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13 October 2015

The Hon Kate Jones MP
Chair
Education Council
PO Box 202
Carlton South Vic 3053

Dear Minister

The Board of the Australian Children’s Education and Care Quality Authority (ACECQA) has pleasure in submitting to the Education Council the ACECQA Annual Report for 2014–15.

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 Education Council make arrangements for the tabling of the ACECQA Annual Report in the Parliament of a participating jurisdiction determined by the Council.

In accordance with the Education 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

Welcome to the Australian Children’s Education and Care Quality Authority (ACECQA) 2014–15 Annual Report.

It has been a very productive 12 months for children’s education and care in Australia, with a continuing focus of national reform on delivering quality education and care most effectively and efficiently. ACECQA continues to be the public face and voice of the implementation of the National Quality Framework (NQF) and has helped shape the national conversation around quality as a central and unifying theme for the sector.

Giving every child the best possible start in life, through quality education and care, lies at the heart of ACECQA’s endeavours. By working collaboratively with the Australian Government, states and territories, and the sector more broadly, ACECQA has achieved significant milestones in 2014–15.

A major priority for ACECQA has been to deliver on the strategic objective set by all governments that we raise awareness among families and the community about the importance of quality education and care during this formative phase of a child’s development.

In April 2015, ACECQA launched Starting Blocks, a new website to help families, particularly new parents, make decisions about quality children’s education and care. The foundation of our latest family communications strategy, Starting Blocks gives parents trusted information about the different types of education and care services available, explaining key features and how they might suit different lifestyles.

Starting Blocks aims to increase awareness of the NQF among families, initially in terms of what to look for and expect from an education and care service. By providing information on the educational programs a service will run and how these help children to learn and develop, the strategy plans to grow families’ understanding of quality and the assessment and rating process. Starting Blocks continues to raise awareness with families and the sector and we look forward to building on this resource in 2015–16.

Another major focus has been our promotion of national consistency, including in the quality assessment and rating process. During the year, ACECQA delivered further training and support to authorised officers, both face to face and through eLearning modules. We also worked with jurisdictions to develop additional guidance and resources for authorised officers on elements and standards of the National Quality Standard (NQS) identified as particularly challenging to assess.

I look forward to seeing the results of an authorised officer inter-rater reliability trial in 2015–16 across jurisdictions, which is being conducted to inform strategies to further promote consistency of outcomes under the NQF. The trial will complement ACECQA’s suite of other consistency activities, including
I would like to extend my thanks to all of my Board colleagues and acknowledge their work. In the second half of 2014, we welcomed Mr Bernard Curran, Ms Catherine Hudson, Ms Sabine Phillips, Mr Nick Ryan, Ms Jackie Wilson and Ms Naomi Wilson to the Board. My sincere gratitude also goes to members of the inaugural ACECQA Board who we farewelled in July 2014: Ms Gayle Ginnane, Mr Michael Manthorpe, Ms June McLoughlin, Ms Amanda Morphett and Ms Anne Reddell.

Lastly, I extend my appreciation of the effort and passion of ACECQA’s Chief Executive Officer, Karen Curtis and to all ACECQA staff. It is truly a pleasure to be a part of an organisation that believes in the importance of investing in Australia’s children and by extension, our future.

Rachel Hunter
Chair, ACECQA Board
Report from the CEO

2014–15 was very much a year of delivery and review for the NQF.

For ACECQA, delivery over the last 12 months again focussed on effectively and efficiently undertaking all of our legislative functions and delivering on the strategic priorities outlined in ACECQA’s Ministerial Letter of Expectation.

Concurrently, ACECQA, as the independent body responsible for guiding the implementation of a unified national regulatory system for children’s education and care, provided its expert policy, research and communications capability to assist governments’ review of the NQF throughout 2014–15.

ACECQA completed a significant volume of work in delivering on its statutory functions and other core business between 1 July 2014 and 30 June 2015. While numbers don’t tell the complete story, the progress and outcomes achieved throughout the year included:

- 6,700 enquiries for support answered by our National Quality Agenda IT System (NQA ITS) service desk. The service desk is the first port of call for technical questions from the sector and regulatory authorities seeking assistance with their use of the system. We also saw significant growth in the numbers of providers using the system over the reporting period, with a 70 per cent increase in registered portal users
- 894 completed assessments of individual applications from educators seeking equivalency to an approved qualification to work in Australian children’s education and care services. Of those applications, we assessed 710 as equivalent, including the qualifications of approximately 230 individuals who were subsequently eligible to work as an early childhood teacher under the NQF
- 18 applications assessed and approved from universities and registered training organisations seeking to have an early childhood education program or training added to ACECQA’s approved lists
- 29,000 enquiries from the public about a broad range of issues under the NQF responded to by the ACECQA customer service team
- 46 applications received for the Excellent rating, of which 21 were assessed as successful, 22 as unsuccessful, and three being assessed as at 30 June 2015
- Four NQF Snapshots, which provide regular and clear information to the public on a suite of progress indicators at the national and jurisdictional level.

On the research front, ACECQA’s second regulatory burden research report was provided to Education Council Ministers in December 2014 and published in February 2015. Pleasingly, the report contained a number of findings that confirmed indications from our previous year’s report – that is, as the sector further adapts to the NQF, coupled with the implementation of measures by regulators and ACECQA to streamline administrative obligations where possible, the overall perceived burden for services has reduced.
We completed a number of important enhancements to the NQA ITS during the past year. Feedback from users has helped us streamline this system, with improvements making it much easier to operate for all parties and creating a more efficient business environment for providers and state and territory regulatory authorities.

As an organisation, we take great pride in our management, development and provision of support and training for the NQA ITS which has cemented its adoption as the principal business tool that is so heavily relied upon by regulators and the sector.

Another key piece of work for 2014–15 was the national educator workshops. Led by ACECQA’s National Education Leader, the workshops supported services in meeting Quality Area 1: Educational Program and Practice. Our data show this area is the most challenging for services to meet, so working in partnership with local Professional Support Coordinators and regulatory authorities, ACECQA provided additional support to promote improvement. With almost 4,000 educators attending sessions across Australia, the workshops were very well received and represent a significant, collaborative professional development opportunity for the sector.

From a financial management perspective, in 2014–15 we continued to effectively and prudently manage our business. For the fourth consecutive year, ACECQA delivered all of its functions and strategic priorities within its funding envelope, with the Authority again receiving an unmodified audit opinion from the Australian National Audit Office on the financial statements contained in this report.

Over the coming year, we will deliver on ACECQA’s 2015–16 Forward Work Plan, which sees a major focus on supporting governments and the sector to prepare for, and implement, system changes following completion of the 2014 Review. The Plan also includes a strengthened focus on consistency of outcomes, effective and efficient regulation, new modes of communicating with families, and building a research platform that positions ACECQA to provide advice on whether the NQF is achieving better outcomes for children.

As always, we will deliver our activities in close consultation with, and targeted to effectively support the work of, our state and territory colleagues in each regulatory authority, and the Australian Government. Guided by the Board, we will review ACECQA’s Work Plan to reflect relevant 2014 COAG Review outcomes, as they become known.

I echo the sentiments of the ACECQA Chair in acknowledging the strategic guidance and leadership provided by all Board members past and present, as well as the hard work, dedication and values again displayed by ACECQA staff.

I thank all of our key stakeholders for their ongoing support and engagement, and look forward to continuing our journey toward providing children with the best possible start in life.

Karen Curtis
Chief Executive Officer, ACECQA
ACECQA’s Annual Report for 2014–15 has been structured to meet the requirements of section 279 of the Education and Care Services National Law (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 2014–15. As required by the National Law, it includes a report on the ACECQA Board and its sub committees. Part 1 also addresses the requirement to report on any directions given by the Education 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** provides information on how ACECQA ensures the accountability of the organisation.

**Part 5** contains ACECQA’s financial report and audited financial statements for 2014–15.
1 Governance and operations
1.1 Background to the National Quality Framework and ACECQA

National Partnership Agreement

In December 2009, the Australian Government and state and territory governments, through COAG, agreed to a National Partnership Agreement on the National Quality Agenda for Early Childhood Education and Care (NP NQA) to establish a National Quality Framework for Early Childhood Education and Care (National Quality Framework).

The National Quality Framework (NQF) commenced on 1 January 2012 in all states and territories, apart from Western Australia where it commenced on 1 August 2012.

The NQF replaced existing state and territory licensing and national quality assurance processes for most long day care, preschool/kindergarten, family day care and outside school hours care (OSHC) services in Australia.

The objectives of the NP NQA are to:

- deliver an integrated and unified national system for early childhood education and care and OSHC, which is jointly governed and which drives continuous improvement in the quality of services
- improve educational and developmental outcomes for children attending early childhood education and care and OSHC services under the NQF
- foster a joint system of governance to allow the perspective of all jurisdictions to be taken into account in the operation of the NQF where there is shared responsibility for the regulation of quality in early childhood education and care and OSHC services
- improve the efficiency and cost effectiveness of the regulation of early childhood education and care and OSHC services
- reduce regulatory burden for early childhood education and care and OSHC service providers
- improve public knowledge about and access to information about the quality of early childhood education and care and OSHC services to parents, carers and the general public to help inform their choices about the quality of education and care provided to their children
- build a highly skilled workforce.

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 NQF 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 relating to the quality of children’s education and care services.

The NQF has now been in operation for over three years. In accordance with the NP NQA, a review was commenced in 2014 to assess the extent to which the objectives and outcomes of the National Partnership have been achieved.

The 2014 COAG Review of the NP NQA is being undertaken by all states and territories and the Australian Government, with any changes to the system expected to be decided by governments towards the end of 2015.

In 2014–15, ACECQA continued to be a key contributor to the 2014 COAG Review through delivery of policy advice to governments, participation in project groups and support for public consultations. Further details of this work are provided later in this Report.

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 Education Council’s Letter of Expectation for 2014–16, which outlines the strategic priorities and expectations for the ACECQA Board.

Governance

ACECQA is governed by a 13 member Board appointed by the Education 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 Education Council. The Deputy Chair is appointed from the 12 members.

The ACECQA Board is accountable to the Education Council. ACECQA reports to the
Council through the Australian Education, Early Childhood Development and Youth Affairs Senior Officials Committee (AEEYSOC), and consults with the Early Childhood Policy Group on NQF policy matters.

The term of the first ACECQA Board expired in July 2014. The second ACECQA Board was appointed by the Education Council from August 2014.

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 2014, the ACECQA Board received its Ministerial Letter of Expectation for 2014–16 from the Education Council. The Letter of Expectation 2014–16 is at Appendix A. The ACECQA Chair’s response to the Letter of Expectation is at Appendix B.

**Directions of the Education Council**

Under section 222 (1) of the National Law, the Education Council may give directions to the ACECQA Board in relation to carrying out its functions under the law. Section 222 (2) also permits the Education Council to give directions to a regulatory authority with respect to the administration of the NQF. No directions were given by the Education Council in 2014–15.

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**Figure 1** ACECQA’s governance structure
1.2 ACECQA Board and sub committees

ACECQA Board

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. Following the completion of the term of the first ACECQA Board, the second ACECQA Board was established from August 2014. Membership of the Board is outlined at Appendix C.

The ACECQA Board is responsible to the Education Council 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 Education Council for implementing and administering the NQF
◆ guiding and monitoring ACECQA’s performance against the Authority’s strategic plan and operational work plan.

The ACECQA Board held five meetings in 2014–15; four meetings in Sydney and one by teleconference. Board meeting attendance is outlined at Appendix D.

The ACECQA Board. Top row (left-to-right): Mark Brown, Tonia Godhard, Naomi Wilson, Bernard Curran, Sabine Phillips, Alison Elliott, Nick Ryan.
Seated (left-to-right): Catherine Hudson, Pauline Harris, Rachel Hunter, Jackie Wilson, Collette Tayler.
Absent: Tracey Bradley.
Significant work undertaken by the Board during the reporting period included:

- reviewing ACECQA’s Strategic Plan 2012–16, ensuring alignment with the Letter of Expectation from the Education Council for 2014–16
- monitoring the financial performance of the Authority, which saw ACECQA continue to operate within its overall funding envelope
- monitoring the delivery of the organisation’s statutory obligations and achievement of the strategic priorities set by all Ministers through the ACECQA Letter of Expectation
- overseeing the introduction of a new family communications strategy for ACECQA, which focuses on the importance and benefits of quality in early childhood education and care and is aimed at prospective or new parents who may be making decisions about entering the system for the first time
- shaping relevant ACECQA inputs to the 2014 COAG Review of the National Partnership Agreement on the National Quality Agenda for Early Childhood Education and Care
- endorsing plans for ACECQA’s National Workshops in 2014–15, led by the National Education Leader and focused on Quality Area 1: Educational Program and Practice
- finalising ACECQA’s second research report on services’ perceptions and experiences of regulatory burden under the NQF, which found that perceived administrative burden is reducing as processes are streamlined and the sector adapts to the NQF
- reviewing the ACECQA Board Charter and deciding the structure and composition of the new Board’s sub committees to ensure effective and robust governance
- continuing to oversee enhancement and further development of the NQA ITS, which has seen greater sector uptake and enabled more strategic NQF data use to inform the 2014 COAG Review.
Board Sub Committees

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 Mr Bernard Curran and comprises three Board members and an independent external member. Membership of the AFR Sub Committee and details of meetings held in 2014–15 are outlined at Appendix E.

In 2014–15, the AFR Sub Committee met three times to deliver on its comprehensive work plan. Major priorities for the Sub Committee included:

- reviewing and endorsing the Authority’s 2013–14 financial statements
- reviewing and monitoring ACECQA’s risk management plan
- revising a suite of governance documents for the organisation, including ACECQA’s:
  - governance, planning and accountability framework
  - compliance policy addressing all applicable laws, regulations and key contractual obligations
  - fraud control plan
  - internal audit charter.

The AFR Sub Committee established and oversaw one outsourced internal audit in 2014–15 under the Authority’s Internal Audit Charter and Annual Work Plan.

In the second half of 2014, an audit was conducted to assess the efficiency, effectiveness, and consistent delivery of ACECQA’s national audit function. The audit also identified a number of opportunities to improve internal processes, procedures, and documentation, which have been implemented.

In May 2015, ACECQA management also initiated an outsourced internal audit to assess ACECQA’s compliance with the Payment Card Industry Data Security Standard (PCI DSS). The audit confirmed ACECQA was compliant with the Standard and identified four process improvements that were subsequently implemented.

The Sub Committee also oversees ACECQA’s periodic internal audit procedure, which is conducted quarterly to test the controls on financial payments and segregation of duties compliance.

Policy, Research and Consistency Sub Committee

The Policy, Research and Consistency (PRaC) Sub Committee was established in December 2014 and comprises eight Board members. Membership of the Sub Committee and details of meetings in 2014–15 are outlined in Appendix E.

The Sub Committee provides strategic advice and recommendations to the Board on the connected themes and functions of policy, research, and consistency, as they relate to ACECQA and the NQF reforms more broadly. The Sub Committee is a forum for:

- the discussion and development of policy to guide how ACECQA fulfils its functions and strategic priorities
- identifying, discussing and planning ACECQA’s research agenda
- discussing and advising on strategies to promote consistency of outcomes under the NQF.

In 2014–15, the PRaC Sub Committee considered a number of detailed policy issues relating to ACECQA’s function to determine the qualifications required to be held by educators, including the assessment of equivalent qualifications.

1. The AFR Sub Committee was chaired by Ms Gayle Ginnane up to 31 July 2014. See Appendix E for further details on changes to the composition of the AFR Sub Committee in 2014–15.
The Sub Committee also provided advice to the Board on options for ACECQA to measure authorised officer inter-rater reliability and provided direction on the development of a draft evaluation framework for the NQF and assessing whether the system is achieving its intended objectives.

Informed by consultations and feedback obtained through the 2014 COAG Review and the Productivity Commission’s Inquiry into Childcare and Early Childhood Learning, the Sub Committee considered a new ACECQA NQF consistency strategy and implementation plan for 2015–16. The strategy will guide ACECQA’s approach to monitoring and promoting consistency under the NQF in the year ahead.

Performance and Remuneration Sub Committee

In 2014–15, the Performance and Remuneration Sub Committee met on three occasions to provide advice on relevant performance and remuneration matters for ACECQA.

Membership of the Sub Committee and details of meetings held in 2014–15 are outlined at Appendix E.
1.3 ACECQA’s operations

Organisational structure and staffing

On 30 June 2015, the Executive comprised the Chief Executive Officer, Chief Operating Officer, the General Manager Strategy, Communications and Engagement and the National Education Leader.

A change in Executive membership occurred in 2014–2015 with the resignation of the General Manager of Strategy and Operations.

