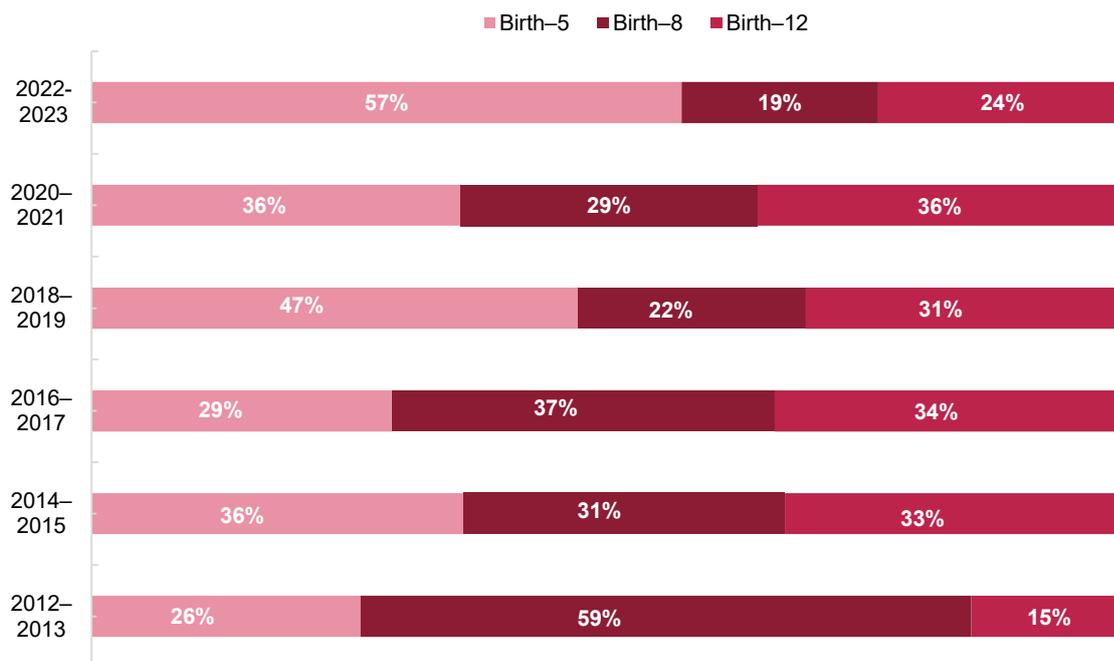
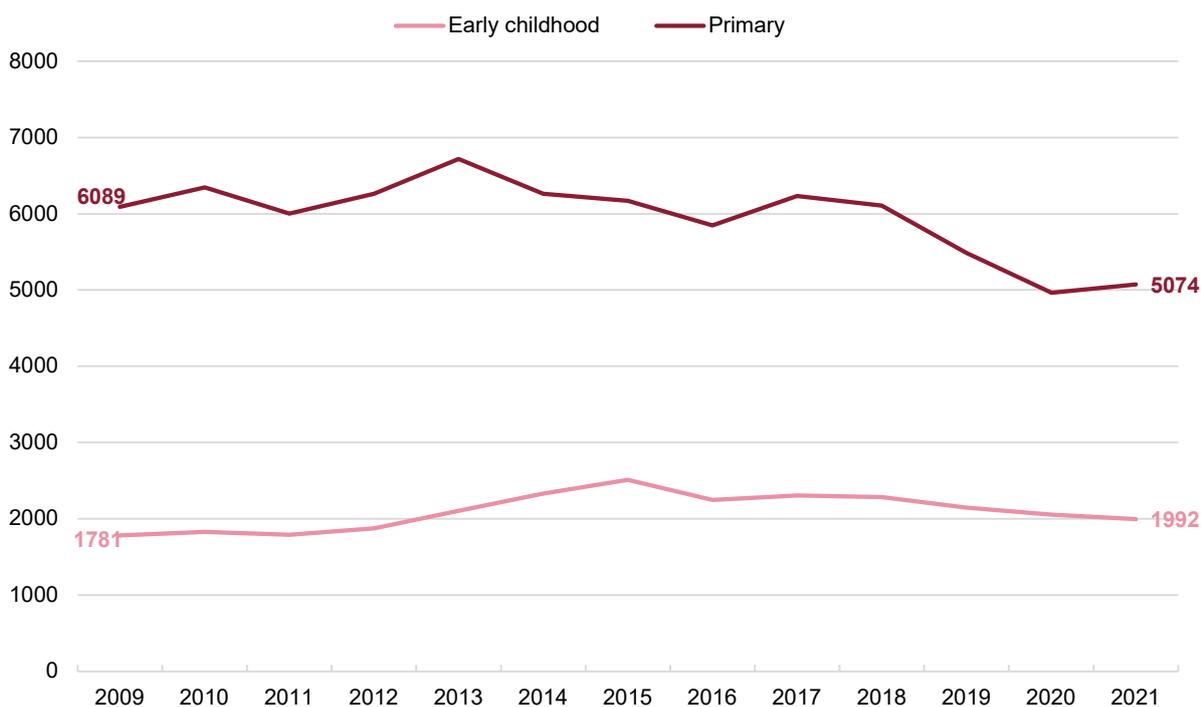


Figure 4.7 shows the number of students completing early childhood and primary initial teacher training degrees at Australian higher education institutes from 2009 to 2021.

