



Australian Children's  
Education & Care  
Quality Authority



**Annual Report  
2012–2013**







Australian Children's  
Education & Care  
Quality Authority

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14 October 2013

The Hon. Adrian Piccoli MP  
Chair  
Standing Council on School Education and Early Childhood  
PO Box 202  
Carlton South Vic 3053

Dear Minister

The Board of the Australian Children's Education and Care Quality Authority (ACECQA) has pleasure in submitting the ACECQA Annual Report for 2012–13 to the Standing Council on School Education and Early Childhood.

The report is presented in accordance with section 279 of the *Education and Care Services National Law Act 2010* ('the National Law') and conforms to its requirements.

The National Law requires that the Standing Council make arrangements for the tabling of the ACECQA Annual Report in the Parliament of a participating jurisdiction determined by the Standing Council.

In accordance with the Standing Council's endorsement in 2012 of the nomination of South Australia as the participating jurisdiction from 2012 to 2015 (or until otherwise determined), the Annual Report has been prepared to meet the tabling requirements of the South Australian Parliament.

Yours sincerely

**Rachel Hunter**  
ACECQA Board Chair

# Foreword from the Chair

**It is with great pleasure that I present the 2012–13 annual report of the Australian Children’s Education and Care Quality Authority (ACECQA).**

This is the Authority’s second report since we commenced formal operations some 18 months ago to begin guiding important changes to children’s education and care across Australia.

The reporting period represents something of a foundation year for the Authority and the National Quality Framework (NQF) reforms more broadly, with great efforts realised by so many people to implement changes designed to benefit children, support the sector and partner with families and other stakeholders.

While we are still in the relatively early stages of the reforms, there are many achievements to celebrate. Families can now search the national registers on the ACECQA website to find out the quality ratings of services that have been assessed and rated in their area.

Long day care, family day care, preschools, kindergartens and outside school hours care services that have received an overall rating of ‘Exceeding the National Quality Standard’ under the NQF can and are applying to ACECQA to be rated as ‘Excellent’. And with a focus on evaluating how the integrated national system is achieving its overall objectives, the ACECQA Board, through its Research Advisory Committee, is shaping its research agenda to look at how to best assess outcomes for children as a result of the NQF.

In looking at these and the many other achievements in this Report, I do not suggest what has been realised has been effortless. Achieving any major reform requires commitment and hard work, and I know the past 12 months have been a very busy time for all involved in implementing the NQF.

In 2012–13, the Board ensured ACECQA met its obligations and delivered on its functions under the National Law. As the body responsible for reporting to and advising the Standing Council



on School Education and Early Childhood on the NQF, we provided advice in a number of ways on the progress of the reforms.

We delivered our second and third reports to the Standing Council under the Multilateral Implementation Plan for the National Partnership Agreement on the National Quality Agenda, as well as regular progress reports against the Authority’s Operational Work Plan for 2012–13. ACECQA also provided its first report to the Standing Council on the outcomes and agreed actions arising from the Authority’s first national audit of the administration of the NQF.

The ACECQA Board’s role in setting the standards for qualifications required by educators under the NQF is one of the many ways in which we enact our vision – that children have the best possible start in life for themselves and for the nation. This role also requires us to be responsive and ever mindful of the strategic implications of our decision making, particularly as the children’s education and care sector prepares its workforce for the incoming requirements that commence on 1 January 2014.

In 2012–13, the Board made a number of decisions aimed at maximising the availability of a skilled education and care workforce, while maintaining a rigorous standard of qualifications under the NQF.

The Board decided to invite selected overseas institutions to apply for an assessment of programs or training that will likely meet the Authority's qualification requirements. This will streamline processes for many international qualification holders and approved providers seeking qualified educators.

We also agreed amendments to provide more ways for applicants seeking early childhood teacher equivalence to demonstrate their knowledge and experience in the area of birth to two years.

Another priority for the Board was to make information about the NQF available to all of our stakeholders in a way that is reliable, meaningful and transparent. The Board decided a staged approach to public reporting that commenced following ACECQA's publication of the national registers of approved education and care services, providers and certified supervisors. A milestone for the Authority was the release of the first quarterly ACECQA Snapshot, which provided analysis of education and care services assessed and rated by the end of March 2013.

In December 2012, the Board agreed a revised Strategic Plan for 2012–16. The Board determined it was timely to review the Plan as the Authority matures and progresses from its establishment phase. Our current strategic priorities firmly focus on the performance of the Authority's functions and align with the Standing Council's Letter of Expectation to ACECQA for 2012–14.

When the ACECQA Board first met back in the second half of 2011, we affirmed how important it was for us to take a consultative approach, being transparent in all that we do and to remain open to the sector's ideas and suggestions for better ways of doing things. Stakeholder consultation has again been paramount for us over the last 12 months.

Many of my Board colleagues and I were delighted to participate in the ACECQA Forum, which was convened in Sydney in August 2012 and again in Melbourne in March 2013. The Forum, comprising membership from across the diverse sector, is proving to be a very meaningful and productive mechanism to engage with national children's education and care

stakeholders, discuss progress in implementing the NQF reforms, and to test ideas about how to make the system work better for all of us.

Of course no one forum can reach everyone. ACECQA has again welcomed the chance to attend and present at many sector events, to talk about the NQF and to listen to the sector's experiences.

To coincide with the Board's first meeting for 2013 in Melbourne, ACECQA hosted a reception for Victorian children's education and care stakeholders and the Victorian Minister for Children and Early Childhood Development. The Board has a commitment to hold a number of its meetings each year in different capital cities to further engage with our stakeholders nationally, and we look forward to a similar event in Perth in July 2013.

In 2013–14, ACECQA will focus on advancing its relationships with all of our stakeholders. The Authority's inaugural National Quality Framework Conference in September 2013 will offer a great opportunity to do just that.

As a priority we will develop our evidence base to influence and support continuous quality improvement in children's education and care, and to support our provision of high quality advice. We will also ensure information and public reporting on reform progress and the quality agenda continues to be timely, accessible, reliable and compelling.

The thing that I am consistently struck by in my conversations with educators, providers, parents, peak bodies, regulators and policy makers is the overwhelming support for the NQF reforms. While there may be questions around how a particular aspect of the framework is going to be achieved, they arise within the context of how best to achieve it – not whether the outcomes are worthwhile.

The recognition of the importance of quality children's education and care and its effect on outcomes for children is widespread and continues to grow. ACECQA looks forward to building on that momentum in the year ahead.

**Rachel Hunter**  
**Chair, ACECQA Board**



# Report from the CEO

**It has again been my privilege to lead ACECQA in its early stages of operation and to be at the forefront of an agenda focused on providing Australian children with the best possible start.**

2012–13 was a year of great progress and the achievement of many milestones, with ACECQA undertaking all of its functions under the National Law.

This Report details the performance of our functions over the last 12 months, and importantly, offers an overall assessment of the implementation and administration of the NQF reforms.

## **A year of progress and achievement**

When all states and territories and the Australian Government, through the Council of Australian Governments (COAG), agreed in December 2009 to establish a jointly-governed system of regulation for early childhood education and care and outside school hours care services, all parties agreed a fundamental principle of improving public knowledge about, and access to, information about the quality of services.

In a year of many firsts for us, and to deliver on COAG's 2009 commitment, a highlight was ACECQA's much anticipated publication of the national registers of approved services, providers and certified supervisors under the NQF.

To prepare for the successful establishment and maintenance of the national registers, we took ownership of the National Quality Agenda IT System. The National IT System gives educators and providers an online business application to work with their state and territory regulatory authority. Importantly, a single National IT System provides services with faster and more consistent business transactions.

As the custodian of the National IT System, we established a team of experts to administer and further develop the System, and were pleased to open an in-house service desk to support



jurisdictions and the sector in its use.

We also provided another important service, with the opening of a consolidated ACECQA customer service centre. My staff take pride in their knowledge and understanding of the content and operation of the National Law and National Regulations. Our in-house customer service centre responded to many thousands of telephone and email enquiries on a wide variety of NQF related matters from educators, providers, families and other members of the public.

2012–13 was also a year of research. We commenced a number of research activities that are boosting our capability to provide evidence-based advice and recommendations to Ministers on the operation of the NQF and fulfil our reporting obligations.

We also began implementing our national audit function to evaluate trends in the administration of the NQF across jurisdictions and identify ways to improve practices. The actions agreed with states and territories to address audit findings will enhance nationally consistent practice in the implementation and administration of the NQF.

In ACECQA's inaugural Annual Report, we detailed our role in determining the qualifications required by educators working in children's education and care services, and to assess applications for equivalency. In 2012–13, we continued to assess a much greater number of applications from individuals and organisations than had originally been forecast, while meeting our commitment to timely completion of assessments.

Two other significant functions commenced were the assessment of the highest rating that can be achieved by a service under the NQF – the 'Excellent rating' – and the assessment of applications by services for a review of quality ratings confirmed or amended by a regulatory authority – a 'second tier review'. These types of applications will no doubt keep us busy in the year ahead, and we hope to receive more of the former.

### **National collaboration**

The successful undertaking of ACECQA's functions relies on the effective working relationships we have with our state and territory and Australian Government counterparts.

The outcomes achieved by the Quality and Consistency Committee and its working groups, which comprise representatives from all state and territory regulatory authorities, the Australian Government and ACECQA, demonstrate the collaborative spirit in which the NQF reforms are being realised by so many people across the country. In 2012–13, this included the commencement of the regulatory authority support and training strategy, which is advancing national consistency and reliability in the assessment and rating of education and care services.

### **Our people**

It has been said many times that an organisation's greatest asset is its people, and ACECQA continues to exemplify this adage.

In 2012–13, ACECQA undertook further recruitment in line with the commencement of our functions. Our staff possess diverse skills and expertise relevant to the effective

achievement of our many roles. While the ACECQA office is based in Sydney, we attracted a number of people from many parts of Australia, including staff with invaluable insights gained working with our colleagues across the jurisdictions and the Australian Government.

One of the great benefits of leading a new organisation is the opportunity to create and shape a workplace culture. In 2012–13, it has been one of my priorities to continue to build the National Authority as a positive and high performing organisation that embodies our values.

I thank my Executive and staff for ensuring ACECQA achieved its milestones and delivered on outcomes throughout the year, as reflected in the activities reported in the following pages.

It has again been a pleasure to work with and be led by a Board that offers such a great breadth of knowledge, experience and strategic vision. I particularly acknowledge the strong working relationship with, and guidance provided by, the Board Chair.

### **The year ahead**

Looking ahead I anticipate many more exciting firsts will soon be upon us, including the awarding of the first 'Excellent rating' and the completion of research on parents' knowledge and understanding of their service's quality rating.

In September 2013, ACECQA will also host the inaugural National Quality Framework Conference, and with all tickets sold as of the beginning of July, it promises to be a major event on the children's education and care calendar.

I eagerly await this and many other opportunities for us all to discuss, celebrate and reflect on the NQF story so far.

**Karen Curtis**  
**Chief Executive Officer, ACECQA**

# Structure for the report

ACECQA's Annual Report for 2012–13 has been structured to meet the requirements of the National Law.

The report comprises five parts:

**Part 1** Governance and operations

**Part 2** ACECQA's functions under the National Law

**Part 3** Assessment of the implementation and administration of the NQF

**Part 4** Accountability

**Part 5** Financial report and financial statements

**Part 1** provides an overview of ACECQA's governance arrangements and reports on the Authority's key strategies and milestones for 2012–13. As required by section 279 of the National Law, it includes a report on the ACECQA Board and its committees. Part 1 also

addresses the requirement to report on any directions given by the Standing Council to ACECQA and regulatory authorities.

**Part 2** is a report on ACECQA's functions under the National Law.

**Part 3** addresses the requirement under the National Law to provide an assessment of the implementation and administration of the NQF.

**Part 4** relates to ACECQA's mechanisms to ensure the accountability of the organisation.

**Part 5** contains the financial report and audited financial statements for 2012–13.





# 1 Governance and operations



# 1.1 Background to the National Quality Framework and ACECQA

## National Partnership Agreement

In December 2009, the Council of Australian Governments (COAG) agreed the National Partnership Agreement (NPA) on the National Quality Agenda for Early Childhood Education and Care. The NPA gave effect to COAG's July 2009 decision to establish a jointly governed system of regulation for early childhood education and care and outside school hours care services known as the NQF.

The Implementation Plan for the National Quality Agenda for Early Childhood Education and Care (Implementation Plan) of 7 March 2011 is the overarching plan for implementation of the NPA and NQF agreed between governments.

## The National Quality Framework

The NQF includes:

- ◆ a legislative framework that consists of the Education and Care Services National Law (National Law) and the Education and Care Services National Regulations (the National Regulations), incorporating the National Quality Standard (NQS)
- ◆ a quality assessment and rating system
- ◆ a lead regulatory authority in each state and territory with primary responsibility for the approval, monitoring and quality assessment of services in their jurisdiction in accordance with the national legislative framework and the NQS
- ◆ a national body, ACECQA to guide implementation of the new system and ensure consistency of approach.

The NQF sets the NQS for education and care providers in Australia. The Framework covers most long day care, family day care, outside school hours care and preschools/kindergartens.

The NQF has introduced significant changes by improving quality through:

- ◆ the introduction of national learning

frameworks to support and promote children's learning. These learning frameworks are Belonging, Being and Becoming: The Early Years Learning Framework for Australia (Early Years Learning Framework) and My Time, Our Place: Framework for School Age Care in Australia (Framework for School Age Care)

- ◆ improved educator to child ratios to ensure each child receives more individual care and attention
- ◆ new educator qualification requirements to ensure educators have the skills to help children learn and develop
- ◆ a new quality rating system to ensure Australian families have access to transparent information about the quality of children's education and care services.

## ACECQA's Enabling Legislation

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

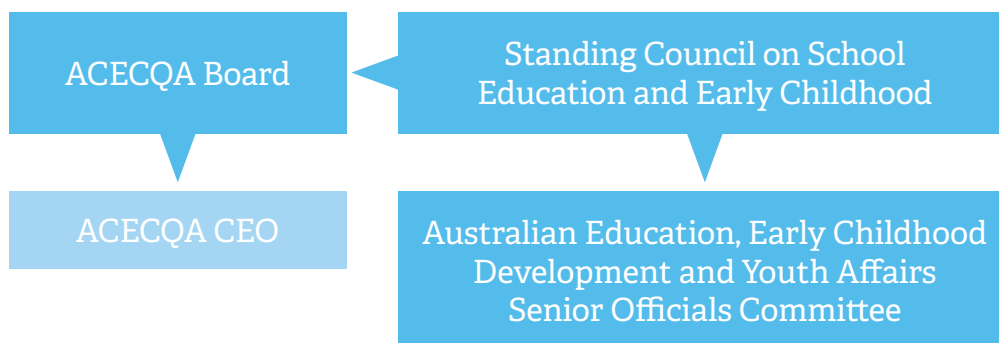
The objectives and guiding principles of the NQF inform ACECQA's undertaking of functions under the National Law. The Authority is guided by the Standing Council's Letter of Expectation for 2012–14, which outlines the strategic priorities and expectations for the ACECQA Board.

## Governance

ACECQA is governed by a thirteen<sup>1</sup> member Board appointed by the Standing Council. Eight members are appointed from nominations by each state and territory minister, four members are appointed from nominations by the Australian Government Minister and the Chair is appointed independently by the Standing Council. The Deputy Chair is appointed from the twelve members.

1. The Board operated with 12 members from 1 May 2013 following the resignation of Ms Sue Lines.

**Figure 1** ACECQA's governance structure



The ACECQA Board is accountable to the Standing Council. The Board reports to the Council through the Australian Education, Early Childhood Development and Youth Affairs Senior Officials Committee (AEEYSOC). These reporting arrangements are guided by the Decision Making and Governance Protocols for Ministerial Council Authorities and Companies.

The CEO of ACECQA is responsible for the day to day management and leadership of the organisation within the strategic direction set by the Board.

In September 2012, the ACECQA Board received its Letter of Expectation for 2012–14 from the Standing Council. The Board was guided by this Letter of Expectation in developing its Strategic Plan. The Letter of Expectation 2012–14 is at **Appendix A**. The ACECQA Chair's response to the Letter of Expectation is at **Appendix B**.

### **Directions of the Standing Council**

Under section 222 (1) of the National Law, the Standing Council may give directions to the ACECQA Board in relation to carrying out its functions under the law. Section 222 (2) also permits the Standing Council to give directions to a regulatory authority with respect to the administration of the NQE. No directions were given by the Standing Council in 2012–13.

## 1.2 ACECQA Board and Committees

Led by Ms Rachel Hunter as Chair and Professor Collette Tayler as Deputy Chair, the Board of ACECQA brings together a variety of expertise relevant to children's education and care from each of the states and territories and the Australian Government.

The ACECQA Board is responsible to the Standing Council on School Education and Early Childhood for the overall strategy, governance and performance of ACECQA.

The responsibilities of the Board include:

- ◆ Providing strategic direction and assisting management in the development and monitoring of strategic and performance objectives required to effectively and efficiently implement the functions of ACECQA
- ◆ Overseeing the establishment, and ongoing performance of ACECQA consistent with its enabling legislation

- ◆ Providing policy advice about future directions and making recommendations to the Standing Council for implementing and administering the NQF
- ◆ Guiding and monitoring ACECQA's performance against the Authority's strategic plan and operational work plan.

Membership of the Board is outlined at **Appendix C**.



The ACECQA Board. Top row (left-to-right): Michael Manthorpe, Tonia Godhard, Gayle Ginnane, Pauline Harris, Anne Reddell, June McLoughlin, Alison Elliott. Seated (left-to-right): Tracey Bradley, Amanda Morphett, Rachel Hunter, Collette Tayler, Mark Brown.



The ACECQA Board held five meetings in 2012–13, four in Sydney and one in Melbourne. Board meeting attendance is outlined at **Appendix D**.

In 2012–13, the Board increasingly shifted its focus from ACECQA's establishment to organisational performance. This is reflected in the Authority's revised Strategic Plan 2012–2016, which was completed by the Board in November 2012. Significant work undertaken by the Board during the reporting period included:

- ◆ Establishing its Research Advisory Committee to identify, discuss and plan ACECQA's research agenda and make recommendations on research priorities to the Board
- ◆ Finalising criteria for the highest rating an education and care service can achieve under the NQF, the Excellent rating
- ◆ Agreeing a staged approach to the Authority's public reporting to ensure information about the NQF is available in a way that is reliable, meaningful and transparent
- ◆ Considering and agreeing the scope and methodology for a survey on perceptions of regulatory burden under the new regulatory system
- ◆ Overseeing the establishment of a pool of persons to act as members of a ratings review panel to undertake the Authority's second tier review function
- ◆ Agreeing a broad approach and scope for a families' research project that will measure and report on families' knowledge and understanding of quality assessment and rating under the NQF
- ◆ Taking responsibility for the National Quality Agenda IT System (NQA ITS) and deciding a shift in the application support model for the System, with development moving in-house and the establishment of an in-house service desk to ensure the system is administered in the most cost effective way and is responsive to sector and regulatory authority needs
- ◆ Coinciding with its May 2013 Board meeting, hosting a Victorian stakeholder reception in Melbourne to foster engagement with ACECQA's national stakeholders
- ◆ Monitoring the financial performance of the Authority and deciding ACECQA's 2013–14 budget, which will see the Authority continue

to operate within its overall funding envelope to 30 June 2014, fulfil its statutory obligations and achieve the outcomes within ACECQA's Annual Forward Workplan for 2013–14

- ◆ Participating in an external review of its own effectiveness.

## Committees and Working Groups

### Audit, Finance and Risk Sub Committee

During the reporting period, the Board was supported by its Audit, Finance and Risk (AFR) Sub Committee. The Sub Committee provides independent oversight and monitors the organisation's governance, risk and control frameworks, financial performance and external accountability requirements. The Sub Committee is chaired by Ms Gayle Ginnane and comprises three Board members and an independent external member. Membership of the AFR Sub Committee and details of meetings held in 2012–13 are outlined at **Appendix E**.

In 2012–13, the AFR Sub Committee met five times to deliver on its comprehensive work plan. Major priorities for the Sub Committee included the completion of ACECQA's Fraud Control Plan, reviewing and endorsing the Authority's 2011–12 financial statements, and monitoring and reviewing ACECQA's risk management plan.

Another significant achievement was the establishment of ACECQA's internal audit function, including the development of the Authority's Internal Audit Charter and Internal Audit Strategic Business Plan & Annual Work Plan for 1 January 2013 – 30 June 2014. The Sub Committee oversaw the implementation of ACECQA's first internal audit in March/April 2013, which assessed the adequacy of, and compliance with, the Authority's financial management framework. The overall audit findings were positive and confirmed ACECQA has in place a sound internal control framework to mitigate financial management, insurance and fraud control risks.



Ms Rachel Hunter (left), Professor Collette Tayler (right).

### **Performance and Remuneration Sub Committee**

At its 28 September 2012 meeting, the Board established a Performance and Remuneration Sub Committee to provide advice to the Board on performance and remuneration reviews for the CEO and ACECQA staff. Membership of the Sub Committee and details of meetings in 2012–13 are outlined in **Appendix E**.

The Performance and Remuneration Sub Committee's other focus during the reporting period was the development of ACECQA's performance management framework, underpinned by a performance management policy that took effect for Authority staff from March 2013.

### **Strategic Planning Working Group**

The Board's Strategic Planning Working Group was reconvened in October 2012 to review the

ACECQA Strategic Plan 2012–16. The revised Plan was agreed by the Board in November 2012. Further information on the Strategic Plan is contained in 'Section 1.4 – Strategic Plan 2012–16'.

Membership of the Strategic Planning Working Group and details of meetings in 2012–13 are outlined in **Appendix E**.

### **Educator Qualifications Working Group**

One of ACECQA's roles is to approve and determine qualifications across the children's education and care sector. The Board established the Educator Qualifications Working Group to provide direction on ACECQA's policies on qualifications.

The Educator Qualifications Working Group met four times in 2012–13 and made a number of recommendations to the Board, including amendments to ACECQA's approved lists of

education and care qualifications and first aid qualifications and training, as well as changes to ACECQA's procedures and documentation governing the assessment and approval process.

Membership of the Educator Qualifications Working Group and details of meetings in 2012–13 are outlined in **Appendix E**.

### **Authorised Officer Workforce Development Project Working Group**

Another of ACECQA's roles is to determine the qualifications for authorised officers. The Board published its position on authorised officer qualifications in December 2011 and initiated a research project to develop a profile of authorised officer qualifications, skills and experience.

In 2012–13, the Authorised Officer Workforce Development Project Working Group met twice to define the parameters of the authorised officer project and evaluate proposals from external providers to undertake project research.

The Working Group's next priority is to ensure the successful completion of the survey of authorised officers and the production of the final report.

Membership of the Authorised Officer Workforce Development Project Working Group and details of meetings in 2012–13 are outlined in **Appendix E**.

### **Research Advisory Committee**

One of the roles allocated to ACECQA under the National Partnership Agreement is to undertake

broad research and evaluation activities on the new system.

At its May 2012 meeting, the ACECQA Board decided to establish a Research Advisory Committee (RAC) to provide ACECQA advice on research and policy issues arising from the implementation of the NQF. The RAC is also a forum for the identification, discussion and planning of ACECQA's research agenda. The RAC is currently assisting the Board to develop an evaluation framework and subsequently a strategic research plan to guide future research work by ACECQA.

Composition of the RAC was finalised in November 2012 and the Committee met twice in 2012–13.

Membership of the Research Advisory Committee and details of meetings in 2012–13 are outlined in **Appendix E**.

## 1.3 ACECQA's operations

### Organisational structure and staffing

Over 2012–13, ACECQA increased its workforce from 47.2 FTE staff at 30 June 2012 to 60.15 FTE staff at 30 June 2013.

**Figure 2 Workforce profile – FTE and headcount by gender, 30 June 2013**

	Female	Male
FTE by gender	36.75	23.40
Headcount by gender	39	24
% of workforce (headcount)	61.90%	38.10%

As of 30 June 2013, the Executive comprised the CEO, the General Manager Strategy and Operations, the General Manager Communications and Engagement and the Chief Operating Officer.

In 2012–13, the organisation was structured to deliver its functions through three business groups of Strategy and Operations, Communications and Engagement and Corporate Services. In addition, a small Board and Governance team, led by the Board Secretary, provides support to the Board and CEO and manages organisational governance including legal services. ACECQA has an arrangement with the Australian Government Solicitor for legal services on a fee for service basis.

The Strategy and Operations Group is the largest group with 23.75 FTE staff at 30 June 2013. Strategy and Operations is responsible for:

- ◆ the development and management of policy under the NQF
- ◆ research and evaluation of the NQF
- ◆ ACECQA's operational responsibilities under the NQF such as assessment of educational qualifications, second tier review and the Excellent rating
- ◆ monitoring and promoting consistent implementation of the NQF.

The Communications and Engagement Group has 19.40 FTE staff. Communications and Engagement Group functions are to:

- ◆ assist the sector and wider communities with the implementation of the NQF
- ◆ administer and develop the National Quality Agenda IT System
- ◆ manage community and sector consultations, promotional events and customer service.

ACECQA's Corporate Services group delivers finance, information and communication technology, human resources and facilities functions to support the effective operations of ACECQA. At 30 June 2013, the Corporate Services Group comprised 13 FTE staff.

ACECQA staff operate from one office location at 255 Elizabeth Street Sydney.