In December 2014, the organisation’s structure was realigned through three business groups, consisting of Education, Consistency and Operations, Strategy, Communications and Engagement, and Business Services. The Board and Governance team continued to report to the CEO and support the ACECQA Board and manage legal, governance, planning and accountability requirements across the organisation.

The Education, Consistency and Operations group is led by the National Education Leader and delivers:

- advice on educational programs, practices and pedagogy
- ACECQA’s operational functions of assessing educator qualifications, excellent rating applications and second tier review applications
- educational resources and professional development opportunities for the sector and regulatory authorities
- training, resources and support for state and territory regulatory authority authorised officers
- national consistency initiatives, including national audits of aspects of the NQF.

The Strategy, Communications and Engagement group is led by the General Manager for Strategy, Communications and Engagement and delivers:

- stakeholder engagement, including media and social media, web content and design, ACECQA newsletters and other mass communications, internal communications, major presentations and conference appearances, and inbound and outbound sponsorship
- responding to enquiries from the wider community through a dedicated service unit
- expert policy analysis, advice and research and evaluation under the NQF.

The Business Services group is led by the Chief Operating Officer and delivers human resources, IT, information and records management, finance, and facilities functions to the organisation. The group also includes ACECQA’s education and care systems team, which provides maintenance and development of the NQA ITS for the NQF, including sector and regulatory authority support.

The ACECQA organisational structure as at 30 June 2015 is outlined in Figure 2.

The number of FTE staff at 30 June 2015 was 68.59. This represents a slight decrease from 2013–14 due to some vacancies that were being recruited to as at 30 June. A breakdown of the workforce profile by FTE, headcount and gender is at Figure 3.
Human Resources

During 2014–15, human resources continued its focus on the implementation of the ACECQA Enterprise Agreement 2013–16 through alignment of HR policies, as well as facilitating mandatory training sessions for all staff and managers in relation to their obligations and responsibilities under the policies and the Agreement. Further alignment of some policies and subsequent training will be finalised in 2015–16.

In 2014–15, the human resources team also supported the organisation by managing payroll, recruitment, induction, learning and development, Work Health and Safety (WH&S), mandatory and professional development training, and staff separations. Several major initiatives were implemented, including the introduction of ACECQA's temporary employment register and improved workforce management planning and reporting.

A mix of internal HR and specialist providers facilitated learning and professional development for the following programs: freedom of information, privacy, plain English, customer service, performance management and feedback training. Identified personnel also completed specific learning and development programs, including a Diploma of Management and Certificate IV in Workplace Assessment Training.

WH&S and work environment

In 2014–15, ACECQA operated from its premises at 255 Elizabeth Street Sydney and commenced planning for the end of ACECQA's office lease in 2015. An office relocation to nearby premises will occur in 2015–16.
ACECQA continued to strengthen its WH&S policy and procedures, which included training for all staff and specific training for key roles within the organisation.

ACECQA continues to demonstrate a strong commitment to a supportive workplace through initiatives and events that engage staff and create community awareness. During 2014–15, human resources established corporate private health care and gym memberships to promote health and wellbeing for staff, combined with events held by the ACECQA Life’ Social Committee, which promote ACECQA’s commitment to supporting staff and the greater community. Events were held for Harmony Day, NAIDOC Week, the Australian Red Cross appeal and a number of charities were supported, including Youth off the Streets. ACECQA raised funds and donations at Christmas and Easter appeals and some staff undertook volunteering activities.

**Funding**

ACECQA’s funding is jointly provided by the Australian Government and the state and territory governments under the National Partnership Agreement (NPA) on the National Quality Agenda for Early Childhood Education and Care. In 2014–15, an operational funding agreement with the Australian Government provided the organisation with fixed funding in addition to operational funding provided by states and territories in accordance with the NPA.

In addition to operational funding in 2014–15, ACECQA also received:

- fee revenue under the National Regulations relating to ACECQA’s functions of assessing qualifications, second tier review and excellent rating applications
- 10 per cent of NQF related transaction and annual fees levied by the state and territory governments for calendar year 2014 in accordance with the NPA
- operational funding from the Australian Government and states and territories for administering, maintaining and developing the NQA ITS
- one-off funding from the Australian Government for future development upgrades to the NQA ITS.
Financial performance 2014–15

In 2014–15, ACECQA operated in accordance with its funding arrangements to deliver on the strategic priorities contained in the Letter of Expectation from the Education Council. The operating result for the 2014–15 financial year was a small deficit of $34k.

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

- salaries and on-costs (approximately 63 per cent)
- ICT costs (approximately 10 per cent)
- occupancy and general administration (approximately 22 per cent).

At 30 June 2015, the cash and cash equivalent balance of ACECQA is $4.6m. Where cash and cash equivalents exceeded ACECQA’s at call requirements, they were transferred to investments in accordance with ACECQA’s investment policy.

Over the four years since ACECQA’s establishment in 2011–12, ACECQA has accumulated a surplus of $5.8m as at 30 June 2015. As an independent statutory authority, ACECQA requires adequate working capital to ensure that the agency is able to arrange supplier contracts, declare solvency and cover any funding shortfall or funding delays.

Financial management framework

ACECQA continued to review and improve its financial management framework to ensure its ongoing effectiveness and efficiency. A number of initiatives were implemented in 2014–15, including:

- internal audit on financial payments policy was implemented to provide an additional control in ACECQA’s financial management and risk control framework
- training for all managers on financial delegations, procurement and fraud control policies
- a credit card processing policy was finalised and implemented to provide additional guidance about ACECQA’s management of credit card payments and compliance with the Payment Card Industry Data Security Standard.
ICT

A number of major ICT projects were delivered this year by the ACECQA IT team, providing service improvements in the following areas:

- migration to fully virtualised cloud-based corporate IT infrastructure
- disaster recovery capability for ACECQA corporate IT infrastructure, maintaining services for key corporate IT services in the event of a disaster
- technical implementation of TRIM infrastructure for ACECQA’s document and records management solution
- an event management solution to enable automated event registration and management for ACECQA stakeholders
- improvements to ACECQA’s online qualifications assessment form, streamlining the online process for applicants
- security improvements to ACECQA’s internet facing services, providing additional protection against cyber-attacks
- delivery of guidance and consultation for several major business IT projects across the organisation, including ACECQA’s eLearning platform for authorised officers
- rationalisation of contract and licensing across several ICT technologies, providing greater value to ACECQA.

Information management

ACECQA continues to focus on improving information management within the organisation. This year saw the implementation of phase 1 of the records management project at ACECQA. Significant improvements in the way information and records are managed and used within ACECQA were achieved through:

- implementation of the records management policy and procedures
- implementation of an electronic document and records management system
- implementation of sharing and collaboration tools across the organisation
- development and facilitation of information management training programs to raise awareness of good information management practices.

The commencement of phase 2 of the records management project this year saw the achievement of another major milestone with the development of ACECQA’s Functional Retention and Disposal Authority. This Authority was approved by the NSW State Records Board in May 2015.

This work will progress in 2015–16 with the continuation of the records management project.
1.4 Strategic Plan 2012–16

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

The Plan outlines ACECQA’s:
- vision
- mission
- values
- approach
- outcomes
- strategic priorities
- performance measures.

ACECQA’s outcomes and strategic priorities

The Strategic Plan 2012–16 contains 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 Strategic Plan 2012–16 contains the following strategic priorities:
- lead the consistent implementation and administration of the NQF
- engage and communicate – be the public face and voice for implementation of the NQF and quality children’s education and care in Australia
- research and educate – act as a steward of the national quality reform agenda and promote continuous improvement
- maintain ACECQA as a high performing organisation that leads the implementation of the NQF.

The Strategic Plan 2012–16 was reviewed by the ACECQA Board in December 2014, with a focus on ensuring alignment with the National Authority’s Ministerial Letter of Expectation for 2014–16.

In 2015–16, the Board anticipates undertaking a fundamental review of the Strategic Plan, in particular to reflect the relevant outcomes of the 2014 COAG Review.

The Strategic Plan can be found on the ACECQA website.
1.5 Forward Work Plan 2014–15

The Education Council’s Letter of Expectation for 2014–16 requires that ACECQA provide a Forward Work Plan on a financial year basis. The purpose of the Forward Work Plan is to set out ACECQA’s key deliverables, budget and timelines for addressing the strategic directions and work priorities contained in the Letter of Expectation.

ACECQA’s Forward Work Plan for 2014–15 was finalised in June 2014 and endorsed by the Education Council, through AEEYSOC.

The top level performance measures within the Work Plan were:

- ACECQA drives 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 the measures are detailed in the Forward Work Plan. ACECQA’s work priorities were guided by the Forward Work Plan during the reporting period.

In 2014–15, ACECQA reported in detail on progress against the Work Plan to the Education Council at its meetings in December 2014 and May 2015.

ACECQA’s final progress report to Ministers indicated that, of the 100 strategies and key activities in the Work Plan, 96 had either been ‘completed’ or were ‘on track’ for completion in line with the agreed timelines and funding envelope, and four were identified as ‘behind schedule (low risk)’. 
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 performs the functions described in section 225 of the National Law and delivers on the strategic priorities outlined in ACECQA’s Ministerial Letter of Expectation.

ACECQA reports to and advises the Education Council on the NQF and reports 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 publishes, monitors and reviews 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 state and territory regulatory authorities. ACECQA develops, publishes and disseminates guides, practice notes and resources to assist parents 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 all of its functions, ACECQA has regard to the objectives and guiding principles of the NQF and works to 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. ACECQA’s Ministerial Letter of Expectation 2014–16 (Appendix A) prioritises some of these functions and this is also reflected across Part 2 of the Report.
2.2 Guiding implementation of the National Quality Framework

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 2014–15, 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
The QaCC comprises senior representatives from state and territory regulatory authorities, the Australian Government and ACECQA. The role of QaCC is to:

◆ ensure ACECQA is fully across operational aspects of the implementation of the NQF
◆ assist ACECQA to meet its statutory responsibilities for 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
◆ lead collaborative efforts between the Australian Government, state, territory and national authorities’ officers to effectively implement and administer the NQF and achieve continuous improvement in quality and consistency
◆ offer the state and territory authorities and the Australian Government an opportunity to influence and shape ACECQA’s activities.
The QaCC met five times during the 2014–15 financial year. Priority areas of work included:

◆ guiding strategies to understand and respond to variations in quality rating results, including development of a small trial for the assessment of authorised officer inter-rater reliability for the NQS
◆ building a strategic approach to enhancing knowledge about, and reporting on, compliance and incidents under the NQF
◆ informing and supporting ACECQA’s program of national audits under the NQF
◆ reviewing a protocol for the regulation of family day care services operating across jurisdictions to evaluate its contribution to effective regulatory practice
◆ informing further authorised officer guidance, including through enhancements to the Operational Policy Manual for state and territory regulatory authorities
◆ considering a range of consistency related themes and issues gathered by ACECQA through its regular meetings with large children’s education and care providers.

The National Authority’s major contributions to the Review during 2014–15 included:

◆ leading work on behalf of governments on options to streamline the NQS and improve its administration
◆ contributing to the review of the National Law and Regulations, and in particular, developing policy options for strengthening regulation of family day care services, and removing supervisor certificate requirements from the legislation to reduce paperwork costs for the sector and governments
◆ leading work on a consistency analysis for the operation of the NQF.

ACECQA also contributed to communicating with stakeholders about the Review through:

◆ developing communication plans and communication materials to promote consultation on the 2014 COAG Review with the sector, families and the broader community
◆ supporting the Consultation Regulation Impact Statement process, including through attendance at 58 consultation sessions in each state and territory, and supporting follow up consultation on options to streamline the NQS.

Changes arising from the 2014 COAG Review are expected to be decided by governments in late 2015.

The 2014 COAG Review of the National Partnership Agreement on the National Quality Agenda for Early Childhood Education and Care

Under the National Partnership Agreement on the National Quality Agenda for Early Childhood Education and Care (the NPA), all state and territory governments and the Australian Government committed to a review in 2014 on progress made towards achieving the objectives of the NQF. The Review aimed to assess whether the goal of improving quality in children’s education and care services is being met in the most efficient and effective way, and provided opportunity to consider possible improvements to the system.

ACECQA has been a major contributor to the 2014 COAG Review and a member of the Early Childhood Policy Group’s (ECPG) 2014 COAG Review Working Group.
2.3 ACECQA’s reporting obligations

**COAG Education Council and Senior Officials**

ACECQA reports on the progress of the implementation and administration of the NQF to the Education Council, through AEEYSOC and the ECPG. The primary reporting arrangement is bi-annual reports to the Education Council under the Implementation Plan for the National Quality Agenda for Early Childhood Education and Care (NQA IP).

In 2014–15, ACECQA submitted its sixth and seventh reports to governments under the NQA IP in November 2014 and May 2015 respectively. The reports were developed in consultation with all states and territories and the Australian Government. These reports provide detailed information to the Education Council on the quality rating of children’s education and care services based on data extracted from the national registers.

Similar data were provided to the public during the reporting period through ACECQA’s quarterly NQF Snapshots, which provide analyses and information on the state of the sector, progress of assessment and rating, quality ratings of services and waivers held by services.

In the reporting period, ACECQA also reported to Ministers the outcomes of national audits completed by the National Authority under section 229 of the National Law.
This included the outcomes of national audits on:

- the determination of NQS ratings levels
- regulatory authorities’ first tier review procedures
- annual drift testing for authorised officers to demonstrate they can reliably assess quality against the NQS.

In addition, ACECQA provided bi-annual progress reports against the ACECQA Forward Work Plan 2014–15 to the Education Council at its December 2014 and May 2015 meetings.

To promote a high level of transparency and accountability, the Board at the conclusion of each of its meetings provided a communiqué to the Education Council and AEEYSOC members containing its key messages and decisions. These reports offer regular information to Ministers and senior officials about issues being considered by the Board in the administration of the NQF.

In 2014–15, ACECQA continued to provide monthly reporting to Education Council Ministers on quality assessment and rating progress under the NQF. These reports provide a regular point-in-time overview of national and jurisdictional progress, and are in addition to the more comprehensive six monthly reporting by ACECQA under the NQA IP and public quarterly Snapshot reporting.

Early Childhood Policy Group

The ECPG 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, which in turn advises the Education Council on issues of national significance for early childhood development.

In 2014–15, in addition to ACECQA’s regular reporting to Ministers developed in consultation with the ECPG, the National Authority’s major engagement with the ECPG involved:

- providing its policy, research, data and communications capability, expertise, and national perspective through a significant body of work to inform the 2014 COAG Review
- supporting the implementation of 2014 changes to the National Regulations.

Regulatory authorities and the Australian Government

Over 2014–15, ACECQA continued to collaborate with state and territory regulatory authorities and the Australian Government.

Regular bilateral meetings between ACECQA and each state and territory were held to further support and guide consistency, and share information on NQF developments, challenges and priorities. Meetings were typically held by teleconference every six weeks in 2014–15.
2.4 Procedures for consistency, effectiveness and efficiency

Monitoring and promoting consistency

In the context of the NQF, national consistency is not an end in itself. Rather, consistency is most importantly about the outcomes that result from the way the NQF is administered. One of the goals of the NQF is to achieve consistent results that promote positive outcomes for children and families.

A common area of focus by members of the education and care sector relates to consistency of the quality assessment and rating process, both within and between jurisdictions.

The state and territory regulatory authorities are responsible for undertaking the assessment and rating of education and care services against the NQS. This process is supported by ACECQA through a number of mechanisms, including authorised officer training, support and guidance. Striving for national consistency in this area is therefore a collaborative effort between the state and territory regulatory authorities, the Australian Government and ACECQA.

ACECQA’s suite of strategies and activities to foster national consistency are embedded across all of our functions, including:

- training and support for authorised officers
- national audits under the NQF
- the increasing adoption of, and enhancements to, the NQA ITS
- sector and family communications
- analysis of assessment and rating data.

In addition to the published quarterly NQF Snapshot, ACECQA monitors trends at the standard and element level, by jurisdiction and service type. For the larger jurisdictions, ACECQA also monitors trends at regional level, alerting the relevant jurisdiction if the data suggests that there may be potential inconsistent practice, for example, comparatively high or low proportions of services rated at Exceeding NQS.

Since July 2014, ACECQA has shared quarterly assessment and rating data analysis with each regulatory authority to assist them with monitoring consistency.

ACECQA also shares element level data with the state and territory Professional Support Coordinators, to help guide their efforts in providing training and support to education and care services.

In 2015–16, a new priority strategy for ACECQA, in partnership with state and territory regulatory authorities, will be an authorised officer inter-rater reliability trial. The trial will involve a lead assessor from ACECQA shadowing authorised officers from different jurisdictions on assessment and rating visits, the results of which will be used to inform further strategies to promote national consistency.