While completion numbers for early childhood initial teacher training degrees have increased from 1,781 in 2009 to 1,992 in 2021, the 2021 figure is the lowest since 2012.

Completion numbers for primary teaching degrees have decreased across the same period, from 6,089 in 2009 to 5,074 in 2021.

Figure 4.7: Early childhood and primary initial teacher training degree completion numbers

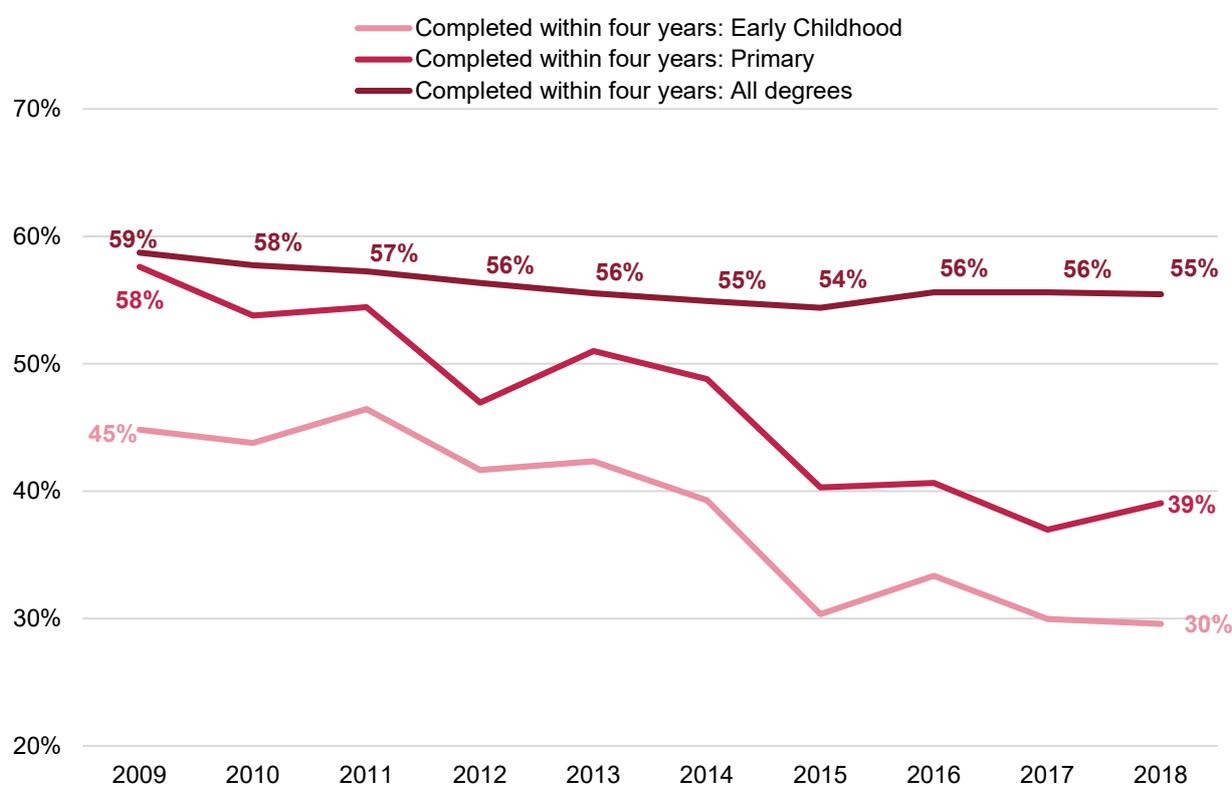


In addition to decreasing numbers of students completing early childhood and primary initial teacher training degrees, students are taking longer to complete their studies than in previous years.

Figure 4.8 shows that less than one third (30%) of early childhood initial teacher education students who commenced their studies in 2018 completed their studies within four years, compared to approaching half (45%) of students who commenced in 2009. This may in part be due to an increased proportion of students completing their studies part-time while they are employed in the sector, as part of the ‘actively working towards’ provisions in the National Regulations.¹³

The four-year completion rates for both early childhood and primary initial teacher training degrees are markedly lower than the completion rate for all higher education degrees.

Figure 4.8: Early childhood and primary initial teacher training degree four-year completion rates¹⁴