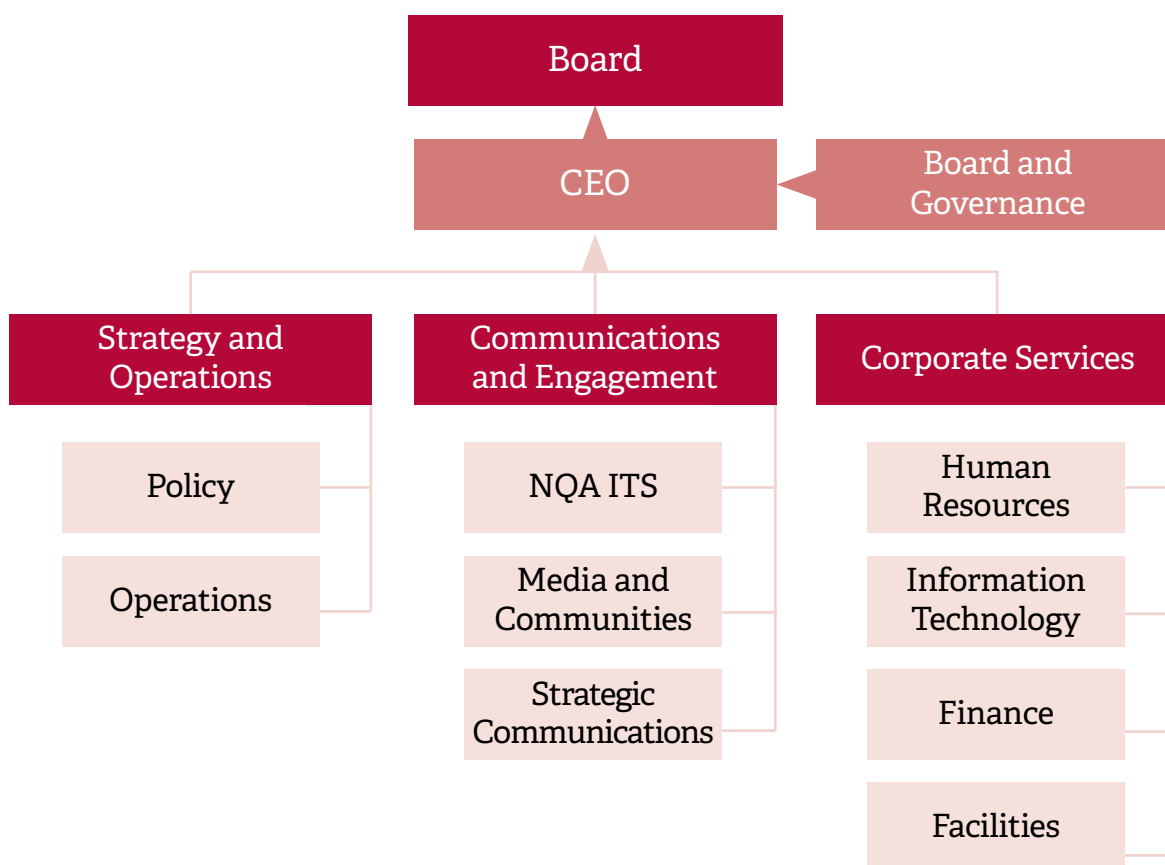
### Human Resources

ACECQA's Human Resources (HR) team provides HR advice and services to the organisation including recruitment and induction, payroll administration, learning and development, workplace health and safety, implementation of HR policies and management of separations.

The HR team supported the recruitment and induction of a significant number of new staff with ACECQA's workforce growth in 2012–13.

In 2012–13, ACECQA implemented a comprehensive HR policy framework including a performance management policy with a link to remuneration. In 2013–14, there will be a continued focus on developing ACECQA's human resources framework.

**Figure 3 ACECQA's organisational structure**



### **Funding and budget – overview of operating results, funding/fee income and expenditure**

Funding for the operation of ACECQA is jointly provided by the Australian Government and the state and territory governments under the National Partnership Agreement on the National Quality Agenda for Early Childhood Education and Care. The current funding agreement provides the organisation with fixed funding to 30 June 2014.

In 2012–13, ACECQA received fee revenue under the National Regulations relating to ACECQA's functions of assessing qualifications, second tier review and Excellent rating applications. ACECQA also received 10 per cent of NQF related transaction and annual fees levied by the state and territory governments for 2012 in accordance with the NPA.

2012–13 was ACECQA's first full year of operations. The operating result for the 2012–13 financial year is a surplus of \$2.2m. This was primarily due to a later than anticipated

commencement of some of ACECQA's functions. Consequently, there was a progressive approach to recruitment and not all staff were recruited for the full year.

The total expenditure for the 12 months was \$10.6m. The main expenditure items were:

- ◆ Salary
- ◆ ICT
- ◆ Occupancy and General Administration.

At 30 June 2013, the cash and cash equivalent balance of ACECQA is \$4.5m. Where cash and cash equivalents exceeded ACECQA's at call requirements, they were transferred to investments.

### **Financial management framework**

In 2012–13, ACECQA continued to embed a robust financial management framework with strong internal controls. As part of ACECQA's Internal Audit Plan, the first internal audit was undertaken in 2013 on financial controls. The audit concluded that there is an adequate

internal control framework to mitigate the risks to ACECQA around financial management.

In 2013, the Board approved ACECQA's Fraud Control Plan and a fraud policy statement was circulated to staff. Management reports to the AFR Sub Committee at each meeting on assurance of fraud identification and management.

## ICT

Over 2012–13, ACECQA further developed its information and communication infrastructure. This included:

- ◆ building improved payment option gateways for stakeholders to remit payments to ACECQA for services such as qualifications assessments
- ◆ enhancing ACECQA's customer relationship management (CRM) system for the organisation's enquiry management, applications and assessment management, second tier review, Excellent rating and stakeholder management functions
- ◆ implementing a videoconferencing and improved presentation solution to provide for increased meeting options with stakeholders
- ◆ increasing network capacity and performance
- ◆ improving back-up and security measures and developing an IT disaster recovery plan.

The IT team also provided support to major IT projects across the organisation including the website redevelopment, the NQA ITS and the

development of an online training portal.

A business continuity plan was developed to identify and plan for potential disruptions to operations. Further work will occur in 2013–14 to test and refine the business continuity plan.

## Work environment

The ACECQA office environment is maintained by a facilities manager with responsibility for tenancy and facilities management including cleaning, reception, meeting room management, mail facilities, catering, office space planning, car parking and maintenance systems.

In 2012–13, work health and safety policy has been a focus for the organisation. An employee assistance program with an external counselling provider was established. A work health and safety policy and procedure was finalised and implemented with staff training.

The ACECQA Social Committee, ACECQA Life is led by a staff steering committee. A number of events were organised by the Committee in 2012–13. These included events for Australia Day, Earth Hour, National Literacy and Numeracy Week and NAIDOC Week.

In recognition of their great work with ACECQA Life, the ACECQA CEO awarded Lisa Melhopt and Perry Campbell with Australia Day Achievement Medallions in January 2013. ACECQA Life has helped build a great team environment at the Authority.



The ACECQA Executive Team (left-to-right): Angela Buchanan, Georgia Ramsay, Karen Curtis, Rebecca Lloyd.

## 1.4 Strategic Plan 2012–2016

The ACECQA Strategic Plan 2012–16 affirms the Authority’s commitment to promoting quality and continuous improvement in early childhood education and care and school age care in Australia.

The inaugural Plan was finalised by the Board in December 2011 and outlined ACECQA’s:

- ◆ vision
- ◆ mission
- ◆ values
- ◆ approach
- ◆ outcomes
- ◆ strategic priorities
- ◆ performance measures.

In October 2012, the Board reconvened its Strategic Planning Working Group to review the Strategic Plan. In undertaking the review, the Working Group primarily focussed on:

- ◆ aligning the Strategic Plan with the Standing Council’s priorities and expectations of ACECQA for 2012–14
- ◆ reflecting ACECQA’s shifting focus from establishment to organisational performance.

### ACECQA’s Outcomes and Strategic Priorities

The revised Strategic Plan 2012–14 was agreed by the Board in November 2012 with one overarching outcome:

Successful implementation of the NQF and better educational and developmental outcomes for children through:

- ◆ quality education and care programs
- ◆ engaged and well informed families
- ◆ a highly skilled professional workforce
- ◆ a valued sector
- ◆ policy and practice informed by quality research
- ◆ consistent regulatory approaches
- ◆ reduced regulatory burden and improved efficiency
- ◆ a focus on continuous quality improvement.

ACECQA’s revised strategic priorities are as follows:

- ◆ Lead the consistent implementation and administration of the NQF
- ◆ Engage and communicate as the public face and voice for the implementation of the NQF and quality children’s education and care in Australia
- ◆ Research and educate to promote continuous improvement
- ◆ Establish ACECQA as a high performing organisation.

The ACECQA Strategic Plan 2012–16 will continue to guide the Authority’s work agenda in the coming year. The Strategic Plan can be found on the ACECQA website: [www.acecqa.gov.au/about/strategic-plan](http://www.acecqa.gov.au/about/strategic-plan).

## 1.5 Operational Work Plan 2012–13 and Forward Work Plan 2013–14

### Operational Work Plan 2012–13

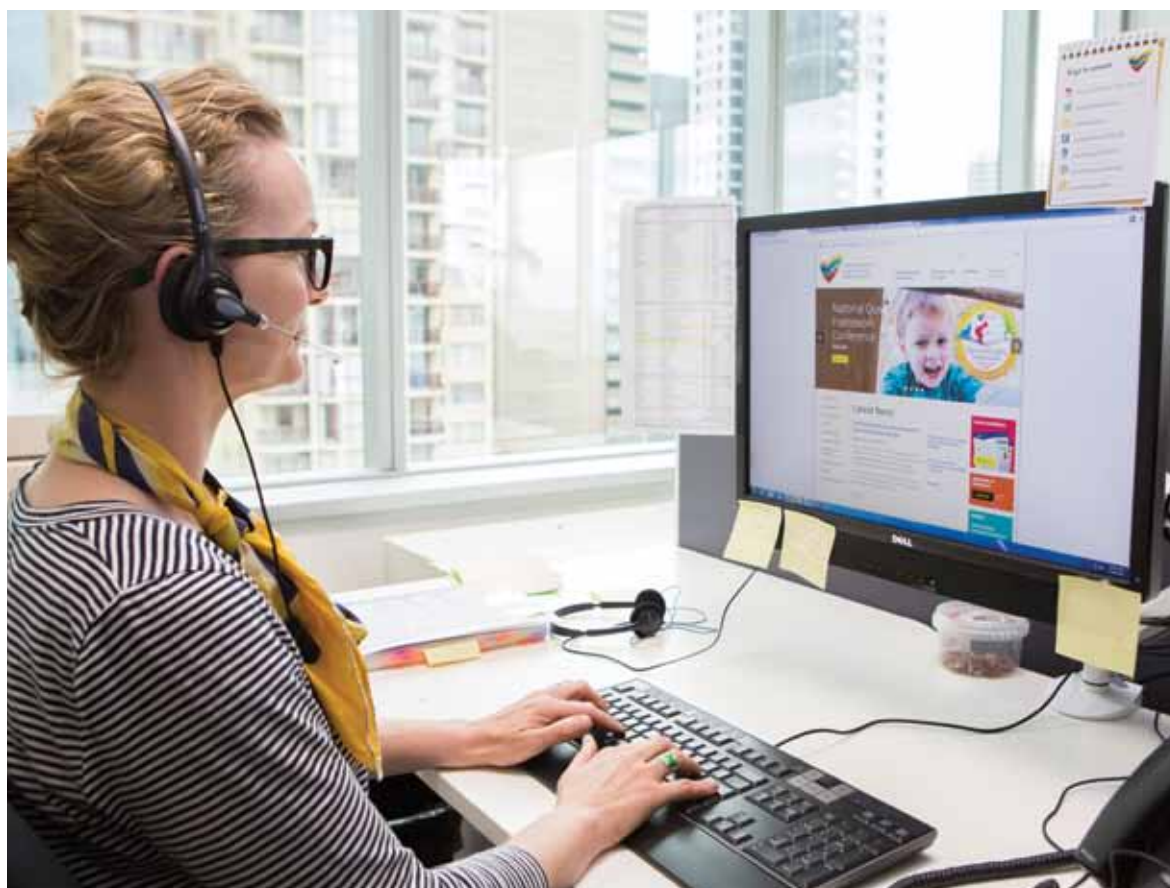
The ACECQA Operational Work Plan 2012–13 was developed in line with the Standing Council's requirements in its Letter of Expectation for 2011–12. The purpose of the Work Plan was to set out ACECQA's activities against the four strategic priorities outlined in the Strategic Plan 2012–2016.

The Work Plan addressed the period from the commencement of ACECQA's operations on 1 January 2012 through to 30 June 2013, and included outcomes and key performance indicators for each of the organisation's four top level performance measures:

- ◆ ACECQA is established and ready to meet its responsibilities
- ◆ the NQF is progressed consistently within and across jurisdictions

- ◆ stakeholders are engaged and value the contribution ACECQA makes to improving outcomes for children in education and care services
- ◆ research and reliable performance data informs quality improvement at the service provider level within and between jurisdictions.

ACECQA provided six monthly reports to the Standing Council on progress against the Work Plan in December 2012 and May 2013.





## Forward Work Plan 2013–14

The Standing Council's Letter of Expectation for 2012–14 requires that ACECQA provide a Forward Work Plan on a financial year basis. The Forward Work Plan is required to set out the key deliverables, budget and timelines for addressing the strategic directions and work priorities contained in the Letter of Expectation.

The ACECQA Board finalised the Authority's Annual Forward Work Plan for 2013–14 in April 2013. The Forward Work Plan was endorsed by the Standing Council at its 10 May 2013 meeting. The Work Plan sets out the key deliverables and timelines for addressing the strategic directions and work priorities contained in the Letter of Expectation 2012–14, and aligns with the four strategic priorities in ACECQA's revised Strategic Plan 2012–16.

The top level performance measures within the Work Plan are:

- ◆ ACECQA leads the consistent implementation of the NQF within and across jurisdictions

- ◆ Stakeholders are engaged and understand the benefits of the NQF reforms and value the contribution ACECQA makes to improving outcomes for children in education and care services
- ◆ Quality improvement at the service provider level is informed by research and reliable performance data
- ◆ ACECQA operates efficiently and effectively and meets its responsibilities in implementing the NQF.

Outcomes with strategies and key activities for each of these measures above are detailed in the Forward Work Plan.

In 2013–14, ACECQA will report six monthly to the Standing Council on progress against the Work Plan, in addition to more frequent ACECQA updates provided at scheduled meetings of the Standing Council.



## 2 ACECQA's functions under the National Law



## 2.1 Functions overview

**ACECQA's overarching function under the National Law is to guide the implementation and administration of the NQF and to monitor and promote national consistency. To achieve this, ACECQA must perform the functions described in Section 225 of the National Law.**

ACECQA has to report to and advise the Standing Council on the NQF and report to the regulatory authorities and the Australian Government on the collection of information under the National Law and the evaluation of the NQF.

ACECQA is required to establish consistent, effective and efficient procedures for the operation of the NQF, determine the arrangements for national auditing for the purposes of the National Law and promote and foster continuous quality improvement by approved education and care services.

The National Law requires ACECQA to keep national information on the assessment, rating and regulation of education and care services. ACECQA has to publish, monitor and review ratings of approved education and care services, including managing the process for a further review by a ratings review panel of the rating levels confirmed or amended by the regulatory authority (second tier review). ACECQA is responsible for establishing and maintaining national registers of approved providers, approved education and care services and certified supervisors and publishing of those registers.

ACECQA makes determinations with respect to the highest level of rating for approved education and care services (the Excellent rating). ACECQA determines the qualifications for authorised officers and provides support and training for staff of regulatory authorities. ACECQA is also responsible for determining the qualifications required to be held by educators, including the assessment of equivalent qualifications.

ACECQA has sector and community support functions that include providing education and information about the NQF, in conjunction with the regulatory authorities. ACECQA publishes guides, practice notes and resources to assist families and the community and to support the education and care services sector in understanding the NQF and the application of the National Law.

ACECQA is also required to publish information about the implementation and administration of the NQF and its effect on developmental and educational outcomes for children.

In carrying out its functions, ACECQA must have regard to the objectives and guiding principles of the NQF and ensure that the regulatory burden on education and care services is minimised as far as possible.

**Part 2** of the Annual Report describes ACECQA's performance of these functions in more detail.

## 2.2 Guiding implementation of the National Quality Framework

In line with the ACECQA Strategic Plan 2012–16, the Authority’s mission is to lead and monitor the consistent implementation of the National Law, including the NQF, and promote quality and continuous improvement.

ACECQA’s role in guiding the implementation of a unified national regulatory system is achieved in collaboration with all state and territory regulatory authorities and the Australian Government.

In 2012–13, ACECQA’s Quality and Consistency Committee (QaCC), and its working groups, continued to be the formal mechanism for state, territory and national authorities to inform and assist each other to better implement the NQF consistently across Australia.

### Quality and Consistency Committee

ACECQA established the QaCC in February 2012. The QaCC comprises senior representatives from state and territory regulatory authorities, the Australian Government and ACECQA. The terms of reference for the committee are to:

- ◆ ensure ACECQA is fully across operational aspects of the implementation of the NQF
- ◆ assist ACECQA to meet its statutory responsibilities of monitoring and reporting on national consistency
- ◆ assist regulatory authorities to meet their statutory responsibilities for implementing the NQF consistently across the nation
- ◆ provide a forum for senior executives in the state, territory and national authorities to share information about the implementation of the NQF, to discuss concerns and to recommend approaches to resolving issues
- ◆ encourage collaborative efforts between the Commonwealth, state, territory and national authorities’ officers in the interests of effective implementation of the NQF and continuous improvement in quality and consistency



- ◆ offer the state and territory authorities and the Commonwealth an opportunity to influence and shape ACECQA's activities.

The QaCC met seven times during the 2012–13 financial year. Key components of its work included collaboration on the assessment and rating process, detailing communication requirements, agreeing to procedures for second tier review and the Excellent rating, amendments to the National Regulations, development of the operational policy manual and preparations for the release of the National Registers.

Another significant accomplishment was the QaCC's meeting with large service provider representatives to seek feedback on the NQF implementation generally and the operation of the NQA ITS. This meeting provided QaCC members with valuable insight and knowledge from the sector and will be a useful model for future discussions.

The annual review of QaCC and its terms of reference indicated members were happy with the strategic direction of the committee and its working groups. Subsequently it was agreed to move from bi-monthly to quarterly meetings.

### Implementation Issues Working Group

The Implementation Issues Working Group (IIWG) is one of the QaCC's four working groups. IIWG is a forum for regulatory authorities, the Australian Government and ACECQA to collaborate and work through detailed proposals on nationally consistent operational policy and practice. Since SCSEEC's endorsement of the assessment and rating instrument in December 2012, IIWG also considers operational issues affecting the quality assessment and rating

process, which were formerly handled by the ECDWG's Assessment Process Team.

IIWG met 12 times during the 2012–13 financial year, including two face-to-face meetings. The QaCC endorsed a new IIWG work plan in March 2013, setting priorities for the group up to June 2014.

### IIWG key projects

Over the past 12 months, IIWG has had some significant achievements for national consistency and regulatory best practice. This includes publication of an operational policy manual for regulatory authorities. The manual sets out responsibilities of regulatory authorities and service providers, and includes guidance to support nationally consistent regulation.

IIWG also identified and recommended technical and minor amendments to the National Regulations. IIWG developed policy proposals for these amendments, which were considered by QaCC, the ACECQA Board and the Early Childhood Development Working Group (ECDWG) before being recommended to Ministers. In collaboration with IIWG, ACECQA assisted ECDWG in drafting the amendments. These amendments, which are expected to come into effect in all states and territories (except Western Australia) in September 2013, will deliver benefits to providers and resolve a number of issues raised since the introduction of the NQF.

Other IIWG accomplishments include agreeing and publishing a policy position about the effect of waivers on quality ratings. This gives certainty for providers, regulatory authorities, and authorised officers in the assessment and rating of services with a waiver in place.

### Training Working Group

The Training Working Group (TWG) brings together officers from each jurisdiction responsible for monitoring and supporting authorised officers to ensure consistency and reliability in their regulatory work. It is co-Chaired by ACECQA and the Northern Territory.

In July 2012, the ACECQA Board reviewed a draft Regulatory Authority Support and Training Strategy. With the establishment of the TWG

#### QaCC's four working groups

- ◆ Implementation Issues Working Group
- ◆ Training Working Group
- ◆ NQA ITS Management Steering Group
- ◆ Communications Working Group



in August 2012, the priorities and actions from the strategy were incorporated into the TWG forward work plan.

The TWG met for the first time in August 2012 and a further four times during 2012–13. The initial meeting of the TWG finalised terms of reference, which focus on a collaborative approach. TWG's main focus is identifying, prioritising and resolving issues in the training and support of authorised officers.

ACECQA conducted a training needs survey among regulatory authorities. The analysis of the survey identified a range of issues and opportunities for the training and support of authorised officers. Based on this analysis, as well as feedback received by ACECQA from a number of sources, QaCC endorsed a TWG forward work plan that focused on the following priorities:

- ◆ assessment and rating reliability testing and ongoing testing of authorised officers
- ◆ support for quality rating lead assessors
- ◆ coordination of training opportunities
- ◆ planning for future support and training needs
- ◆ amending/updating training packages.

When considering training and support opportunities, the TWG focuses on the objectives and guiding principles of the National Law, with a particular emphasis on consistent and reliable rating and assessment of education and care services. A nationally consistent approach underpins the integrity of the NQF and contributes to improved quality outcomes for children, families and the community.

ACECQA aims to complement the existing approaches and strategies regulatory authorities have in place to train and support their staff.

Other TWG achievements in 2012–13 were:

- ◆ development of a national authorised officer training calendar
- ◆ development of additional assessment and rating guidance for authorised officers
- ◆ provision of assistance to lead assessors
- ◆ commencement of a review of training materials
- ◆ preparation for authorised officer drift testing through a secure microsite and eLearning portal.

The TWG work plan for 2013–14 was agreed to by QaCC at its March 2013 meeting.



Further information on the TWG key deliverables is detailed in section 2.11 of this report.

### **NQA ITS Management Steering Group**

With the transfer of the National Quality Agenda IT System (NQA ITS) to ACECQA in 2012–13, a new QaCC working group was established to assist with the management of the national system.

The NQA ITS Management Steering Group (NIMSG) is made up of representatives of each state and territory regulatory authority and the Australian Government. It is co-chaired by ACECQA and Victoria. This group is responsible for the direction of the NQA ITS and sets priorities for the development of the system as well as looking at issues regarding data quality. It met three times in 2012–13.

Prior to the establishment of NIMSG, another QaCC working group was in place to improve the quality and reliability of data held within the NQA ITS. The NQA ITS Data Validation Working Group met via teleconference a number of times throughout 2012–13 and looked at data integrity issues and identified business rules to support consistency across jurisdictions.

### **Communications Working Group**

ACECQA works closely with the regulatory authorities and the Australian Government through the Communications Working Group (CWG) to develop communication strategies and work through communication issues. It is co-Chaired by ACECQA and South Australia.

The CWG met seven times by teleconference and twice in person during 2012–13, and has proven to be a valuable source of information and support for the smooth implementation of the NQF across the country.

The group developed and implemented a communication strategy about assessment and ratings to support the release of the national registers and NQF Snapshot. This included consistent messages about the NQF and assessment and quality ratings for use by all jurisdictions.

The group has contributed to the over-arching NQF communications and engagement strategy, provided feedback on resources developed by ACECQA, and shared information and resources for use across jurisdictions.



## 2.3 ACECQA's reporting obligations

### Standing Council on School Education and Early Childhood

**ACECQA reports to the Standing Council, through AEEYSOC. The primary reporting arrangement is bi-annual reports to the Standing Council under the Implementation Plan for the National Quality Agenda for Early Childhood Education and Care. These reports inform the Standing Council on the progress of the implementation and administration of the NQF.**

In 2012–13, ACECQA submitted its second and third reports under the Implementation Plan in October 2012 and May 2013 respectively. The reports were developed in consultation with all states and territories and the Australian Government.

ACECQA's May 2013 report under the Implementation Plan included for the first time detailed information on the quality rating of children's education and care services. This coincided with the initial publication of quality ratings as part of the new national registers, which became available on the ACECQA website from 1 May 2013. Further information on the Authority's role in establishing and maintaining national registers of education and care services, providers and certified supervisors is found in this report under Part 2.6 'National information and registers'.

One of the reporting indicators that ACECQA is required to address under the Implementation Plan is the 'experience of services under the NQF, with respect to the level of regulatory burden'. In line with the Standing Council's decision in December 2012, ACECQA will submit its report on the outcomes of its regulatory burden research project to the Standing Council in July 2013.

In the reporting period, ACECQA also provided the Standing Council with its report on the outcomes of the Authority's first national audit under section 229 of the National Law. The review considered the conditions placed on provider and service approvals and supervisor

certificates by regulatory authorities. Part 2.5 of this report provides further information on ACECQA's national audit functions.

ACECQA also reports to the Standing Council at each of its meetings. In 2012–13, ACECQA provided reports to the Standing Council at its meetings in August, December and May. This was in addition to bi-annual progress reports against the ACECQA Operational Work Plan 2012–13.

To promote a high level of transparency and accountability, the Board continued to provide a summary of Board resolutions and key messages to the Standing Council Secretariat on conclusion of each meeting for circulation to Standing Council and AEEYSOC members. These reports ensure ministers and senior officials are regularly informed about issues in the administration of the NQF being considered by the Board.

### Early Childhood Development Working Group

The Early Childhood Development Working Group (ECDWG) comprises representatives from departments of all the states and territories and the Australian Government with responsibility for early childhood development policy. It is responsible for providing policy advice to AEEYSOC, and through AEEYSOC, to the Standing Council on issues of national significance for early childhood development.

In 2012–13, ACECQA engaged with ECDWG by:

- ◆ providing regular updates at ECDWG meetings
- ◆ advising of outcomes from meetings of the QaCC and its working groups on items of relevance
- ◆ participating in ECDWG working groups and committees
- ◆ supporting ECDWG's work in identifying and agreeing amendments to the National Regulations for recommendation to the Standing Council
- ◆ providing input into the 2013 Early Childhood Education and Care Workforce Review
- ◆ informing the development of the 2014 COAG Review scope.

## Regulatory Authorities and DEEWR

Over 2012–13, ACECQA reported to regulatory authorities and the Department of Education, Employment and Workplace Relations (DEEWR) in a number of ways. ACECQA provided reports to the QaCC on implementation progress generally and any issues being considered by the IIWG.

Regular bilateral meetings between ACECQA, the Australian Government and each state and territory took place in 2012–13 to further support and guide consistency, and share information on key developments, challenges and priorities. Meetings were typically held by teleconference every six weeks in 2012–13 with every jurisdiction.



## 2.4 Procedures for consistency, effectiveness and efficiency

### Operational policy manual

The operational policy manual is a key resource for supporting nationally consistent regulation of education and care services. The manual provides guidance to help authorised officers and staff of regulatory authorities apply the Education and Care Services National Law and Regulations. Its primary audience is authorised officers.

The manual was endorsed by QaCC in December 2012 and published in February 2013. It was developed in close consultation with state and territory regulatory authorities and the Australian Government, through IIWG. It includes guidance developed to address issues that affect implementation of the NQF, identified by jurisdictions and through sector consultation.

The operational policy manual includes chapters on:

- ◆ **Good regulatory practice** – including the objectives of the National Law. It also includes information about the principles of good practice regulation and administrative decision-making, which regulatory authorities agree will guide their work
- ◆ **Applications and approvals** – provides information about processing applications for provider approval, service approval, waivers and supervisor certificates
- ◆ **Operational requirements** – sets out the requirements for operating an education and care service, including the responsibilities of approved providers, nominated supervisors, and family day care educators. It includes guidance for regulatory authorities to help determine whether operational requirements are being complied with
- ◆ **Monitoring, compliance and enforcement** – includes information and guidance about monitoring for compliance with the National Law and Regulations. It

also includes guidance about using the compliance tools and powers available under the legislation

- ◆ **Reviews** – includes information about decisions that are subject to internal review by the regulatory authority, or external review by a court or tribunal. It also provides broad guidance about administrative review by an ombudsman, and a person's right to judicial review.