Second tier review

If an approved provider disagrees with the final ratings given through the quality assessment and rating process, they can apply to a regulatory authority for a review of ratings. Should an approved provider not agree with the outcome of this ‘first tier’ review, they can apply to ACECQA for a ‘second tier’ review. This is conducted by a ratings review panel, consisting of three experts drawn from ACECQA’s ratings review panel pool.

In accordance with the National Law and National Regulations, the pool comprises people who are experts, or who 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
- best practice regulation.

In addition to the prescribed expertise and knowledge, appointments to the ratings review panel are made for their demonstrated capability in these areas.
panel pool include representatives from each state and territory, and expertise across service types.

ACECQA manages applications for second tier review and provides administrative support to ratings review panels.

In 2014–15, ACECQA received five applications for a second tier review. As at 30 June 2015, ACECQA had received and finalised a total of 16 applications since quality assessment and rating commenced. The ratings review panels have, by consensus, decided to:

◆ amend the service’s overall rating in two cases
◆ partially amend the service’s ratings in four cases, which did not impact on the service’s overall rating
◆ confirm the regulatory authority’s rating of the service in 10 cases.

ACECQA has published resources for applicants to help them with the application process, including guidelines and an information sheet, which are also available on ACECQA’s website.

Review of South Australia’s assessment and rating function

In April 2015, the Hon. Susan Close MP, Minister for Education and Child Development in South Australia, requested ACECQA’s assistance with a review of the South Australian regulatory authority’s assessment and rating function. The purpose of this review was to identify and suggest ways to increase the rate of first assessment and ratings in South Australia, including through process and operational efficiency gains.

The review involved analysis of assessment and rating data and processes, and interviewing key staff in the regulatory authority, its governing board and the Department for Education and Child Development. A final report with recommendations was provided to the South Australian Minister in June 2015.
2.5 National auditing arrangements

In 2014–15, ACECQA continued its program of national audits in accordance with its responsibility under the National Law.

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 monitoring and promoting national consistency.

ACECQA is required to report to the Education Council on the outcomes of the national audit and evaluation processes.

ACECQA’s audit topics and project plans are agreed by QaCC and focus on areas that have been identified as high priority, and are considered to offer the greatest opportunities to share learning and experiences and promote national consistency.

ACECQA completed three national audits in 2014–15.

Determining rating levels audit

In September 2014, ACECQA completed its fifth audit, on the topic of determining rating levels, specifically standard level Working Towards, Meeting and Exceeding NQS ratings. The audit was ACECQA’s most ambitious to date, involving a survey of authorised officers, detailed analysis of assessment and rating reports and data and interviews with regulatory authorities and large multi-jurisdiction providers.

The audit focused on six standards of the NQS that displayed the greatest degree of variation across jurisdictions. It identified a range of contextual factors that contribute to this variation, as well as opportunities for regulatory authorities and ACECQA to provide further guidance about rating decisions and improve how rating decisions are monitored.

Drift testing audit

This audit examined the process and procedures for monitoring the annual drift testing of authorised officers (refer to Part 2.11 for more information). The audit identified actions to be taken by ACECQA and regulatory authorities to enhance the ongoing monitoring and reporting of drift testing and further build consistency in assessment and ratings.

Use of the Operational Policy Manual (OPM) audit

The OPM is designed for authorised officers and staff of regulatory authorities to help them apply the National Law and National
Regulations, and to support a consistent approach to regulation across all states and territories.

This audit investigated the extent to which regulatory authority staff access the OPM and how useful they find it. Similar to the determining rating levels audit, this audit included a survey of regulatory authority staff. It found the majority of survey respondents agreed that the guidance in the OPM is written in clear language, easy to find, relevant, sufficiently detailed and able to be implemented in practice.

The audit did identify opportunities to enhance guidance in the OPM, improve accessibility and promote its continued use among regulatory authority staff.

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**Serious incidents involving a child missing from a service audit**

In June 2015, ACECQA commenced its eighth national audit, examining serious incidents involving a child missing from a service or unable to be accounted for. This audit will investigate the characteristics of this type of serious incident and how regulatory authorities respond to such incidents.

ACECQA continues to work with all states and territories to both plan and agree on the forward audit work plan, and progress the agreed actions from all completed audits.
2.6 National information and registers

One of the fundamental principles of the NQF is that information about children’s education and care services should 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 children’s education and care service under the NQF.

National Registers
ACECQA publishes the national registers to provide open and transparent information about children’s education and care services. There are three registers on the ACECQA website:

◆ Education and Care Services – this lists the individual services granted approval to operate under the NQF
◆ Approved Providers – this details individuals or entities authorised to operate an approved education and care service
◆ Certified Supervisors – a listing of persons holding a supervisor certificate.

Importantly, the national registers include details of the quality rating of approved education and care services. As well as the overall rating of the service, the rating for each quality area is also displayed. In 2014–15, ACECQA continued to publish weekly updates to the registers.

National Quality Agenda IT System
The National Quality Agenda IT System (NQA ITS) is a national database and online business tool for communication between children’s education and care providers and state and territory regulatory authorities. The NQA ITS supports the goal of removing regulatory inconsistencies across jurisdictional borders and creating a more efficient, cohesive and streamlined environment for business activity. The system also provides valuable national and jurisdiction specific data to ACECQA, the Australian Government and state and territory regulatory authorities.

NQA ITS governance
ACECQA manages, maintains, develops, and provides support for the NQA ITS. ACECQA works through QaCC’s NQA ITS Management Steering Group (NIMSG) to set priorities for the development of the system and address issues regarding data quality. NIMSG comprises representatives from state and territory regulatory authorities, the Australian Government and ACECQA.

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 NIMSG. This group provides the annual State of the System Report to QaCC, which outlines the past year’s achievements and provides a future work plan for the system. Two workshops were hosted by ACECQA for the administrators in November 2014 and April 2015, which provided an opportunity to:

◆ suggest, discuss, formulate and prioritise NQA ITS enhancements
◆ directly engage with ACECQA on issues
◆ deliver training on new functions
◆ review the systems functionality in relation to individual business processes for each regulatory authority
◆ network with representatives across jurisdictions.
An improvement to the governance of the NQA ITS in 2014–15 was the creation and standardisation of documents to promote the consistent use of the system. These documents consisted of a system data dictionary, help cards and various process documents to streamline the development and testing cycle.

**NQA ITS system development update**

In 2014–15, ACECQA made further improvements to the system to improve data quality and functionality, while mitigating business continuity risks to the system. In September 2014, the entire NQA ITS infrastructure was migrated from an in-house physical environment to a managed services cloud-based environment. This change provided a number of benefits for the system and end users including system scalability, increased performance, redundancy, improved monitoring and disaster recovery.

There were four major releases during 2014–15, each of which focused on priorities agreed to by state and territory regulatory authorities as well as improvements suggested by sector users. The team addressed over 220 issues/improvements in the year, with a number of enhancements focusing on usability improvements for end users. Notable system enhancements comprised:

- process changes to the 2015–16 annual fees
- improved security model for provider users
- application validation enhancements
- submitting additional documentation
- customisable checklists.

**Annual fee distribution**

As part of the administration of the NQA ITS, ACECQA creates and delivers annual fee invoices to education and care service providers on behalf of all jurisdictions. In May–June 2015, ACECQA issued 2015–16 annual fee invoices to each provider for all services they held in the given jurisdiction with the relevant payment methods. Providers with services in multiple jurisdictions receive one invoice per jurisdiction where services are located. ACECQA sent over 9,900 invoices to providers across the country.

**NQA ITS statistics**

**Number of Providers Registered in the NQA ITS**

Figure 4 shows the proportion of approved providers registered in the NQA ITS as at 30 June 2015. Once an approved provider is registered they are able to submit applications and notifications online as well as pay their annual fees.

There was a 70 per cent increase in the total number of registered portal users in 2014–15, from 10,415 to 17,696 users at 30 June 2015. The significant increase during the reporting period can be attributed to:

- usability improvements made to the system
- sector acceptance and familiarity with the system
- changes to some jurisdictional processes to only accept online forms
- promotion of the portal by ACECQA.

**Applications and Notifications**

With ongoing system enhancements to application and notification forms, there has been a noticeable shift to application and notification forms submitted online by the sector.

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**Figure 4**

**Providers Registered for the NQA ITS**

<table>
<thead>
<tr>
<th></th>
<th>ACT</th>
<th>NSW</th>
<th>NT</th>
<th>QLD</th>
<th>SA</th>
<th>TAS</th>
<th>VIC</th>
<th>WA</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Providers¹</td>
<td>115</td>
<td>3,603</td>
<td>87</td>
<td>1,770</td>
<td>535</td>
<td>85</td>
<td>2,415</td>
<td>642</td>
<td>9,252</td>
</tr>
<tr>
<td>% of providers registered for the NQA ITS</td>
<td>58%</td>
<td>81%</td>
<td>56%</td>
<td>55%</td>
<td>24%</td>
<td>31%</td>
<td>68%</td>
<td>56%</td>
<td>67%</td>
</tr>
</tbody>
</table>

¹. Includes approved providers not operating a service.
Figure 5 shows in January 2014, 73 per cent of application/notification forms were submitted by paper to the regulatory authorities. At the end of June 2015, paper based forms accounted for only 25 per cent of submissions, with 75 per cent being submitted online. This demonstrates that, in particular since early 2014, the trend of providers submitting forms via the NQA ITS has steadily increased. The trend toward online applications and notifications significantly reduces double handling by not requiring data entry into the NQA ITS by a regulatory authority.

Figure 6 shows the breakdown by applications/notifications for 2014–15 and the method submitted. Notifications are more likely to be submitted online, accounting for 64 per cent of submissions, while only 33 per cent of applications are submitted online to the regulatory authority.

### NQA ITS service desk and training/support

ACECQA's in-house NQA ITS service desk is the first point of call for technical questions from the sector and regulatory authorities seeking assistance with their use of the system. The service desk provides email and phone based support. In 2014–15, the service desk answered more than 6,700 enquiries from users of the system, an increase of 200 on 2013–14.

ACECQA provided training and support to the sector with various training sessions conducted on how to register and access the NQA ITS. A Getting Started Online guide was created and distributed to regulatory authorities and published on the ACECQA website which assists users to register, link providers and manage user access.
2.7 Excellent rating

Under the National Law, ACECQA is responsible for developing and managing the Excellent rating application process and for awarding the rating. To be eligible to apply for the Excellent rating, a service must have been rated as Exceeding National Quality Standard by the state or territory regulatory authority.

In 2014–15, ACECQA received a total of 46 applications for the Excellent rating. ACECQA awarded the Excellent rating to 21 services in 2014–15. They are listed below by date awarded:

- Canberra Girls Grammar School Early Learning Centre (ACT)
- Mission Australia Early Learning Services – Elizabeth Vale (SA)
- Jindi Woraback Children’s Centre (Vic)
- AIS Caretaker’s Cottage Child Care Centre (ACT)
- Scotch College Early Learning Centre (SA)
- Bundaberg Baptist Family Day Care Scheme Inc. (Qld)
- Kenmore and District Montessori Children’s House (Qld)
- Globe Wilkins Preschool (NSW)
- Doveton College Early Learning Centre (Vic)
- Berry Springs Preschool (NT)
- Albury Preschool (NSW)
- Wiradjuri Preschool Child Care Centre (ACT)
- Unicare Early Childhood Education (WA)
- UnitingCare Jack and Jill Preschool (NSW)
- Jumbunna Community Pre-school (NSW)
- Capalaba Child Care and Early Education Centre (Qld)
- Canberra Grammar School Early Learning Centre (ACT)
- Albury Out of School Hours (NSW)
- Baxter Kindergarten & Children’s Centre (Vic)
- St Luke’s Pre-School, Dapto (NSW)
- Clarendon Children’s Centre Co-op (Vic)

Those receiving the Excellent rating include long day care, preschool/kindergarten, family day care and outside school hours care services.

Services rated Excellent by ACECQA as at 30 June 2015 are located across seven states and territories – Australian Capital Territory, New South Wales, Northern Territory, Queensland, South Australia, Victoria, and Western Australia.

Of the 46 applications received by ACECQA in 2014–15, 22 were unsuccessful, and three were being assessed as at 30 June 2015.

As at 30 June 2015, ACECQA had received a total of 94 applications for the Excellent rating since the proclamation of legislative provisions enabling this function in April 2013, with 36 services having been awarded the Excellent rating.

Services demonstrate excellence through their applications in a range of different ways. During 2014–15, more than three quarters of the services
that achieved the Excellent rating demonstrated excellence in the theme of ‘inclusive partnerships with children and families’ or ‘practice and environments that enhance children’s learning and growth’. Eleven services achieved excellence in both of these themes.

Taking the theme of ‘inclusive partnerships with children and families’ as an example, some services have developed innovative programs with children and families to influence projects in their surrounding community. Other services run external programs that support children with additional needs, and/or employ specialist staff who mentor families, upskill staff members and provide dedicated support to children. Services also work with a range of partner agencies to implement exceptional programs that respond to the needs of the broader community to directly improve outcomes for children and families.

An overview of each Excellent rated service is published on the ACECQA website.
2.8 Educate and inform

**Stakeholder engagement**

2014–15 was a busy year of review and consultation for the sector, with the Productivity Commission Inquiry final report and recommendations released, alongside the 2014 COAG Review of the National Partnership on the National Quality Agenda, which canvassed potential refinements to the NQF. With this in mind, ACECQA targeted the sector’s need for information and clarity about the status of this work, as well as the promotion of opportunities for the sector to have its voices heard.

In addition to regular meetings with large cross-jurisdictional service providers, ACECQA undertook regular consultations with peak organisations, strengthening relationships and creating an environment conducive to discussion and feedback in the lead up to further potential sector reform.

ACECQA representatives presented at more than 100 conferences and workshops, attending events in every state and territory. These events provide important opportunities for sector professional development and a continued focus on the importance of quality children’s education and care. Presentations covered a range of focus topics selected for the year, and included guidance on expectations around documentation and quality improvement planning, educational leadership and dispelling myths about administrative burden relating to these requirements. A full list of major speaking engagements is at Appendix F.

Attendance at sector events also included the presentation of the first Excellent rating awards to services in the Australian Capital Territory and the Northern Territory. The ceremonies publicly recognised the outstanding contribution these services are making to their communities and celebrating their success as an important way of sharing exceptional practice.

Other key elements of ACECQA’s stakeholder engagement program, including the national workshops, ACECQA Forum, and the Communications Working Group, are discussed in more detail below.

**National workshops**

The 2014–15 national workshops started in Tasmania in September 2014 and were well received across the country, exceeding expectations across all states and territories. At their conclusion in Queensland in mid-August 2015, almost 4,000 educators and service managers had attended one of the 64 sessions held across Australia (45 of these were in 2014–15).

Led by ACECQA’s National Education Leader, the national workshops were designed to support services in meeting Quality Area 1: Educational Program and Practice and were open to all educators and providers.

The workshops provided practical, hands-on sessions and were delivered collaboratively with local professional support coordinators and regulatory authorities. This approach was highlighted by participants as a key strength of the workshops. Delivering the same interactive workshop across all jurisdictions also helped promote national consistency.

**National Education Leader activities**

In addition to the delivery of national workshops, the National Education Leader team continued to develop educational materials and resources such as podcasts, videos and fact sheets to further support the implementation of the NQF. These resources supplement and build awareness of the rich array of resources available to assist services to understand and implement the NQS.

The identification of topics for exploration on the regularly updated National Education Leader webpage is informed by trend data from the assessment and rating of services, as well as discussions with educators, peak and sector support organisations and inquiries to ACECQA’s customer service desk.

In addition to visiting services, the National Education Leader has continued to present at conferences and workshops, contribute to sector newsletters and share information and resources.
to promote quality service delivery and consistency of messaging across the sector.

ACECQA Forum

The ACECQA Forum continued to provide a platform for engaging with the sector to strengthen the ongoing implementation of the NQF.

The Forum comprises providers of family day care, outside schools hours care and preschool services, large providers of long day care, local and state government agencies, and family, professional and employees associations. The Forum also includes organisations with a focus on skills and training, research and inclusion. Membership of the Forum expanded in the reporting period to reflect sector growth.

The former Assistant Minister for Education, the Honourable Sussan Ley MP, addressed the ACECQA Forum in Melbourne in July 2014. The former Assistant Minister provided an overview of the Australian Government’s priorities for children’s education and care. At this fourth meeting of the Forum, the 80 members in attendance also participated in interactive sessions to share ideas and explore the ongoing implementation of the NQF, and completed a session on incorporating cultural competence in everyday practice.

The fifth ACECQA Forum was held in Sydney in December 2014 and was attended by more than 60 sector representatives. The Australian Government facilitated discussions across a range of issues, including seeking feedback on the themes that emerged from the Regulation Impact Statement consultation sessions under 2014 COAG Review.