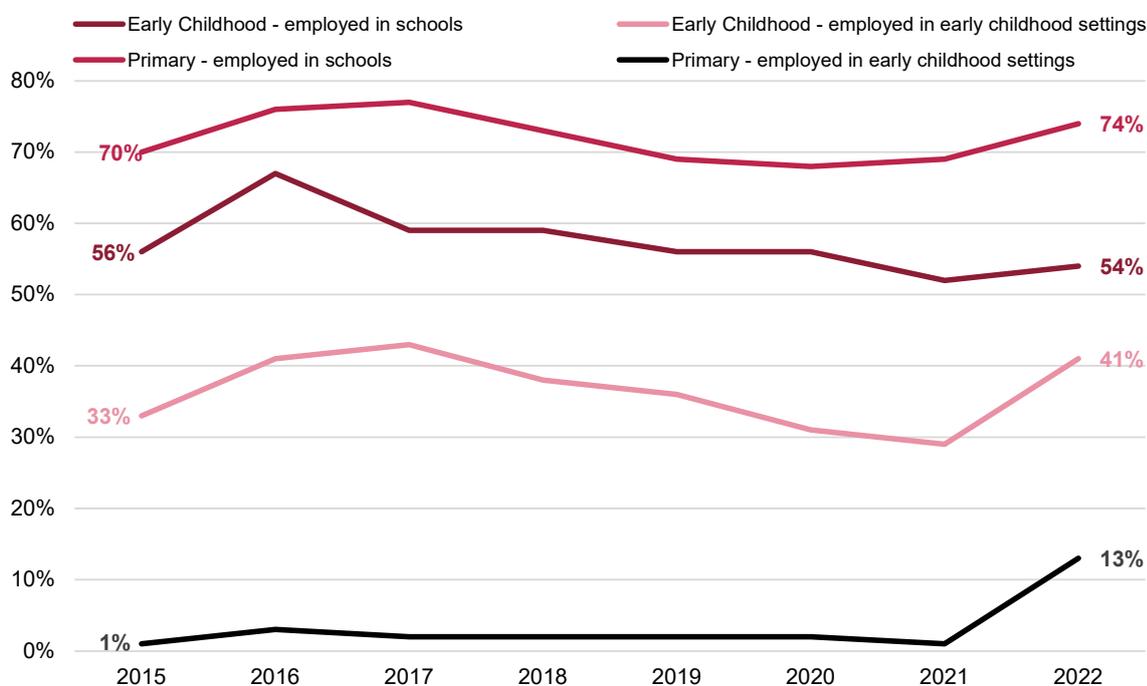


¹³ Actively working towards (regulation 10) can apply under regulations 126(1) and 127 of the National Regulations.

¹⁴ Australian Government, customised data, Commencing ITE students: 4-year completion rates as at September 2023.

Figure 4.9 shows that while the majority (54%) of early childhood graduates continue to seek employment in schools, there was a sizeable uptick between 2021 and 2022 for graduates obtaining employment in early childhood settings and for primary graduates obtaining employment in early childhood settings.

Figure 4.9 Higher education graduate outcomes¹⁵



15 Australian Department of Education, Quality Indicators for Learning and Teaching, Graduate Outcomes Survey.

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.

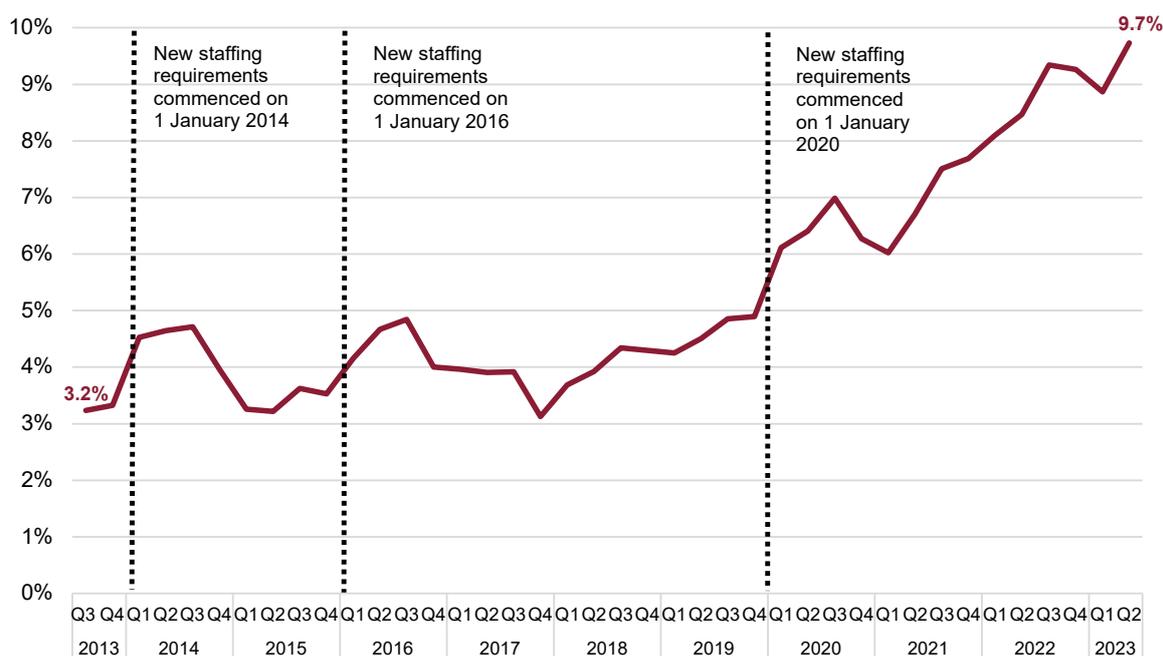
The vast majority of staffing waivers are temporary arrangements to help with short term staffing challenges, particularly in relation to early childhood teacher staffing requirements.

Figure 4.10 shows that, as at 30 June 2023, 9.7% of services hold a staffing waiver – the highest proportion since the introduction of the NQF in 2012.

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 recent high proportions follow the introduction of new staffing requirements on 1 January 2020 and the ongoing impact of COVID-19, as well as persistent workforce challenges, particularly in relation to the supply of, and demand for, early childhood teachers.