ACECQA will regularly review and update the manual to ensure it remains a current and comprehensive source of information for regulatory authorities. For this reason, the manual is published in an online version only on the ACECQA website. Although the manual is written to assist regulatory authority staff apply the National Law and Regulations, it is also helpful to service providers in understanding the requirements of the NQF.

ACECQA is developing the second edition, in collaboration with the IIWG, which is scheduled to be available in late 2013.

### First tier review

The National Law allows an approved provider to request a review of the rating levels determined by the regulatory authority. The first review available to approved providers is conducted by the regulatory authority. This is commonly referred to as a 'first tier' review.

To facilitate a nationally consistent approach to first tier review, ACECQA worked with

regulatory authorities to develop a cross-jurisdictional approach to managing first tier reviews. ACECQA developed guidelines for jurisdictions to follow when conducting reviews, which were considered by IIWG. The final version of the guidelines was endorsed by IIWG and QaCC before publication on the ACECQA website, alongside an information sheet explaining the first tier review process.

While developing a nationally consistent approach to reviews, ACECQA has sought to emphasise the role of first tier review in providing broader, long-term enhancements to the quality and consistency of the decisions of primary decision-makers.

## Second tier review

A second tier review is a review of the ratings levels determined by the regulatory authority. ACECQA's role is to establish a pool of possible rating review panel members, manage and provide administrative support to ratings review panels and process applications for second tier reviews. The first application for second tier review was received in February 2013.

In July 2012, the Board Chair wrote to members of the ACECQA Forum and peak bodies, along with state and territory regulatory authorities, the Commonwealth Minister and the Law Council of Australia, inviting them to make nominations to the ratings review panel pool.

The first group of 18 panel pool members were appointed in November 2012. In keeping with the requirements of the Education and Care Services National Law and Regulations, the pool comprises people who are experts, or have expert knowledge, in one or more of the following areas:

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

In addition to the prescribed expertise and knowledge, the Board also ensured the appointments included representatives from each state and territory, expertise across service types and a mixture of men and women.

In November 2012, appointed panel pool members attended a three day induction in Sydney, where they received training on quality assessment and the principles of good administrative decision making.

ACECQA also published information for applicants to help them with the process. Guidelines, an information sheet and an application form are all available on ACECQA's website.

The first ratings review panel convened in March 2013 to make a decision on the first review



The Ratings Review Panel Pool induction training

**Panellists (left-to-right): Paula Nadas, Marina Papic, Norm Hart, Christine Stevenson, Chris Mason, Ros Cornish, Shae Welch, Barrie Elvish, Susan Sullivan, Georgia Ramsay, Lesley Foster, John Murn, Christine Harrison, Denise Horvath, Karen Williams, Prue Walsh, Caz Bosch [Peta McNellie not pictured].**

application. The panel amended the ratings level determined by the regulatory authority. A summary of the decision is available on the ACECQA website.

In 2012–13, ACECQA received two applications for second tier review. The decision on the second application is expected by the end of July 2013.

### **ACER evaluation**

An evaluation to review the validity and reliability of the assessment and rating process against the National Quality Standard was completed in November 2012. ECDWG led the evaluation and it was undertaken by the Australian Council for Educational Research (ACER). SCSEEC considered the evaluation in

December 2012 and welcomed its findings. The report is available on the SCSEEC website.

The evaluation reviewed the assessment and rating process for 491 services across Australia including long day care, family day care, outside school hours care services and preschools/ kindergartens. The findings indicate that the nationally implemented assessment and rating process is valid and reliable and that the assessment and rating instrument is fit for purpose.

The evaluation also identified some areas where authorised officers and services would benefit from more targeted support. ACECQA has been working with QACC and its working groups to provide this assistance.

## 2.5 National auditing arrangements

**In 2012–13, ACECQA began its program of national audits for the consistent implementation of the NQF in accordance with its responsibility under the National Law (s229).**

The audits evaluate trends in the administration of the NQF across jurisdictions. This function aligns with ACECQA's primary objectives of guiding the implementation and administration of the NQF and to monitor and promote national consistency. ACECQA is required to report to the Ministerial Council on the outcomes of the national audit and evaluation processes.

ACECQA's National Consistency Action Plan (NCAP) for 2012–13 included actions to develop and carry out these audits. During the year, the NCAP was incorporated into the Quality and Consistency Committee's (QaCC's) forward work plan. This work plan now includes all audit related actions and activities.

ACECQA's inaugural audit on conditions placed on approvals was conducted in early 2013.

The purpose of this review was to:

- ◆ identify the conditions that have been placed on approvals
- ◆ highlight those conditions that have been brought over from former legislation
- ◆ analyse the conditions placed on approvals by each regulatory authority
- ◆ identify good practice principles
- ◆ recommend opportunities to develop nationally consistent guidance on the use of conditions on approvals.

In June 2013, ACECQA presented the findings to SCSEEC.

Based on the findings of the audit, ACECQA will review and update relevant content in the operational policy manual for regulatory authorities, consider options for improving historic and ongoing data quality, and conduct a further review on conditions on approvals in 2014 to monitor and review progress and trends.

ACECQA continues to work with jurisdictions through QaCC to progress the recommendations of this audit.

Towards the end of 2012–13 ACECQA was finalising its second audit, on the topic of service and temporary waivers. The purpose of the waivers audit is to understand and review the use of waivers across jurisdictions and identify opportunities for developing consistent approaches and guidance for the use of service and temporary waivers across all states and territories. Following further consultation with regulatory authorities, ACECQA will provide the final report to the Board and report the outcomes to SCSEEC.

## 2.6 National information and registers

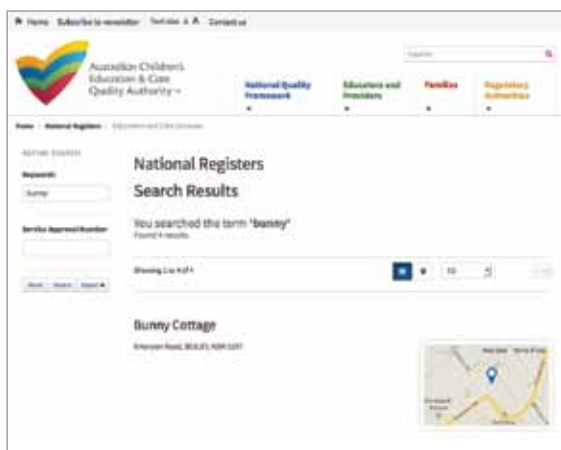
One of the fundamental principles agreed by all states and territories and the Australian Government under the National Partnership Agreement is that information about children's education and care services would be easily accessible to families and the community.

The publication of important information about services, including their quality rating, helps families make an informed choice about education and care services for their children.

With ACECQA's management of the national database and registers, there is a consistent format for every Australian education and care service.

### Publication of the national registers

Following the proclamation of the remaining parts of the National Law, on 1 May 2013 ACECQA commenced publication of the national registers of approved providers, approved children's education and care services and approved certified supervisors.



These registers provide a way for the public to find approved education and care services as well as displaying other public information about approvals.

The registers include the details of the rating of every approved education and care service. As well as the overall rating of the service, the rating for each quality area is also displayed.

ACECQA publishes weekly updates to the registers. ACECQA published the registers nine times in 2012–13.

### National Quality Agenda IT System

The publication of the national registers is enabled by the National Quality Agenda IT System (NQA ITS), which provides both a national database and an online business tool for communication between services and regulatory authorities. Under the MIP, it was envisaged that a new national IT system would be required to support ACECQA and the regulatory authorities in the delivery of the NQE.

The NQA ITS was commissioned in 2010 to provide a single IT system for managing providers, services and certified supervisors under the National Law. The development of the system was managed by a Project Management Committee made up of representatives of state and territory governments, along with DEEWR and the project manager, Education Services Australia (ESA). Development work on the system was conducted by Fujitsu Australia Limited.

Initial development of the system was completed in November 2012. Negotiations

between ESA, DEEWR, Fujitsu and ACECQA in regards to the ownership of, and responsibility for, the system led to the system being transferred by Deed of Novation to ACECQA on 25 March 2013.

Since the NQA ITS was transferred to ACECQA, there have been improvements to the system. These changes have focused on the usability of the system as well as improving data quality through validation of data being entered.

In 2013–14, ACECQA will make further significant improvements to the NQA ITS. These improvements include:

- ◆ simplifying the online system for providers to submit application and notification forms to encourage providers to submit the majority of forms online
- ◆ allowing providers to delegate permission to submit forms
- ◆ better tracking of compliance with the National Law
- ◆ simplifying data entry for regulatory authority users.

## NQA ITS Governance

The NQA ITS Management Steering Group sets priorities for the development of the system and addresses issues regarding data quality.

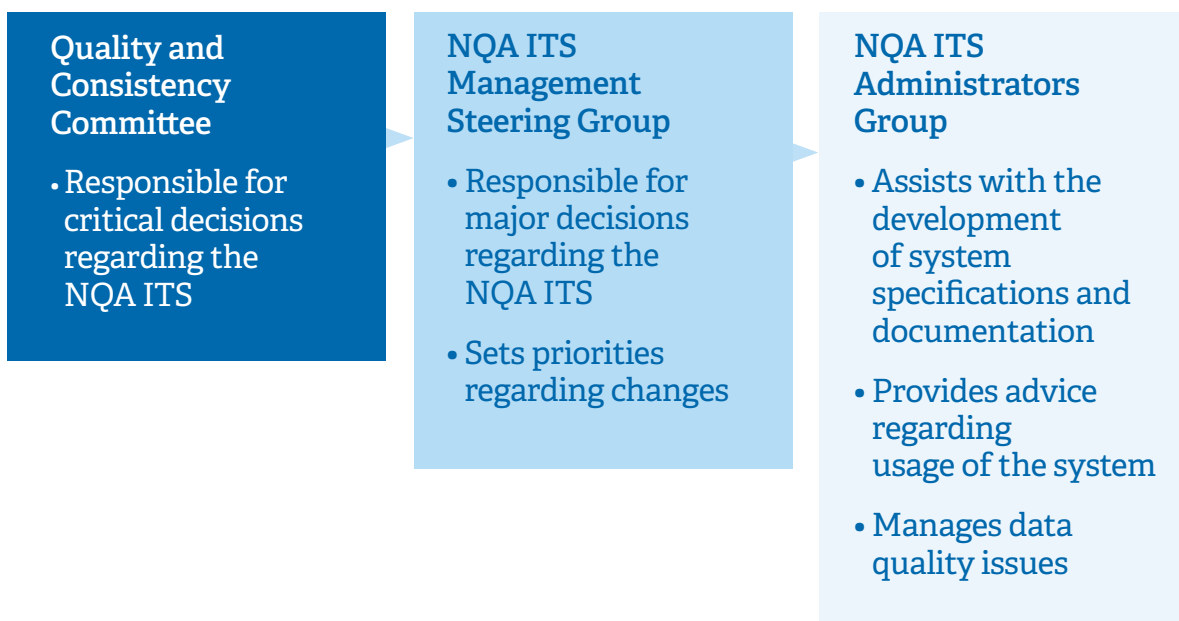
In addition, ACECQA also works with regulatory authority system administrators who provide advice on the day to day use of the system and give guidance on how to implement requests from the Steering Group.

ACECQA also gave an update on the NQA ITS to a number of larger providers in December 2013. Providers at this meeting gave feedback on ways that the system could be streamlined to simplify the submission of forms and ACECQA is currently working to implement some of those suggestions.

## Use of the NQA ITS

To use the NQA ITS, providers and supervisors register and create an account in the system. If the user already holds a provider or supervisor approval they then “link” their NQA ITS account with their existing approval. As of 30 June 2013, 22 per cent of providers had linked their approval to an NQA ITS account.

**Figure 4 Governance structure for the NQA ITS as of July 2013**





The following table shows the number of applications and notifications submitted online through the NQA ITS compared to the number submitted by paper form. The table is for the period 1 April to 30 June 2013 (the first whole quarter that ACECQA was responsible for the NQA ITS).

<b>Applications and Notifications – 1 April to 30 June 2013</b>		
<b>Method of submission</b>	<b>Applications</b>	<b>Notifications</b>
Submitted online	<b>435 (7%)</b>	<b>2,247 (35%)</b>
Submitted by paper form	<b>6,251 (93%)</b>	<b>4,162 (65%)</b>

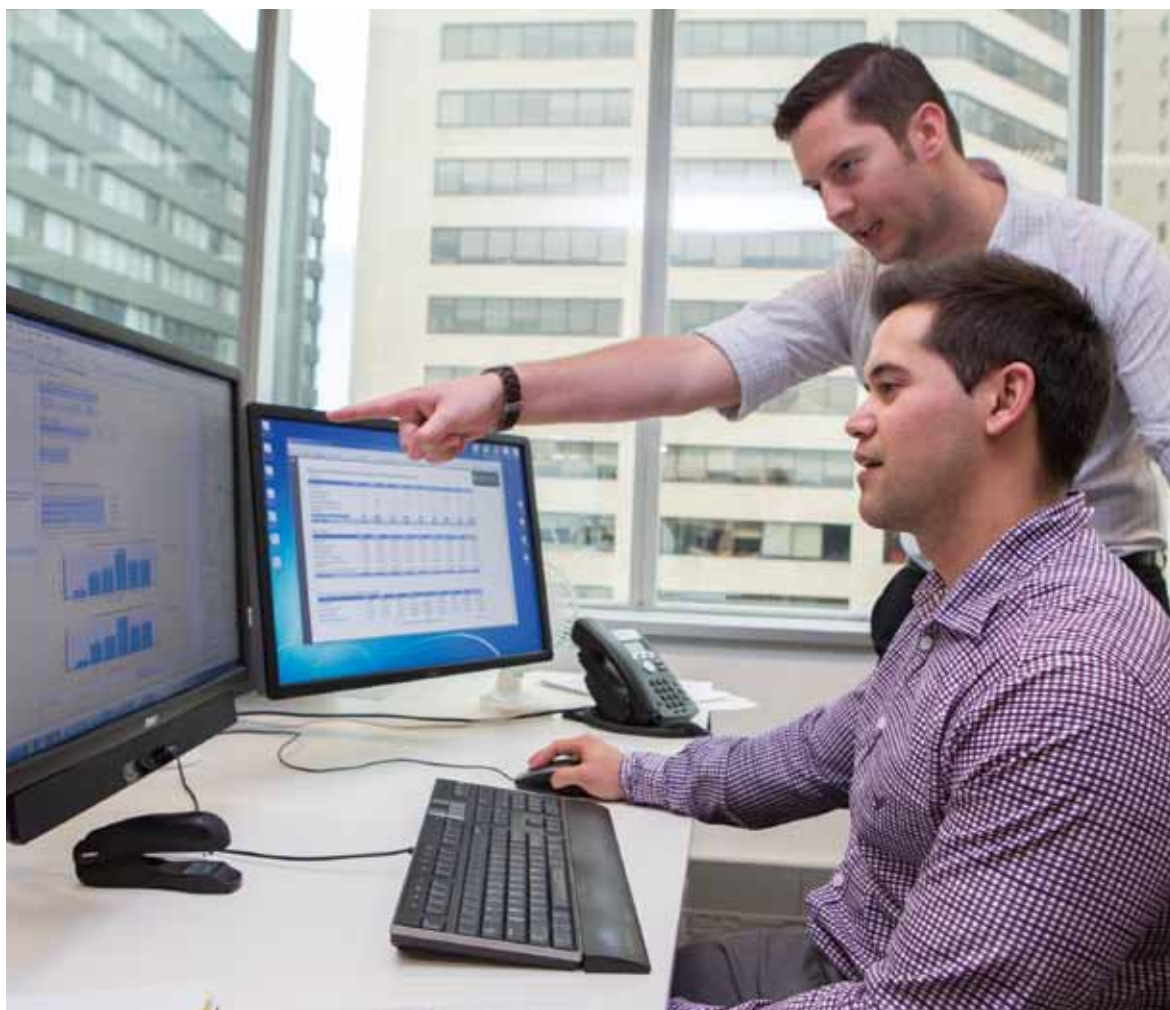
Most notifications submitted online through the NQA ITS are from larger providers. Approximately 80 per cent of notifications submitted online came from providers with 10 or more services, compared to 25 per cent of notifications submitted by paper form.

### **NQA ITS Service Desk**

The NQA ITS Service Desk was provided by Fujitsu Australia Limited from the beginning of the NQA ITS project until 31 January 2013. ACECQA brought the NQA ITS Service Desk in-house from 1 February 2013.

The NQA ITS Service Desk deals with questions and issues from regulatory authority users as well as providers and supervisors attempting to register and use the system.

Between 1 February and 30 June 2013, the NQA ITS Service Desk received 2,372 calls and emails.



## 2.7 Excellent rating

Under the National Law, ACECQA is responsible for determining the criteria that approved services must meet to be awarded the highest rating level, the Excellent rating. ACECQA is also responsible for developing and managing the Excellent rating application process and for awarding the rating.

Having drafted and consulted on the criteria in 2011–12, ACECQA continued to refine the criteria, undertaking a second round of consultation with the sector in July 2012. Following this targeted consultation, the criteria were revised and approved by the Board in August 2012. The final Excellent rating criteria were presented to the sector at the inaugural ACECQA Forum on 28 August 2012 and published on the ACECQA website.

Detailed guidelines for applicants, explaining the application process and criteria, were published in December 2012. ACECQA established internal processes for handling Excellent rating applications, including operational procedures

and assessment tools. ACECQA also published an information sheet and application form for applicants.

To assist with the assessment of Excellent rating applications, ACECQA appointed two expert advisers in April/May 2013.

Legislative provisions relating to the exercise of the Excellent rating function by ACECQA were proclaimed in April 2013, and ACECQA received the first application for Excellent rating in May 2013. In 2012–13, ACECQA received a total of seven applications for the Excellent rating. Decisions on the first applications are expected in early 2013–14.

Rated  
**EXCELLENT**  
by ACECQA



## 2.8 Educate and inform

**ACECQA has a national leadership role in educating and informing children's education and care services, families and the community about the NQF, in partnership with state and territory regulatory authorities.**

In 2012–13, ACECQA's overarching communications and engagement strategy built upon the initial strategy and principles laid out during ACECQA's foundation.

In ACECQA's first year, communication efforts were concentrated on the education and care sector to ensure the sector was informed of the changes under the NQF and prepared for assessment and rating.

As the year progressed, attention turned to families and the wider community to inform and educate them about the NQF.

In 2012–13, a Families Communication Strategy was implemented to help families understand the NQF and to help children's education and care services to talk to families about the NQF.

A particular focus for communication activities in 2012–13 was the release of the national registers with quality ratings for services, and the corresponding first ACECQA Snapshot on 1 May 2013.

### Stakeholder engagement

ACECQA's national role in guiding NQF implementation demands strong engagement with stakeholders to support them on their NQF journey. Stakeholder forums such as the ACECQA Forum, and working groups like the NQF Communications Working Group, help the ACECQA Board and Authority staff to engage directly with the sector and regulatory authorities.

In addition to these groups, the ACECQA Board Chair, CEO and other staff have attended and spoken about the NQF at conferences,

workshops and meetings around the country. In 2012–13, ACECQA representatives delivered presentations or spoke publicly at more than 50 events to a combined audience of approximately 6,300 people. A full list of speaking engagements is at **Appendix F**.

The Chair, CEO and senior staff also met regularly with key stakeholders across the sector.

ACECQA attended its first international conference, with ACECQA Board Chair Rachel Hunter giving a keynote address on the implementation of Australia's NQF reforms at the Early Childhood Council of New Zealand Annual Conference in May 2013.

The ACECQA Board also hosted a stakeholder reception in partnership with the Victorian Department of Education and Early Childhood Development in March 2013, which coincided with a meeting of the Board and the second gathering of the ACECQA Forum.



**The Victorian Minister for Children and Early Childhood Development, the Hon. Wendy Lovell MLC (left), with ACECQA CEO Karen Curtis (right).**



**Participants at the second meeting of the ACECQA Forum in Melbourne.**

In December 2012, ACECQA brought together large service providers, state and territory regulatory authorities and the Australian Government as part of a meeting of the Quality and Consistency Committee (QaCC). This consultative forum was used to discuss progress and national consistency in the first year of NQF implementation and providers' experiences in using the National Quality Agenda IT System (NQA ITS).

### **ACECQA Forum**

The ACECQA Forum is a stakeholder reference group set up by ACECQA as an external sounding board on NQF issues. The Forum met twice in 2012–13 and has also been kept regularly informed of ACECQA's activities. The Forum has provided feedback to help with communication to the sector, families and the community.

Members of the Forum include providers of family day care, outside school hours care and preschool services, large providers of long day care, local and state government agencies, peak bodies, professional support agencies, and family, professional and employee associations. The Forum also includes organisations with a focus on skills and training, research, and inclusion.

The ACECQA Forum first met in August 2012 in Sydney and a second meeting was held in March 2013 in Melbourne. Topics covered by the group included regulatory burden, communicating

with families, the Excellent rating, assessment and ratings, supervisor certificates and information resources.

### **Preparations for NQF Conference**

ACECQA is hosting the first official NQF Conference in Sydney on 12–13 September 2013. Preparations for the Conference have been a major focus of ACECQA's stakeholder engagement activities in 2012–13.

As part of ACECQA's role to foster continuous quality improvement and support quality education and care across the nation, the Conference will tell The NQF Story. The NQF Conference will be a prime opportunity for the sector to come together and be part of the positive change brought about by the introduction of the NQF.

Sector representatives will share their stories and experiences, focusing on the conference themes of Quality, Consistency and Excellence. The keynote speakers will discuss strategy, change and leadership and show delegates how to turn their aspirations into achievement.

Due to extraordinary demand, all two-day Conference tickets sold out and all exhibitor opportunities were snapped up by 1 July 2013. In total, it is expected almost 1000 people will attend the event as delegates or speakers.

In addition to the two days of Conference

proceedings at the Sydney Convention and Exhibition Centre, there will be:

- ◆ a VIP welcome reception on the evening before the conference starts
- ◆ the NSW Minister for Education and Chair of SCSEEC, Adrian Piccoli MP, opening the conference
- ◆ a dinner with entertainment
- ◆ a qualifications information breakfast targeting training providers, employers and recruiters.

To help educators from geographically isolated, remote and rural areas attend the conference, scholarships and travel assistance were also

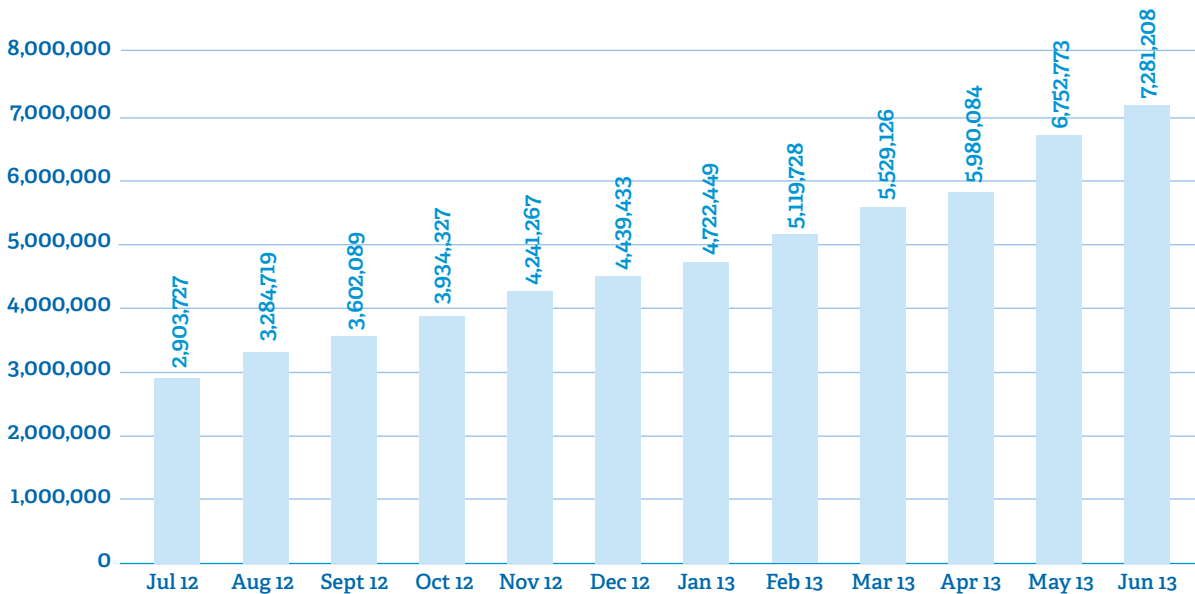
offered to help cover costs through the support of sponsors and ACECQA.

### Website

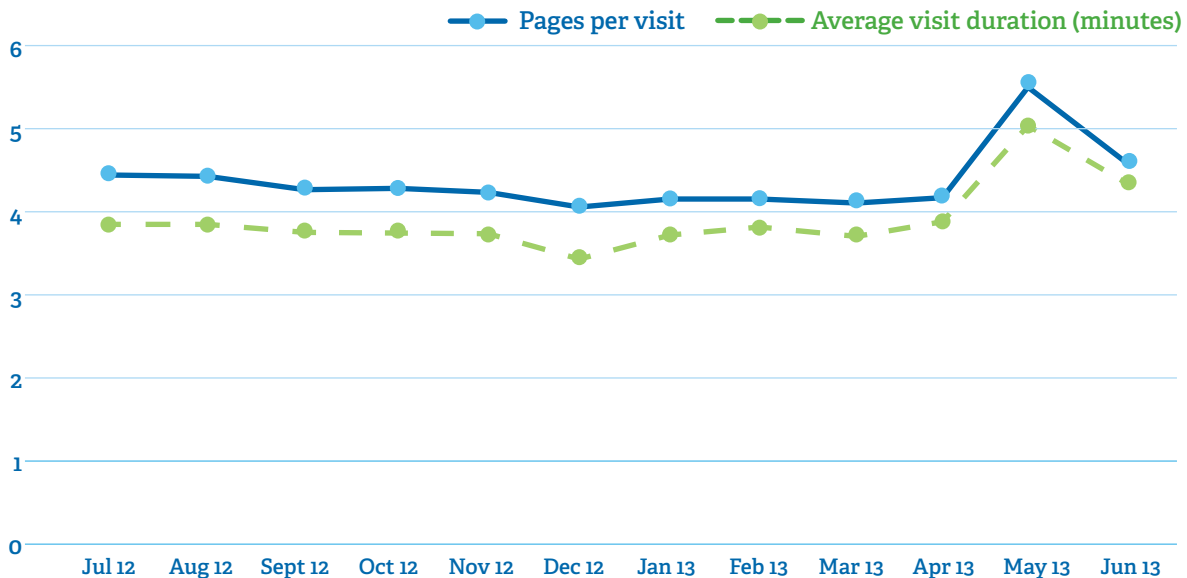
The ACECQA website is one of the main sources of information about the NQF for the children's education and care sector, regulatory authorities, families and the community. Since its launch in October 2011, visits to the website have steadily risen.