Communications Working Group

ACECQA collaborated with members of the QaCC’s Communications Working Group (CWG), which comprises representatives from each state and territory regulatory authority and the Australian Government, in the development and implementation of strategies to support the following activities:

- new family communications strategy
- release of ACECQA’s quarterly NQF Snapshots
- updates to the Operational Policy Manual for authorised officers
- public consultations on the Productivity Commission Inquiry and 2014 COAG Review
- changes to educator to child ratios to take effect in 2016.

ACECQA also worked with the 2014 COAG Review Communications Working Group on developing communication strategies and material to inform the sector of the Review’s progress.
NQF Snapshots
Four NQF Snapshots were published on the ACECQA website and sent to major stakeholders and media outlets. The Snapshots present quarterly data and information to the public on a suite of progress indicators at the national and jurisdictional level.

Social media
During the past 12 months, ACECQA achieved significant increases in its social media presence. Facebook followers grew to more than 14,000, an increase of almost 5,000 on the previous year. The most successful posts, with a reach of up to 40,000 views, were those that linked to practical, helpful, free resources that support quality practice.

Twitter followers also increased from 1,800 to almost 2,500 and ACECQA’s blog, ‘We hear you’ typically received around 7,000 page views each month. The most successful blog, a post by ACECQA’s National Education Leader on documentation, received 25,700 views in the first two months of publication, supported by more than 1,000 shares on Facebook. ACECQA’s YouTube channel remained a popular vehicle for the 13-part series on the NQF, with thousands of views each month.

Newsletters
The redesign of the ACECQA newsletter to make it more mobile friendly resulted in increased open rates. With more than 20,000 subscribers at the end of June 2015 and 14 issues published, the average open rate across the twelve-month period was approximately 40 per cent. This is very high by sector standards.

Informed by feedback from a reader survey in October 2014, the newsletter is including more practical examples for services to learn from and link to other sector resources. Articles have also featured on suggested areas of content interest from survey respondents such as NQF legislation and regulations, the NQS, assessment and rating, and family communication.

The survey identified more than 80 per cent of respondents found the content useful and favoured monthly publication. Our reader base is primarily working in long day care (40 per cent), followed by preschool/kindergarten (22 per cent), outside school hours care (17 per cent) and family day care (15 per cent).

Website
With an average of 150,000 people visiting ACECQA’s website each month this past year, the website remains a primary source of information for the sector. Website analytics show the most visited pages are the NQS, Quality Areas and qualifications. New resources are also regularly added to the site, and include the National Education Leader page, podcasts, factsheets and videos.

Media
ACECQA is growing its profile as the national body responsible for promoting quality children’s education and care. National press stories
that mentioned ACECQA tended to discuss the Authority’s role in terms of quality in the early childhood sector as a whole, although the majority of ACECQA’s media mentions was local coverage relating to individual services’ assessment and rating results.

Positive local media coverage of Excellent rated services continued through the year, and in the latter part of the reporting period, there were numerous media mentions of ACECQA’s family communications resource, Starting Blocks, and articles focusing on the importance of the early years to a child’s education and development.

Customer services

ACECQA’s customer service team is often people’s first point of contact with the organisation. The team is an important part of ACECQA’s communication and engagement with the sector, responding to public queries via telephone and email. In 2014–15, the customer service team received a total of 29,326 enquiries. This consisted of 15,604 telephone enquiries and 13,722 email enquiries. The highest volume of enquiries related to educator qualification requirements.

As part of ACECQA’s Customer Service Charter, the team has a goal to respond to email enquiries within five days. The average rate of response at 30 June 2015 was 1.3 days.

ACECQA continues to draw on enquiries data to inform newsletter articles, information sheets, blogs, social media posts and website content so relevant information is shared with a broader audience.

Delegates at a national workshop.
2.9 Guides and resources

The publication of guides and resources is an important vehicle for ACECQA to fulfil its role to educate and help the broader community understand the NQF.

In 2014–15, a range of resources were added to the more than 200 already contained on the ACECQA website and the NQF library. These included a short interactive presentation on individual qualification assessments, videos on cultural competence and the development of the NQF, new advice for services on who to contact for assistance, and new FAQs, mythbusters and information sheets.

ACECQA also continued to provide regular article contributions to sector publications.

**NQF Resource Kit**

The NQF Resource Kit is the key document used by services to understand and guide practice under the NQF. It is available online for services to download for free and printed copies are also available for purchase. In the year ahead, it is expected that major revisions will be made to the Kit to reflect relevant 2014 COAG Review outcomes, once they become known.

**Operation Policy Manual for Regulatory Authorities**

An updated Operational Policy Manual was published by ACECQA in late November 2014, ensuring detailed and nationally consistent operational guidance to authorised officers in all jurisdictions. The update reflected the changes to the National Regulations that took effect from June 2014, including significant changes to supervisor certificates operational policy and additional information on determining family day care service approvals to reflect examples of best practice. A quality assessment and rating chapter was also incorporated into the Manual in June 2015.
Resources for the sector, families and the community

ACECQA’s development of resources in the initial stages of NQF implementation has focused on the needs of providers and educators to make sure they had information and support to implement the NQF.

In addition, providing useful information to families has always been an important part of ACECQA’s work. In 2014, ACECQA began developing a new families communications strategy that seeks to significantly increase parents’ awareness and understanding of the importance and benefits of quality early childhood education and care.

The strategy specifically focuses on prospective or new parents with no or very limited knowledge about the benefits of early learning, who may be making decisions about entering children’s education and care for the first time.

The foundation of this strategy, the Starting Blocks website, was launched on 30 April 2015. The strategy was developed in consultation with sector representatives, as well as focus groups with families.

The key features of Starting Blocks include:
- a website with factsheets, infographics and video
- posters and brochures distributed to more than 3,000 GP waiting rooms, health centres and 80 hospitals
- a social media strategy, comprising a Facebook page and YouTube channel
- attendance at relevant expos, including the Pregnancy, Babies and Children’s Expos.

To date, the strategy has been successful, with positive feedback from the sector and families. Within two months, the website had more than 45,000 page views and the Starting Blocks Facebook page achieved almost 1,000 likes. More than 30,000 people attended the Sydney and Brisbane expos, providing an avenue to promote the strategy to thousands of new parents.

Communication activities and messaging will continue to be developed as the Starting Blocks strategy grows and gains awareness with families. While the initial focus has been on raising parents’ awareness of the importance of quality, over time, more detailed and targeted communications will be possible.

ACECQA exhibit at Pregnancy, Babies and Children’s Expo.
2.10 Information on National Quality Framework and effect on developmental outcomes for children

Development of an evaluation framework for the NQF

One of ACECQA’s functions is to monitor and evaluate the NQF. In late 2014 and early 2015, ACECQA refined a draft framework to support this evaluation function. The purpose of the draft evaluation framework is to assess the extent to which the NQF has met its objectives and the efficiency with which these goals have been achieved. In practical terms, an agreed framework can guide reporting on the NQF, including on how it can be improved, build the evidence base for future policy reviews, and enable governments to assess value for money from their investments.

When implemented, the evaluation framework will guide ACECQA’s research agenda, including targeted research projects that will help build a broader picture of whether the NQF is achieving its intended purposes.

The ACECQA Board reviewed the draft framework in May 2015 and approved initial scoping of potential evaluation projects. ACECQA consulted with regulatory authorities and the Australian Government on the framework methodology, with broader stakeholder consultations including with ECPG to occur following the completion of the COAG Review.

Regulatory burden research – Wave II and III

The NQF was introduced to improve the quality of Australia’s education and care services. A subsidiary goal of the NQF is to reduce unnecessary paperwork and compliance burden on education and care providers through a jointly governed system of regulation, replacing overlapping regulatory activities by Australian, state and territory governments.

Under the National Partnership Agreement, ACECQA is required to report on the experience of services under the NQF, with respect to the level of regulatory burden. To assess progress towards this goal and report on this measure, in 2013, ACECQA commenced a longitudinal research project to measure nominated supervisors’ and providers’ perceptions of administrative burden under the NQF.

Wave II research – 2014

ACECQA commenced its second instalment (perception survey Wave II) of the longitudinal study in 2014. The results from this survey were reported to the Education Council in December 2014, focussing on significant changes in response to those presented in the 2013 Wave I research report.

Some of the main findings from the Wave II research include:

- respondents from centre-based education and care services reported lower overall burden in Wave II than in Wave I
- respondents perceived lower burden with supervisor certificates and displaying information in Wave II. This was particularly influenced by respondents from preschools and kindergartens
- a greater proportion of approved providers of not-for-profit services agreed that ‘administrative requirements of the National Law and Regulations are simpler than the previous licensing and accreditation systems’ in Wave II.

These findings supported findings from Wave I that, as the sector adapts to the NQF, and as measures to streamline administrative obligations are implemented, the level of administrative burden perceived by nominated supervisors and providers will reduce. The full report can be found on the ACECQA website.
Wave III research – 2015

ACECQA commenced fieldwork for the third instalment (Wave III) of the research project in April 2015. It is anticipated that the results from this Wave will enable ACECQA to establish whether perceptions of administrative burden have changed over time and in which particular areas.

Other research relationships

In 2014–15, ACECQA further developed its relationships with peak bodies, providers and government agencies to improve research outcomes. The Report on Government Services (RoGS) prepared by the Productivity Commission is one area of focus. ACECQA continues to assist the Productivity Commission in the development of new education and care measures for the 2015 RoGS. ACECQA also provided input and advice on the implementation of the NQF to assist with the development of the Productivity Commission’s final report on its Inquiry into Childcare and Early Childhood Learning.

ACECQA continues to develop relationships with the Australian Bureau of Statistics (ABS) and the Australian Institute of Health and Welfare (AIHW). Both of these agencies manage and maintain datasets that can assist ACECQA and the sector to evaluate the NQF. ACECQA also attended a number of university facilitated workshops.
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 relevant sections of the National Law and National Regulations in each jurisdiction.

The specific roles of authorised officers vary across jurisdictions but generally include assessing and rating services, monitoring compliance, guiding and educating providers, managing approvals and taking enforcement actions.

ACECQA’s support and training for authorised officers is central to promoting national consistency under the NQF. Reliable training and effective support for staff of regulatory authorities supports the integrity of the NQF and is vital to improving quality outcomes for children, families and the community.

ACECQA determination on authorised officer qualifications

Under section 225(1)(o) of the National Law, ACECQA is required to determine the qualifications for authorised officers.

In 2014, the ACECQA Board was due to conduct a scheduled review of its 2011 position on authorised officer qualifications.

In December 2014, the Board decided to defer review of the current determination on qualifications, in recognition that any changes would need to be informed by relevant outcomes of the 2014 COAG Review. Accordingly, the 2011 ACECQA Board determination remained in place as at 30 June 2015.

Training Working Group

The QaCC’s Training Working Group (TWG) aims to ensure that relevant support and training is provided to regulatory authority authorised officers. The TWG develops and maintains a national plan to support ongoing consistency, reliability and validity, as well as the training needs of authorised officers.

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

In 2014–15, the TWG supported and informed the authorised officers training and support strategies and activities listed below.

Authorised officer training

The national authorised officer training program is delivered in two parts. Part one of the training is available to authorised officers in a series of online learning modules. ACECQA delivers part two of the authorised officer training on an ongoing quarterly basis, as well as in response to instances of high demand on a national or jurisdictional level. The part two training is delivered face-to-face and must be completed before authorised officers undertake assessment and rating.

During 2014–15, ACECQA delivered the part two training to approximately 100 officers.

In 2014–15, ACECQA launched two eLearning modules for authorised officers to assist them assess cultural competence and Montessori education and care services. In consultation with the TWG, ACECQA is currently developing additional modules about assessing quality education and care for children aged from birth to two years old, Steiner education and care services, and outside school hours care services.
**Lead assessors**

Each state and territory regulatory authority has a number of lead assessors, who have undergone additional training and are primarily tasked with supporting and advising authorised officers within their jurisdiction.

ACECQA hosted a two-day workshop for lead assessors from across Australia in March 2015. The workshop included sessions on reviewing reliability and drift testing materials, part two training delivery and content, and planning for supporting authorised officers into the future.

ACECQA will continue to maintain and develop the lead assessor network, as it plays an important role in promoting consistent decision making and practice nationally.

**Reliability and drift testing**

Authorised officers must complete the national training program and demonstrate they can reliably assess quality against the NQS before being able to conduct assessment and rating visits. To demonstrate reliability, authorised officers must complete and pass a reliability test. Authorised officers must also complete an annual drift test to ensure that they continue to maintain reliability.

All authorised officers complete both reliability and drift testing online through the national authorised officer eLearning portal.

In the reporting period, ACECQA monitored and supported ongoing drift testing of authorised officers to support consistent quality rating of services.

**National authorised officer eLearning portal**

ACECQA manages an online learning portal for all state and territory authorised officers. The eLearning portal hosts national training and support materials, as well as the reliability and drift testing of authorised officers. It offers a national hub for authorised officers and is divided into four main areas:

- training (in the form of eLearning modules)
- reliability testing
- resources (e.g. guidance notes, report writing tools and regulatory authority updates)
- drift testing.
At the end of June 2015, the eLearning portal had more than 500 registered users.

**Additional guidance for authorised officers**

In addition to training, ACECQA has worked with jurisdictions to develop additional guidance and resources for authorised officers on elements and standards of the NQS that can prove particularly challenging for authorised officers to assess. Five guidance notes were developed in 2014–15, on the following topics:

- assessing how each child is protected
- consideration of guides and guidelines
- gathering evidence for effective service assessment and quality improvement
- principal office visit during family day care assessment and rating
- program structure, routines and transitions.

All guidance notes are available to authorised officers via the eLearning portal.

**Regulatory authority updates**

ACECQA produces updates for authorised officers and other regulatory authority staff. These keep authorised officers up to date with what is happening at ACECQA and provide timely advice on current national issues. A total of four regulatory authority updates were published on the eLearning portal in 2014–15.
2.12 Educator qualifications

Under the *Education and Care Services National Law*, ACECQA has the responsibility to determine and approve the qualifications that need to be held by educators working in children’s education and care services.

ACECQA determines and approves the following types of qualifications and training for educators:

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

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.

**Applications from individuals**

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

Between 1 July 2014 and 30 June 2015, ACECQA received 1,279 applications from individuals seeking to have their qualifications assessed for equivalence to an approved qualification. More than half (53 per cent) of the applications were from individuals seeking equivalence to early childhood teaching qualifications. Just under a third (31 per cent) were for diploma level qualifications. The remainder were for certificate III level and working with children over preschool age qualifications.

More than 90 per cent of the applications were from individuals with qualifications from overseas, most notably the UK (30 per cent), New Zealand (14 per cent) and Ireland (10 per cent).

Almost a third (28 per cent) of the applications were from individuals looking to work in New South Wales, with just over a quarter (26 per cent) looking to work in Western Australia, followed by Victoria (18 per cent) and Queensland (12 per cent).

Of the 1,279 applications received, more than four-fifths (83 per cent) had been finalised by 30 June 2015. Around 6 per cent were being assessed, and the remainder were awaiting additional required information from the applicant.

ACECQA’s assessment of applications process typically involves individual case management and assistance around ACECQA’s published guidelines and requirements. In 2014–15, ACECQA approved 710 individuals for equivalence. This included 229 early childhood teachers, 249 diploma level educators and 187 certificate III level educators.

The overall approval rate for finalised applications was 79 per cent.

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

On average, ACECQA received 24 applications per week from individuals wanting their qualifications assessed. The highest volume months were July 2014, when 139 applications were received, and March 2015, when 123 applications were received. See Appendix G for further qualification application statistics.

**Approved applicant survey**

In June 2015, ACECQA undertook a survey of applicants whose qualifications were assessed.
as equivalent between June and December 2014 to determine whether these educators were currently working in the sector and, if so, in what capacity. The survey was sent to 321 successful individual assessment applicants. ACECQA received 93 responses, representing a response rate of 29 per cent.

Just under three quarters (74 per cent) of respondents indicated that they were currently employed in children’s education and care services. More than half (53 per cent) were employed in long day care services, with almost a third (31 per cent) employed in preschool/ kindergarten settings. The remaining educators were employed in outside school hours care (10 per cent) and family day care (5 per cent).

Of the respondents, 11 per cent indicated that they were actively seeking work in the sector. Almost two thirds (64 per cent) of these job seekers were looking for work in preschool/ kindergarten settings as ECTs or full time qualified educators.

The remaining 15 per cent of respondents indicated that they were not actively seeking work in the sector. Almost two thirds (64 per cent) of these job seekers were looking for work in preschool/ kindergarten settings as ECTs or full time qualified educators.

Applications from organisations
Organisations, such as universities and registered training organisations, 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 2014 and 30 June 2015, ACECQA received a total of 22 applications from organisations wanting their qualifications or training assessed for equivalence.