Figure 4.10: Proportion of services with a staffing waiver¹⁶



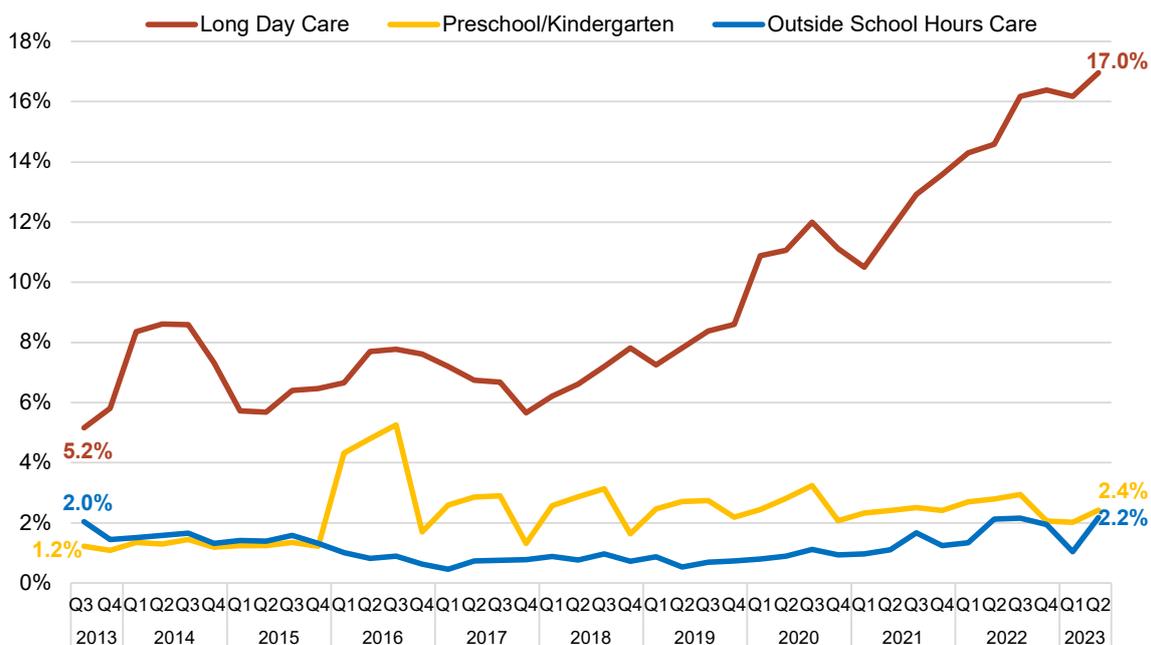
¹⁶ Description of the [2014 requirements](#), [2016 requirements](#) and [2020 requirements](#).

Figure 4.11 shows the proportion of staffing waivers for each of the three types of centre-based service.

As at 30 June 2023, 17.0% of long day care services hold a staffing waiver, compared with 2.4% of preschools/kindergartens and 2.2% of outside school hours care services.

Additional detail regarding trends in staffing waivers is available as part of ACECQA's [NQF Online Snapshot](#).

Figure 4.11: Proportion of services with a staffing waiver, by centre-based service type



Chapter 5

Families' understanding of quality



Overview

Information about the quality of children's education and care services is published on the [ACECQA website](#), the [StartingBlocks.gov.au](#) website, and in quarterly [NQF Snapshot](#) reports.

ACECQA recently conducted the fourth wave of its families' survey to understand the different factors and information sources involved in education and care service decision-making, and to gauge the level of awareness and understanding of education and care service quality ratings.

Biennial families' survey

The 2023 survey received a total of 3035 responses, compared to 4026 responses in 2021, 3362 responses in 2019 and 2511 responses in 2017.

Responses were received from a nationally representative sample of families using, or considering using, children's education and care services.

Figure 5.1 shows that, consistent with previous waves of the survey, almost two thirds (62%) of respondents used a single service, while around one fifth (22%) were considering using a service in the next 12 months, and the remainder (16%) were using more than one service.