In preparation for the release of the national registers, the ACECQA website was redeveloped so that it could support the national registers. At the same time, the website was given a facelift

**Figure 5 Total website views**



**Figure 6 Interaction with the ACECQA website**



and information was reclassified around four categories. These categories were the NQF and ACECQA's three main target audiences: educators and providers, families and regulatory authorities. It also established a searchable NQF Library and increased search capabilities for Frequently Asked Questions (FAQs).

The redeveloped website provides increased functionality and has been positively received by website users. Website usage has increased since the redeveloped website went live on 24 April 2013, peaking on 2 May 2013 after the release of the national registers. The website had more than 10,000 unique visitors and 68,000 page views on that day.

## Social media

ACECQA uses a number of social media channels to promote open consultation and discussion. ACECQA's social media channels, particularly Facebook, have been used to gather feedback, share ideas and respond to questions about the NQF.

Since 30 June 2012, the number of people who had 'liked' the ACECQA Facebook page had grown by almost 70 per cent – from 1,685 to 5,513 people. Likewise, the number of Twitter followers on ACECQA's Twitter account had grown by almost 75 per cent – from 262 to 1,020 followers.

One of the main objectives for Facebook is to drive traffic back to ACECQA's website where there is more detailed information. More than 4 per cent of total referrals to the ACECQA

website come from Facebook and it is the 5th largest source of traffic referral.

The ACECQA blog, 'We Hear You', has also continued to grow in readership and subscribers. The number of subscribers grew from 107 to 330 subscribers from 30 June 2012. The blog provides a platform for peak organisations, educators, regulators and providers to talk about their experiences with the NQF. The ACECQA blog has now received more than 42,300 page views since its inception.

## Newsletters

ACECQA now has two newsletters with two distinct audiences. The ACECQA newsletter continues to focus on news and information for the sector while Family News is aimed at families.

The ACECQA newsletter has more than 16,300 subscribers and there has been steady growth month-on-month. In 2012–13, ACECQA distributed 22 issues of the ACECQA newsletter.

Family News was distributed for the first time in November 2012 as part of ACECQA's Families Communications Strategy. Focus group work was undertaken with families to gauge their interest and understanding of the NQF and their preferred formats for information and distribution. Based on that feedback, Family News articles are short and often include visual elements such as posters and graphics to improve families' understanding of the NQF.



ACECQA Forum, Melbourne, 7 March 2013.

The first two issues of Family News were issued in November and December 2012 as attachments to the ACECQA newsletter. Service providers were encouraged to distribute the newsletter to families or include articles from it in their own newsletters. From 2013, Family News has also been distributed to its own subscriber list and had more than 1,700 subscribers by 30 June 2013.

## Media

ACECQA's media profile has grown during 2012–13 with the release of the national registers and the first ACECQA Snapshot. The Authority proactively engaged with the media by providing targeted information to interested journalists and providing briefings on media issues.

When the national registers and ACECQA Snapshot were released, ACECQA was mentioned in 288 media items including 17 print articles, 103 online articles, 167 radio broadcasts and one television broadcast.

In addition to mainstream media, ACECQA regularly provides articles to sector publications

to help provide information about changes under the NQF and ways to meet new regulations.

## Customer services

ACECQA's consolidated in-house customer service team commenced in August 2012 following an initial call centre delivered under contract with DEEWR. The team responds to public queries by telephone and email. In 2012–13, the customer service team received a total of 49,566<sup>1</sup> enquiries. This consisted of 24,563 telephone enquiries and 25,003 email and fax/letter enquiries. The highest number of enquiries related to ACECQA functions, such as enquiries about qualifications.

As part of ACECQA's Customer Service Charter, the team has a goal to respond to telephone and email enquiries within five days. The average rate of response at 30 June 2013 was 4 days.

ACECQA also draws on its enquiries to inform newsletter articles and website content to share relevant information with a broader audience.

1. May include multiple calls and other contacts for a single matter raised with ACECQA.



## 2.9 Guides, resources and promoting continuous quality improvement

Under the National Law, ACECQA has a role to promote and foster continuous quality improvement, and to publish practice notes and guidelines that support the effective implementation of the NQF.

ACECQA hosts more than 150 resources in its NQF Library on the ACECQA website. The library is an important source of information for the sector, particularly for service providers wanting to ensure they are fulfilling their obligations under the NQF, and to support continuous quality improvement.

The library contains resources such as the NQF Resource Kit, assessment and ratings guides, NQF Snapshots, operational policy manual for regulatory authorities, learning frameworks, information sheets, posters and newsletters.

ACECQA aims to ensure people have access to information about the NQF and tools for reflection on quality of practices. ACECQA will continue to develop new resources to meet the needs of the sector, families and the community.

### NQF Resource Kit

The NQF Resource Kit is an important resource for new services. It includes:

- ◆ Guide to the National Quality Framework
- ◆ Guide to the National Law and National Regulations
- ◆ Guide to the National Quality Standard
- ◆ Guide to developing a Quality Improvement Plan.

The kit was initially distributed to all services before the National Law came into effect in 2012. Services approved after 16 March 2012 were able to purchase a hard copy of the kit from ACECQA and distribution of the kit has continued throughout 2012–13. The documents in the kit are also available to download, free of charge, from the ACECQA website.

### Assessment and ratings guides

There are three assessment and ratings guides available to help educators, authorised officers and the wider community understand the assessment and rating process. These are:

- ◆ National Quality Standard Assessment and Rating Instrument – used by authorised officers to help in assessing and rating a service
- ◆ Guide to Assessment and Ratings for Services – a comprehensive description of the process regulatory authorities take to apply a consistent approach to each assessment visit and developing ratings and reports
- ◆ Guide to Assessment and Ratings for Authorised Officers – developed to help authorised officers undertake the assessment and rating of services against the NQS.

In 2012–13, some minor amendments were made to these guides to help clarify information and processes. These amendments were promoted to the sector through the ACECQA newsletter.

### Review of guides and resources

In 2012–13, ACECQA began a major project to review the NQF Resource Kit and the assessment and ratings guides. This project will continue in 2013–14 and will look at the information, format and usage of the kit and guides by the sector. The project will include consultation with the sector to ensure information is useful and available in the most suitable formats.



## Operational policy manual for regulatory authorities

ACECQA developed the operational policy manual for regulatory authorities in close consultation with state and territory regulatory authorities and the Australian Government. The online manual, published in February 2013, provides guidance to help authorised officers and other regulatory authority staff to apply the National Law and National Regulations. More information about the manual is available in part 2.4 of this report.

## Resources for families

As part of its Families Communication Strategy, ACECQA began developing various resources for services to use with families that help explain the NQF, NQS and ratings.

Two mini-posters were first developed and promoted through the newsletter 'Family News' and the ACECQA website. These were 'National Quality Standard Ratings' and 'How National Quality Standard ratings work'. These posters explained what each of the ratings meant and how services were assessed and rated.

To coincide with the release of the national registers in May 2013, ACECQA produced another poster series and a postcard for services to use with families. The poster series comprised eight posters – one for each of the seven quality areas in the NQS and an overall poster explaining the NQF and ratings. The postcard also provided an overview of the NQF for families. A set of posters and a bundle of postcards were mailed to each service approved under the NQF. Services were also able to order additional posters and postcards to use in their services.

The posters and postcards were popular with services and ACECQA received positive feedback about the resources and their helpfulness with families. Following this successful distribution, ACECQA began working on a poster series suitable for outside school hours services and translating the overall NQF poster into 13 different languages for families. Both will be available in early 2013–14.

ACECQA also began developing a ratings chart

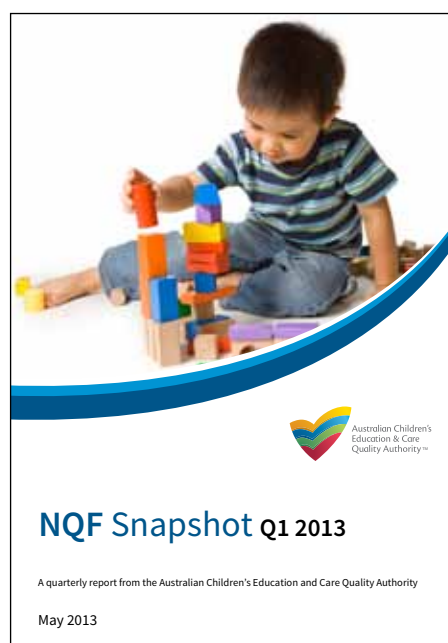
in 2012–13 for services to use to explain their rating against the NQS. Services that have been assessed and rated will be able to access their own chart from the ACECQA website and print and display it at their premises. The chart does not replace a service's ratings certificate, but provides a visual representation of how the service is performing against the NQS in each of the seven quality areas. Services can provide examples below the chart of what they are doing to improve their rating in particular quality areas. The chart is expected to be available on ACECQA's website in early 2013–14.

## Information videos

In late 2012–13, ACECQA filmed a 13-part video series on the NQF to help families understand what the NQF means for them and their child. The video series looks at the key changes introduced by the NQF, how assessment and rating works, the seven quality areas in the NQS and the role of ACECQA and regulatory authorities. The video series is expected to be available on the ACECQA website in early 2013–14.

## Snapshot report

ACECQA produced its first NQF Snapshot report to present quarterly data on NQF rating outcomes and other important information from the sector. The report is published on ACECQA's website and sent to major stakeholders and the media.



## 2.10 Information on National Quality Framework and effect on developmental and educational outcomes for children

In the first half of 2012–13, the ACECQA Board established a Research Advisory Committee (RAC). The role of this Committee is to provide the Board with a forum for the identification, discussion and planning of an ACECQA research agenda.

The RAC has eight members drawn from senior positions in the education and care sector, academia and government. The current members are (pictured from left-to-right):

- ◆ Professor Collette Tayler, Co-Chair, ACECQA Deputy Chair and Chair in Early Childhood Education and Care, Melbourne University
- ◆ Dr David Kalisch, Co-Chair, Director Australian Institute of Health and Welfare
- ◆ Ms Pam Cahir, former CEO, Early Childhood Australia
- ◆ Professor Pauline Harris, ACECQA Board member and Lillian de Lissa Chair, Early Childhood (Research), University of South Australia
- ◆ Ms Ruth Callaghan, General Manager, Early Childhood Education and Care, NSW Department of Education and Training
- ◆ Professor Ross Homel, Director, Key Centre for Ethics, Law, Justice and Governance, Griffith University
- ◆ Emeritus Professor Maryann Bin-Sallik, Charles Darwin University
- ◆ Ms June McLoughlin, ACECQA Board member and former Chair of the National Childcare Accreditation Council (not pictured).



At the first meeting of the RAC in April 2013, members discussed ACECQA's existing reporting, evaluation, and research commitments as well as potential opportunities for a broader research agenda. The RAC provided initial advice to the Board in May 2013 on potential research priorities that would focus on the extent to which the NQF is achieving its objectives and contributing to improved outcomes for children.

### **Evaluation framework under development by the RAC**

One of ACECQA's functions is to monitor and evaluate the NQF. To fulfil this function ACECQA began work with the RAC on a draft evaluation framework. This draft was considered at the first RAC meeting and generated considerable discussion. The RAC agreed that two questions should be central to ACECQA's evaluation framework:

- ◆ Is the NQF delivering improved outcomes to children?
- ◆ To what extent is the design of regulatory model helping to deliver these outcomes?

### **Research relationships**

In the past 12 months, ACECQA has developed a number of research relationships. It has built on its relationship with the Australian Institute for Teaching and School Leadership (AITSL) in developing standards for early childhood teachers.

ACECQA has also developed a number of research relationships with other government agencies. The Report on Government Services (RoGS) prepared by the Productivity Commission is one new area of focus. In the later half of 2012–13, ACECQA assisted the Productivity Commission in the development of new early childhood education and care measures for the 2014 RoGS to replace those in place under the pre-NQF model. ACECQA is also working productively with the Australian Bureau of Statistics (ABS) and the Australian Institute of Health and Welfare (AIHW). Both of these agencies have datasets that will become important to ACECQA and the sector as the evaluation framework begins to produce results.

During the year, ACECQA also commissioned research by Deloitte Access Economics and the Workplace Research Centre to provide expertise in areas such as regulatory impact costing and regulatory authority workforce development.



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

Authorised Officers are designated by state and territory regulatory authorities to administer the Education and Care Services National Law. The specific roles of Authorised Officers vary across jurisdictions but generally include quality assessing services, monitoring compliance, guiding and educating providers, managing approvals and taking enforcement actions.

### Authorised Officer qualifications research project

One of ACECQA's functions under the National Law is to determine the qualifications for Authorised Officers. In December 2011, the ACECQA Board published its position on Authorised Officer qualifications on the ACECQA website. The Board also agreed to initiate a research project to establish a knowledge base from which to develop a national position on the qualifications and capabilities of Authorised Officers. This project links to ACECQA's role in providing training to Authorised Officers and the longer term development of this workforce.

The project comprises two elements:

- ◆ a literature review to identify and distil knowledge about existing practice in comparable regulatory workforces and potential implications for the development of qualification expectations for the Authorised Officer workforce
- ◆ a capabilities, qualifications and skills survey of Authorised Officers to establish a baseline of knowledge about current levels of experience and formal qualifications.

In 2012–13 a draft of the literature review was considered by a Board working group, comprising Board members and senior representatives of several regulatory authorities. Also in 2012–13, ACECQA embarked on the

field survey of the existing workforce. The next stages of the project include a report synthesising the literature review and the field survey for consideration by the ACECQA Board in the second half of 2013.

### Regulatory authority training

Reliable training and effective support of staff of regulatory authorities is fundamental to achieving consistent implementation of the NQF. A consistent approach supports the integrity of the NQF and is vital to improving quality outcomes for children, families and the community.

ACECQA and regulatory authorities established the Training Working Group (TWG) as a sub committee of the QaCC to ensure proper consideration of the current and future support and training requirements for the authorised officers that regulate education and care services. The TWG is the main forum to develop a national plan to support ongoing consistency, reliability and the training needs of relevant regulatory authority staff. The TWG has developed a comprehensive work plan to achieve these priorities. The work plan covers:

- ◆ a review of the training program for authorised officers
- ◆ further lead assessor training
- ◆ centralised reliability testing managed by ACECQA

- ◆ facilitating jurisdictional collaboration on training where practical.

The TWG is also an opportunity to identify and resolve emerging challenges in training and supporting regulatory authority staff.

### Training materials

Following Ministerial acceptance of the Australian Council for Educational Research (ACER) evaluation of assessment and rating in December 2012, including the finding that the assessment and rating process is valid and reliable and the instrument is fit for purpose, ACECQA assumed responsibility for operational policy leadership on quality assessment and rating from the Australian Government. This responsibility includes supporting nationally consistent operational practice for the assessors, as well as amending and updating the national training for authorised officers.

In January 2013, ACECQA entered into a deed of licence with the Australian Government to use the authorised officer training materials. This completed the transition of all parts of the authorised officer national training packages to ACECQA.

Since then, ACECQA has worked with regulatory authorities to prioritise the review of training modules and is currently preparing updated modules for the training of authorised officers.

### National shared training calendar

ACECQA has been active in providing support to the regulatory authorities. ACECQA has implemented a national shared training calendar. This calendar has allowed officers from one jurisdiction to join assessor or other training being conducted in another jurisdiction. This coordination has already assisted jurisdictions. In addition, one of ACECQA's lead assessors shared the delivery of training to assessors and lead assessors in Tasmania in March 2013.

### Lead assessors

ACECQA has been further developing the lead assessor network, which is critical to ensuring consistent decision making nationally. In early February 2013, ACECQA trained an additional 10 lead assessors from across the country.

ACECQA also hosted and facilitated a lead assessor workshop for 23 lead assessors from



ACECQA held lead assessor training and workshops in Sydney in February 2013.

across the country in February 2013. The workshop explored opportunities for cross jurisdictional inter-rater reliability testing and considered feedback from national peak organisations on consistency in assessment and rating. The workshop included an exercise using assessment and rating reports from jurisdictions to check cross jurisdictional consistency and validation. The outcomes and actions from the workshop continue to help guide ACECQA's work on training and the assessment and rating process through both the TWG and the Implementation Issues Working Group (IIWG).

### **Additional guidance for Authorised Officers**

ACECQA, based on the outcomes of the ACER evaluation report, has also worked with jurisdictions to develop additional guidance and resources for Authorised Officers on the elements and standards identified in the evaluation which proved particularly challenging for Authorised Officers to assess. The ACER evaluation, feedback from regulatory authorities and the sector also identified a need for a consistent approach to assessment and rating report writing.

### **Drift testing**

Prior to conducting assessment and rating visits, all Authorised Officers must complete national training for authorised officers. At the completion of the training they must demonstrate their reliability through the completion of a reliability test before being able to conduct assessment and rating visits. All Authorised Officers who complete reliability testing as part of the national training are expected to maintain that reliability. To check this reliability is maintained, Authorised Officers must complete a follow-up 'drift' every year. To ensure nationally consistent testing, ACECQA

will be carrying out the testing of all Authorised Officers.

In May 2013, ACECQA built an online eLearning portal for regulatory authority staff to be integrated into the ACECQA website. The eLearning portal will host authorised officer training modules as well as the assessment and rating reliability and drift testing of Authorised Officers. The eLearning portal is currently in the final stages of development, with user testing being conducted in June and July 2013.

### **Next steps**

In July 2013, the TWG will consider a draft guide for assessment and rating report writing, developed by ACECQA. The group will also consider additional guidance material to assist authorised officers to assess the following areas of the NQS:

- ◆ Sustainable practices and environmental responsibility
- ◆ How OSHC and FDC can ensure adequate supervision at all times
- ◆ Children's access to family pets and animals in FDC
- ◆ Intentional teaching in FDC and OSHC
- ◆ Consideration of how critical reflection on children's learning and development is regularly used to implement the program
- ◆ Consideration of how each child's learning and development is being assessed as part of an ongoing cycle of planning.

Once TWG has considered the guide for assessment and rating report writing and the additional guidance material, the documents will be presented to QaCC for approval.

## 2.12 Educator qualifications

ACECQA determines the qualifications that need to be held by educators working in education and care services. ACECQA approves the following types of qualifications and training for educators:

- ◆ Early childhood teacher qualifications
- ◆ Diploma level education and care qualifications
- ◆ Certificate III level education and care qualifications
- ◆ First aid qualifications
- ◆ Anaphylaxis management training
- ◆ Emergency asthma management training.

ACECQA maintains lists of current and formerly approved qualifications on its website. ACECQA also publishes lists of qualifications for working with children over preschool age for states and territories with those requirements.

During 2012–13, ACECQA continued to update, review and improve the published lists to ensure that they remain current and accurate, and are as helpful and informative as possible.

### Applications from individuals

Individuals with early childhood qualifications from overseas or with qualifications not listed can apply to ACECQA to have their qualifications assessed for equivalence. ACECQA has published guidelines that govern the application process.

During 2012–13, the Board made two significant decisions to increase flexibility for applicants seeking recognition to work as qualified educators under the National Quality Framework. These changes support efforts to increase the availability of a skilled education and care workforce.

### English language proficiency

In July 2012, the Board agreed to more closely align ACECQA's English Language Proficiency Policy with teacher registration authorities, to allow applicants to demonstrate their proficiency in a range of ways.

If there is any doubt concerning an individual's English language proficiency, ACECQA can request evidence of one of the agreed English language tests completed in the last two years.

### Birth to two experience

In September 2012, the Board agreed that applicants could meet ACECQA's requirements for course content and 10 days professional experience with children aged birth to two by providing evidence of:

- ◆ significant previous work experience in early childhood settings, or
- ◆ completion of 'non award' units from an approved higher education program.

This change recognised the historic differences in the age range covered by early childhood qualifications, as well as the increased need for early childhood teachers under the NQF. The Board will review this policy at the end of 2014.

ACECQA's published guidelines were updated in 2012–13 to reflect these changes.

### Recognition of international programs and training

In May 2013, the Board considered options provided by its Educator Qualifications Working Group to add international qualifications to ACECQA's approved lists. The Board agreed to the Working Group's recommendation that ACECQA invite selected institutions, initially from New Zealand, the United Kingdom and Ireland, to apply for an assessment of Early Childhood Teaching degrees, Diploma or Certificate III equivalent programs or training that will likely meet the Authority's existing qualification requirements.

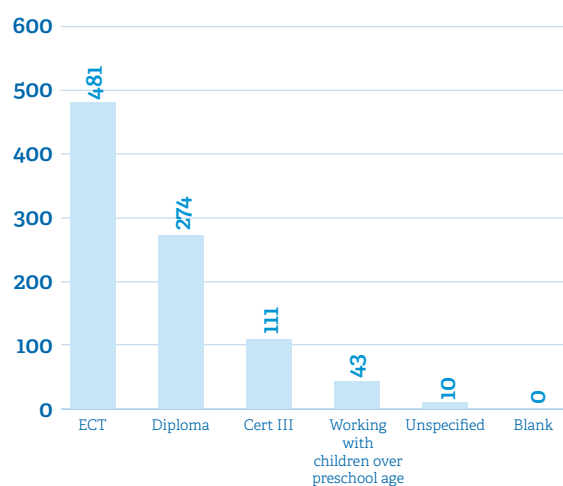
This approach will maintain the integrity and consistency of current quality determination practices, while streamlining the process for international qualification holders and approved providers seeking qualified educators.

### Statistics

In 2012–13, ACECQA received 919 applications from individuals wanting their qualifications assessed for equivalence.

More than half (52%) of the applications were from individuals seeking equivalence of early childhood teaching qualifications. Just under a third (30%) were for diploma level qualifications. The remainder were for certificate III level and working with children over preschool age qualifications.

**Figure 7 Applications by position (2012–13)**



More than three-quarters (78%) of the applications were from individuals with qualifications from overseas, most notably the UK and Ireland (38%) and New Zealand (22%).

More than a quarter (29%) of the applications were from individuals looking to work in Western Australia, with roughly two-fifths (20% and 19% respectively) looking to work in New South Wales and Victoria.

Of the 919 applications received, approaching three-quarters (71%) had been finalised by 30 June 2013. Around a tenth (11%) were being assessed, and the remainder were awaiting some required information from the applicant.

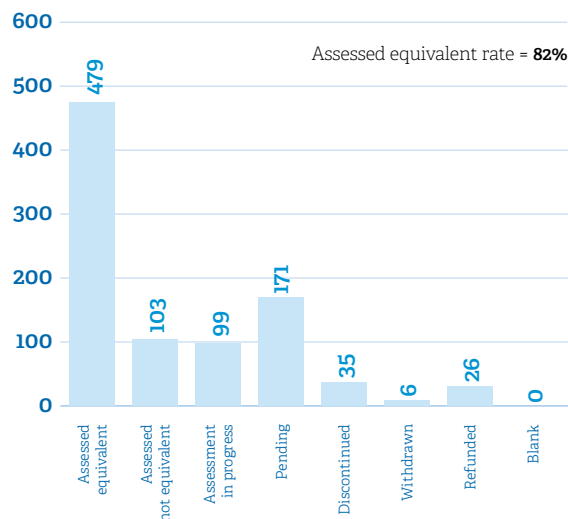
In 2012–13, ACECQA approved 479 individuals for equivalence. This included 235 early childhood teachers, 139 diploma level educators, and 66 certificate III level educators.

The overall approval rate for finalised applications was 82 per cent.

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

On average, ACECQA received 18 applications per week from individuals wanting their qualifications assessed. Refer to **Appendix C** for further qualifications applications statistics.

**Figure 8 Applications by recommendation**



### Applications from organisations

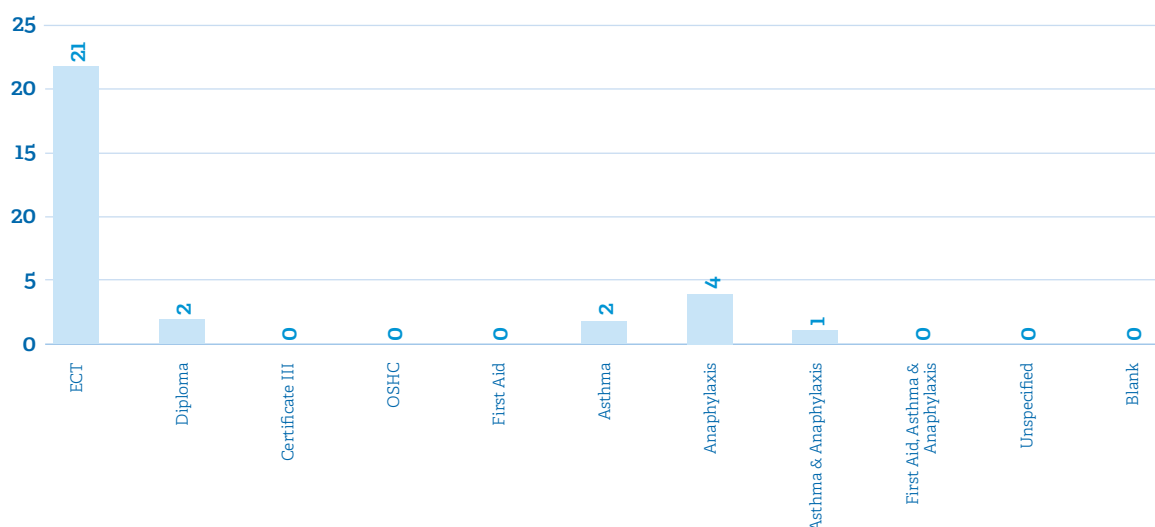
Organisations, such as universities and training providers, can apply to ACECQA to have an early childhood education program or training added to the approved lists. Again, there are published guidelines that govern this application process.

Between 1 July 2012 and 30 June 2013, ACECQA received a total of 30 applications from organisations wanting their qualifications or training assessed for equivalence.

Most (70%) of the applications were from organisations seeking to have early childhood teaching qualifications added to ACECQA's published lists. Nearly a quarter (23%) sought to have emergency asthma and anaphylaxis training courses added.



**Figure 9 Applications by qualification/training course (2012–13)**



Of the 30 applications received, around three-quarters (73%) had been finalised by 30 June 2013. All but one of the finalised applications were approved.

## Collaboration with partner bodies

### Community Services and Health Industry Skills Council (CS&HISC)

In 2012–13, CS&HISC undertook a review of the Community Services (CHC) training package, including the Certificate III and Diploma in Early Childhood Education and Care, and the Certificate IV and Diploma in School Age Education and Care.