Almost all (86 per cent) of the applications were from organisations seeking to have early childhood teaching qualifications added to ACECQA’s published lists, with the remainder seeking approval of asthma and anaphylaxis training.

Of the 22 applications received, most (82 per cent) had been finalised by 30 June 2015. All of the finalised applications were approved. ACECQA worked closely with applicants throughout the assessment process to ensure that its published guidelines and requirements are met. This can involve requesting additional information from applicants and has resulted in changes to the originally proposed qualification or training. See Appendix G for further qualification application statistics.

Collaboration with partner bodies
ACECQA works with the sector, Australian Government and state and territory governments, and other relevant agencies to identify ways to support the supply of appropriately qualified educators available for education and care service providers.

Australian Institute for Teaching and School Leadership (AITSL)
In the reporting period, ACECQA worked with AITSL to promote national consistency in the recognition of early childhood teachers in Australia. ACECQA was a member of the Teaching Qualifications Advisory Panel (TQAP), which assisted AITSL by providing advice and information on a national approach to skilled migration for teachers and collaboration on teaching skills assessment.
In November 2014, ACECQA convened a tri-party working group to examine the Australian Professional Standards for Teachers (APST), with the view to making the standards more inclusive and reflective of early childhood teachers and early childhood settings.

**Australasian Teacher Regulatory Authorities (ATRA)**

ACECQA also works closely with ATRA and its jurisdictional members. ACECQA collaborated with the Victorian Institute of Teaching (VIT) to assist with preparing for the introduction of teacher registration in Victoria from 30 September 2015. ACECQA is also a member of the VIT Early Childhood Stakeholder Reference Group.

In June 2015, ACECQA hosted three information sessions for higher education institutes to provide information and advice about the program assessment process. Representatives from the relevant teacher regulatory authorities participated in these discussions. ACECQA will continue to engage with the teacher regulatory authorities to further improve processes for approval of teacher education programs in Australia.

**Australian Skills Quality Authority (ASQA)**

ASQA regulates Australia’s vocational education and training sector. In addition to an established memorandum of understanding between the two organisations, ACECQA was part of the management committee for ASQA’s strategic review of training for early childhood education and care. Other members of the management committee included the Community Services and Health Industry Skills Council, the Australian Government Department of Education and Training, Department of Industry and Science, and the Western Australian and Victorian Vocational Education and Training regulators.
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 five performance reporting indicators contained in the Implementation Plan for the National Partnership Agreement on the National Quality Agenda for Early Childhood Education and Care (NQA IP). The NQA IP provides the basis for the Australian Government, state and territory governments and ACECQA to report to Ministers on the implementation of the NQA.

In particular, ACECQA’s bi-annual reports to the Educational Council under the NQA IP inform state, territory and Australian Government Ministers on the progress of the implementation and administration of the NQF.

The data presented in this section of the report were drawn from the National Quality Agenda IT system (NQA ITS) on 30 June 2015. The NQA ITS provides both a national database and online business tool for children’s education and care services to work with state and territory regulatory authorities under the NQF.

The NQA IP for the National Quality Agenda has five performance indicators:

1. The proportion of 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.
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.

3. From 3 June 2015, changes to Commonwealth Family Assistance Law mean that (for the purposes of CCB funding) FDC services can generally only operate in the jurisdiction where the service approval is held. Before this date FDC services could operate in multiple jurisdictions under one service approval. This means that growth in FDC services is partly driven by existing FDC providers gaining separate service approvals in each jurisdiction of operation.
1. The proportion of early childhood education and care services with a current assessment against the National Quality Standard

Under the NQF, regulatory authorities in each state and territory quality assess and rate children’s education and care services against the NQS.

As at 30 June 2015, 9,347 services across Australia (63 per cent) had received a quality rating. This includes 35 per cent of family day care services and 65 per cent of centre-based services.

The proportion of children’s education and care services with a current assessment against the NQS continues to increase. As at 30 June 2014, 5,827 (40 per cent) of services across Australia had received a finalised quality rating, compared to 63 per cent at 30 June 2015. This represents a 60 per cent increase in completed quality ratings during the financial year 2014–15.

Figure 10 shows the number and proportion of approved services with a current assessment against the NQS by jurisdiction and nationally.

The jurisdictions with the largest number of services – New South Wales, Victoria and Queensland – have assessed and rated 86 per cent (8,032) of all quality rated services under the NQF.

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

The NQS is designed to facilitate quality improvement in 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 11. These are Significant Improvement Required, Working Towards NQS, Meeting NQS, Exceeding NQS and Excellent.

Figure 12 shows that nationally, 66 per cent of assessed and rated services are Meeting (38 per cent) or Exceeding (28 per cent) the NQS and 33 per cent of services are Working Towards NQS. In addition, as at 30 June 2015, 36 services had been awarded the Excellent rating by ACECQA. The Excellent rating is awarded by ACECQA, on application, and a service must have a rating of Exceeding NQS to apply.

In line with ACECQA’s 2013–14 Annual Report, this distribution continues to suggest that the NQS is working as intended for those services that have been assessed and rated. The distribution of quality ratings aligns with the NQF’s overall aim of driving continuous improvements across the sector, and in particular, matches the designed intent of the NQS to be achievable yet also pose a challenge to services to continually improve quality.

As at 30 June 2015, nine services had a quality rating of Significant Improvement Required. Regulatory authorities continue to work closely with providers of services that have been rated Significant Improvement Required, and use a range of regulatory measures as appropriate to respond to particular compliance issues at the service and bring about quality improvement.

Centre-based and family day care services

Family day care services are slightly more likely than centre-based services to be rated as Working Towards NQS and slightly less
likely than centre-based services to be rated as Exceeding NQS as shown in Figure 13.

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

**Socio-Economic Index for Areas**

The Socio-Economic Index for Areas (SEIFA) is a measure used by the Australian Bureau of Statistics (ABS) to rank areas according to social economic advantage and disadvantage based on census data. SEIFA analysis of the assessment and ratings data at 30 June 2015 for centre-based services indicates that socio-economic disadvantage appears to have a small effect on the spread of quality ratings, reflected in Figure 14. This indication aligns with the analysis reported in ACECQA’s 2013–14 Annual Report.

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

The Accessibility/Remoteness Index of Australia (ARIA+) is a geographical approach to defining remoteness in Australia. The application of ARIA+ to centre-based services with a quality rating at 30 June 2015 is reflected in Figure 15.
The ratings by quality area provide an indication of quality areas that are the most challenging for services to meet. These findings continue to help ACECQA and governments to target guidance and support for services.

Nationally, services are more likely to be rated as:

- **Meeting NQS or Exceeding NQS** in Quality Area 4 (91 per cent), Quality Area 5 (90 per cent) and Quality Area 6 (89 per cent), compared to other quality areas.
- **Working Towards NQS** in Quality Area 1 (25 per cent), Quality Area 3 (21 per cent), Quality Area 2 (20 per cent) and Quality Area 7 (20 per cent) compared to other quality areas.

Analysis of the number and proportion of approved services with a quality rating using the ARIA+ finds that remoteness may have a small effect on the spread of quality ratings.

**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**: Collaborative partnerships with families and communities
- **Quality Area 7**: Leadership and service management

Figure 16 displays the quality rating results for each of the seven quality areas at a national level.
Figure 15 Proportion of approved services by quality rating by remoteness classification (ARIA+) on 30 June 2015

<table>
<thead>
<tr>
<th>Classification</th>
<th>Working Towards NQS</th>
<th>Meeting NQS</th>
<th>Exceeding NQS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Major Cities of Australia</td>
<td>33%</td>
<td>38%</td>
<td>29%</td>
</tr>
<tr>
<td>Inner Regional Australia</td>
<td>30%</td>
<td>43%</td>
<td>27%</td>
</tr>
<tr>
<td>Outer Regional Australia</td>
<td>36%</td>
<td>37%</td>
<td>27%</td>
</tr>
<tr>
<td>Remote Australia</td>
<td>46%</td>
<td>31%</td>
<td>23%</td>
</tr>
<tr>
<td>Very Remote Australia</td>
<td>38%</td>
<td>42%</td>
<td>20%</td>
</tr>
<tr>
<td>N/A (inc. FDC)</td>
<td>34%</td>
<td>31%</td>
<td>35%</td>
</tr>
<tr>
<td>TOTAL</td>
<td>33%</td>
<td>38%</td>
<td>28%</td>
</tr>
</tbody>
</table>

Figure 16 The number of approved services with a finalised quality rating by quality area nationally on 30 June 2015

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 to maintain the supply of services.

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. Providers apply to the regulatory authority in their state or territory for a waiver. Under the National Law, education and care providers are able to apply for two types of waivers:

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

- **Temporary waivers** – temporary waivers apply for no more than 12 months. Where a temporary waiver is in force, the education and care service is not required to comply with the specified element(s) of the NQS and National Regulations. Temporary waivers must specify the period for which the waiver applies and providers may apply to the regulatory authority to extend the period of a temporary waiver by periods of not more than 12 months.
As at 30 June 2015, 6 per cent (746) of education and care services across Australia were operating with waivers. Over the financial year, the proportion of services with staffing waivers fell from 4.6 to 3.2 per cent, which is indicative of providers successfully recruiting staff that meet the higher qualification requirements under the NQF, which came into effect from 1 January 2014. Figure 17 shows that of the 441 services with temporary waivers, 95 per cent are for staffing arrangements. For services with a service waiver, 82 per cent are for physical environment.

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

When viewed in terms of geographic location, waivers are more prevalent in metropolitan areas, reflecting the distribution of services nationally. However, services in remote and very remote locations have more waivers as a proportion of services in those areas, likely reflecting difficulties in recruiting and retaining staff.

![Image](image.jpg)

**Figure 17** The number of approved services with any waiver, by waiver category and by waiver type on 30 June 2015

<table>
<thead>
<tr>
<th></th>
<th>Service</th>
<th>Temporary</th>
<th>Service &amp; Temporary</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Physical</td>
<td>240</td>
<td>24</td>
<td>2</td>
<td>266</td>
</tr>
<tr>
<td>Staff</td>
<td>52</td>
<td>417</td>
<td>1</td>
<td>470</td>
</tr>
<tr>
<td>Both</td>
<td>1</td>
<td>0</td>
<td>9</td>
<td>10</td>
</tr>
<tr>
<td>TOTAL</td>
<td>293</td>
<td>441</td>
<td>12</td>
<td>746</td>
</tr>
</tbody>
</table>
4. The proportion of parents who indicate that they know their service’s rating and understand its meaning

In September 2014, the Education Council agreed that a quantitative study by ACECQA of families’ knowledge of services’ ratings be delayed and/or qualitative research be considered in 2015 pending the outcomes of the COAG Review and the Productivity Commission Inquiry.

ACECQA’s initial research findings show that while families support the concept of the NQF to increase the quality of education and care, they had little to no awareness of it or of the rating of their child’s service.

ACECQA has collaborated with governments to develop a communications strategy to improve awareness among families, and particularly new parents of the importance of quality learning environments for child development during the early years. This includes a new Starting Blocks website, launched in April 2015, targeted at families who are considering using an education and care service for the first time. ACECQA will evaluate the effectiveness of this measure and report future findings.

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

As highlighted in Part 2.10 of this report, ACECQA’s second instalment of longitudinal research on children’s education and care services’ perceptions and experiences of administrative burden under the NQF was finalised and delivered to the Education Council in December 2014. The full report can be found on the ACECQA website.

As at 30 June 2015, preliminary analysis of the Wave III study is being used to guide more complex statistical analysis to identify changes in the perception of burden over time.
Accountability
4.1 Risk management

ACECQA's risk management plan underpins the organisation’s governance framework. The plan demonstrates that levels of risk within the organisation are understood and that risk treatment strategies are appropriate and cost-effective.

Risk management plan

In 2014–15, 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 provides recommendations to the ACECQA Board on any proposed changes to the plan.

Internal audit

ACECQA's internal audit function provides an independent and objective performance review and compliance advisory service to the organisation. Internal audit is complemented by management strategies and a monitoring framework to mitigate business risks for ACECQA and improve organisational performance. Areas identified for internal audit are identified and prioritised according to ACECQA's risk management plan.

In 2014–15, internal audits were conducted by ACECQA's outsourced independent auditor, Oakton Consulting, on the following areas of the National Authority's business:

- ACECQA's national audit function (performance audit)
- Compliance with the Payment Card Industry Data Security Standard (compliance audit)

Details on the outcomes of the two internal audits are contained in Part 1.2 of this report.

In addition, ACECQA undertakes quarterly segregation of financial duties testing to assess the effectiveness of the organisation's internal controls and reduce the risk of fraud and error.

Fraud control

ACECQA's fraud control plan and policy aligns 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, agencies and bodies subject to the Public Governance, Performance and Accountability Act 2013 (PGPA Act).

Although ACECQA is not subject to the PGPA Act, ACECQA's fraud control plan aligns with 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. The Board and its AFR Sub Committee reviewed ACECQA's fraud control plan in February 2015.

ACECQA's fraud policy statement is periodically communicated to all staff. In May 2015, all ACECQA managers and senior managers attended compulsory HR training on the organisation's financial delegations, procurement and fraud management policies.
4.2 Freedom of Information


**Information Publication Scheme**
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 can be found on the Authority’s website and includes the Information Publication Plan and information on the Authority’s:

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

**Freedom of information requests**
The following table shows the status of Freedom of Information applications for access to information for the period 1 July 2014 to 30 June 2015.

<table>
<thead>
<tr>
<th>Applications considered</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>On hand as at 1 July 2014</td>
<td>–</td>
</tr>
<tr>
<td>Received</td>
<td>2</td>
</tr>
<tr>
<td>Granted in full</td>
<td>–</td>
</tr>
<tr>
<td>Granted in part</td>
<td>–</td>
</tr>
<tr>
<td>Access refused</td>
<td>–</td>
</tr>
<tr>
<td>Withdrawn</td>
<td>2</td>
</tr>
<tr>
<td>Transferred</td>
<td>–</td>
</tr>
<tr>
<td>On hand as at 30 June 2015</td>
<td>–</td>
</tr>
<tr>
<td>Internal reviews</td>
<td>–</td>
</tr>
<tr>
<td>Appeals to the National Education and Care Services Freedom of Information Commissioner</td>
<td>–</td>
</tr>
<tr>
<td>Appeals to the relevant Administrative Tribunal</td>
<td>–</td>
</tr>
</tbody>
</table>

In the reporting period, relevant ACECQA staff completed training on the Authority’s FOI obligations.
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 Privacy Amendment (Enhancing Privacy Protection) Act 2012 (Privacy Amendment Act).

ACECQA’s Australian Privacy Principles Policy sets out relevant information on the way personal information about staff and stakeholders is collected, handled, used and disclosed, as well as how it can be accessed and corrected. The Policy and ACECQA’s Privacy Statement are located on the ACECQA website.

During 2014–15, ACECQA did not receive any privacy complaints. In addition, no investigations of ACECQA were undertaken by the National Education and Care Services Privacy Commissioner.

In the reporting period, ACECQA staff completed training on the Authority’s Privacy Policy to enhance awareness of the organisation’s compliance obligations, including the application of the Australian Privacy Principles.
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 2014–15, ACECQA worked with the Office of the ECS Ombudsman to resolve any matters raised with 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 maintained and refined its internal procedures manuals, which 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. The manuals guide ACECQA’s processes for internal review and management of complaints.
Financial report and financial statements
INDEPENDENT AUDITOR’S REPORT

To the Education Council

I have audited the accompanying financial statements of the Australian Children’s Education and Care Quality Authority for the year ended 30 June 2015, which comprise the Statement by Chair, Chief Executive Officer and Chief Operating Officer, Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Cash Flow Statement, Schedule of Commitments, and Notes comprising a Summary of Significant Accounting Policies and other explanatory information.

Board’s Responsibility for the Financial Statements

The Board of the Australian Children’s Education and Care Quality Authority 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 are 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 entity’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 entity’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 incorporates the requirements of the Australian accounting profession.

**Opinion**

In my opinion the financial statements of the Australian Children’s Education and Care Quality Authority:

(i) give a true and fair view of the Australian Children’s Education and Care Quality Authority’s financial position as at 30 June 2015 and of its financial performance and cash flows for the year then ended; and

(ii) comply with Australian Accounting Standards.

Australian National Audit Office

John Jones

Executive Director
Delegate of the Auditor-General
Canberra

13 October 2015
AUSTRALIAN CHILDREN’S EDUCATION AND CARE QUALITY AUTHORITY

Financial Statements
for the period ended 30 June 2015

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 2015 and the results of its financial performance and cash flows for the financial year ended 30 June 2015.