Figure 5.1: Service use profile

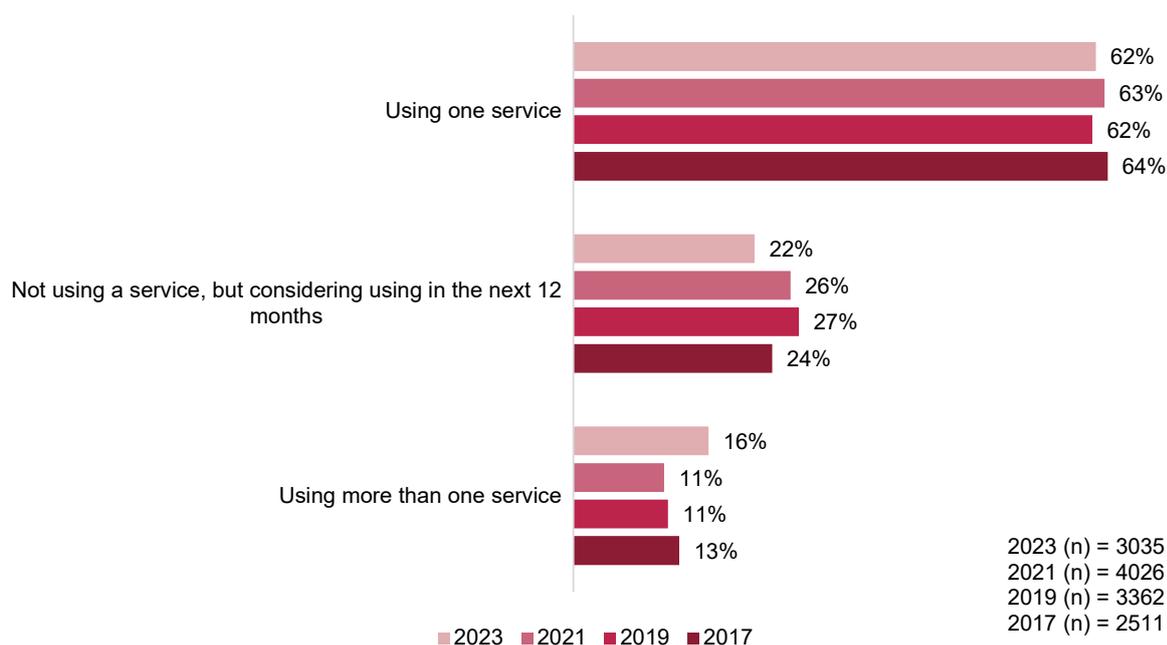
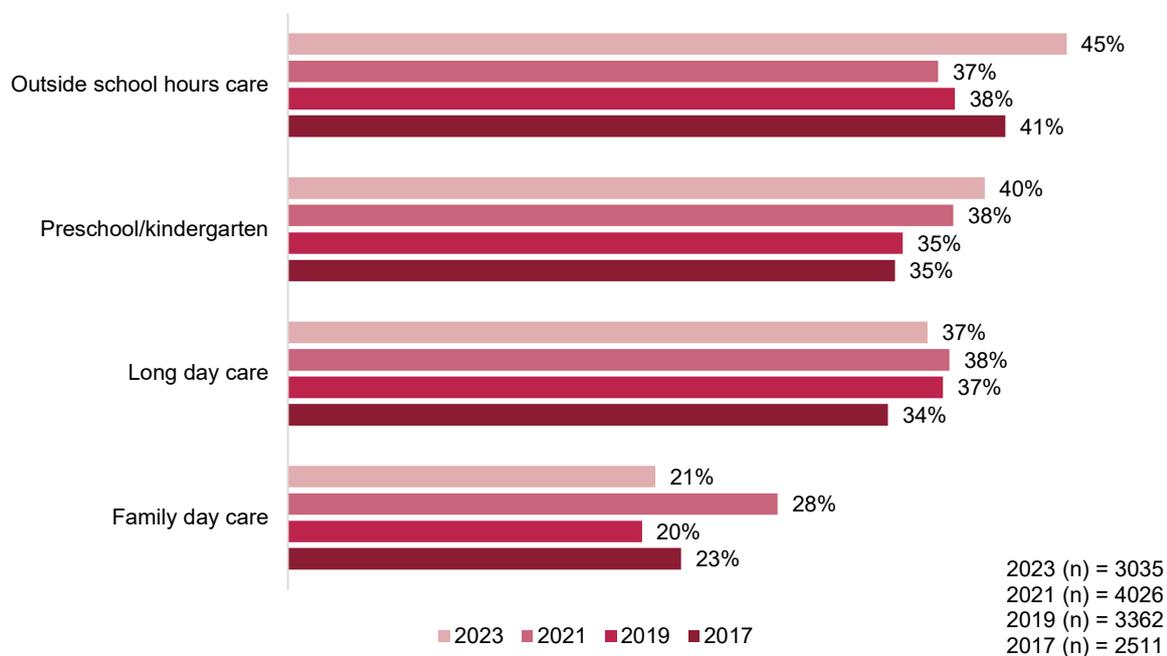


Figure 5.2 shows there was a relatively even spread of respondents using each of the centre-based service types of preschool/kindergarten, long day care and outside school hours care. However, the proportion of respondents using outside school hours care services is higher than previously, while the proportion of respondents using family day care services is lower than in 2021.

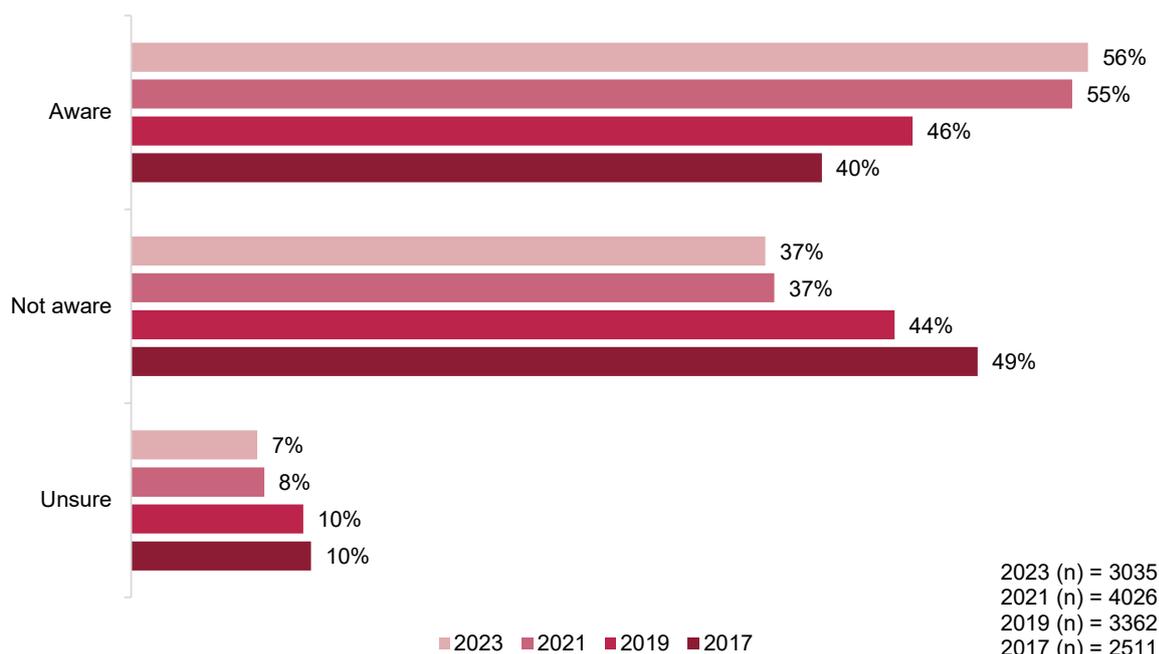
Figure 5.2: Type of service used by survey respondents¹⁷