ACECQA was a member of the Industry Reference Group. It was also represented on the Subject Matter Expert Group that examined the detailed content of the training package.

The revised qualifications have a greater focus on legislative requirements and better reflect the National Quality Framework, including the National Quality Standard and the Early Years Learning Framework.

The National Skills Standards Council gave final approval to the revised training package on 25 June 2013, and it is expected to be published on 1 July 2013.

### Australian Skills Quality Authority (ASQA)

ASQA regulates Australia's vocational education and training sector. On 30 April 2013, ACECQA signed a memorandum of understanding with ASQA agreeing to greater collaboration between the two authorities, with a view to ACECQA assisting ASQA to fulfil its regulatory responsibilities.

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

During 2012–13, AITSL invited ACECQA to sit on its Teaching Qualifications Advisory Panel. The panel helps AITSL determine its criteria for assessing teacher qualifications for skilled immigration purposes.

In March 2013, ACECQA and AITSL met with representatives from the Australasian Teacher Registration Authorities. The three agencies agreed to trial an approach, which involves the relevant teacher registration authority and ACECQA formally collaborating on decision making where agreed criteria are triggered. It is expected that the outcomes of the trial will lead to a streamlined approach to the accreditation and approval processes for new early childhood teaching programs.



### 3 Implementation of the National Quality Framework



# Assessment of the implementation and administration of the National Quality Framework

**This part of the Annual Report addresses the requirement under the National Law to provide an assessment of the implementation and administration of the NQF.**

ACECQA's framework to assess and analyse progress centres on the performance reporting indicators contained in the Multilateral Implementation Plan (MIP) for the National Quality Agenda for Early Childhood Education and Care. ACECQA's bi-annual reports to SCSEEC under the MIP inform state, territory and Australian Government ministers on the progress of the implementation and administration of the NQF.

This is the first time ACECQA has been able to include national data in its Annual Report on a number of quantitative performance indicators

contained in the MIP. This follows ACECQA's 1 May 2013 publication of the national registers of approved education and care services, providers and certified supervisors, which was enabled by the proclamation of the relevant provisions of the National Law by all states and territories in the first quarter of 2013. The data presented here is drawn from the ACECQA's National Quality Agenda IT System (NQA ITS), which provides online business applications for children's education and care services under the NQF to work with state and territory regulatory authorities.

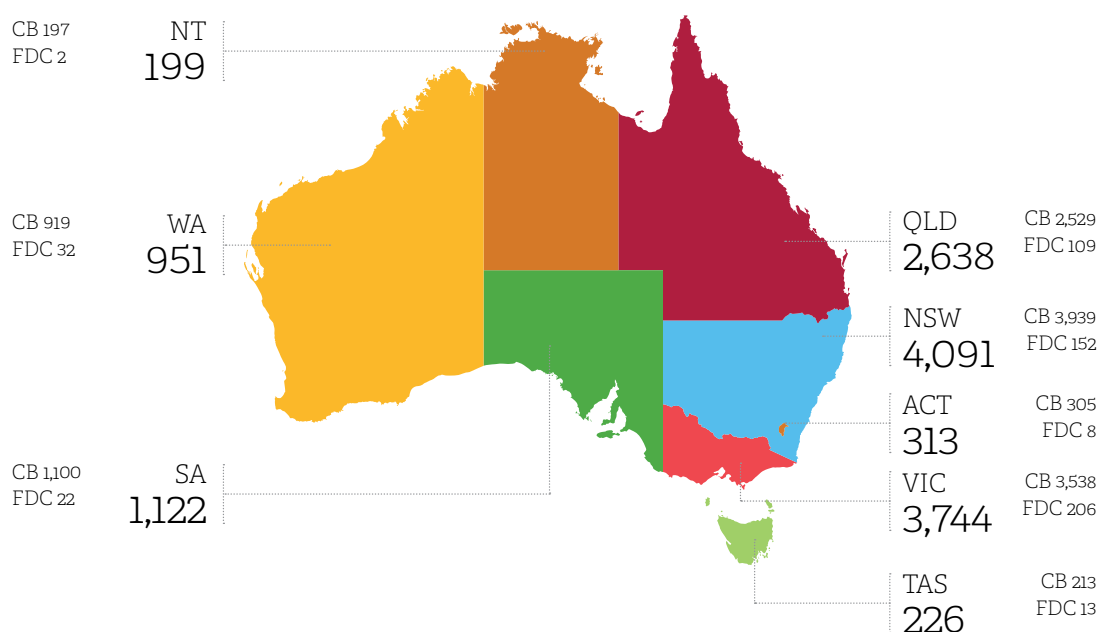
## **The MIP for the National Quality Agenda has five performance indicators:**

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

## Sector overview

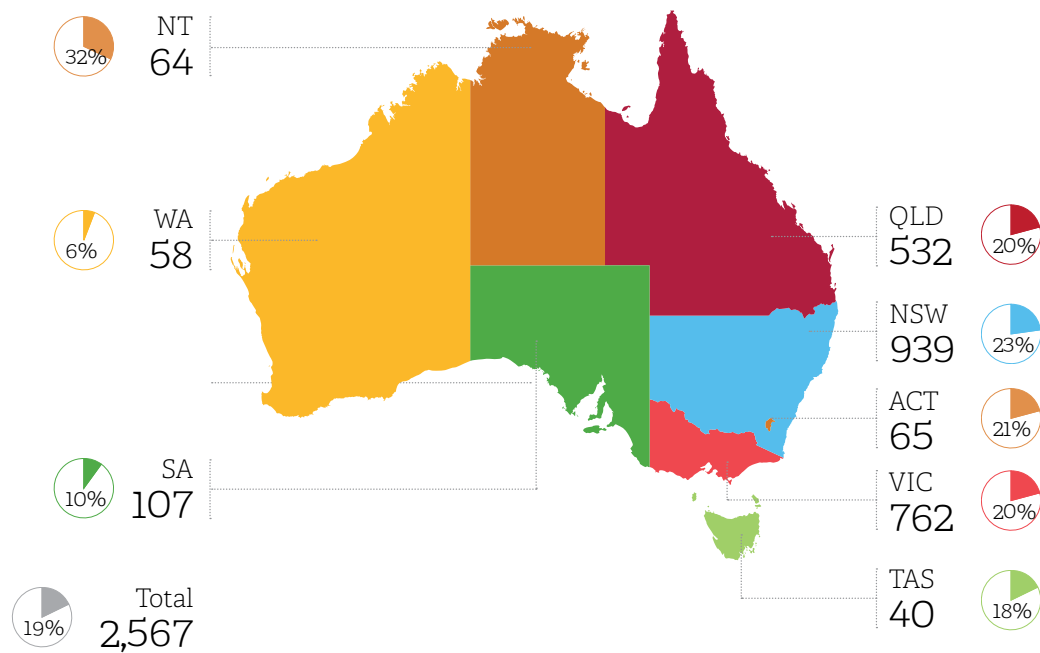
- ◆ There were approximately 13,284 approved education and care services operating across Australia as recorded in NQA ITS on 30 June 2013. This number continues to increase, in part due to the ongoing addition of previously unregulated services, and because of natural growth in the sector.
- ◆ Nationally, there are 12,740 centre-based<sup>1</sup> services and 544 family day care<sup>2</sup> services. Centre-based services make up 96 per cent of all services operating under the NQF.
- ◆ The number of family day care services increased nationally by 15 per cent in the last quarter of 2012–13. The largest increases occurred in New South Wales and Victoria.
- ◆ There were 6,833 approved providers operating services, the majority of whom (84 per cent) only operate one education and care service.
- ◆ There were 60,513 supervisor certificates recorded in the NQA ITS on 30 June 2013. Regulatory authorities issue these to people who are eligible to be in day to day charge of an approved education and care service.

**Figure 10 The number of approved services by jurisdiction and service type on 30 June 2013**



1. A centre-based service is an education and care service other than a family day care service. This includes most long day care, preschool and outside school hours care services that are delivered at a centre. It does not include preschools in Tasmania or Western Australia.
2. A family day care service is an education and care service delivered through the use of two or more educators to provide education and care for children in residences, whether or not the service also provides education and care to children at a place other than a residence. They are sometimes known as family day care schemes and they are administered and supported by central coordination units.

**Figure 11** The number and proportion of approved services with a finalised quality rating by quality area on 30 June 2013



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

Under the NQE, regulatory authorities in each state and territory assess and rate education and care services against the NQS.

On 30 June 2013, 2,567 (19 per cent) of services across Australia had received a finalised quality rating. This includes 24 per cent of family day care services and 19 per cent of centre-based services.

The proportion of children's education and care services with a current assessment against the NQS is increasing each quarter. For example, April and May 2013 saw the highest number of completed quality ratings per months since the NQE began. Data from the NQA ITS confirms there has been a 56 per cent standardised increase in completed ratings over the third quarter of 2012–13.

The jurisdictions with the largest number of services, New South Wales, Victoria and Queensland have collectively rated 2,233 (87 per cent) of all rated services.

Western Australia has completed the smallest

proportion of quality ratings, but the assessment and rating process started later there due to the later commencement of the law in August 2012. South Australia also has a relatively low proportion of services assessed and rated. Unlike other jurisdictions, responsibility for assessment and rating has been allocated to a new independent regulatory authority in that state. The authority has added resources and it is expected that the rate of assessment will increase over time.

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

The NQS raises the bar on quality for children's education and care services. Authorised officers from regulatory authorities assess and rate services using the seven quality areas, 18 standards and 58 elements that make up the NQS. Services receive a rating for each quality area and an overall rating. Once all seven quality areas have been rated, an overall rating is determined for the service.

There are five possible ratings, as shown in Figure 12. These include Significant Improvement Required, Working Towards NQS, Meeting NQS, Exceeding NQS and Excellent.

**Figure 12** The seven quality areas and five quality ratings under the NQS

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

The Excellent rating is awarded by ACECQA. Providers with a service that has received an overall rating of Exceeding can apply for this rating. Applications for the Excellent rating opened on 1 May 2013. No services had been rated Excellent at 30 June 2013. Further information on the Excellent rating is provided under Part 2.7 of this report.

Figure 13 shows that nationally, 56 per cent of assessed and rated services are Meeting (33 per cent) or Exceeding (23 per cent) the NQS. 43.6 per

cent of services are Working Towards NQS.

This distribution suggests the NQS is working as intended for those services assessed and rated at 30 June 2013. This breakdown between quality rating levels is comparable to the pattern that has been apparent since the first trials of the NQS. The NQS aims to achieve quality children's education and care by encouraging continuous improvement. This means the NQS should be achievable and yet still pose a challenge for many services. Once the NQS is met, services then have

**Figure 13** The number of approved services with a quality rating, by quality rating level and jurisdiction on 30 June 2013

	Significant improvement required	Working Towards NQS	Meeting NQS	Exceeding NQS	TOTAL
ACT	–	46	10	9	65
NSW	3	539	255	142	939
NT	–	56	3	5	64
QLD	–	187	150	195	532
SA	1	31	33	42	107
TAS	–	28	4	8	40
VIC	1	196	387	178	762
WA	1	38	9	10	58
<b>TOTAL</b>	<b>6</b>	<b>1,121</b>	<b>851</b>	<b>589</b>	<b>2,567</b>
<b>% of Quality Ratings</b>	<b>0.2%</b>	<b>43.6%</b>	<b>33.2%</b>	<b>22.9%</b>	<b>100%</b>

**Figure 14** The number of approved services with a quality rating, by quality rating level and service type on 30 June 2013

	Significant improvement required	Working Towards NQS	Meeting NQS	Exceeding NQS	TOTAL
Centre-based care	5	1,064	811	559	2,439
Family day care	1	57	40	30	128
<b>TOTAL</b>	<b>6</b>	<b>1,121</b>	<b>851</b>	<b>589</b>	<b>2,567</b>

the incentive to continue to work to improve quality and achieve an Exceeding NQS rating.

### Centre-based and family day care

There is a high level of consistency between the distribution of ratings results for centre-based and family day care services as shown in Figure 14.

As centre-based services make up the majority of all services rated, there is little difference between the spread of quality ratings for centre-based services and the overall results.

**Figure 15** The proportion of approved services by quality rating and SEIFA Index of Relative Disadvantage on 30 June 2013

	Significant improvement required	Working towards NQS	Meeting NQS	Exceeding NQS	TOTAL
10 (least disadvantaged)	0%	43%	28%	28%	100%
9	1%	44%	35%	20%	100%
8	0%	38%	41%	21%	100%
7	1%	43%	29%	27%	100%
6	0%	44%	36%	20%	100%
5	0%	43%	32%	25%	100%
4	0%	41%	39%	19%	100%
3	0%	45%	30%	25%	100%
2	0%	46%	35%	18%	100%
1 (most disadvantaged)	0%	44%	30%	26%	100%
<b>N/A (inc. FDC)</b>	<b>1%</b>	<b>48%</b>	<b>30%</b>	<b>22%</b>	<b>100%</b>

Note: Due to rounding, individual values may not add to 100% in all cases. The Not Applicable row includes all family day care services, as their educators do not have a single location, plus a small number of centre-based services without an exact location in the NQA ITS.

### Socio-Economic Index for Areas (SIEFA)

SIEFA is measure used by the Australian Bureau of Statistics (ABS) to rank areas according to socio-economic advantage and disadvantage based on census data.

SIEFA analysis of the assessment and ratings data at 30 June 2013 indicates that the number of centre-based services that have been quality rated are mostly evenly distributed across socio-economic advantage, with services in more disadvantaged areas slightly more likely to be quality rated.

For services rated over the same time period socio-economic advantage and disadvantage have had minimal effect on the spread of quality ratings. Overall, there is no clear pattern emerging between socio-economic advantage and quality.

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

The ARIA+ index is a geographical approach to defining remoteness in Australia. The application of ARIA to centre-based services with a quality rating at 30 June 2013 is reflected in Figure 16.

Analysis of the number and proportion of approved services with a quality rating using ARIA+ found that remoteness may have a minimal effect on the spread of ratings. With only a small number of services in remote and very remote areas quality rated, it is too early to make comparisons about the spread of ratings between services in remote and very remote locations, major cities, and inner and outer regional areas.



**Figure 16** The number and proportion of approved services with a finalised quality rating by remoteness classification (ARIA+) on 30 June 2013

	Number of services with a quality rating	Number of services	Proportion of services with a quality rating
Major Cities of Australia	1,562	8,893	18%
Inner Regional Australia	539	2,254	24%
Outer Regional Australia	269	1,197	22%
Remote Australia	33	200	17%
Very Remote Australia	14	145	10%
N/A (inc. FDC)	150	595	25%
<b>TOTAL</b>	<b>2,567</b>	<b>13,284</b>	<b>19%</b>

#### Ratings by quality area

Each education and care service receives an overall rating and a rating for each of the seven quality areas. The seven quality areas are:

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

**Figure 17** The number of approved services with a finalised quality rating area nationally on 30 June 2013

Rating Outcome	QA1	QA2	QA3	QA4	QA5	QA6	QA7
Exceeding NQS	561	544	538	688	907	793	708
Meeting NQS	1,134	1,375	1,258	1,577	1,257	1,304	1,179
Working Towards NQS	871	643	770	299	400	470	678
Significant Improvement Required	1	5	1	3	3	–	2
<b>TOTAL</b>	<b>2,567</b>	<b>2,567</b>	<b>2,567</b>	<b>2,567</b>	<b>2,567</b>	<b>2,567</b>	<b>2,567</b>

The ratings by quality area provide an indication of quality areas that are the most challenging for services to meet. This assists ACECQA and regulatory authorities to target guidance and support for services.

Nationally, services are more likely to:

- ◆ be rated as Working Towards NQS in Quality Areas 1, 3 and 7 compared to other quality areas
- ◆ achieve Meeting NQS in Quality Areas 2 and 4 than in other quality areas
- ◆ achieve Exceeding NQS in Quality Areas 5 and 6 than in other quality areas.

Further analysis across the seven quality areas will occur once the overall number of ratings increases.

### 3. The proportion of services with waivers for the Staffing Arrangements or Physical Environment standards, including the number of those services by socio-economic or regional locations

Waivers play an important role in helping providers maintain their level of service to children and families while adjusting to the NQF or dealing with unexpected events.

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

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

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

On 30 June 2013, 4.2 per cent (559) of approved education and care services across Australia were operating with waivers. Figure 18 shows that of the 362 services with temporary waivers, 91 per cent are for staff. For services with a service waiver, 79 per cent are for physical environment.

The higher percentage of temporary waivers for staffing is indicative of the nature of recruitment, as a service may apply for a temporary waiver while they are recruiting to fill a position. In contrast, physical environment standards may involve an ongoing issue that cannot be rectified by other means.

**Figure 18** Number of services with waivers by category and type on 30 June 2013

	Service	Temporary	Both	TOTAL
<b>Physical</b>	152	31	–	183
<b>Staff</b>	40	330	1	371
<b>Both</b>	–	1	4	5
<b>TOTAL</b>	<b>192</b>	<b>362</b>	<b>5</b>	<b>559</b>

### National audit

In 2012–13, ACECQA undertook a national audit on the administration of waivers under the National Law to further understand and review the use of waivers across jurisdictions.



In collaboration with regulatory authorities, the audit process identified opportunities for developing consistent approaches and further guidance for the use of waivers across jurisdictions.

Following further consultation with regulatory authorities, ACECQA will provide the final audit report to the Board and report the outcomes to SCSEEC.

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

As ratings for children's education and care services under the NQF were only released on 1 May 2013, it is expected that reporting on this indicator will commence from 2013–14 to allow time for families to know about their service's rating after publication.

In 2012–13, a families' research project design was progressed in line with the scope and approach agreed by the ACECQA Board. A draft questionnaire was developed, guided by a set of clear research objectives. In 2013–14, ACECQA will undertake testing and fieldwork ahead of reporting on research outcomes to SCSEEC.

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

The MIP also requires ACECQA to report to SCSEEC six-monthly until January 2016 on the 'experience of services under the NQF, with respect to the level of regulatory burden'. In December 2012, SCSEEC agreed that ACECQA's first research report on regulatory burden should be delivered in July 2013.

In 2012–13, ACECQA conducted a study to evaluate and understand the administrative burden experienced by services under the NQF. The purpose of the study was to provide an evidence base and benchmarks for ACECQA's ongoing reporting and advice to Ministers about the implementation of the NQF.

There were two parts to the study – a cost assessment of the major administrative obligations and an administrative burden perception survey.

Fieldwork on both parts of the research project was completed in 2012–13, and ACECQA will report to SCSEEC on the research outcomes in two parts in July and November 2013 respectively.

Part 1 of the report will offer a high level account of findings from the research.

ACECQA will include recommendations in response to research findings in a supplementary (part 2) report to SCSEEC. This will allow a more refined understanding of the sector's views, through consultation, and time for collaboration with other stakeholders such as state and territory regulatory authorities and the Australian Government.

The objective of part 2 of the report will be to identify what steps might be taken, without compromising the quality objective, to reduce or eliminate the burden associated with some administrative activities under the NQF. This report will also consider whether there is any additional support that can be provided to the sector for some activities, such as developing and maintaining quality improvement plans and educational programming, which are fundamental to the focus on quality under the NQF.



## 4 Accountability



## 4.1 Risk management

### Risk Management Plan

ACECQA's Risk Management Plan underpins the organisation's corporate governance framework. The Plan demonstrates that levels of risk within the organisation are understood and that risk treatment strategies are appropriate and cost-effective.

The main elements of the ACECQA risk management process are:

- ◆ Communicate and consult
- ◆ Establish the context
- ◆ Identify risks
- ◆ Analyse risks
- ◆ Evaluate risks
- ◆ Treat risks
- ◆ Document, monitor and review.

In 2012–13, ACECQA continued to monitor and refine its risk management framework to support the responsibilities of the organisation. The AFR Sub Committee formally reviews the Risk Management Plan every six months (or as required) and reports back to the ACECQA Board on the status of the plan.

### Internal audit

ACECQA's internal audit function provides an independent and objective review and advisory service.

As a priority in the first half of 2013, ACECQA's internal audit function focussed on providing assurance to the ACECQA Board, through the AFR Sub Committee, that ACECQA's financial management framework designed to manage the Authority's risks and achieve its objectives is operating in an efficient, effective and ethical manner.

### Fraud control

Development of ACECQA's Fraud Control Plan and Policy was overseen by the Audit, Finance and Risk Sub Committee and approved by the Board in March 2013. The Plan was developed in accordance with the *Commonwealth Fraud Control Guidelines 2011* and *Australian Standard AS 8001-2008 Fraud and Corruption Control*. The Commonwealth Fraud Control Guidelines articulate the Australian Government's expectations for effective fraud control for all departments and agencies subject to the *Financial Management and Accountability Act 1997* (FMA Act) and bodies subject to the *Commonwealth Authorities and Companies Act 1997* (CAC Act).

Although ACECQA is not subject to the FMA Act or CAC Act, ACECQA's Fraud Control Plan was developed with regard to the Commonwealth Fraud Control Guidelines as a matter of policy and good practice.

The core objectives of ACECQA's Fraud Control Plan and Policy are to protect public money and other revenue, information and property, and to protect the integrity and good reputation of ACECQA.

## 4.2 Freedom of information

### Information Publication Scheme

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

As an agency subject to the FOI Act, ACECQA is required to publish information to the public as part of the Information Publication Scheme (IPS). ACECQA's IPS was completed and published to the website in 2012–13 and includes ACECQA's Information Publication Plan and information on the Authority's:

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

ACECQA's IPS information, including its Information Publication Plan, can be found on the ACECQA website.

### Freedom of information requests

The following table shows the status of Freedom of Information applications for access to information for the period 1 July 2012 to 30 June 2013.

Applications considered	Number
On hand as at 1 July 2012	–
Received	–
Granted in full	–
Granted in part	–
Access refused	–
Withdrawn	–
Transferred	–
On hand as at 30 June 2013	–
Internal reviews	–
Appeals to the National Education and Care Services Freedom of Information Commissioner	–
Appeals to the relevant Administrative Tribunal	–

## 4.3 Privacy

The National Law and the National Regulations apply and modify the Commonwealth *Privacy Act 1988*. ACECQA must comply with the *Privacy Act 1988* and the associated Information Privacy Principles.

ACECQA has a Privacy Policy that sets out relevant information on the way personal information about staff and relevant stakeholders should be collected, stored, used and disclosed. This Policy will be updated in the first half of 2014 to account for relevant changes under the Commonwealth *Privacy Amendment (Enhancing Privacy Protection) Act 2012*.

During 2012–13, ACECQA did not receive any privacy complaints. In addition, no investigations of ACECQA were undertaken by the National Education and Care Services Privacy Commissioner.





## 4.4 Ombudsman

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

In 2012–13, ACECQA worked with the Office of the ECS Ombudsman to resolve any complaints to the Ombudsman. No formal investigations were instigated by the ECS Ombudsman in the reporting period.

ACECQA is committed to transparency and accountability in all its functions, as well as delivering high standards of service. ACECQA's Customer Service Charter sets out the standard of service that the general community can expect in its dealings with the Authority.

In the reporting period, ACECQA developed internal procedures manuals that detail the Authority's approach to managing a range of its operational functions, including the assessment of educator qualifications, the Excellent rating and second tier review. In 2012–13, the draft manuals guided ACECQA's processes for internal review and management of complaints.





## 5 Financial report and financial statements





## **INDEPENDENT AUDITOR'S REPORT**

### **To the Standing Council on School Education and Early Childhood**

I have audited the accompanying financial statements of the Australian Children's Education and Care Quality Authority (ACECQA) for the period ended 30 June 2013, which comprise: a Statement by Chair, Chief Executive Officer and Chief Operating Officer; the Statement of Comprehensive Income; Balance Sheet; Statement of Changes in Equity; Cash Flow Statement; Schedule of Commitments; Schedule of Contingencies; and Notes comprising a Summary of Significant Accounting Policies and other explanatory information.

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

The Board of the ACECQA is responsible for the preparation of the financial statements that give a true and fair view in accordance with Australian Accounting Standards, as required by subsection 279(3) of the *Education and Care Services National Law Act 2010*, and for such internal control as is necessary to enable the preparation of the financial statements that give a true and fair view and is free from material misstatement, whether due to fraud or error.

#### ***Auditor's Responsibility***

My responsibility is to express an opinion on the financial statements based on my audit. I have conducted my audit in accordance with the Australian National Audit Office Auditing Standards, which incorporate the Australian Auditing Standards. These Auditing Standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial statements is free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the ACECQA's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the ACECQA's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the Board, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

### ***Independence***

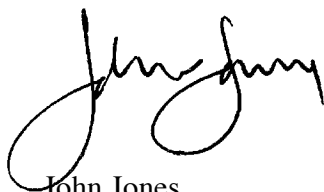
In conducting my audit, I have followed the independence requirements of the Australian National Audit Office, which incorporate the requirements of the Australian accounting profession.

### ***Opinion***

In my opinion, the financial statements of the ACECQA:

- (i) give a true and fair view of the ACECQA's financial position as at 30 June 2013 and of its financial performance and cash flows for the period then ended; and
- (ii) comply with Australian Accounting Standards.

Australian National Audit Office



John Jones

Executive Director

Delegate of the Auditor-General

Canberra

14 October 2013

AUSTRALIAN CHILDREN'S EDUCATION AND CARE QUALITY AUTHORITY

# Financial Statements

## for the period ended 30 June 2013

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

In our opinion, the attached general purpose financial statements for the Australian Children's Education And Care Quality Authority (ACECQA):

- ◆ comply with Section 279 subsection (3) of the *Education and Care Services National Law Act 2010* and relevant Australian accounting standards;
- ◆ are based on properly maintained financial records; and
- ◆ present a true and fair view of the financial position of ACECQA as at 30 June 2013 and the results of its operations and cash flows for the financial year ending 30 June 2013.

In our opinion, at the date of this statement, there are reasonable grounds to believe that ACECQA will be able to pay its debts as and when they become due and payable over the next 12 months.