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

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

Rachel Hunter
Chair
13 October 2015

Karen Curtis
Chief Executive Officer
13 October 2015

Angela Buchanan
Chief Operating Officer
13 October 2015
### Statement of Comprehensive Income
for the period ended 30 June 2015

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Notes</strong></td>
<td>$'000</td>
<td>$'000</td>
</tr>
<tr>
<td><strong>NET COST OF SERVICES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Expenses</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employee benefits</td>
<td>8,171</td>
<td>8,150</td>
</tr>
<tr>
<td>Suppliers</td>
<td>5,336</td>
<td>5,670</td>
</tr>
<tr>
<td>Depreciation and amortisation</td>
<td>199</td>
<td>286</td>
</tr>
<tr>
<td>Write-down and impairment of assets</td>
<td>2</td>
<td>55</td>
</tr>
<tr>
<td><strong>Total expenses</strong></td>
<td>13,708</td>
<td>14,161</td>
</tr>
<tr>
<td><strong>Own-Source Income</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Own-source revenue</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sale of goods and rendering of services</td>
<td>226</td>
<td>296</td>
</tr>
<tr>
<td>Interest</td>
<td>392</td>
<td>422</td>
</tr>
<tr>
<td>Other revenue</td>
<td>4</td>
<td>767</td>
</tr>
<tr>
<td><strong>Total own-source revenue</strong></td>
<td>622</td>
<td>1,485</td>
</tr>
<tr>
<td><strong>Gains</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gains from sale of assets</td>
<td>5</td>
<td>4</td>
</tr>
<tr>
<td><strong>Total gains</strong></td>
<td>5</td>
<td>4</td>
</tr>
<tr>
<td><strong>Net cost of services</strong></td>
<td>13,081</td>
<td>12,672</td>
</tr>
<tr>
<td>Funding from Commonwealth, State and Territory Governments</td>
<td>13,047</td>
<td>13,461</td>
</tr>
<tr>
<td><strong>Surplus / ( Deficit)</strong></td>
<td>(34)</td>
<td>789</td>
</tr>
<tr>
<td><strong>OTHER COMPREHENSIVE INCOME</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other comprehensive income</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td><strong>Total comprehensive income</strong></td>
<td>(34)</td>
<td>789</td>
</tr>
</tbody>
</table>

The above statement should be read in conjunction with the accompanying notes.
### Statement of Financial Position

as at 30 June 2015

<table>
<thead>
<tr>
<th>Notes</th>
<th>2015 $'000</th>
<th>2014 $'000</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ASSETS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Financial Assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>6A</td>
<td>4,643</td>
</tr>
<tr>
<td>Receivables</td>
<td>6B</td>
<td>46</td>
</tr>
<tr>
<td>Investments</td>
<td>6C</td>
<td>10,000</td>
</tr>
<tr>
<td><strong>Total financial assets</strong></td>
<td></td>
<td>14,689</td>
</tr>
<tr>
<td><strong>Non-Financial Assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Leasehold improvements</td>
<td>7AC</td>
<td>54</td>
</tr>
<tr>
<td>Plant and equipment</td>
<td>7BC</td>
<td>64</td>
</tr>
<tr>
<td>Intangibles</td>
<td>7DE</td>
<td>121</td>
</tr>
<tr>
<td>Inventories</td>
<td>7E</td>
<td>18</td>
</tr>
<tr>
<td>Other non-financial assets</td>
<td>7G</td>
<td>447</td>
</tr>
<tr>
<td><strong>Total non-financial assets</strong></td>
<td></td>
<td>704</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td></td>
<td>15,393</td>
</tr>
<tr>
<td><strong>LIABILITIES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Payables</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Suppliers</td>
<td>8A</td>
<td>369</td>
</tr>
<tr>
<td>Other payables</td>
<td>8B</td>
<td>8,372</td>
</tr>
<tr>
<td><strong>Total payables</strong></td>
<td></td>
<td>8,741</td>
</tr>
<tr>
<td>Provisions</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employee provisions</td>
<td>9A</td>
<td>862</td>
</tr>
<tr>
<td><strong>Total provisions</strong></td>
<td></td>
<td>862</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td></td>
<td>9,603</td>
</tr>
<tr>
<td><strong>Net assets</strong></td>
<td></td>
<td>5,790</td>
</tr>
<tr>
<td><strong>EQUITY</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Retained surplus</td>
<td></td>
<td>5,790</td>
</tr>
<tr>
<td><strong>Total equity</strong></td>
<td></td>
<td>5,790</td>
</tr>
</tbody>
</table>

The above statement should be read in conjunction with the accompanying notes.
## Statement of Changes in Equity

for the period ended 30 June 2015

<table>
<thead>
<tr>
<th>Total Equity</th>
<th>2015 $'000</th>
<th>2014 $'000</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Opening balance</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Retained Earnings carried forward from previous period</td>
<td>5,824</td>
<td>5,035</td>
</tr>
</tbody>
</table>

| **Comprehensive income** |            |            |
| Surplus / (Deficit) for the period | (34) | 789 |
| **Total comprehensive income** | (34) | 789 |

| **Closing balance as at 30 June** | 5,790 | 5,824 |

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 2015*

<table>
<thead>
<tr>
<th>Notes</th>
<th>2015 $'000</th>
<th>2014 $'000</th>
</tr>
</thead>
</table>

#### OPERATING ACTIVITIES

**Cash received**

- Revenue from Commonwealth, States and Territories  
  - 2015: 14,937  
  - 2014: 13,465
- Sales of goods and rendering of services  
  - 2015: 410  
  - 2014: 713
- Interest  
  - 2015: 364  
  - 2014: 423

**Total cash received**  
- 2015: 15,711  
- 2014: 14,601

**Cash used**

- Employees  
  - 2015: (8,171)  
  - 2014: (7,673)
- Suppliers  
  - 2015: (5,817)  
  - 2014: (6,208)
- Net GST paid  
  - 2015: (989)  
  - 2014: (922)

**Total cash used**  
- 2015: (14,977)  
- 2014: (14,803)

**Net cash from (used by) operating activities**  
- 2015: 10  
- 2014: 734  
- 2015: (202)

#### INVESTING ACTIVITIES

**Cash received**

- Proceeds from sale of property, plant and equipment  
  - 2015: 8  
  - 2014: -

**Total cash received**  
- 2015: 8  
- 2014: -

**Cash used**

- Purchase of property, plant and equipment  
  - 2015: (8)  
  - 2014: (244)
- Purchase of intangibles  
  - 2015: (88)  
  - 2014: (88)

**Total cash used**  
- 2015: (96)  
- 2014: (332)

**Net cash from (used by) investing activities**  
- 2015: (88)  
- 2014: (332)

#### Net increase (decrease) in cash held

- 2015: 646  
- 2014: (534)

**Cash and cash equivalents at the beginning of the reporting period**  
- 2015: 3,997  
- 2014: 4,531

**Cash and cash equivalents at the end of the reporting period**  
- 2015: 4,643  
- 2014: 3,997

Cash and cash equivalents exclude investments in term deposit with an original maturity equal to or more than 3 months.

The above statement should be read in conjunction with the accompanying notes.
### Schedule of Commitments as at 30 June 2015

#### BY TYPE

<table>
<thead>
<tr>
<th>Type</th>
<th>2015 $’000</th>
<th>2014 $’000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commitments receivable</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Funding from Commonwealth, State and Territory Governments</td>
<td>3,395</td>
<td>4,462</td>
</tr>
<tr>
<td>Total commitments receivable</td>
<td>3,395</td>
<td>4,462</td>
</tr>
<tr>
<td>Commitments payable</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating leases</td>
<td>(459)</td>
<td>(1,364)</td>
</tr>
<tr>
<td>Other</td>
<td>(1,036)</td>
<td>(1,123)</td>
</tr>
<tr>
<td>Net GST payable on commitments</td>
<td>(173)</td>
<td>(180)</td>
</tr>
<tr>
<td>Total commitments payable</td>
<td>(1,668)</td>
<td>(2,667)</td>
</tr>
<tr>
<td>Net commitments by type</td>
<td>1,727</td>
<td>1,795</td>
</tr>
</tbody>
</table>

#### BY MATURITY

<table>
<thead>
<tr>
<th>Type</th>
<th>One year or less</th>
<th>From one to five years</th>
<th>Total</th>
<th>One year or less</th>
<th>From one to five years</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commitments receivable</td>
<td>3,395</td>
<td>-</td>
<td>3,395</td>
<td>4,462</td>
<td>-</td>
<td>4,462</td>
</tr>
<tr>
<td>Commitments payable</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating lease commitments</td>
<td>(459)</td>
<td>-</td>
<td>(459)</td>
<td>(905)</td>
<td>-</td>
<td>(905)</td>
</tr>
<tr>
<td>Other commitments</td>
<td>(762)</td>
<td>(274)</td>
<td>(1,036)</td>
<td>(895)</td>
<td>(228)</td>
<td>(1,123)</td>
</tr>
<tr>
<td>Total other commitments</td>
<td>(1,036)</td>
<td>(228)</td>
<td>(1,264)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net GST receivable / (payable) on commitments</td>
<td>(198)</td>
<td>25</td>
<td>(198)</td>
<td>(242)</td>
<td>25</td>
<td>(267)</td>
</tr>
<tr>
<td>Total other commitments</td>
<td>(173)</td>
<td>62</td>
<td>(173)</td>
<td>(180)</td>
<td>62</td>
<td>(186)</td>
</tr>
<tr>
<td>Total commitments payable</td>
<td>(1,668)</td>
<td>(2,667)</td>
<td>(1,668)</td>
<td>(2,667)</td>
<td>(2,667)</td>
<td></td>
</tr>
<tr>
<td>Net commitments by maturity</td>
<td>1,727</td>
<td>1,795</td>
<td>1,727</td>
<td>1,795</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Notes:**
1. Commitments are GST inclusive where relevant.
2. Operating lease included is effectively non-cancellable lease for current office accommodation. Lease payments are subject to 3% fixed increases at 1 January each year of the lease term. The lease is expiring on 30 December 2015.
3. Other commitments include a range of contracts for telephony, data, IT and other services.
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Note 1: Summary of Significant Accounting Policies
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Note 12: Board Members Remuneration and Related Party Transactions
Note 13: Senior Executive Remuneration Expenses
Note 14: Remuneration of Auditors
Note 15: 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 2014–16 issued by the Education Council:

Strategic priority 1: Promoting national consistency in the implementation of the NQF

Strategic priority 2: Reducing regulatory burden within the sector

Strategic priority 3: Monitoring and supporting the assessment and rating of services

Strategic priority 4: Contributing to the 2014 Review of the National Partnership Agreement

Strategic priority 5: Promoting education and awareness

Strategic priority 6: Developing and supporting a high quality workforce

The continued existence of ACECQA in its present form is dependent on Government policy and on continuing funding by Commonwealth, state and territory governments.

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. 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 statement of financial position when and only when it is probable that 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.

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

No 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

ACECQA has elected to early adopt AASB2015-7 which provides relief for not-for-profit public sector entities from making certain specific disclosures about the fair value measurement of assets measured at fair value and categorised within Level 3 of the fair value hierarchy.

All other new standards, amendments and interpretations that were issued prior to the sign-off date and are applicable to the current reporting period did not have a material effect, and are not expected to have a future material effect, on the entity’s financial statements.

Future Australian Accounting Standard Requirements

All new standards, amendments and interpretations that were issued prior to the sign-off date and are applicable to future reporting periods are not expected to have a future material impact on the entity’s financial statements.

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 gains control of the contributions or obtains the right to receive the contributions.

Contributions that relate to future periods are shown in the Statement of Financial Position as Other payables under the heading of Payables and disclosed in Note 8B 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 entity retains no managerial involvement or effective control over the goods;
- 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 the entity.

Receivables for goods and services are recognised at the nominal amounts due less any provision for bad and doubtful debts. The ability to collect debt is reviewed at the end of reporting period. 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.

1.6 Gains

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.

Sale of Assets

Gains from disposal of assets are recognised when control of the asset has passed to the buyer.
1.7 Employee Benefits

Liabilities for short-term employee benefits (as defined in AASB 119 Employee Benefits) and termination benefits expected within twelve months of the end of reporting period are measured at their nominal amounts.

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

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 2015 represents outstanding contributions due but not yet paid.

1.8 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 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 amortised over the period of the lease on a straight line basis.

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

1.9 Fair Value Measurement

ACECQA deems transfers between levels of the fair value hierarchy to have occurred at the end of the reporting period.

1.10 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 less than 3 months that are readily convertible to known amounts of cash and subject to insignificant risk of changes in value.

1.11 Trade and other receivables

Trade receivables and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as ‘Trade and other receivables’. Receivables are measured at amortised cost using the effective interest method less impairment. Interest is recognised by applying the effective interest rate. 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.

1.12 Effective Interest Method

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, or, where appropriate, a shorter period.

Income is recognised on an effective interest rate basis except for financial assets that are recognised at fair value through profit or loss.

1.13 Investments

Investments are term deposits held at fixed interest rates to maturity.

1.14 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).

1.15 Contingent Liabilities and Contingent Assets

Contingent liabilities and contingent assets are not recognised in the Statement of Financial Position 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.

1.16 Acquisition of Assets

Assets are recorded at cost on acquisition except as stated below. The cost of acquisition includes the fair value of assets transferred in exchange and liabilities undertaken.

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.

1.17 Property, Plant and Equipment

Asset Recognition Threshold

Purchase of property, plant and equipment are recognised initially at cost in the statement of financial position.

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:

<table>
<thead>
<tr>
<th>Asset Class</th>
<th>Fair Value Measured at</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leasehold improvements</td>
<td>Depreciated replacement cost</td>
</tr>
<tr>
<td>Plant and equipment</td>
<td>Market selling price</td>
</tr>
</tbody>
</table>

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 adjustments were made on a class basis. Any revaluation increment was credited to equity under the heading of asset revaluation reserve except to the extent that it reversed a previous revaluation decrement of the same asset class that was previously recognised in the surplus/deficit. Revaluation decrements for a class of assets were recognised directly in the surplus/deficit except to the extent that they reversed a previous revaluation increment for that class.
Any accumulated depreciation as at the revaluation date was eliminated against the gross carrying amount of the asset and the asset was restated to the revalued amount.

**Depreciation**

Depreciable property, plant and equipment assets are written-off to their estimated residual values over their estimated useful lives 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:

<table>
<thead>
<tr>
<th>Asset Class</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leasehold improvements</td>
<td>Lease term</td>
<td>Lease term</td>
</tr>
<tr>
<td>Plant and equipment</td>
<td>3 to 20 years</td>
<td>3 to 20 years</td>
</tr>
</tbody>
</table>

**Impairment**

All assets were assessed for impairment at 30 June 2015. Where indications of impairment exist, the asset's recoverable amount is estimated and an impairment adjustment made if the asset’s recoverable amount is less than its carrying amount.

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

**Derecognition**

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

### 1.18 Intangibles

The entity’s intangibles comprise purchased software for internal use. These assets are carried at cost less accumulated amortisation and accumulated impairment losses. Purchases costing less than $100,000 (2014: $100,000) are expensed in the year of acquisition other than where they form part of a group of similar items which are significant in total.

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.

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

All software assets were assessed for indications of impairment as at 30 June 2015.

### 1.19 Inventories

Inventories held for sale are valued at the lower of cost and net realisable value.

Costs incurred in bringing each item of inventory to its present location and condition are assigned as follows:

- raw materials and stores – purchase cost on a first-in-first-out basis; and
- finished goods and work-in-progress – cost of direct materials and labour plus attributable costs that can be allocated on a reasonable basis.

 Inventories acquired at no cost or nominal consideration are initially measured at current replacement cost at the date of acquisition.