Awareness of quality ratings

Figure 5.3 highlights that while the level of awareness of quality ratings increased across the previous three waves of the survey, there has been little change in the level of awareness between 2023 and 2021, with just a one percentage point increase to 56%.

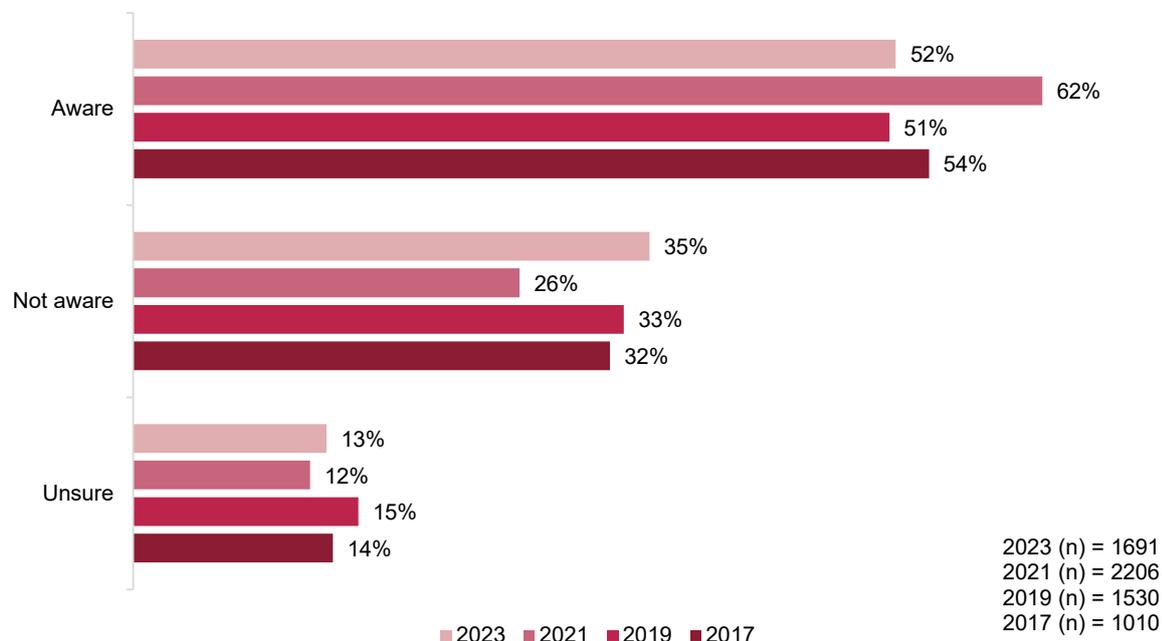
Figure 5.3: Survey respondents' awareness of the quality rating system



¹⁷ Respondents could select more than one option, and the responses may add up to more than 100%.

Figure 5.4 shows that, of the 1691 respondents who were aware that children’s education and care services are quality rated, just over half (52%) knew the quality rating(s) of the service(s) that they use or intend to use. This represents a 10 percentage point decrease compared to 2021, but is similar to 2019 and 2017 levels.