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



**Rachel Hunter**  
Chair  
14 October 2013



**Karen Curtis**  
Chief Executive Officer  
14 October 2013



**Angela Buchanan**  
Chief Operating Officer  
14 October 2013

# Statement of Comprehensive Income for the period ended 30 June 2013

		2013	For 10 months ended 30 June 2012
	Notes	\$'000	\$'000
<b>EXPENSES</b>			
Employee benefits	3A	6,531	2,959
Suppliers	3B	3,924	3,997
Depreciation and amortisation	3C	172	85
<b>Total expenses</b>		<b>10,627</b>	7,041
<b>LESS:</b>			
<b>OWN-SOURCE INCOME</b>			
<b>Own-source revenue</b>			
Sale of goods and rendering of services	4A	256	106
Interest	4B	393	158
Other revenue	4C	6	1
<b>Total own-source revenue</b>		<b>655</b>	265
<b>Gains</b>			
Other	4D	39	
<b>Total gains</b>		<b>39</b>	-
<b>Net cost of services</b>		<b>9,933</b>	6,776
Funding from Commonwealth, State and Territory Governments	4E	12,128	9,616
<b>Surplus</b>		<b>2,195</b>	2,840
<b>Other comprehensive income</b>		-	-
<b>Total comprehensive income attributable to owners</b>		<b>2,195</b>	2,840

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

AUSTRALIAN CHILDREN'S EDUCATION AND CARE QUALITY AUTHORITY

# Balance Sheet

## as at 30 June 2013

	Notes	2013 \$'000	2012 \$'000
<b>ASSETS</b>			
<b>Financial Assets</b>			
Cash and cash equivalents	5A	4,531	10,605
Receivables	5B	1,160	767
Investments	5C	10,000	–
<b>Total financial assets</b>		<b>15,691</b>	<b>11,372</b>
<b>Non-Financial Assets</b>			
Leasehold improvements	6A	153	204
Plant and equipment	6B,C	201	208
Other non-financial assets	6D	359	133
<b>Total non-financial assets</b>		<b>713</b>	<b>545</b>
<b>Total assets</b>		<b>16,404</b>	<b>11,917</b>
<b>LIABILITIES</b>			
<b>Payables</b>			
Suppliers	7A	239	101
Other payables	7B	10,742	8,832
<b>Total payables</b>		<b>10,981</b>	<b>8,933</b>
<b>Provisions</b>			
Employee provisions	8A	388	144
<b>Total provisions</b>		<b>388</b>	<b>144</b>
<b>Total liabilities</b>		<b>11,369</b>	<b>9,077</b>
<b>Net assets</b>		<b>5,035</b>	<b>2,840</b>
<b>EQUITY</b>			
Retained surplus		5,035	2,840
<b>Total equity</b>		<b>5,035</b>	<b>2,840</b>

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



AUSTRALIAN CHILDREN'S EDUCATION AND CARE QUALITY AUTHORITY

# Statement of Changes in Equity

## for the period ended 30 June 2013

	<b>Total Equity</b>	
	2013	For 10 months ended 30 June 2012
	\$'000	\$'000
<b>Opening balance</b>		
Retained Earnings carried forward from previous period	<b>2,840</b>	–
<b>Comprehensive income</b>		
Surplus for the period	<b>2,195</b>	2,840
<b>Total comprehensive income</b>	<b>2,195</b>	2,840
<b>Closing balance as at 30 June</b>	<b>5,035</b>	2,840

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

AUSTRALIAN CHILDREN'S EDUCATION AND CARE QUALITY AUTHORITY

# Cash Flow Statement

## for the period ended 30 June 2013

	2013	For 10 months ended 30 June 2012
Notes	\$'000	\$'000
<b>OPERATING ACTIVITIES</b>		
<b>Cash received</b>		
Revenue from Commonwealth, States and Territories	14,390	17,982
Sales of goods and rendering of services	755	115
Interest	379	153
<b>Total cash received</b>	<b>15,524</b>	<b>18,250</b>
<b>Cash used</b>		
Employees	6,405	2,567
Suppliers	4,187	3,918
Net GST paid	902	663
<b>Total cash used</b>	<b>11,494</b>	<b>7,148</b>
<b>Net cash from (used by) operating activities</b>	<b>4,030</b>	<b>11,102</b>
	9	
<b>INVESTING ACTIVITIES</b>		
<b>Cash used</b>		
Purchase of property, plant and equipment	104	497
Investments	10,000	
<b>Net cash from (used by) investing activities</b>	<b>(10,104)</b>	<b>(497)</b>
<b>Net increase (decrease) in cash held</b>	<b>(6,074)</b>	<b>10,605</b>
Cash and cash equivalents at the beginning of the reporting period	10,605	–
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>4,531</b>	<b>10,605</b>
	5A	

**Notes:**

1. Cash and cash equivalents exclude investments in term deposit with an original maturity more than 3 months.
2. The above statement should be read in conjunction with the accompanying notes.

AUSTRALIAN CHILDREN'S EDUCATION AND CARE QUALITY AUTHORITY

# Schedule of Commitments

## as at 30 June 2013

	2013	2012
	\$'000	\$'000
<b>BY TYPE</b>		
<b>Commitments receivable</b>		
Funding from Commonwealth, State and Territory Governments	4,600	17,727
<b>Total commitments receivable</b>	<b>4,600</b>	<b>17,727</b>
<b>Commitments payable</b>		
Operating leases	(879)	(1,732)
Other	(1,706)	(1,050)
Net GST payable on commitments	(183)	(1,359)
<b>Total commitments payable</b>	<b>(2,768)</b>	<b>(4,141)</b>
<b>Net commitments by type</b>	<b>1,832</b>	<b>13,586</b>
<b>BY MATURITY</b>		
<b>Commitments receivable</b>		
One year or less	4,600	11,402
From one to five years	–	6,325
<b>Total commitments receivable</b>	<b>4,600</b>	<b>17,727</b>
<b>Commitments payable</b>		
<b>Operating lease commitments</b>		
One year or less	(879)	(853)
From one to five years	–	(879)
<b>Total operating lease commitments</b>	<b>(879)</b>	<b>(1,732)</b>
<b>Other Commitments</b>		
One year or less	(1,649)	(592)
From one to five years	(57)	(458)
<b>Total other commitments</b>	<b>(1,706)</b>	<b>(1,050)</b>
<b>Net GST payable on commitments</b>		
One year or less	(188)	(905)
From one to five years	5	(453)
<b>Total other commitments</b>	<b>(183)</b>	<b>(1,359)</b>
<b>Total commitments payable</b>	<b>(2,768)</b>	<b>(4,141)</b>
<b>Net commitments by maturity</b>	<b>1,832</b>	<b>13,586</b>

**Notes:**

1. Commitments are GST inclusive where relevant.
2. Operating lease included is effectively non-cancellable lease for office accommodation.  
Lease payments are subject to 3% fixed increases at 1 January each year of the lease term.  
The lease is for 2 years and 10 months and expiring on 30 June 2014, with an optional renewal for one year, 5 months and 30 days.
3. Other commitments include a range of contracts for telephony, data, IT and other services.

## Schedule of Contingencies as at 30 June 2013

ACECQA has no quantifiable contingent assets or liabilities as at 30 June 2013.  
There are also no unquantifiable or significant remote contingencies as at 30 June 2013.

# AUSTRALIAN CHILDREN'S EDUCATION AND CARE QUALITY AUTHORITY

## Table of Contents: Notes

**Note 1:** Summary of Significant Accounting Policies

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**Note 11:** Senior Executive Remuneration Expenses

**Note 12:** Remuneration of Auditors

**Note 13:** Financial Instruments

## Note 1: Summary of Significant Accounting Policies

### 1.1 Objectives of the National Authority

The Australian Children's Education and Care Quality Authority (ACECQA) was established under the *Education and Care Services National Law Act 2010* ('the National Law') passed by the Victorian Parliament on 5 October 2010 as host jurisdiction and applied by all States and Territories with the exception of Western Australia which passed corresponding legislation.

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

ACECQA is structured to undertake the full range of functions set out in the National Law and its related regulations, focusing on the following strategic priorities in accordance with the Letter of Expectation for 2012–14 issued by the Standing Council on School Education and Early Childhood:

**Strategic priority 1:** Administering the NQF and promoting national consistency.

**Strategic priority 2:** Effective collaboration with the Australian, state and territory governments.

**Strategic priority 3:** Operate efficiently and effectively to deliver leading outcomes and reduce regulatory burden within the Sector.

The continued existence of ACECQA in its present form is dependent on Government policy and on continuing funding by Commonwealth, State and Territory Governments.

### 1.2 Basis of Preparation of Financial Statements

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

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

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

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

Unless an alternative treatment is specifically required by an accounting standard, assets and liabilities are recognised in the Balance Sheet when and only when it is probable that the future economic benefits will flow to the entity or a future sacrifice of economic benefits will be required and the amounts of the assets or liabilities can be reliably measured. However, assets and liabilities arising under executory contracts are not recognised unless required by an accounting standard. Liabilities and assets that are unrecognised are reported in the Schedule of Commitments and the Schedule of Contingencies.

Unless alternative treatment is specifically required by an accounting standard, income and expenses are recognised in the Statement of Comprehensive Income when and only when the flow, consumption or loss of economic benefits has occurred and can be reliably measured.

## 1.3 Significant Accounting Judgements and Estimates

In the process of applying the accounting policies listed in this note, ACECQA has made a judgement that has the most significant impact on the amounts recorded in the financial statements:

- ◆ The National Quality Agenda IT System software was transferred to ACECQA free of charge from the Australian Government and Education Services Australia in March 2013. Its fair value could not be reliably measured by an independent valuer. Therefore it is not recognised in the Balance Sheet.

No other accounting assumptions or estimates have been identified that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next accounting period.

## 1.4 New Australian Accounting Standards

### Adoption of New Australian Accounting Standard Requirements

No accounting standard has been adopted earlier than the application date as stated in the standard.

The following new standards, amendments and interpretations, which were issued prior to the sign-off date and are applicable to the current reporting period did not have a financial impact, and are not expected to have a future financial impact on the organisation:

AASB 101	Presentation of Financial Statements – September 2011 (Compilation)
AASB 2011-9	Amendments to Australian Accounting Standards – Presentation of Items of Other Comprehensive Income

### Future Australian Accounting Standard Requirements

The following new standards, amendments to standards or interpretations that were issued prior to the sign-off date and are applicable to the future reporting period are not expected to have a future financial impact on the organisation:

AASB 13	Fair Value Measurement – December 2012 (Principal)
AASB 119	Employee Benefits – September 2011 (Principal)
AASB 2011-8	Amendments to Australian Accounting Standards arising from AASB 13
AASB 2011-10	Amendments to Australian Accounting Standards arising from AASB 119

## 1.5 Revenue

### Funding from Commonwealth, State and Territory Governments

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

Only contributions that are attributable to the current financial year are recognised as revenue when ACECQA obtains control of the contributions or obtains the right to receive the contributions and the revenue recognition criteria are met (i.e. the amount can be reliably measured and the flow of resources is probable). Contributions that relate to future periods are shown in the Balance Sheet as Other payables under the heading of Payables and disclosed in Note 7B as Prepayment received/unearned income.

Funding receivables are recognised at their nominal amounts.

## Other Type of Revenue

Revenue from the sale of goods is recognised when:

- ◆ the risks and rewards of ownership have been transferred to the buyer;
- ◆ the revenue and transaction costs incurred can be reliably measured; and
- ◆ it is probable that the economic benefits associated with the transaction will flow to the entity.

Revenue from rendering of services is recognised when:

- ◆ the revenue and transaction costs incurred can be reliably measured; and
- ◆ the probable economic benefits with the transaction will flow to ACECQA.

Receivables for goods and sales are recognised at the nominal amounts due less any provision for bad and doubtful debts. The ability to collect debt is reviewed at the balance date. Provisions are made when the recovery of debt is no longer probable.

Interest revenue is recognised using the effective interest method as set out in AASB 139 *Financial Instruments: Recognition and Measurement*.

## Resources received free of charge

Resources received free of charge are recognised as gains when, and only when, a fair value can be reliably determined and the services would have been purchased if they had not been donated. Use of those resources is recognised as an expense.

Resources received free of charge are recorded as either revenue or gains depending on their nature.

Contributions of assets at no cost of acquisition or for nominal consideration are recognised as gains at their fair value when the asset qualifies for recognition.

## **1.6 Employee Benefits**

Liabilities for services rendered by employees are recognised at the reporting date to the extent that they have not been settled.

Liabilities for short-term employee benefits (as defined in AASB 119 *Employee Benefits*) and termination benefits expected to be settled within twelve months are measured at their nominal amounts.

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

All other employee benefit liabilities are measured as the present value of the estimated future cash outflows to be made in respect of services provided by employees up to the reporting date.

## Leave

The liability for employee benefits includes provision for annual leave and long service leave. No provision has been made for sick leave as all sick leave is non-vesting and the average sick leave taken in future years by employees is estimated to be less than the annual entitlement for sick leave.

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

The liability for long service leave represents the present value of the estimated future cash outflows to be made resulting from employees' services provided up to the balance date. The estimate of the present value of the liability takes into account attrition rates and pay increases through promotion and inflation.



## Superannuation

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

The liability for superannuation recognised as at 30 June 2013 represents outstanding contributions due but not yet paid.

## **1.7 Leases**

A distinction is made between finance leases and operating leases. Finance leases effectively transfer from the lessor to the lessee substantially all the risks and benefits incidental to ownership of leased non-current assets. An operating lease is a lease that is not a finance lease. In operating leases, the lessor effectively retains substantially all such risks and benefits.

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

## Lease incentives

Lease incentives taking the form of 'free' leasehold improvements and rent holidays are recognised as liabilities. These liabilities are reduced by allocating lease payments between rental expense and reduction of the liability.

There is no Make Good obligation associated with ACECQA's current leased property at the end of the lease term.

## **1.8 Cash and Cash Equivalents**

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

- ◆ cash on hand;
- ◆ demand deposits in bank accounts with an original maturity of 3 months or less that are readily convertible to known amount of cash

and subject to insignificant risk of changes in value.

## **1.9 Trade and other receivables**

Account receivables and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'Trade and other receivables'. Collectability of receivables is reviewed on an on-going basis. Provision for doubtful debts is raised when there is objective evidence that the debts are not collectable. Bad Debts are written off when identified.

## **1.10 Investments**

Investments include term deposits held at fixed interest rates.

## **1.11 Supplier and other payables**

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

## **1.12 Contingent Liabilities and Contingent Assets**

Contingent liabilities and contingent assets are not recognised in the balance sheet but are reported in the relevant schedules and notes. They may arise from uncertainty as to the existence of a liability or asset or represent an asset or liability in respect of which the amount cannot be reliably measured. Contingent assets are disclosed when settlement is probable but not virtually certain and contingent liabilities are disclosed when settlement is greater than remote.

At the time of completion of the financial statements, there was no reason to believe that there will be any contingencies (2012: Nil)

## **1.13 Acquisition of Assets**

Assets are recorded at cost on acquisition. The cost of acquisition includes the fair value of

assets transferred in exchange and liabilities undertaken.

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

### 1.14 Property, Plant and Equipment

#### Asset Recognition Threshold

Purchase of property, plant and equipment are recognised initially at cost in the balance sheet.

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

#### Revaluations

Property, plant and equipment are carried at fair value.

Fair values for each class of asset are determined as shown below:

Asset Class	Fair Value Measured at
Leasehold improvements	Depreciated replacement cost
Plant and equipment	Depreciated replacement cost

Following initial recognition at cost, property, plant and equipment are carried at fair value less subsequent accumulated depreciation and accumulated impairment losses. Valuations were conducted with sufficient frequency to ensure that the carrying amounts of assets did not differ materially from the assets' fair values as at the reporting date. The regularity of independent valuations depended upon the volatility of movements in market values for the relevant assets.

Revaluation is only performed when its fair value at the time of acquisition is greater than \$1 million and estimated useful life is greater

than 3 years. No revaluation was performed for the period ended 30 June 2013 as ACECQA did not have assets which met the revaluation criteria.

#### Depreciation

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

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

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

Asset Class	2013	2012
Leasehold improvements	Lease term	Lease term
Plant and equipment	3 to 20 years	3 to 20 years

#### Impairment

All assets were assessed for impairment at 30 June 2013. Where indications of impairment exist, the asset's recoverable amount is estimated and an impairment adjustment made if the asset's recoverable amount is less than its carrying amount.

The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use. Value in use is the present value of the future cash flows expected to be derived from the asset. Where the future economic benefit of an asset is not primarily dependent on the ability to generate future cash flows, and the asset would be replaced if ACECQA was deprived of the asset, its value in use is taken to be its depreciated replacement cost.

### Derecognition

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

### **1.15 Intangibles**

An intangible asset is an identifiable non-monetary asset without physical substance. Intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses. Purchases costing less than \$100,000 (2012: \$50,000) are expensed in the year of acquisition other than where they form part of a group of similar items which are significant in total.

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

No intangible asset was recorded in the balance sheet for the period ended 30 June 2013 as ACECQA had no assets that met the capitalisation criteria.

### **1.16 Taxation**

ACECQA is not subject to income tax. ACECQA is liable for Payroll Tax, Fringe Benefits Tax (FBT) and Goods and Services Tax (GST). Income, expenses and assets are recognised net of the amount of GST except:

- ◆ When the GST incurred on a purchase of goods or services is not recoverable from the Australian Taxation Office, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item applicable; and
- ◆ Receivables and payables, which are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the Australian Taxation Office is

included as part of receivables or payables in the balance sheet.

Cash flows are included in the Statement of Cash Flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from the Australian Taxation Office is classified as part of operating cash flows.

Unrecognised contractual commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to the Australian Taxation Office. If the GST is not payable to, or recoverable from the Australian Taxation Office, the commitments or contingencies are disclosed on a gross basis.

### **Note 2: Events After the Reporting Period**

After the reporting date, ACECQA notified its intention to exercise the option to renew the office lease to 30 December 2015 in accordance with a resolution of the Board. There will be no material effect on the ongoing structure and the financial activities of ACECQA at the reporting date.

# AUSTRALIAN CHILDREN'S EDUCATION AND CARE QUALITY AUTHORITY

## Note 3: Expenses

	2013 \$'000	For 10 months ended 30 June 2012 \$'000
<b><u>Note 3A: Employee Benefits</u></b>		
Wages and salaries	5,773	2,618
Superannuation	510	228
Leave and other entitlements	248	113
<b>Total employee benefits</b>	<b>6,531</b>	<b>2,959</b>
<b><u>Note 3B: Supplier</u></b>		
<b>Goods and services</b>		
Consultants	446	725
Contractors	257	140
Travel	295	247
Information and communication technology	996	1,243
Operating lease rentals – sublease payments	708	573
Workers compensation expenses	9	56
Payroll tax expenses	301	104
Recruitment	93	350
Resources received free of charge	24	–
Publishing	162	45
Other	633	514
<b>Total goods and services</b>	<b>3,924</b>	<b>3,997</b>
<b><u>Note 3C: Depreciation and Amortisation</u></b>		
Leasehold improvements	104	45
Plant and equipment	68	40
<b>Total depreciation and amortisation</b>	<b>172</b>	<b>85</b>

# AUSTRALIAN CHILDREN'S EDUCATION AND CARE QUALITY AUTHORITY

## Note 4: Income

	2013 \$'000	For 10 months ended 30 June 2012 \$'000
<b>OWN-SOURCE REVENUE</b>		
<b><u>Note 4A: Sale of Goods and Rendering of Services</u></b>		
Provision of goods	100	78
Rendering of services	156	28
<b>Total sale of goods and rendering of services</b>	<b>256</b>	<b>106</b>
<b><u>Note 4B: Interest</u></b>		
Interest earned on bank accounts	393	158
<b>Total interest</b>	<b>393</b>	<b>158</b>
<b><u>Note 4C: Other Revenue</u></b>		
Other Revenue	6	1
<b>Total other revenue</b>	<b>6</b>	<b>1</b>
<b>GAINS</b>		
<b><u>Note 4D: Other Gains</u></b>		
Resources received free of charge	39	–
<b>Total other gains</b>	<b>39</b>	<b>–</b>
<b>REVENUE FROM GOVERNMENTS</b>		
<b><u>Note 4E: Funding from Commonwealth, State and Territory Governments</u></b>		
Funding from Commonwealth Government	5,917	6,740
Funding from State and Territory Governments	6,211	2,876
<b>Total Funding from Commonwealth, State and Territory Governments</b>	<b>12,128</b>	<b>9,616</b>

# AUSTRALIAN CHILDREN'S EDUCATION AND CARE QUALITY AUTHORITY

## Note 5: Financial Assets

	2013 \$'000	2012 \$'000
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### **Note 5A: Cash and Cash Equivalents**

Cash on hand and at bank	4,531	10,605
<b>Total cash and cash equivalents</b>	<b>4,531</b>	10,605

### **Note 5B: Receivables**

Goods and services	64	2
Interest	20	6
Funding from Commonwealth, State and Territory Governments	1,076	759
<b>Total receivables</b>	<b>1,160</b>	767

Receivables are expected to be recovered in:

No more than 12 months	1,160	767
<b>Total receivables</b>	<b>1,160</b>	767

Receivables are aged as follows:

Not overdue	1,142	767
Overdue by:		
31 to 60 days	1	
61 to 90 days	17	
<b>Total receivables</b>	<b>1,160</b>	767

### **Note 5C: Investments**

Term Deposits	10,000	–
<b>Total investments</b>	<b>10,000</b>	–

Total Investments are expected to be recovered in:

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

**Note 6: Non-Financial Assets**

	2013 \$'000	2012 \$'000
<b>Note 6A: Leasehold Improvements</b>		
Fair value	301	249
Accumulated depreciation	(148)	(45)
<b>Total leasehold improvements</b>	<b>153</b>	<b>204</b>

No indicators of impairment were found for leasehold improvements.

**Note 6B: Plant and Equipment**

Fair value	310	248
Accumulated depreciation	(109)	(40)
<b>Total Plant and equipment</b>	<b>201</b>	<b>208</b>

No indicators of impairment were found for plant and equipment.

No plant or equipment is expected to be sold or disposed of within the next 12 months.

**Note 6C: Reconciliation of the Opening and Closing Balances of Property, Plant and Equipment (2013)**

	Leasehold Improvements \$'000	Plant & equipment \$'000	Total \$'000
<b>As at 1 July 2012</b>			
Gross book value	249	248	497
Accumulated depreciation and impairment	(45)	(40)	(85)
<b>Net book value 1 July 2012</b>	<b>204</b>	<b>208</b>	<b>412</b>
Additions:			
By purchase	53	51	104
By grant		15	15
Depreciation expense	(104)	(68)	(172)
Disposals:			
Other		(5)	(5)
<b>Net book value 30 June 2013</b>	<b>153</b>	<b>201</b>	<b>354</b>
<b>Net book value as of 30 June 2013 represented by:</b>			
Gross book value	302	309	611
Accumulated depreciation and impairment	(149)	(108)	(257)
<b>Net book value 30 June 2013</b>	<b>153</b>	<b>201</b>	<b>354</b>

## AUSTRALIAN CHILDREN'S EDUCATION AND CARE QUALITY AUTHORITY

### **Note 6C (Cont'd): Reconciliation of the Opening and Closing Balances of Property, Plant and Equipment (2012)**

	Leasehold Improvements \$'000	Plant & equipment \$'000	Total \$'000
<b>As at 1 July 2011</b>			
Gross book value	–	–	–
Accumulated depreciation and impairment	–	–	–
<b>Net book value 1 July 2011</b>	<b>–</b>	<b>–</b>	<b>–</b>
Additions:			
By purchase	249	248	497
Depreciation expense	(45)	(40)	(85)
<b>Net book value 30 June 2012</b>	<b>204</b>	<b>208</b>	<b>412</b>

#### **Net book value as of 30 June 2012 represented by:**

Gross book value	249	248	497
Accumulated depreciation and impairment	(45)	(40)	(85)
<b>Net book value 30 June 2012</b>	<b>204</b>	<b>208</b>	<b>412</b>

**2013**                      2012

### **Note 6D: Other Non-Financial Assets**

Prepayments	<b>359</b>	<b>133</b>
<b>Total other non-financial assets</b>	<b>359</b>	<b>133</b>
<b>Total other non-financial assets – are expected to be recovered in:</b>		
No more than 12 months	<b>355</b>	<b>100</b>
More than 12 months	<b>4</b>	<b>33</b>
<b>Total other non-financial assets</b>	<b>359</b>	<b>133</b>



**Note 7: Payables**

	2013 \$'000	2012 \$'000
<b>Note 7A: Suppliers</b>		
Trade creditors	239	101
<b>Total suppliers payables</b>	<b>239</b>	<b>101</b>

**Suppliers payables expected to be settled in:**

No more than 12 months	239	101
<b>Total</b>	<b>239</b>	<b>101</b>

**Note 7B: Other Payables**

Wages and salaries	334	297
Superannuation	29	56
Lease incentive	67	135
Prepayments received/unearned income	9,178	7,421
GST payable	803	687
Accruals and other payables	331	236
<b>Total other payables</b>	<b>10,742</b>	<b>8,832</b>

**Total other payables are expected to be settled in:**

No more than 12 months	10,742	8,765
More than 12 months	-	67
<b>Total other payables</b>	<b>10,742</b>	<b>8,832</b>

# AUSTRALIAN CHILDREN'S EDUCATION AND CARE QUALITY AUTHORITY

## Note 8: Provisions

	2013 \$'000	2012 \$'000
<b>Note 8A: Employee Provisions</b>		
Leave	388	144
<b>Total employee provisions</b>	<b>388</b>	<b>144</b>
<b>Employee provisions are expected to be settled in:</b>		
No more than 12 months	269	106
More than 12 months	119	38
<b>Total employee provisions</b>	<b>388</b>	<b>144</b>

## Note 9: Cash Flow Reconciliation

	2013 \$'000	For 10 months ended 30 June 2012 \$'000
<b>Reconciliation of cash and cash equivalents between Balance Sheet and Cash Flow Statement</b>		
<b>Cash and cash equivalents as per:</b>		
Cash flow statement	4,531	10,605
Balance sheet	4,531	10,605
<b>Difference</b>	<b>–</b>	<b>–</b>
<b>Reconciliation of net cost of services to net cash from operating activities:</b>		
Net cost of services	(9,933)	(6,776)
Add revenue from Government	12,128	9,616
<b>Adjustments for non-cash items</b>		
Depreciation/amortisation	172	85
Resources received free of charge (net)	(15)	–
Other write-down of assets	5	–
<b>Changes in assets/liabilities</b>		
(Increase)/decrease in net receivables	(393)	(767)
(Increase)/decrease in prepayments	(226)	(133)
Increase/(decrease) in prepayments received	1,757	135
Increase/(decrease) in employee provisions	244	144
Increase/(decrease) in supplier payables	138	101
Increase/(decrease) in other payable	153	8,697
<b>Net cash from (used by) operating activities</b>	<b>4,030</b>	<b>11,102</b>

**Note 10: Board Members Remuneration and Related Party Transactions**

	2013	For 10 months ended 30 June 2012
		\$
Total Board remuneration	<b>224,128</b>	235,790

Notes:

1. Board remuneration is the payments received or due and receivable by twelve current Board members and one former Board member (2012: 13 Board members) at the reporting date.
2. Remuneration for the Board is determined by the Standing Council on School Education and Early Childhood (SCSEEC).
3. The daily sitting fee for the Board members was revised on 7 December 2012 by SCSEEC to that of a like agency in the current Remuneration Tribunal Determination for Part-time Offices.