### 1.20 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 Statement of Financial Position.

Cash flows are included in the Cash Flow Statement 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**

There was no subsequent event that had the potential to significantly affect the ongoing structure and financial activities of ACECQA.
### Note 3: Expenses

#### Note 3A: Employee Benefits

<table>
<thead>
<tr>
<th></th>
<th>2015 ($'000)</th>
<th>2014 ($'000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wages and salaries</td>
<td>7,204</td>
<td>7,078</td>
</tr>
<tr>
<td>Superannuation</td>
<td>736</td>
<td>672</td>
</tr>
<tr>
<td>Leave and other entitlements</td>
<td>224</td>
<td>273</td>
</tr>
<tr>
<td>Termination benefits</td>
<td>7</td>
<td>127</td>
</tr>
<tr>
<td><strong>Total employee benefits</strong></td>
<td><strong>8,171</strong></td>
<td><strong>8,150</strong></td>
</tr>
</tbody>
</table>

#### Note 3B: Supplier

**Goods and services**

<table>
<thead>
<tr>
<th></th>
<th>2015 ($'000)</th>
<th>2014 ($'000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consultants</td>
<td>1,231</td>
<td>942</td>
</tr>
<tr>
<td>Contractors</td>
<td>227</td>
<td>276</td>
</tr>
<tr>
<td>Travel</td>
<td>371</td>
<td>313</td>
</tr>
<tr>
<td>Information and communication technology</td>
<td>1,400</td>
<td>1,476</td>
</tr>
<tr>
<td>Operating lease rentals – sublease payments</td>
<td>823</td>
<td>731</td>
</tr>
<tr>
<td>Workers compensation expenses</td>
<td>48</td>
<td>45</td>
</tr>
<tr>
<td>Payroll tax expenses</td>
<td>377</td>
<td>393</td>
</tr>
<tr>
<td>Recruitment</td>
<td>76</td>
<td>218</td>
</tr>
<tr>
<td>Publishing</td>
<td>77</td>
<td>144</td>
</tr>
<tr>
<td>Conference &amp; Exhibitions</td>
<td>79</td>
<td>574</td>
</tr>
<tr>
<td>Other</td>
<td>627</td>
<td>558</td>
</tr>
<tr>
<td><strong>Total goods and services</strong></td>
<td><strong>5,336</strong></td>
<td><strong>5,670</strong></td>
</tr>
</tbody>
</table>

#### Note 3C: Depreciation and Amortisation

**Depreciation**

<table>
<thead>
<tr>
<th></th>
<th>2015 ($'000)</th>
<th>2014 ($'000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leasehold improvements</td>
<td>104</td>
<td>202</td>
</tr>
<tr>
<td>Plant and equipment</td>
<td>39</td>
<td>84</td>
</tr>
<tr>
<td><strong>Total depreciation</strong></td>
<td><strong>143</strong></td>
<td><strong>286</strong></td>
</tr>
</tbody>
</table>

**Amortisation**

<table>
<thead>
<tr>
<th></th>
<th>2015 ($'000)</th>
<th>2014 ($'000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Intangibles</td>
<td>56</td>
<td>–</td>
</tr>
<tr>
<td><strong>Total amortisation</strong></td>
<td><strong>56</strong></td>
<td>–</td>
</tr>
<tr>
<td><strong>Total depreciation and amortisation</strong></td>
<td><strong>199</strong></td>
<td><strong>286</strong></td>
</tr>
</tbody>
</table>

#### Note 3D: Write-down and impairment of assets

<table>
<thead>
<tr>
<th></th>
<th>2015 ($'000)</th>
<th>2014 ($'000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Write-down of non-financial assets – Plant and equipment</td>
<td>2</td>
<td>54</td>
</tr>
<tr>
<td>Other</td>
<td>–</td>
<td>1</td>
</tr>
<tr>
<td><strong>Total Write-down and impairment of assets</strong></td>
<td><strong>2</strong></td>
<td><strong>55</strong></td>
</tr>
</tbody>
</table>
### Note 4: Income

#### Own-Source Revenue

**Note 4A: Sale of Goods and Rendering of Services**

<table>
<thead>
<tr>
<th>Category</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Provision of goods</td>
<td>36</td>
<td>35</td>
</tr>
<tr>
<td>Rendering of services</td>
<td>190</td>
<td>261</td>
</tr>
<tr>
<td><strong>Total sale of goods and rendering of services</strong></td>
<td><strong>226</strong></td>
<td><strong>296</strong></td>
</tr>
</tbody>
</table>

**Note 4B: Interest**

<table>
<thead>
<tr>
<th>Category</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deposits</td>
<td>392</td>
<td>422</td>
</tr>
<tr>
<td><strong>Total interest</strong></td>
<td><strong>392</strong></td>
<td><strong>422</strong></td>
</tr>
</tbody>
</table>

**Note 4C: Other Revenue**

<table>
<thead>
<tr>
<th>Category</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Conference &amp; Exhibition Revenue</td>
<td>–</td>
<td>766</td>
</tr>
<tr>
<td>Other Revenue</td>
<td>4</td>
<td>1</td>
</tr>
<tr>
<td><strong>Total other revenue</strong></td>
<td><strong>4</strong></td>
<td><strong>767</strong></td>
</tr>
</tbody>
</table>

**Note 4D: Funding from Commonwealth, State and Territory Governments**

<table>
<thead>
<tr>
<th>Category</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Funding from Commonwealth Government</td>
<td>6,405</td>
<td>6,633</td>
</tr>
<tr>
<td>Funding from State and Territory Governments</td>
<td>6,642</td>
<td>6,828</td>
</tr>
<tr>
<td><strong>Total funding from Commonwealth, State and Territory Governments</strong></td>
<td><strong>13,047</strong></td>
<td><strong>13,461</strong></td>
</tr>
</tbody>
</table>
AUSTRALIAN CHILDREN’S EDUCATION AND CARE QUALITY AUTHORITY

Note 5: Fair Value Measurements

The following tables provide an analysis of assets and liabilities that are measured at fair value.

The different levels of the fair value hierarchy are defined below.

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at measurement date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability.

Note 5A: Fair Value Measurements, Valuation Techniques and Inputs Used

<table>
<thead>
<tr>
<th>Category</th>
<th>2015 $'000</th>
<th>2014 $'000</th>
<th>Category</th>
<th>Valuation technique(s)</th>
<th>Inputs used</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-financial assets</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Leasehold improvements</td>
<td>54</td>
<td>158</td>
<td>Level 3</td>
<td>Depreciated replacement cost</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Replacement Cost</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>New (price quotation for similar improvements)</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Consumed economic benefit/obsolescence of asset</td>
<td></td>
</tr>
<tr>
<td>Plant and equipment</td>
<td>64</td>
<td>101</td>
<td>Level 2</td>
<td>Market appraisal</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Consumed economic benefit/obsolescence of asset</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Adjusted market transactions</td>
<td></td>
</tr>
<tr>
<td>Total non-financial assets</td>
<td>118</td>
<td>259</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total fair value measurements of</td>
<td>118</td>
<td>259</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>assets in the statement of financial position</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

ACECQA did not measure any non-financial assets at fair value on a non-recurring basis as at 30 June 2015.

There were no changes in valuation technique from the previous reporting period.

Fair value measurements – highest and best use differs from current use for non-financial assets (NFAs)

ACECQA’s assets are held for operational purposes and not held for the purpose of deriving a profit. The current use of all NFAs is considered the highest and best use.

Recurring Level 2 fair value measurements – valuation processes

ACECQA procured valuation services from Pickles Valuation Services to undertake a desktop valuation at 30 June 2015.
Recurring and non-recurring Level 3 fair value measurements – valuation processes

Level 3 inputs utilised by ACECQA are derived and evaluated as follows:

*Leasehold Improvements – Consumed economic benefit/Obsolescence of asset*

Assets that do not transact with enough frequency or transparency to develop objective opinions of value from observable market evidence have been measured utilising the cost (Depreciated Replacement Cost or DRC) approach. Under the DRC approach the estimated cost to replace the asset is calculated and then adjusted to take into account its consumed economic benefit/asset obsolescence (accumulated Depreciation). Consumed economic benefit/asset obsolescence has been determined based on professional judgement regarding physical, economic and external obsolescence factors relevant to the asset under consideration.

ACECQA sought a quote from IA Group for a similar office fit-out as at 30 June 2015. The fair value is determined using the quoted replacement price adjusted for depreciation over the useful life or office lease term whichever is shorter.

ACECQA has chosen to early adopt AASB 2015-7 Amendments to Australian Accounting Standards – Fair Value Disclosures of Not-for-Profit Public Sector Entities at 30 June 2015. The future economic benefits of ACECQA’s non-financial assets are not primarily dependent on their ability to generate cash flows. ACECQA has not disclosed qualitative information about the significant unobservable inputs or a narrative description of the sensitivities of the fair value measurements to changes in the unobservable inputs.

**Note 5B: Level 1 and Level 2 Transfers for Recurring Fair Value Measurements**

There have been no transfers of non-financial assets between level 1 and 2 of the hierarchy during the year.

ACECQA’s policy for determining when transfers between levels are deemed to have occurred can be found in Note 1.

**Note 5C: Reconciliation for Recurring Level 3 Fair Value Measurements**

Recurring Level 3 fair value measurements – reconciliation for assets

<table>
<thead>
<tr>
<th>Non-financial assets</th>
<th>Leasehold improvements</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2015 $'000</td>
<td>2014 $'000</td>
</tr>
<tr>
<td>Opening balance</td>
<td>158</td>
<td>153</td>
</tr>
<tr>
<td>Total gains/(losses) on accumulated depreciation</td>
<td>(104)</td>
<td>(220)</td>
</tr>
<tr>
<td>Purchase</td>
<td>–</td>
<td>225</td>
</tr>
<tr>
<td>Closing balance</td>
<td>54</td>
<td>158</td>
</tr>
</tbody>
</table>
Note 6: Financial Assets

Note 6A: Cash and Cash Equivalents
Cash on hand or on deposit

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$’000</td>
<td>$’000</td>
</tr>
<tr>
<td>Cash on hand or on deposit</td>
<td>4,643</td>
<td>3,997</td>
</tr>
<tr>
<td><strong>Total cash and cash equivalents</strong></td>
<td><strong>4,643</strong></td>
<td><strong>3,997</strong></td>
</tr>
</tbody>
</table>

Note 6B: Receivables
Goods and services
Interest
Funding from Commonwealth, State and Territory Governments

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Goods and services</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Interest</td>
<td>46</td>
<td>19</td>
</tr>
<tr>
<td>Funding from Commonwealth, State and Territory Governments</td>
<td>–</td>
<td>987</td>
</tr>
<tr>
<td><strong>Total receivables</strong></td>
<td><strong>46</strong></td>
<td><strong>1,006</strong></td>
</tr>
</tbody>
</table>

Receivables are expected to be recovered in:
No more than 12 months

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>No more than 12 months</td>
<td>46</td>
<td>1,006</td>
</tr>
<tr>
<td><strong>Total receivables</strong></td>
<td><strong>46</strong></td>
<td><strong>1,006</strong></td>
</tr>
</tbody>
</table>

Receivables are aged as follows:
Not overdue
Overdue by:
31 to 60 days
61 to 90 days

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Not overdue</td>
<td>46</td>
<td>1,006</td>
</tr>
<tr>
<td>Overdue by:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>31 to 60 days</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>61 to 90 days</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td><strong>Total receivables</strong></td>
<td><strong>46</strong></td>
<td><strong>1,006</strong></td>
</tr>
</tbody>
</table>

Note 6C: Investments
Term Deposits

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Term Deposits</td>
<td>10,000</td>
<td>10,000</td>
</tr>
<tr>
<td><strong>Total investments</strong></td>
<td><strong>10,000</strong></td>
<td><strong>10,000</strong></td>
</tr>
</tbody>
</table>

Total investments are expected to be recovered in:
No more than 12 months

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>No more than 12 months</td>
<td>10,000</td>
<td>10,000</td>
</tr>
<tr>
<td><strong>Total investments</strong></td>
<td><strong>10,000</strong></td>
<td><strong>10,000</strong></td>
</tr>
</tbody>
</table>
Note 7: Non-Financial Assets

Note 7A: Leasehold Improvements

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fair value</td>
<td>$500</td>
<td>$501</td>
</tr>
<tr>
<td>Accumulated depreciation</td>
<td>(446)</td>
<td>(343)</td>
</tr>
<tr>
<td><strong>Total leasehold improvements</strong></td>
<td><strong>54</strong></td>
<td><strong>158</strong></td>
</tr>
</tbody>
</table>

Note 7B: Plant and Equipment

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fair value</td>
<td>$76</td>
<td>102</td>
</tr>
<tr>
<td>Accumulated depreciation</td>
<td>(12)</td>
<td>(1)</td>
</tr>
<tr>
<td><strong>Total plant and equipment</strong></td>
<td><strong>64</strong></td>
<td><strong>101</strong></td>
</tr>
</tbody>
</table>

No indicators of impairment were found for leasehold improvements, plant and equipment. Leasehold improvements will be fully depreciated over the next 6 months.

Revaluations of non-financial assets

All revaluations were conducted in accordance with the revaluation policy stated at Note 5. An independent valuer conducted the revaluations for 30 June 2015.

Net revaluation decrement was $2,057 (2014: $45,372) and was expensed in the Statement of Comprehensive Income.

Note 7C: Reconciliation of the Opening and Closing Balances of Property, Plant and Equipment

Reconciliation of the opening and closing balances of property, plant and equipment for 2015

<table>
<thead>
<tr>
<th></th>
<th>Leasehold Improvements $’000</th>
<th>Plant &amp; equipment $’000</th>
<th>Total $’000</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>As at 1 July 2014</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gross book value</td>
<td>501</td>
<td>102</td>
<td>603</td>
</tr>
<tr>
<td>Accumulated depreciation and impairment</td>
<td>(343)</td>
<td>(1)</td>
<td>(344)</td>
</tr>
<tr>
<td><strong>Net book value 1 July 2014</strong></td>
<td><strong>158</strong></td>
<td><strong>101</strong></td>
<td><strong>259</strong></td>
</tr>
<tr>
<td>Additions:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>By purchase</td>
<td>7</td>
<td></td>
<td>7</td>
</tr>
<tr>
<td>Revaluation recognised in net cost services</td>
<td>(2)</td>
<td>(2)</td>
<td></td>
</tr>
<tr>
<td>Depreciation expense</td>
<td>(104)</td>
<td>(39)</td>
<td>(143)</td>
</tr>
<tr>
<td><strong>Disposals:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td>–</td>
<td>(3)</td>
<td>(3)</td>
</tr>
<tr>
<td><strong>Net book value 30 June 2015</strong></td>
<td><strong>54</strong></td>
<td><strong>64</strong></td>
<td><strong>118</strong></td>
</tr>
</tbody>
</table>

Net book value as of 30 June 2015 represented by:

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross book value</td>
<td>$500</td>
<td>$76</td>
</tr>
<tr>
<td>Accumulated depreciation and impairment</td>
<td>(446)</td>
<td>(12)</td>
</tr>
<tr>
<td><strong>Net book value 30 June 2015</strong></td>
<td><strong>54</strong></td>
<td><strong>64</strong></td>
</tr>
</tbody>
</table>
**Note 7C (Cont’d): Reconciliation of the Opening and Closing Balances of Property, Plant and Equipment**

Reconciliation of the opening and closing balances of property, plant and equipment for 2014

<table>
<thead>
<tr>
<th></th>
<th>Leasehold Improvements $’000</th>
<th>Plant &amp; equipment $’000</th>
<th>Total $’000</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>As at 1 July 2013</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gross book value</td>
<td>302</td>
<td>309</td>
<td>611</td>
</tr>
<tr>
<td>Accumulated depreciation and impairment</td>
<td>(149)</td>
<td>(108)</td>
<td>(257)</td>
</tr>
<tr>
<td><strong>Net book value 1 July 2013</strong></td>
<td>153</td>
<td>201</td>
<td>354</td>
</tr>
<tr>
<td><strong>Additions:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>By purchase</td>
<td>225</td>
<td>21</td>
<td>246</td>
</tr>
<tr>
<td>Revaluation recognised in net cost of services</td>
<td>(18)</td>
<td>(36)</td>
<td>(54)</td>
</tr>
<tr>
<td>Depreciation expense</td>
<td>(202)</td>
<td>(84)</td>
<td>(286)</td>
</tr>
<tr>
<td><strong>Disposals:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td>–</td>
<td>(1)</td>
<td>(1)</td>
</tr>
<tr>
<td><strong>Net book value 30 June 2014</strong></td>
<td>158</td>
<td>101</td>
<td>259</td>
</tr>
</tbody>
</table>

by:

<table>
<thead>
<tr>
<th></th>
<th>2015 $’000</th>
<th>2014 $’000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross book value</td>
<td>501</td>
<td>102</td>
</tr>
<tr>
<td>Accumulated depreciation and impairment</td>
<td>(343)</td>
<td>(1)</td>
</tr>
<tr>
<td><strong>Net book value 30 June 2014</strong></td>
<td>158</td>
<td>101</td>
</tr>
</tbody>
</table>

**Note 7D: Intangibles**

**Computer software**

<table>
<thead>
<tr>
<th></th>
<th>2015 $’000</th>
<th>2014 $’000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Purchased – in progress</td>
<td></td>
<td>106</td>
</tr>
<tr>
<td>Purchased – in use</td>
<td>177</td>
<td>–</td>
</tr>
<tr>
<td>Accumulated amortisation</td>
<td>(56)</td>
<td>–</td>
</tr>
<tr>
<td><strong>Total computer software</strong></td>
<td></td>
<td>121</td>
</tr>
<tr>
<td><strong>Total intangibles</strong></td>
<td>121</td>
<td>106</td>
</tr>
</tbody>
</table>

No indicators of impairment were found for intangible assets.
No intangibles are expected to be sold or disposed of within the next 12 months.
### Note 7E: Reconciliation of the Opening and Closing Balances of Intangibles

#### Reconciliation of the opening and closing balances of intangibles for 2015

<table>
<thead>
<tr>
<th></th>
<th>Computer software purchased</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$’000</td>
<td>$’000</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>As at 1 July 2014</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross book value</td>
<td>106</td>
<td>106</td>
</tr>
<tr>
<td>Accumulated amortisation and impairment</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td><strong>Net book value 1 July 2014</strong></td>
<td>106</td>
<td>106</td>
</tr>
<tr>
<td>Additions:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>By purchase</td>
<td>71</td>
<td>71</td>
</tr>
<tr>
<td>Amortisation</td>
<td>(56)</td>
<td>(56)</td>
</tr>
<tr>
<td>Disposals:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td><strong>Net book value 30 June 2015</strong></td>
<td>121</td>
<td>121</td>
</tr>
</tbody>
</table>

by:

- Gross book value: 177 177
- Accumulated amortisation and impairment: (56) (56)
- **Net book value 30 June 2015**: 121 121

#### Reconciliation of the opening and closing balances of intangibles for 2014

<table>
<thead>
<tr>
<th></th>
<th>Computer software purchased</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$’000</td>
<td>$’000</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>As at 1 July 2013</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross book value</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Accumulated amortisation and impairment</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td><strong>Net book value 1 July 2013</strong></td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Additions:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>By purchase</td>
<td>106</td>
<td>106</td>
</tr>
<tr>
<td>Amortisation</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Disposals:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td><strong>Net book value 30 June 2014</strong></td>
<td>106</td>
<td>106</td>
</tr>
</tbody>
</table>

by:

- Gross book value: 106 106
- Accumulated amortisation and impairment: – –
- **Net book value 30 June 2014**: 106 106
Note 7F: Inventories

Inventories held for sale:

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Finished goods</td>
<td>18</td>
<td>24</td>
</tr>
<tr>
<td>Total inventories</td>
<td>18</td>
<td>24</td>
</tr>
</tbody>
</table>

During 2015, $25,589 of inventory held for sale was recognised as an expense (2014: $7,227).