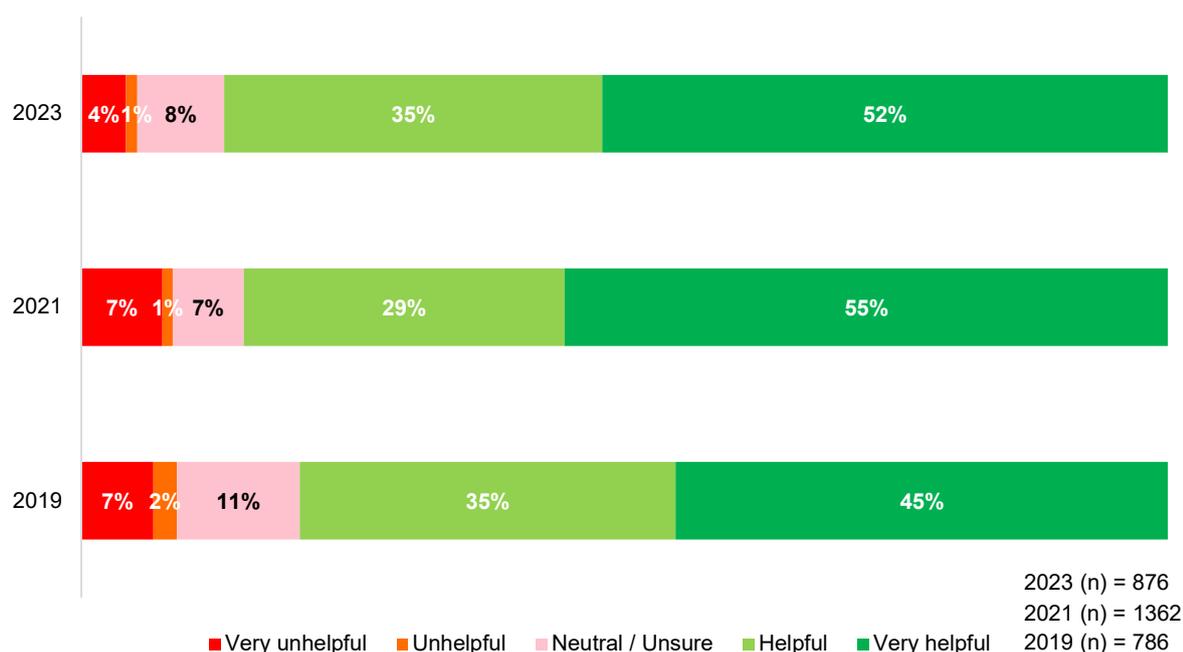
Figure 5.4 Survey respondents’ knowledge of individual service quality rating(s)



Helpfulness of quality rating information

Figure 5.5 highlights that, of those respondents who were aware of the quality rating(s) of the service(s) they use, most found the quality rating information helpful (35%) or very helpful (52%). This is similar to results seen in 2021 and 2019.

Figure 5.5: Survey respondents’ opinion of the helpfulness of quality rating information



The small number of respondents who said that they found the quality rating information unhelpful or very unhelpful were asked why this was the case. Similar to previous waves, common responses included that the quality rating is subjective and not always a true representation of service quality, and that the quality rating information needs more detail and explanation.

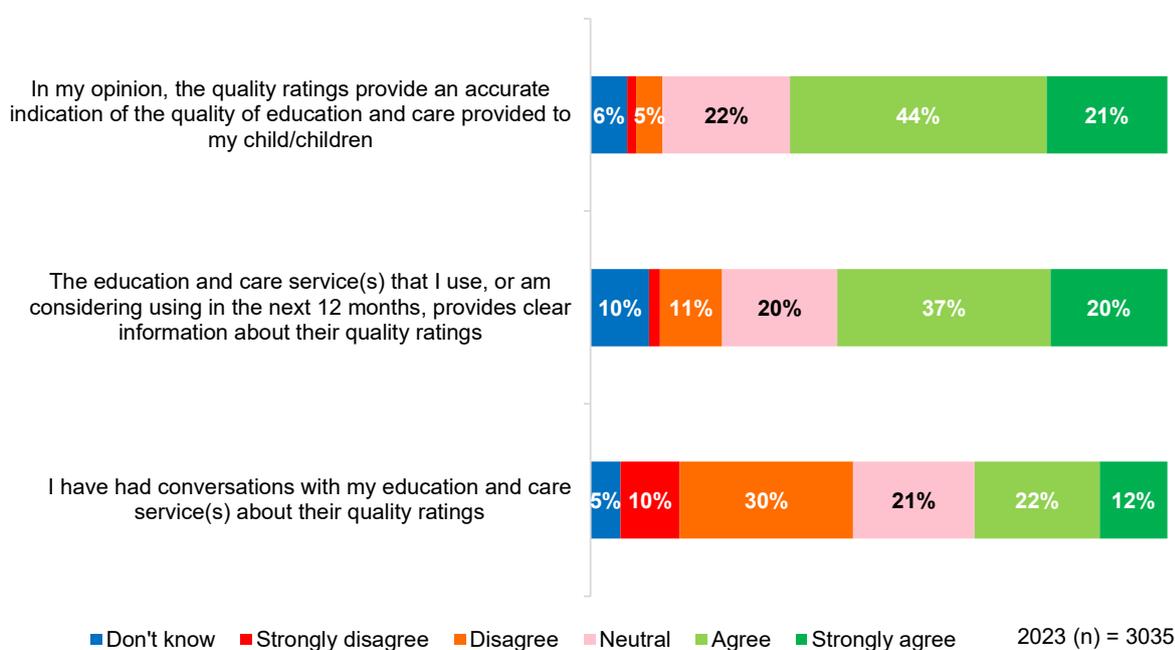
Attitudes about quality ratings

Figure 5.6 shows the response profile to three attitudinal questions about quality ratings. The responses were mixed, with a higher proportion of respondents agreeing or strongly agreeing that the quality ratings provide an accurate indication of the quality of education and care provided to their child/children (65%) and that the education and care service they use/intend to use provides clear information about their quality ratings (57%).

A lower proportion of respondents agreed or strongly agreed that they had conversations with their education and care service(s) about their quality ratings (33%).

Around one-fifth of respondents provided neutral responses to each attitudinal statement.