**Related Party Transactions**

Unless otherwise disclosed, transactions with Board members and Senior Executives are on conditions no more favourable than those that it is reasonable to expect the entity would have adopted if dealing with the related party at arm's length in the same circumstances.

There were no transactions with Board members and Senior Executives as appointed at 30 June 2013, or their related entities during the reporting period.

## AUSTRALIAN CHILDREN'S EDUCATION AND CARE QUALITY AUTHORITY

### Note 11: Senior Executive Remuneration Expenses

	2013	For 10 months ended 30 June 2012
	\$	\$
<b>Short-term employee benefits:</b>		
Salary	798,890	732,217
Annual leave accrued	31,204	19,020
Other	75,521	47,500
<b>Total short-term employee benefits</b>	<b>905,615</b>	<b>798,737</b>
<b>Post-employment benefits:</b>		
Superannuation	100,485	131,949
<b>Total post-employment benefits</b>	<b>100,485</b>	<b>131,949</b>
<b>Other long-term benefits:</b>		
Long-service leave accrued	18,754	12,177
<b>Total other long-term benefits</b>	<b>18,754</b>	<b>12,177</b>
<b>Total employment benefits</b>	<b>1,024,854</b>	<b>942,863</b>

Notes:

1. Total employment benefits cover the Executives as at 30 June 2013, are prepared on an accrual basis and excludes acting arrangements and part-year service where remuneration expensed was less than \$90,000.
2. Other includes motor vehicle and relocation allowances and reportable fringe benefits.
3. Annual leave accrued and long-service leave accrued represent the movement of outstanding balances between the reporting dates.

### Note 12: Remuneration of Auditors

	2013	For 10 months ended 30 June 2012
	\$'000	\$'000
Remuneration payable to the Australian National Audit Office (ANAO) for auditing the financial statements for the reporting period	37	35

No other services were provided by the ANAO.

# AUSTRALIAN CHILDREN'S EDUCATION AND CARE QUALITY AUTHORITY

## Note 13: Financial Instruments

	2013 \$'000	2012 \$'000
<b>Note 13A: Categories of Financial Instruments</b>		
<b>Financial Assets</b>		
<b>Loans and receivables:</b>		
Cash and cash equivalents	4,531	10,605
Trade and other receivables	1,160	767
Investments	10,000	–
<b>Total</b>	<b>15,691</b>	<b>11,372</b>
<b>Carrying amount of financial assets</b>	<b>15,691</b>	<b>11,372</b>

### Financial Liabilities

#### At amortised cost:

Trade creditors	239	101
Wages and salaries	334	297
Superannuation	29	56
Lease incentive	67	135
Prepayments received/unearned income	9,178	7,421
GST payable	803	687
Accruals and other payables	331	236
<b>Carrying amount of financial liabilities</b>	<b>10,981</b>	<b>8,933</b>

### Note 13B: Net Income and Expense from Financial Assets

#### Loans and receivables

Interest revenue	393	158
<b>Net gain from financial assets</b>	<b>393</b>	<b>158</b>

There were no net income/expenses from financial assets not at fair value from profit and loss.

### Note 13C: Fair Value of Financial Instruments

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

## AUSTRALIAN CHILDREN'S EDUCATION AND CARE QUALITY AUTHORITY

### Note 13D: Credit Risk

ACECQA is exposed to minimal credit risk as loans and receivables are cash, cash on deposit and trade receivables. The maximum exposure to credit risk is the risk that arises from potential default of a debtor. This amount is equal to the total amount of trade receivables of \$1,160,000 (2012: \$767,000).

ACECQA has assessed the risk of default on payment and has decided not to allocate an impairment allowance account.

ACECQA manages its credit risk by undertaking background and credit checks prior to allowing a debtor relationship.

ACECQA has no collateral to mitigate against credit risk.

The following table illustrates the entity's gross exposure to credit risk, excluding any collateral or credit enhancements.

	2013 \$'000	2012 \$'000
<b>Financial assets</b>		
Cash and cash equivalents	4,531	10,605
Trade and other receivables	1,160	767
Investments	10,000	–
<b>Total</b>	<b>15,691</b>	<b>11,372</b>

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

	Not past due nor impaired 2013 \$'000	Not past due nor impaired 2012 \$'000	Past due or impaired 2013 \$'000	Past due or impaired 2012 \$'000
Cash and cash equivalents	4,531	10,605		
Trade and other receivables	1,142	767	18	
Investments	10,000	–		
<b>Total</b>	<b>15,673</b>	<b>11,372</b>	<b>18</b>	<b>–</b>

### Ageing of financial assets that were past due but not impaired for 2013

	0 to 30 days \$'000	31 to 60 days \$'000	61 to 90 days \$'000	90+ days \$'000	Total \$'000
<b>Financial assets</b>					
Trade and other receivables	–	1	17	–	18
<b>Total</b>	<b>–</b>	<b>1</b>	<b>17</b>	<b>–</b>	<b>18</b>

### Ageing of financial assets that were past due but not impaired for 2012

	0 to 30 days \$'000	31 to 60 days \$'000	61 to 90 days \$'000	90+ days \$'000	Total \$'000
<b>Financial assets</b>					
Trade and other receivables	–	–	–	–	–
<b>Total</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>

## AUSTRALIAN CHILDREN'S EDUCATION AND CARE QUALITY AUTHORITY

### **Note 13E: Liquidity Risk**

Liquidity risk arises where ACECQA is unable to meet its financial obligations as they fall due. The continued existence of ACECQA in its present form is dependent on government policy in each of the Children's Education and Care Services jurisdictions and on continuing contributions from Commonwealth, States and Territories. ACECQA has internal policies and procedures in place to ensure there are sufficient resources to make payments and has no history of default. The following table illustrates the maturities for financial liabilities.

#### **Maturities for non-derivative financial liabilities 2013**

	On demand \$'000	within 1 year \$'000	1 to 2 years \$'000	2 to 5 years \$'000	>5 years \$'000	Total \$'000
Trade creditors		239				239
Wages and salaries		334				334
Superannuation		29				29
Lease incentive		67				67
Prepayments received/unearned income		9,178				9,178
GST payable		803				803
Accruals and other payables		331				331
<b>Total</b>		<b>10,981</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>10,981</b>

#### **Maturities for non-derivative financial liabilities 2012**

	On demand \$'000	within 1 year \$'000	1 to 2 years \$'000	2 to 5 years \$'000	>5 years \$'000	Total \$'000
Trade creditors		101				101
Wages and salaries		297				297
Superannuation		56				56
Lease incentive		68	67			135
Prepayments received/unearned income		7,421				7,421
GST payable		687				687
Accruals and other payables		236				236
<b>Total</b>		<b>8,866</b>	<b>67</b>	<b>–</b>	<b>–</b>	<b>8,933</b>

ACECQA had no derivative financial liabilities in either 2013 or 2012.

### **Note 13F: Market Risk**

ACECQA's exposure to Market risk is insignificant as it only holds basic financial instruments. There is no exposure to interest rate risk as there is no interest bearing liabilities. In addition, there is no exposure to foreign currency or other price risk.

**Report ends**



# Appendices



# Appendix A

## Letter of Expectation 2012–14



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

Dear Ms Hunter,

### **Australian Children's Education and Care Quality Authority: Letter of Expectation for 2012–2014**

I am writing to set out the Standing Council on School Education and Early Childhood's (SCSEEC) priorities and expectations for the Australian Children's Education and Care Quality Authority (ACECQA) Board from 1 July 2012 to 30 June 2014.

#### **Purpose**

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

#### **Context**

The Australian, state and territory governments are committed to increasing their focus on the early years (birth to eight years) to ensure the wellbeing of children throughout their lives. This commitment is in line with the vision of the Early Childhood Development Strategy endorsed by the Council of Australian Governments (COAG) in July 2009, that 'by 2020 all children have the best start in life to create a better future for themselves, and for the nation'.

The *National Partnership Agreement on the National Quality Agenda for Early Childhood Education and Care* (National Partnership Agreement) is contributing to achieving these agreed outcomes, by giving effect to COAG's decision in December 2009 to establish a jointly governed unified National Quality Framework (NQF) for early childhood education and care and school aged care services.

A key outcome of the NQF is to deliver an integrated and unified national regulatory and quality assurance system for early childhood education and care and school aged services, which is jointly governed and which drives continuous quality improvement.

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

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

#### **Strategic Priorities**

ACECQA's success and the performance of the Board will be judged primarily by ACECQA undertaking the full range of functions set out in *Education and Care Services National Law Act 2010* (the National Law) and the *Education and Care Services National Regulations 2011*. ACECQA will guide the implementation and administration of the NQF and promote and foster continuous quality improvement by services, with a key focus on:

- establishing effective and efficient procedures to promote national consistency in the implementation of the NQF
- working collaboratively with Regulatory Authorities, the Australian, state and territory governments through the Early Childhood Development Working Group (ECDWG) and the Australian Education, Early Childhood Development and Youth Senior Officials Committee (AEEYSOC) to ensure a shared understanding and agreed approach to the NQF
- monitoring and assisting in assessment and ratings, including establishing clear, objective criteria and processes for determining the Excellent rating and second tier reviews

- owning and maintaining the National IT System including day to day administration, facilitation of IT training for jurisdictions and consideration and facilitation of possible enhancements to the system
- operating efficiently and effectively to deliver leading outcomes and reduce regulatory burden within the sector
- developing a comprehensive communication and engagement strategy to educate and inform the education and care sector about the importance of quality early childhood education and care, including facilitating development and publication of additional guides and resources that may be required for services and the community, and
- support the delivery, maintain consistency and evaluate training resources for authorised officers.

*Administering the NQF and promoting national consistency*

A key function of ACECQA is to guide the implementation and administration of the NQF by monitoring and promoting consistency in its implementation and administration. This will include providing guidance to state and territory Regulatory Authorities to encourage best practice and comparable outcomes in the administration of approvals, assessments and ratings and compliance and enforcement, consistent with the National Law. This should be viewed from the perspective of services or educators and their experience of the system.

To be a highly credible national body, ACECQA must be an expert in the content and operation of the *Education and Care Services National Law Act 2010*, the *Education and Care Services National Regulations 2011*, operational policy and training materials.

To ensure the reputation of the NQF as an efficient and effective national system that is focussed on quality educational and care outcomes for children, it will be important for ACECQA to undertake a range of activities, including:

- develop streamlined and reliable systems to monitor and identify any emerging issues or risks that impact on the effective implementation of the NQF, and where necessary develop practical operational solutions
- implement a national audit program aimed at identifying operational improvements to inform and provide guidance to state and territory Regulatory Authorities
- identify and collect data to assist in any reviews of the NQF required under the National Partnership Agreement, and
- develop a national evidence base to support the achievements of the NQA and its outcomes.

*Effective collaboration with the Australian, state and territory governments*

The SCSEEC expects that ACECQA will work collaboratively both as a leader and a stakeholder and build strong working relationships with ECDWG and AEEYSOC and Regulatory Authorities, in accordance with the Protocols Framework between the parties.

ACECQA and the Regulatory Authorities will act in a spirit of cooperation and ACECQA will provide regular advice to the Regulatory Authorities, ECDWG and AEEYSOC in relation to the collection of information and the evaluation of the NQF.

ACECQA will work to minimise the regulatory burden on state and territory Regulatory Authorities and services.

In recognition of the ongoing policy role that the Australian, state and territory governments have in relation to the NQF, ACECQA will consult with ECDWG and AEEYSOC on issues that arise in connection with the implementation and ongoing progress of the NQF. This ensures that broader policy implications are taken into account in dealing with NQF implementation issues and advice on possible changes to the National Law and National Regulations.

ACECQA will also need to work closely with other government bodies, such as AITSL and other relevant bodies on early childhood teacher professional standards and the accreditation of Teacher Education Programs.

*Operate efficiently and effectively to deliver leading outcomes and reduce regulatory burden within the Sector*

ACECQA is expected to work efficiently and effectively within a tight fiscal environment and with regard to the resource impact on Regulatory Authorities and the Australian, state and territory governments. ACECQA is expected to focus on areas of work with the highest priority and implement efficient and effective systems that minimise regulatory burden for services and Regulatory Authorities.

ACECQA is also expected to identify, where possible, forward budget shortfalls to allow sufficient time for all jurisdictions to negotiate additional funding as needed through SCSEEC.

### **Education and awareness**

Education and awareness is a key mechanism to increase the visibility of the importance of quality early childhood education and the consistent implementation of the NQF. The SCSEEC expects ACECQA to be the public face and voice for the implementation of the NQF and quality early childhood education and care in Australia. Engagement should be open and transparent to ensure, among other matters, that the advice and services ACECQA provides meets the needs and expectations of all stakeholders.

ACECQA will work with Regulatory Authorities and the Australian, state and territory governments to develop a comprehensive communication and engagement strategy to educate and inform the education and care sector, community and parents about the NQF in a timely fashion and the importance of quality early childhood education and care.

ACECQA should remain committed to undertaking research to ensure governments and the sector are across the latest developments and to enable policy and practice in Australia to be informed by the most current research and best practice methods.

### **Governance**

The Board is responsible for ensuring that ACECQA meets its statutory requirements and undertakes the range of functions detailed in the National Law properly and efficiently. The Board will provide strategic direction and leadership for ACECQA and formulate strategies for discharging its functions in relation to the NQF within current resourcing and ensure that the highest priority and resources are given to effectively undertaking its strategic priorities as set out in this Letter.

The SCSEEC expects the Board will meet at least quarterly as appropriate to the Board's work program and priorities.

#### *Relationship between the SCSEEC and ACECQA*

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

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

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

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

### **Reporting**

ACECQA will prepare a Strategic Plan and budget to assist in ensuring that ACECQA continues to meet the strategic needs of the SCSEEC.

Commencing from 2012/13, ACECQA will provide an annual forward work plan on a financial year basis each year. The plan will set out the key deliverables, budget and timelines for addressing the strategic directions and work priorities set out in this Letter. The annual work plan should be provided to the last SCSEEC meeting in the previous financial year.

ACECQA will provide written progress reports to the SCSEEC twice a year, in April and October, or to correspond with the closest scheduled meetings of the SCSEEC. The reports should draw input from all parties to the MIP and outline progress on the implementation of the NQF, including:

- significant indicators of quality of ECEC across Australia
- progress against the key performance indicators outlined in the MIP
- ACECQA's performance against its functions specified in the National Law and this Letter of Expectation
- advice on the operation of the National Quality Standards, the rating system and fees
- advice on key strategic activities and any emerging issues, and
- the evidence base and any other relevant information pertaining to the quality or efficiency of the early childhood education and care sector.



### Conclusion

On behalf of the SCSEEC, I look forward to working with you in overseeing the implementation of the NQF and meeting the Australian public's desire for improved quality in early childhood education and care. I look forward to hearing about ACECQA's progress on its activities and on the roll out of the NQF through the course of the year.

Yours sincerely

**The Hon. Peter Collier MLC**

Chair

Standing Council on School Education and Early Childhood

- 3 SEP 2012



## Appendix B

# Chair's response to Letter of Expectation 2012–14

15 October 2012

The Hon. Peter Collier MLC  
Chair  
Standing Council for School Education and Early Childhood  
PO Box 202  
Carlton South Vic 3053

Dear Minister

Thank you for your Letter of Expectation for 2012–14 outlining the priorities and expectations of the Standing Council on School Education and Early Childhood (SCSEEC) for the Board of the Australian Children's Education and Care Quality Authority (ACECQA). This is a letter of response on behalf of the Board.

As you are aware, ACECQA formally commenced operations on 1 January 2012 and is providing national leadership to support the implementation of the National Quality Framework (NQF) for Early Childhood Education and Care. ACECQA is working with the Australian, state and territory governments and the education and care sector to implement changes that will benefit young children and their families.

ACECQA notes and supports the strategic priorities outlined in the Letter of Expectation for 2012–14. ACECQA's inaugural Strategic Plan 2012–16 and Operational Work Plan 2012–13 align with these strategic priorities and reflect the organisation's commitment to allocating the highest importance and resources toward meeting these priorities. ACECQA will review the Strategic Plan and Operational Work Plan in light of the Letter of Expectation for 2012–14 to ensure all strategic priorities and expectations remain central to ACECQA's focus.

In its first year of operation, ACECQA has been progressively assuming its leadership role for the Australian children's education and care sector. Increasingly, ACECQA is building towards meeting Council's expectation of being the public face and voice for the implementation of the NQF and quality early childhood education and care in Australia. The Authority has collaborated effectively with sector stakeholders to build the underlying capacity and capability of the systems and processes that are enabling the successful rollout of the NQF. ACECQA's progress against, and future planning to address, the strategic priorities and expectations within the Letter of Expectation for 2012–14 are detailed

under the following eight themes.

### **1. Administering the NQF and promoting national consistency**

In line with the ACECQA Strategic Plan 2012–16, the Authority’s mission is to guide and monitor the consistent implementation of the Education and Care Services National Law Act 2010 (National Law). This is being achieved through a comprehensive strategy for the consistent implementation of the NQF. A nationally consistent approach will build the integrity of the NQF and contribute to improved quality outcomes for children, families and the community.

ACECQA’s strategic priority of guiding implementation included the development of a National Consistency Action Plan (NCAP) for 2012–13 in consultation with stakeholders. The NCAP includes priority areas for supporting, monitoring and auditing consistency. ACECQA has been implementing the NCAP since Board endorsement in March 2012, and work has commenced on the development of a strategy to undertake national audits of the administration of the NQF.

In February 2012, ACECQA established a Quality and Consistency Committee (QaCC) comprising representatives from ACECQA, all state and territory regulatory authorities and the Australian Government. The QaCC continues to meet every six weeks and provides a mechanism for state, territory and national authorities to inform and assist each other to better implement the NQF consistently across Australia. The QaCC engages with the ACECQA Board and the Early Childhood Development Working Group (ECDWG) on its activities.

As part of its regulatory authority support and training strategy, ACECQA has also established the Training Working Group (TWG) under the QaCC. The TWG has representatives from each jurisdiction and is co-chaired by the Northern Territory. The TWG’s purpose is to collaborate and advise ACECQA on providing consistent and effective support and training for staff of regulatory authorities.

ACECQA also convenes an Implementation Issues Working Group (IIWG) to support national consistency by identifying, prioritising and resolving operational and regulatory policy issues as they emerge. The IIWG comprises representatives from each regulatory authority and the Australian Government Department of Education, Employment and Workplace Relations (DEEWR). A national register of issues identified by the IIWG is maintained by ACECQA. The register details the approach and actions implemented by relevant parties to ensure appropriate resolution of identified issues. The IIWG will continue to meet every three weeks

Another priority has been the development of an operational policy manual for authorised officers responsible for regulating the NQF. This manual was developed by the ECDWG and handed over to ACECQA to finalise. The purpose of the manual is to assist authorised

officers to understand and consistently apply the National Law and the Education and Care Services National Regulations 2011 (National Regulations). The manual will continue to be an important tool to support national consistency in the implementation of the NQF.

## **2. Effective collaboration with the Australian, state and territory governments**

Engaging and communicating is another ACECQA strategic priority that informs all of the Authority's functions. ACECQA's role as a champion of quality improvement in education and care services is dependent on strong, cooperative working relationships with all stakeholders engaged in the implementation of the NQF.

ACECQA has been actively engaging with the Australian, state and territory governments through its interactions with and reporting to the Australian Education, Early Childhood Development and Youth Affairs Senior Officials Committee (AEEYSOC). ACECQA continues to provide progress updates on its establishment and functions across qualifications and training, consistency, operations and communications, and consults on matters requiring national collaboration that affect the funding, ownership and regulatory dimension of AEEYSOC members' responsibilities.

Since December 2011, ACECQA has been holding regular bilateral meetings with each jurisdiction. These meetings provide a valuable opportunity for ACECQA to understand any implementation issues for each jurisdiction and their transition strategies.

To reinforce effective collaboration, a draft protocols framework has been developed between the Australian Government, ACECQA, ECDWG and state and territory regulatory authorities. The framework covers matters relating to:

- governance
- representation on committees and attendance at meetings
- internal and external communications
- exchange of information
- national consistency
- dispute resolution and critical incidents.

ACECQA has recently undertaken refinements to the protocols framework in consultation with the Australian, state and territory governments and will submit the framework to SCSEEC once endorsed by all jurisdictions.

The QaCC has also established four working groups to collaborate on cross-jurisdictional issues. The working groups operate through a co-chairing arrangement between ACECQA and a nominated jurisdiction. The working groups are supporting effective collaboration by ensuring state, territory and national authority operational policies are aligned to relevant legislation and regulations, and are assisting ACECQA to implement effective governance processes for its monitoring and reporting functions.

Through the QaCC and its working groups, ACECQA will continue to work with regulatory



authorities, the Australian Government and state and territory governments through ECDWG and AEEYSOC.

### **3. Operate efficiently and effectively to deliver leading outcomes and reduce regulatory burden within the education and care sector**

In carrying out its functions, ACECQA must ensure that the regulatory burden on education and care services is minimised as far as possible. To date, ACECQA has focussed on:

- hearing from services on their experiences of the new system
- ensuring accessible information for services through its website to minimise the regulatory burden of implementing the new system
- considering the future regulatory impact on services in developing the draft criteria for the 'Excellent' rating.

A range of tools, resources and mechanisms have been developed to support a nationally integrated system. These include a NQF Resource Kit, an operational policy manual, and a series of Frequently Asked Questions.

ACECQA is currently planning to undertake research that will measure education and care services' experience of regulatory burden under the NQF. The findings of this research will be reported to SCSEEC in line with the Multilateral Implementation Plan (MIP) reporting requirements.

### **4. Assessment and ratings**

ACECQA's strategic priorities are geared toward supporting consistency in the new national approach to the assessment and reporting of the quality of education and care services across the variety of service settings. The relevant regulatory authority in each state and territory undertakes the assessment and rating process, with ACECQA providing oversight of the assessment and rating system. ACECQA is also responsible for determining the criteria for excellence, creating awareness in the sector and community about the new assessment and rating process, assessing and rating

services for the Excellent rating, and managing the process for a further 'second tier' review by a ratings review panel of the rating levels confirmed or amended by state and territory regulatory authorities.

ACECQA is represented on the ECDWG steering committee that was established to progress work on the evaluation of the assessment and rating system, which is due for completion in November 2012. ACECQA has also worked with jurisdictions to finalise guidelines on first tier rating reviews in an effort to support national consistency. Consistent review of ratings at first tier will reduce the number of applications for second tier review.

In addition to supporting regulatory authorities, ACECEQA has been developing its own procedures for second tier review processes. The ACECQA Board is responsible

for establishing a pool of experts to act as members of ratings review panels and for establishing ratings review panels to conduct further reviews. ACECQA is preparing to manage and provide administrative support to ratings review panels and process applications for second tier reviews, which may be received from October 2012.

The final criteria for the Excellent rating were released at the ACECQA Forum on 28 August and were published to the ACECQA website, along with a purpose statement for the rating. ACECQA will publish guidelines for the Excellent rating in late 2012, noting that approved providers with a service rated as Exceeding the National Quality Standard overall cannot apply until the relevant sections of the National Law have been proclaimed.

Through the National Partnership Agreement, Australian, state and territory governments agreed that it is important for families to be able to make informed choices about education and care for their children. The provisions of the National Law requiring ACECQA to keep national information on the assessment, rating and regulation of education and care services, and to publish, monitor and review ratings of approved education and care services are expected to be proclaimed in 2012–13. Future publication of ratings will give families information about the quality of education and care provided at each service. ACECQA will also use assessment and ratings data to inform strategies for quality improvement.

## **5. Education and awareness**

Educating and informing services and the community about the NQF is a key function under the National Law. ACECQA acknowledges the expectation of being the public face and voice for the implementation of the NQF and quality children's education and care in Australia. This expectation is reflected in ACECQA's strategic priority to engage and communicate with stakeholders to ensure ACECQA's contribution to improving outcomes for children in education and care services is understood and valued.

ACECQA is actively engaging with the education and care sector. This has included online communication with resources and guides made available on the website, publication of an electronic newsletter and responding to individual queries by email and phone. Since 1 January 2012, ACECQA representatives have spoken at almost 50 events, presenting to a combined audience of more than 7500 people. The Board Chair, CEO and Executive have addressed public meetings and heard from educators, owners, academics and parents about the opportunities and challenges of the new system. This has included participation in a National Listening Tour.

ACECQA has also established the ACECQA Forum. The Forum is a national stakeholder reference group with members representing a wide range of interests including providers, family associations, unions, universities and research organisations and education and care peak organisations. The Forum is a central method for consulting and engaging with organisations representing the interests of educators, providers and families. The inaugural

ACECQA Forum was held in Sydney on 28 August 2012. The next face to face meeting will be held in Melbourne in early 2013, with members making use of on-line engagement tools and teleconferencing to support ongoing participation between sessions.

ACECQA will work with the regulatory authorities, the Australian Government and state and territory governments to develop a comprehensive communications and engagement strategy to educate and inform the sector about the importance of quality children's education and care. Through the Communications Working Group established under the QaCC, a families engagement strategy is being developed and will be finalised in 2012.

ACECQA places a high value on its role in providing expertise on the content and operation of the National Law and National Regulations, as well as operational policy and training materials. Implementing ACECQA's research and education strategic priority will further position ACECQA as a highly credible national body in children's education and care. To support this function, the Board has agreed to establish a Research Advisory Committee (RAC). The RAC will be a forum for the identification, discussion and planning of ACECQA's research agenda and for making recommendations on research priorities to the Board. The research agenda will be formulated to position ACECQA as a provider of information to governments and the sector about the latest developments, and will aid policy and practice in Australia to be informed by current research and best practice methods.

ACECQA is also developing relationships with a number of research bodies. This led to the establishment of a collaborative research project between ACECQA and the Australian Institute for Teaching and School Leadership to explore the potential application of the National Professional Standards for Teachers to teachers in early childhood settings. Findings of this project will become available in 2012–13.

## **6. National Quality Agenda IT System**

Under the National Partnership Agreement, the Australian, state and territory governments agreed to work collaboratively to implement a National Quality Agenda (NQA) IT System. The national database and customer relationship management component of the NQA IT System went live in January 2012. The secure portal element of the NQA IT System is a phased implementation with the first phase going live in August 2012. It is expected that the NQA IT System should be ready to transfer from Education Services Australia to ACECQA after the second stage of the external portal is complete towards the end of 2012.

In preparation for assuming responsibility for the NQA IT System, ACECQA has progressively built its in-house knowledge of the System and is working in collaboration with the ECDWG and its NQA IT System Project Management Committee on a transition strategy. The strategy addresses matters relating to the system's governance and funding, vendor arrangements and help desk, knowledge building and training, human resources, data quality, research and reporting, communication, as well as challenges, solutions, enhancements and risks.

Future funding for the NQA IT System is yet to be determined. ACECQA will be presenting options to AEEYSOC in 2012.

## **7. Governance**

By the end of 2012, the ACECQA Board will have met six times in the calendar year. Regular meetings of the Board are supporting effective governance and robust decision and policy making to ensure ACECQA meets its obligations and objectives in its early stages of operation. A Board Sub-Committee on Audit, Risk and Finance is also providing oversight and monitoring of governance, risk and control frameworks, financial performance and external accountability requirements.

ACECQA has provided SCSEEC with its Board Charter detailing the authority, role, responsibilities and operation of the Board. In order to promote a high level of transparency and accountability, the Board also provides a summary of Board resolutions and key messages to the SCSEEC Secretariat on conclusion of each meeting for circulation to SCSEEC and the Australian Education, Early Childhood Development & Youth Senior Officials Committee (AEEYSOC). These reports ensure Ministers and Senior Officials remain informed of important issues in the administration of the NQF.

ACECQA is committed to providing timely advice in response to requests from SCSEEC on all children's education and care quality matters and will continue to ensure the Chair or CEO are available to attend meetings of the ECDWG and AEEYSOC when invited. ACECQA also appreciates the opportunity to refer relevant issues to SCSEEC for its consideration and values the information provided by AEEYSOC and ECDWG on items discussed at meetings.

## **8. Reporting**

The Board notes its reporting requirements stipulated in the Letter of Expectation for 2012–14 and commits to meeting its reporting obligations to SCSEEC and other bodies. The Board provides a progress statement on these requirements as follows:

- *prepare a Strategic Plan and budget to assist in ensuring that ACECQA continues to meet the strategic needs of SCSEEC*

The inaugural ACECQA Strategic Plan 2012–16 was endorsed by the Board in December 2011 and aligns with the strategic priorities contained in the SCSEEC Letter of Expectation for 2011–12. As noted above, the Board will shortly review the Strategic Plan to ensure the strategic priorities and expectations outlined in the Letter of Expectation for 2012–14 are addressed. ACECQA is mindful of operating within a tight fiscal environment and with regard to the resource implications for jurisdictions. The Board approved the ACECQA Budget for July 2012 to June 2013 and adopted a strategic approach to ensuring the functions of the organisation are discharged efficiently and effectively within current levels of resourcing.

- *provide SCSEEC with an annual forward work plan on a financial year basis. The plan will set out the key deliverables, budget and timelines for addressing the strategic directions and work priorities as set out in the Letter of Expectation.*

A comprehensive Operational Work Plan (Work Plan) for 2012–13 was approved by the Board in March 2012 and endorsed by SCSEEC in April 2012. ACECQA will review and adjust the Work Plan as necessary throughout 2012–13 and submit updates to SCSEEC every six months. A revised Work Plan will next be provided to SCSEEC in October 2012.

- *provide written progress reports to the SCSEEC twice a year, in April or October, or to correspond with the closest scheduled meetings of the SCSEEC.*

In April 2012, ACECQA provided SCSEEC with its first report against the MIP for the National Quality Agenda for Early Childhood Education and Care. The report was developed in consultation with all jurisdictions and detailed activities undertaken in line with ACECQA's key performance indicators in both the transition phase and implementation phase to end March 2012. The October 2012 report against the MIP will provide further details on implementation progress and be informed by available national data.

In addition to the reporting requirements noted in the Letter of Expectation for 2012–14, ACECQA is committed to providing SCSEEC with other reports that it considers necessary in the performance of its functions.

The Board looks forward to ACECQA being enabled over the coming months to complete all of its functions under the National Law and to realising all strategic priorities outlined in the Letter of Expectation for 2012–14. The Board also looks forward to continuing to work collaboratively with SCSEEC and providing further progress on ACECQA's activities to enhance the quality of children's education and care services across Australia.

Yours sincerely



Rachel Hunter  
ACECQA Board Chair

# Appendix C

## ACECQA Board membership



**Rachel Hunter**  
**Chair**

Rachel Hunter is also Chair of Legal Aid Queensland, Chair of the Early Years Quality Fund Advisory Board, and Deputy Chair of the Queensland Performing Arts Trust Board. Rachel is a member of the Griffith University Council and a member of the UQ College Board. Rachel was formerly the chair of QCOMP until 30 June 2012. Rachel retired from the position of Director-General of the Department of Justice (including private and public sector industrial relations and workplace health and safety) in July 2010. Rachel's previous roles as CEO included Director-General of the Department of Education, Training and the Arts, and Director-General of the Department of Justice and Attorney-General. She also served as Queensland's Public Service Commissioner. Rachel was Chair of TAFE Queensland, and as such was the lead executive and spokesperson for the TAFE system. Rachel has an acute interest in the role education and the arts play in individual, community and economic development.



**Professor Collette Tayler**  
**Deputy Chair**

Professor Collette Tayler holds the Chair in Early Childhood Education and Care (ECEC) at the University of Melbourne. Collette is co-author of the OECD Report *Starting Strong II*, an international analysis of ECEC policy and provision. She directs the E4Kids (Effective Early Educational Experiences) longitudinal study and leads the Master of Teaching (Early Childhood) program at the Melbourne Graduate School of Education.



**Tracey Bradley**  
**Deputy Chair**

Tracey Bradley has worked in the early years for over 28 years. She has worked with children, managed services, developed new programs and has mentored services in rural and remote areas. Tracey participated in a working group involved in the development of new child care legislation in Tasmania and has continued to support services to meet legislative requirements. Tracey has been a member of the Tasmanian Ministers Child Care Advisory Council since it was formed a decade ago and has held the position of Chairperson for the last several years.



**Mark Brown**

Mark Brown is the Director, Education and Training Regulation, Department of Education Services, in Western Australia. Mark has been involved in education in WA since 1974 as a primary school teacher, university lecturer, curriculum and assessment manager, and director for Kindergarten to Year 12 curriculum in WA. In recent years, he has managed the registration of non-government schools (Kindergarten to Year 12) before being appointed as director for education and training regulation in 2009.



**Professor Alison Elliott**

Professor Alison Elliott has extensive cross sectorial and cross jurisdiction experience in early education research, policy and management. She is widely recognised for her expertise in children's education and care, particularly in young children's learning and wellbeing especially those in remote and economically vulnerable communities. Professor Elliott has held a range of academic and leadership positions in the university sector, has served on and/or held executive positions on a range of boards, committees and early childhood advisory and reference groups, published widely in the field of early education and care, and is a Fellow of the Australian College of Educators. She is the long time editor of the leading professional publication *Every Child*.



**Gayle Ginnane**

Gayle Ginnane is a former senior public servant with a background as a financial regulator. Gayle has worked in several Australian Government agencies and been involved with a number of voluntary organisations including at senior and board levels. She is now an independent director with a number of board appointments including at the former National Childcare Accreditation Council. Gayle has considerable experience in board governance and finance.



**Tonia Godhard AM**

Tonia Godhard has worked for over 40 years in early childhood. She has been a teacher and director in Sydney and London and an academic with special interests in learning through play, special education and management. Tonia is committed to strong advocacy for young children and raising the quality of services and has held senior roles in community-based children's services organisations including CEO of SDN Children's Services. She has been the national president of Early Childhood Australia, inaugural chair of the National Children's Services Forum and a board member of the National Childcare Accreditation Council. In 2002 Tonia was awarded the Member of Order of Australia for service as an advocate for early childhood education and care and to organisations that promote opportunities for children. In 2005 she was awarded a Macquarie University Alumni Award for distinguished service to the early childhood profession.



**Professor Pauline Harris**

Professor Pauline Harris is the Lillian de Lissa Chair, Early Childhood (Research) at the University of South Australia, in partnership with SA Department of Education and Children's Services. Pauline's previous academic appointment was at the University of Wollongong for 20 years, where she specialised in early childhood play, curriculum, language and literacy. She has authored numerous journal articles, book chapters and books, and is/has been lead investigator on three significant Australian Research Council Discovery projects.



**Michael Manthorpe PSM**

Michael Manthorpe joined the Department of Immigration and Citizenship in July 2013 as Deputy Secretary of the Portfolio Coordination and Innovation Group. Previously, Michael was a deputy secretary at the Department of Education, Employment and Workplace Relations (DEEWR). Michael is a career public servant and has undertaken roles in workplace relations, employment, workforce participation and strategic policy areas. Michael was awarded the Public Service Medal in 2010 for his work relating to the insolvency of the ABC Learning Centres. He grew up in Queensland and studied journalism and history at the University of Queensland.





**June McLoughlin**

June McLoughlin has expertise in policy and service development within children's education and care, disability parenting and family support fields. June has managed many state and national projects designed to refocus early years services to provide more integrated support for families with young children. June holds positions on a number of boards and committees and was the Chair of the former National Childcare Accreditation Council Board.



**Amanda Morphet**

Amanda Morphet is the Senior Director of South Coogee Children's Service, responsible for both early learning and out of school hours care programs. Prior to taking up this role in 2013 she was the Director of Jenny Wren Early Learning Centre and Outside School Hours Care Program in Canberra, where she was an active advocate for the quality agenda in the local early childhood community. Her previous board roles include National President of Childcare Associations Australia, and State President of the ACT Children's Services Association.



**Anne Reddell**

Anne Reddell was Executive Director in the Office for Early Childhood Education and Care, Queensland Department of Education and Training until her retirement in July 2012. Anne has a proven track record in children's education and care and a strong commitment to improving outcomes for children and supporting families. She has dedicated 20 years to leading Queensland Government policy and service delivery, with a focus on early childhood development and education and care. Anne has held senior positions overseeing the regulation of early childhood services, funding for non government organisations, regional service delivery and regulation, policy development and most recently representing Queensland in national negotiations to improve the quality of early childhood services.

# Appendix D

## Board meeting attendance

### Meetings of the ACECQA Board 1 July 2012 to 30 June 2013

Date	Meeting	Apologies	Location
26 July–27 July 2012	Meeting 4/2012	Collette Tayler (apology for day 1) Sue Lines	Sydney
28 September 2012	Meeting 5/2012	Mark Brown Pauline Harris Alison Elliott Sue Lines	Sydney
22 November 2012	Meeting 6/2012	June McLoughlin	Sydney
8 March 2013	Meeting 1/2013	None	Melbourne
2–3 May 2013	Meeting 2/2013	Pauline Harris June McLoughlin (apology for day 1) Amanda Morphet	Sydney

## Appendix E

### ACECQA Board sub committee and working group attendance

Sub Committees and Working Groups	Members	Meetings 1 July 2012 – 30 June 2013
Audit, Finance and Risk Sub Committee	Gayle Ginnane (Chair) Tonia Godhard Tracey Bradley <i>External member</i> Ken Barker	17 July 2012 3 October 2012 1 November 2012 26 February 2013 23 April 2013
Strategic Planning Working Group	Rachel Hunter (Chair) June McLoughlin Amanda Morphett Michael Manthorpe Sue Lines	11 October 2012
Educator Qualifications Working Group	Anne Reddell (Chair) Collette Tayler Tonia Godhard Alison Elliott Mark Brown Pauline Harris	18 July 2012 9 August 2012 14 September 2012 9 April 2013
Authorised Officer Workforce Development Project Working Group	Tonia Godhard Alison Elliott Mark Brown	7 August 2012 21 February 2013
Research Advisory Committee Meeting	Collette Tayler (Co-Chair) Pauline Harris June McLoughlin <i>External members</i> Dr David Kalisch (Co-Chair) Emeritus Professor Maryann Bin-Sallik Pam Cahir Ruth Callaghan Professor Ross Homel	4 March 2013 5 April 2013
Performance and Remuneration Sub Committee	Rachel Hunter (Chair) Michael Manthorpe Gayle Ginnane	31 October 2012 4 December 2012 18 January 2013

# Appendix F

## ACECQA major speaking and sector engagements

ACT National Children's Services Forum	2 July 2012
DEEWR Early Childhood Workforce industry round table QLD	10 July 2012
NSW Family Day Care Association discussion panel (Kiama)	18 July 2012
International Family Day Care Australia Conference	20 July 2012
Uniting Care's Strong Foundations for Early Childhood Conference	20 July 2012
Penrith DEC/ACECQA Forum	30 July 2012
Outside School Hours Care Reference Group	1 August 2012
Korean Institute of Child Care and Education delegation	2 August 2012
Dubbo DEC/ACECQA Forum	3 August 2012
NSW Family Day Care Association discussion panel (Coffs Harbour)	7 August 2012
Isolated Children's Parents' Association of Australia Annual Federal Conference	8 August 2012
Sydney DEC/ACECQA Forum	8 August 2012
Listening Tour VIC	8 August 2012
ACT Branch Early Childhood Australia AGM	16 August 2012
NSW/ACT IPSP Forum	16 August 2012
Newcastle DEC/ACECQA Forum	17 August 2012
NSW Family Day Care Association discussion panel (Raymond Terrace)	21 August 2012
Wagga Wagga DEC/ACECQA Forum	23 August 2012
QCAN Annual State Conference	24 August 2012
National Australian Parents Council Conference	25 August 2012
ACECQA Forum Meeting	28 August 2012
Child Care NSW Annual General Meeting	29 August 2012
Hurstville DEC/ACECQA Forum	30 August 2012
Australian Education Union (ACT) meeting	30 August 2012
Lismore DEC/ACECQA Forum	6 September 2012
Australasian Teacher Registration Authority General Meeting	7 September 2012
Australian Education Union (VIC) meeting	8 September 2012
Wollongong DEC/ACECQA Forum	12 September 2012
Childcare Queensland Annual Conference	15 September 2012
Family Day Care Victoria Annual General Meeting	19 September 2012
Australian Council of Deans of Education Conference	24 September 2012
Family Day Care NSW Annual Conference	27 September 2012
Early Childhood Australia National Conference	4 October 2012

Early Childhood Australia National Conference	5 October 2012
Early Childhood Australia National Conference	6 October 2012
ACT National Children's Services Forum	29 October 2012
Inclusion and Profession Support Program NSW & ACT Annual Conference	29 October 2012
Kindergarten Parents Victoria Annual General Meeting	1 November 2012
Australian Council of State School Organisations National Conference	1 November 2012
Outside School Hours Care Parramatta area Regional Meeting	8 November 2012
NSW Outside School Hour Care Annual Retreat Conference	16 November 2012
Listening Tour TAS	28 November 2012
Early Childhood Australia Professional Experience Council meeting	7 December 2012
ACECQA Forum Meeting	7 March 2013
ACECQA Stakeholder Reception VIC	7 March 2013
Department of Education and Childhood Development SA staff forum	13 March 2013
Education and Early Childhood Services Registration and Standards SA Board meeting	13 March 2013
Inclusion and Professional Support Program (IPSP) forum	14 March 2013
National Out of School Hours Services Association (NOSHSA) Service Support Professionals Conference	28 March 2013
Aboriginal Early Childhood Conference	30 April 2013
New Zealand Early Childhood Council 2013 Conference	25 May 2013
Guardian Childcare Centre Manager Conference	30 May 2013
2013 Early Childhood Education Conference	31 May 2013
Uniting Care Children's Services Director's Meeting	20 June 2013

## Appendix G

# Qualifications application statistics from 1 July 2012 to 30 June 2013

### Individual applications

**Table 1 Applications by jurisdiction (2012–13)**

	WA	VIC	NSW	QLD	SA	ACT	NT	TAS	Unknown	Blank	TOTAL
ECT	104	85	117	86	18	11	3	2	55	0	481
Diploma	93	50	49	33	15	4	8	1	21	0	274
Cert III	33	32	21	14	2	1	7	0	1	0	111
Working with children over preschool age	30	6	0	4	2	0	0	0	1	0	43
Unspecified	2	1	1	2	0	0	1	1	2	0	10
Blank	0	0	0	0	0	0	0	0	0	0	0
<b>TOTAL</b>	<b>262</b>	<b>174</b>	<b>188</b>	<b>139</b>	<b>37</b>	<b>16</b>	<b>19</b>	<b>4</b>	<b>80</b>	<b>0</b>	<b>919</b>
	29%	19%	20%	15%	4%	2%	2%	0%	9%	0%	

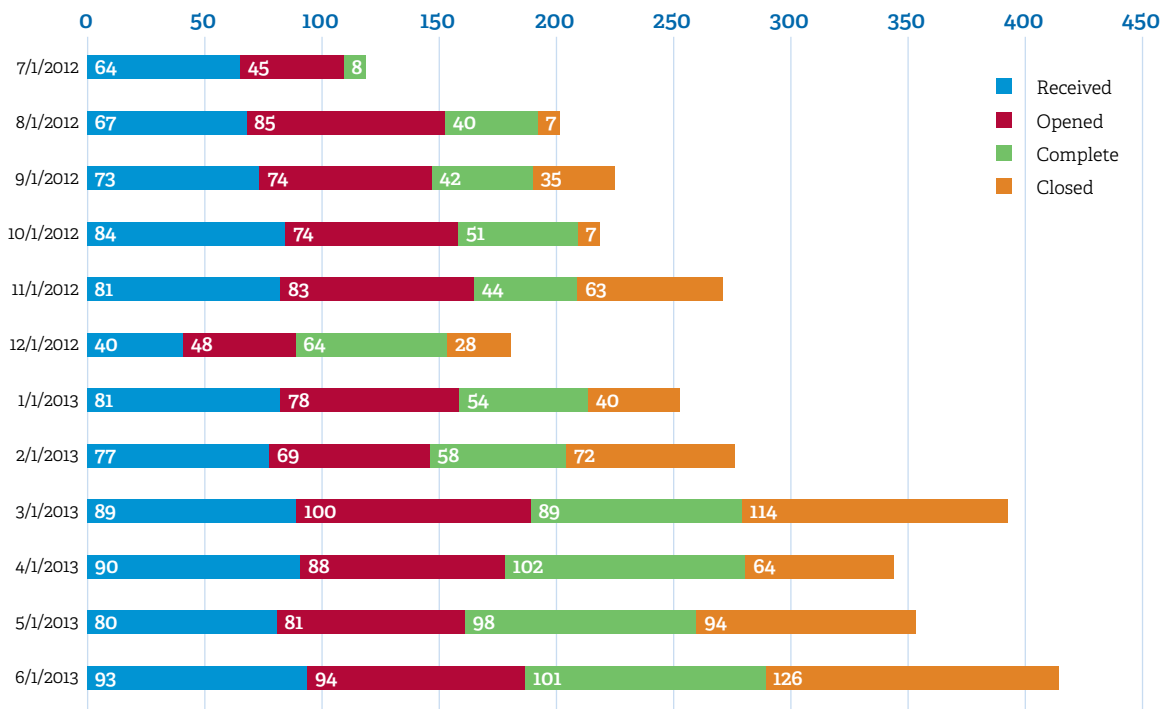
**Table 2 Applications by country of qualification (2012–13)**

	Number	Percentage
United Kingdom	191	21%
New Zealand	199	22%
Australia	144	16%
Ireland	154	17%
India	49	5%
United States	26	3%
South Africa	29	3%
Canada	19	2%
Philippines	15	2%
<b>TOTAL</b>	<b>826</b>	
<b>Other countries</b>	<b>93</b>	<b>10%</b>
<b>GRAND TOTAL</b>	<b>919</b>	

**Table 3 Applications by recommendation (2012–13)**

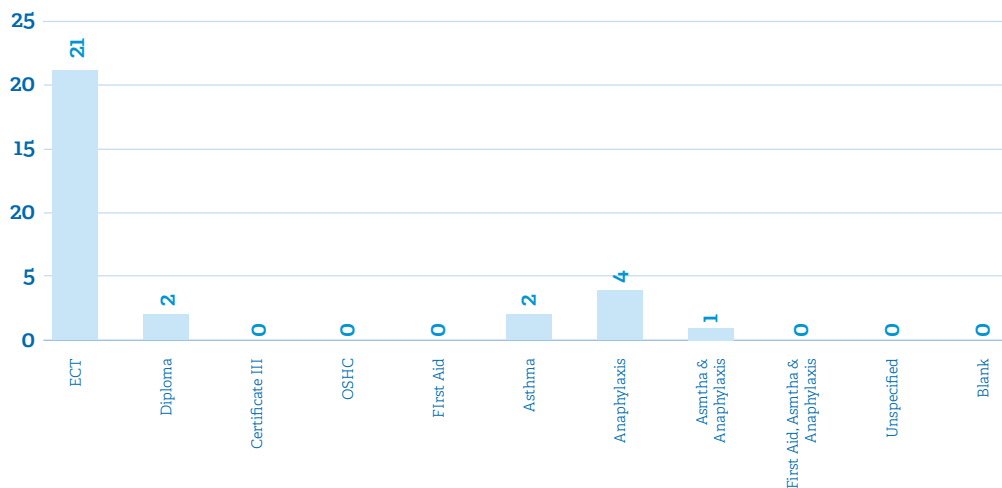
	Number	Percentage
Assessed equivalent	479	52%
Assessed not equivalent	103	11%
Assessment in progress	99	11%
Pending	171	19%
Discontinued	35	4%
Withdrawn	6	1%
Refunded	26	3%
Blank	0	0%
<b>TOTAL</b>	<b>919</b>	

**Table 4 Applications by month**

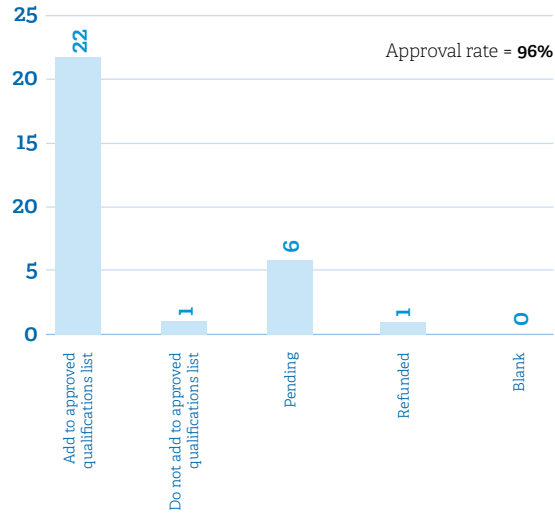


## Organisation applications

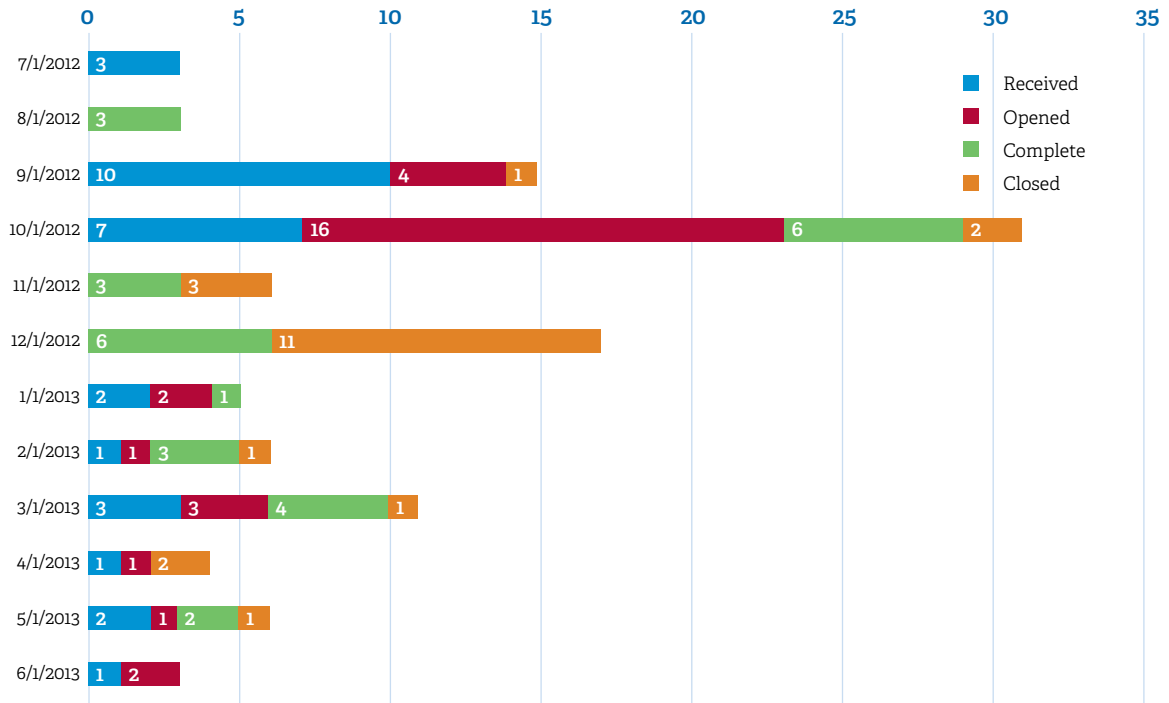
**Table 5 Applications by qualification/training course (2012–13)**



**Table 6 Applications by recommendation**



**Table 7 Applications by month**





# Index of key terms

- ACECQA:** The Australian Children's Education and Care Quality Authority
- AAEYSOC:** Australian Education Early Childhood Development and Youth Affairs Senior Officials Committee
- AFR SC:** Audit, Finance and Risk Sub Committee
- AQF:** Australian Qualifications Framework
- COAG:** Council of Australian Governments
- CRM:** Customer Relationship Management System
- CWG:** Communications Working Group
- DEEWR:** Department of Education Employment and Workplace Relations
- ECDWG:** Early Childhood Development Working Group
- ECS:** Education and Care Services
- ECT:** Early Childhood Teacher
- EQWG:** Educator Qualifications Working Group
- ESA:** Education Services Australia
- EYLF:** Early Years Learning Framework
- FAQs:** Frequently Asked Questions
- FDC:** Family Day Care
- FOI:** Freedom of Information
- Framework for School Age Care:** My Time, Our Place: Framework for School Age Care in Australia
- ICT:** Information and Communication Technology
- IPS:** Information Publication Scheme
- IIWG:** Implementation Issues Working Group
- National Law:** *Education and Care Services National Law Act 2010*
- NPA:** National Partnership Agreement
- National Regulations:** *Education and Care Services National Regulations 2011*
- NCAC:** National Childcare Accreditation Council
- NCAP:** National Consistency Action Plan
- NECS:** National Education and Care Services
- NIMSG:** National Quality Agenda IT System Management Steering Group
- NQA:** National Quality Agenda
- NQAITS:** National Quality Agenda IT System
- NQF:** National Quality Framework for Early Childhood Education and Care
- NQS:** National Quality Standard
- OSHC:** Outside School Hours Care
- PMC:** Project Management Committee
- QaCC:** Quality and Consistency Committee
- QIP:** Quality Improvement Plan
- Regulatory Authorities:** The administrative unit or body in each State and Territory responsible for the administration of the National Law and National Regulations
- Standing Council:** Standing Council on School Education and Early Childhood
- TWG:** Training Working Group

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