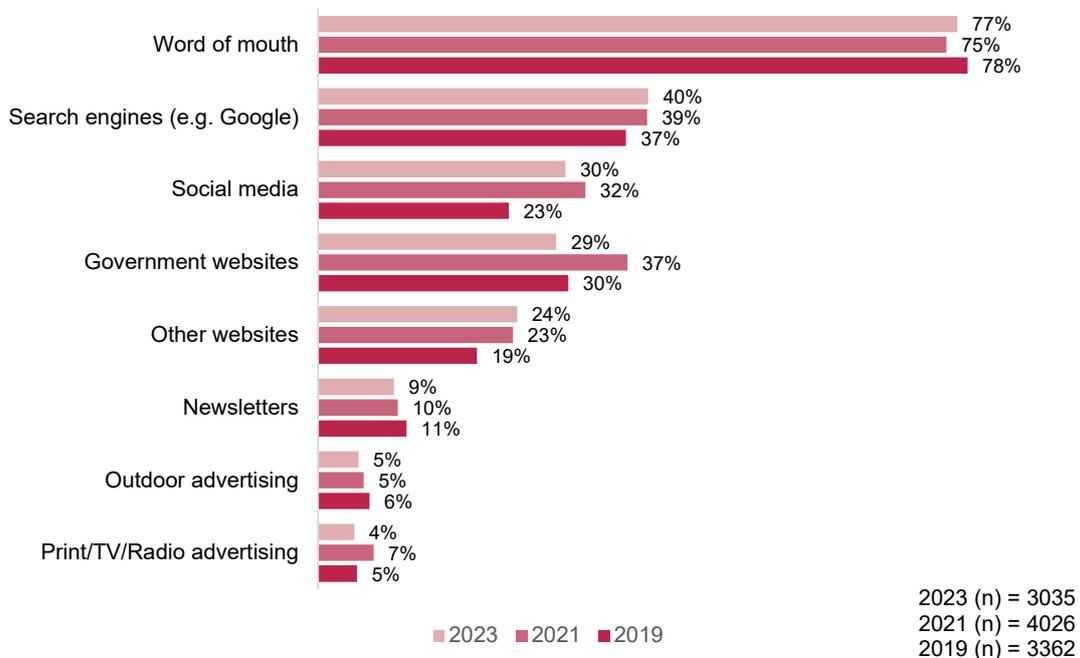
Figure 5.6: Survey respondents' attitudes about quality ratings



Information sources

Figure 5.7 shows that a high proportion of survey respondents continue to rely on word of mouth to help them find out more about children’s education and care services. Other sources frequently used include search engines, social media, government and other websites.

Figure 5.7: Information sources used by survey respondents



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 state and territory government websites, followed by the [ACECQA website](#) and the [StartingBlocks.gov.au](#) website.

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.

Table 5.1 shows similar trends across all waves of the survey, with the following four factors ranking highest in 2023:

- Highly skilled educators
- Cost/affordability
- Location / accessibility
- High quality early learning program.

The quality rating of the service continues to be ranked the least important relative to other decision-making factors. It is however noteworthy that factors deemed more important, such as the early learning program and the educators, are encompassed within the quality rating awarded to services by state and territory regulatory authorities.

Table 5.1: Survey respondents' ranking of the most important factors when choosing a children's education and care service (weighted averages)¹⁸

Decision-making factors	2017	2019	2021	2023
Quality rating	3.53	3.35	3.72	3.54
Word of mouth / recommendations	4.10	4.05	3.86	3.86
The general 'feel' of the service	4.24	4.47	4.36	4.46
Reputation of the service and its provider	4.75	4.77	4.70	4.71
High quality early learning program	4.62	4.60	4.83	4.80
Location / accessibility	5.14	5.13	4.88	4.83
Cost / affordability	4.98	5.05	4.76	4.89
Highly skilled educators	4.63	4.56	4.88	4.93

¹⁸ 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.

The type of service a survey respondent was using also influenced the importance they placed on specific factors.

For example, cost/affordability and location/accessibility were the two most important factors for survey respondents using outside school hours care services. Many families have limited choice, with the local school often determining the outside school hours care provider, and therefore the cost/affordability of that service can be a key factor in deciding whether to use the service.

Cost/affordability was also the most important factor for survey respondents using family day care services, followed by a high quality early learning program and highly skilled educators, the latter two of which were ranked most highly by survey respondents using preschool/ kindergarten services. Survey respondents using long day care services ranked a number of decision-making factors highly, with the general 'feel' of the service ranking as the most important factor for this group.

Survey respondents were also asked what other factors, if any, influenced (or would influence) their choice of service. Similar factors were raised to previous waves, including:

- relationships with, and between, educators and children (such as how friendly and approachable the educators are and how they interact with the children)
- how happy and comfortable the children are at the service
- that the service provides a safe and healthy environment
- educational programs and activities offered.

These findings accord with preliminary results from a voluntary survey of parents and guardians undertaken by the Australian Competition and Consumer Commission (ACCC) which found that, once households had decided how much childcare they can afford to use, non-price and service differentiation factors drove decision-making, such as location, availability, safety and security, and connections with educators.¹⁹

¹⁹ Australian Competition and Consumer Commission (2023), [Childcare inquiry](#), Interim report, June 2023, pp. 9-10.



Australian Children's
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Published by ACECQA
ABN 59 372 786 746
Level 14, 1 Oxford Street, Darlinghurst NSW 2010
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