No items of inventory were recognised at fair value less cost to sell.

All inventories are expected to be sold or distributed in the next 12 months.

Note 7G: Other Non-Financial Assets

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Prepayments</td>
<td>447</td>
<td>38</td>
</tr>
<tr>
<td>Total other non-financial assets</td>
<td>447</td>
<td>38</td>
</tr>
</tbody>
</table>

Total other non-financial assets – are expected to be recovered in:

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>No more than 12 months</td>
<td>447</td>
<td>38</td>
</tr>
<tr>
<td>More than 12 months</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Total other non-financial assets</td>
<td>447</td>
<td>38</td>
</tr>
</tbody>
</table>

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

Note 8: Payables

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$'000</td>
<td>$'000</td>
</tr>
<tr>
<td>Note 8A: Suppliers</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trade creditors</td>
<td>369</td>
<td>102</td>
</tr>
<tr>
<td>Total suppliers payables</td>
<td>369</td>
<td>102</td>
</tr>
</tbody>
</table>

Suppliers payables expected to be settled in:

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>No more than 12 months</td>
<td>369</td>
<td>102</td>
</tr>
<tr>
<td>Total suppliers payables</td>
<td>369</td>
<td>102</td>
</tr>
</tbody>
</table>

Settlement was usually made within 30 days.
## Note 8B: Other Payables

<table>
<thead>
<tr>
<th>Description</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wages and salaries</td>
<td>264</td>
<td>407</td>
</tr>
<tr>
<td>Superannuation</td>
<td>21</td>
<td>21</td>
</tr>
<tr>
<td>Enterprise Agreement backpay</td>
<td>–</td>
<td>142</td>
</tr>
<tr>
<td>Prepayments received/uneearned income</td>
<td>7,302</td>
<td>7,456</td>
</tr>
<tr>
<td>Net GST payable</td>
<td>622</td>
<td>643</td>
</tr>
<tr>
<td>Accruals and other payables</td>
<td>163</td>
<td>187</td>
</tr>
<tr>
<td><strong>Total other payables</strong></td>
<td>8,372</td>
<td>8,856</td>
</tr>
</tbody>
</table>

Total other payables are expected to be settled in:
- No more than 12 months: 8,372, 8,856
- More than 12 months: –, –

## Note 9: Provisions

### Note 9A: Employee Provisions

<table>
<thead>
<tr>
<th>Description</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leave</td>
<td>862</td>
<td>648</td>
</tr>
<tr>
<td><strong>Total employee provisions</strong></td>
<td>862</td>
<td>648</td>
</tr>
</tbody>
</table>

Employee provisions are expected to be settled in:
- No more than 12 months: 536, 462
- More than 12 months: 326, 186

**Total employee provisions**: 862, 648
**Note 10: Cash Flow Reconciliation**

Reconciliation of cash and cash equivalents as per statement of financial position to cash flow statement

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents as per:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash flow statement</td>
<td>4,643</td>
<td>3,997</td>
</tr>
<tr>
<td>Statement of financial position</td>
<td>4,643</td>
<td>3,997</td>
</tr>
<tr>
<td>Discrepancy</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

Reconciliation of net cost of services to net cash from/(used by) operating activities

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net cost of services</td>
<td>(13,081)</td>
<td>(12,672)</td>
</tr>
<tr>
<td>Revenue from Government</td>
<td>13,047</td>
<td>13,461</td>
</tr>
</tbody>
</table>

Adjustments for non-cash items

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Depreciation/amortisation</td>
<td>199</td>
<td>286</td>
</tr>
<tr>
<td>Gain on disposal of assets</td>
<td>(5)</td>
<td>-</td>
</tr>
<tr>
<td>Net write down of non-financial assets</td>
<td>2</td>
<td>55</td>
</tr>
</tbody>
</table>

Movements in assets and liabilities

**Assets**

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Increase)/decrease in net receivables</td>
<td>960</td>
<td>154</td>
</tr>
<tr>
<td>(Increase)/decrease in inventories</td>
<td>6</td>
<td>(24)</td>
</tr>
<tr>
<td>(Increase)/decrease in prepayments</td>
<td>(409)</td>
<td>321</td>
</tr>
</tbody>
</table>

**Liabilities**

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increase / (decrease) in prepayments received</td>
<td>(154)</td>
<td>(1,722)</td>
</tr>
<tr>
<td>Increase in employee provisions</td>
<td>214</td>
<td>260</td>
</tr>
<tr>
<td>Increase / (decrease) in supplier payables</td>
<td>285</td>
<td>(157)</td>
</tr>
<tr>
<td>Increase / (decrease) in other payable</td>
<td>(330)</td>
<td>(164)</td>
</tr>
</tbody>
</table>

Net cash from (used by) operating activities

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>734</td>
<td>(202)</td>
</tr>
</tbody>
</table>

**Note 11: Contingent Assets and Liabilities**

ACECQA has no quantifiable contingent assets or liabilities as at 30 June 2015 (2014: nil).

There are also no unquantifiable or significant remote contingencies as at 30 June 2015 (2014: nil).
Note 12: Board Members Remuneration and Related Party Transactions

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Board remuneration</td>
<td>184,354</td>
<td>219,973</td>
</tr>
</tbody>
</table>

Notes:
1. Board remuneration is the payments received or due and receivable by ACECQA Board members in 2014-15.
2. Remuneration for the Board is determined by the Education Council.
3. On 7 December 2012, the Education Council decided that remuneration for the Board was to be aligned with that of a like agency in the current Remuneration Tribunal Determination for Part-time Offices.
4. There were changes to the composition of the ACECQA Board in 2014-15. Details are provided within the Board and Sub Committees section of ACECQA’s 2014-15 Annual Report, as well as under Board profiles within the appendices of the Report.

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.

Note 13: Senior Executive Remuneration Expenses

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Short-term employee benefits:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salary</td>
<td>838,601</td>
<td>794,250</td>
</tr>
<tr>
<td>Other</td>
<td>49,917</td>
<td>82,708</td>
</tr>
<tr>
<td>Total short-term employee benefits</td>
<td>888,518</td>
<td>876,958</td>
</tr>
</tbody>
</table>

Post-employment benefits:

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Superannuation</td>
<td>184,153</td>
<td>93,508</td>
</tr>
<tr>
<td>Total post-employment benefits</td>
<td>184,153</td>
<td>93,508</td>
</tr>
</tbody>
</table>

Other long-term benefits:

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Annual leave accrued</td>
<td>61,253</td>
<td>50,568</td>
</tr>
<tr>
<td>Long-service leave accrued</td>
<td>31,336</td>
<td>9,985</td>
</tr>
<tr>
<td>Total other long-term benefits</td>
<td>92,589</td>
<td>60,553</td>
</tr>
</tbody>
</table>

Total employment benefits

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1,165,260</td>
<td>1,031,019</td>
</tr>
</tbody>
</table>

Notes:
1. Total employment benefits are prepared on an accrual basis and excludes acting arrangements and part-year service where remuneration expensed was less than $90,000.
2. Salary includes eligible termination payments.
3. Other includes motor vehicle and relocation allowances and reportable fringe benefits.
Note 14: Remuneration of Auditors

Remuneration payable to the Australian National Audit Office (ANAO) for auditing the financial statements for the reporting period.

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>$'000</td>
<td>$'000</td>
<td></td>
</tr>
<tr>
<td>Remuneration payable to the ANAO</td>
<td>52</td>
<td>44</td>
</tr>
</tbody>
</table>

No other services were provided by the ANAO.

Note 15: Financial Instruments

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>$'000</td>
<td>$'000</td>
<td></td>
</tr>
</tbody>
</table>

Note 15A: Categories of Financial Instruments

Financial Assets

Loans and receivables:
- Cash and cash equivalents: 4,643 3,997
- Trade and other receivables: 46 1,006
- Investments: 10,000 10,000

Total financial assets: 14,689 15,003

Financial Liabilities

At amortised cost:
- Trade creditors: 369 102
- Wages and salaries: 264 407
- Superannuation: 21 21
- Enterprise Agreement backpay: – 142
- Prepayments received/unearned income: 7,302 7456
- GST payable: 622 643
- Accruals and other payables: 163 187

Total financial liabilities: 8,741 8,958

Note 15B: Net Gains or Losses on Financial Assets

Loans and receivables
- Interest revenue: 392 422

Net gains/(losses) on financial assets: 392 422

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

Note 15C: Fair Value of Financial Instruments

As ACECQA only holds basic financial instruments (cash, receivables, investments in term deposits and payables), the carrying amounts are a reasonable approximation of fair value.
Note 15D: 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 $46,000 (2014: $1,006,000).

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.

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

<table>
<thead>
<tr>
<th></th>
<th>Not past due nor impaired</th>
<th>Not past due nor impaired</th>
<th>Past due or impaired</th>
<th>Past due or impaired</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2015 $’000</td>
<td>2014 $’000</td>
<td>2015 $’000</td>
<td>2014 $’000</td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>4,643</td>
<td>3,997</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Trade and other receivables</td>
<td>46</td>
<td>1,006</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Investments</td>
<td>10,000</td>
<td>10,000</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Total</td>
<td>14,689</td>
<td>15,003</td>
<td>–</td>
<td>–</td>
</tr>
</tbody>
</table>

Ageing of financial assets that were past due but not impaired for 2015

<table>
<thead>
<tr>
<th>Financial assets</th>
<th>0 to 30 days $’000</th>
<th>31 to 60 days $’000</th>
<th>61 to 90 days $’000</th>
<th>90+ days $’000</th>
<th>Total $’000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trade and other receivables</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Total</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
</tbody>
</table>

Ageing of financial assets that were past due but not impaired for 2014

<table>
<thead>
<tr>
<th>Financial assets</th>
<th>0 to 30 days $’000</th>
<th>31 to 60 days $’000</th>
<th>61 to 90 days $’000</th>
<th>90+ days $’000</th>
<th>Total $’000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trade and other receivables</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Total</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
</tbody>
</table>

Note 15E: Liquidity Risk
The entity’s financial liabilities were payables. The exposure to liquidity risk was based on the notion that the entity will encounter difficulty in meeting its obligations associated with financial liabilities. 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 funds to meet payments as they fall due and has no past experience of default. The following table illustrates the maturities for financial liabilities.
### Maturities for non-derivative financial liabilities 2015

<table>
<thead>
<tr>
<th></th>
<th>On demand $’000</th>
<th>within 1 year $’000</th>
<th>1 to 2 years $’000</th>
<th>2 to 5 years $’000</th>
<th>&gt;5 years $’000</th>
<th>Total $’000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trade creditors</td>
<td>369</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>369</td>
</tr>
<tr>
<td>Wages and salaries</td>
<td>264</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>264</td>
</tr>
<tr>
<td>Superannuation</td>
<td>21</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>21</td>
</tr>
<tr>
<td>Prepayments</td>
<td>7,302</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>7,302</td>
</tr>
<tr>
<td>GST payable</td>
<td>622</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>622</td>
</tr>
<tr>
<td>Accruals and other payables</td>
<td>163</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>163</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>8,741</strong></td>
<td><strong>–</strong></td>
<td><strong>–</strong></td>
<td><strong>–</strong></td>
<td><strong>–</strong></td>
<td><strong>8,741</strong></td>
</tr>
</tbody>
</table>

ACECQA had no derivative financial liabilities in either 2015 or 2014.

### Note 15F: 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.
End of Financial Statements
Appendix A
Letter of Expectation 2014–16

30 September 2014

Ms Rachel Hunter
Chair
Australian Children’s Education and Care Quality Authority
PO Box A292
SYDNEY NSW 1235

Dear Ms Hunter,

Australian Children’s Education and Care Quality Authority (ACECQA) –

I am writing to set out the Education Council’s priorities and expectations for the Australian Children’s Education and Care Quality Authority (ACECQA) Board from 1 July 2014 to 30 June 2016, noting this letter may be reviewed following the 2014 Review of the National Partnership Agreement on the National Quality Agenda for Early Childhood Education and Care (National Partnership Agreement).

Purpose
This Letter of Expectation is from the Education Council to ACECQA. It sets out the Education Council’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 maintaining their focus on the early years (birth to eight years) to ensure the wellbeing of children throughout their lives.

The National Partnership Agreement gives effect to the Council of Australian Government’s (COAG) 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.

ACECQA has responsibility for managing the implementation of the NQF according to the Multilateral Implementation Plan (MIP) and reporting to the Education Council 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, assistance and advice as required.

Strategic objectives
The strategic priorities outlined in this letter should be considered in light of the following strategic objectives:

• to deliver an integrated and unified national system for early childhood education and care, one which is jointly governed and drives continuous improvement in the quality of services
• to improve educational and developmental outcomes for children attending early childhood education and care services
• to improve the efficiency and cost effectiveness of the regulation of early childhood education and care services, including a reduction in regulatory burden on services
• to improve public knowledge and access to information about the quality of early childhood education and care services to parents, carers and the general public to help inform their choices about the quality of education and care provided to their children
• to build a highly skilled early childhood education and care workforce.
Strategic Priorities

ACECQA will guide the implementation and administration of the NQF and promote and foster continuous quality improvement by services to improve outcomes for children in early childhood education and care, through undertaking the full range of functions as set out in the Education and Care Services National Law Act 2010 (the National Law) and the Education and Care Services National Regulations 2011.

ACECQA will work with the Australian Government and all States and Territories to streamline the operation of the NQF and reduce administrative and regulatory burden for education and care services.

To ensure the reputation of the NQF as an efficient and effective national system that is focused on continuous quality improvement and educational and developmental outcomes for children, it is important that ACECQA focuses on the following strategic priorities over the next two years.

Promoting national consistency in the implementation of the NQF

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, through strategic coordination and management of key issues and leveraging best practice in regulation nationally and overseas, to encourage best practice regulation 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 and should always ensure the safety and wellbeing of children is considered, whilst delivering improved outcomes for children
- developing and implementing, in consultation with the Australian Government and all States and Territories, a national audit program aimed at identifying inconsistencies and operational improvements; and providing guidance and support to State and Territory Regulatory Authorities to address issues
- developing streamlined and reliable systems, including the identification and collection of data, to monitor and identify any emerging issues or risks that impact on the effective implementation of the NQF, and where necessary developing practical operational solutions
- responsibility for management, maintenance and support of the National Quality Agenda IT System (NQA ITS) including: day-to-day administration; resolving data quality and consistency issues; consideration and facilitation of enhancements to the system and IT training for jurisdictions
- leading and supporting the training and development of authorised officers through the delivery of training and evaluation of training resources, and in cooperation with State and Territory Regulatory Authorities, ensuring that consistency of practice and understanding is maintained across the authorised officer workforce.

Reducing regulatory burden within the sector

ACECQA will examine and report on practices that may be imposing red tape on services and regulatory authorities and explore options to reduce regulatory burden.

ACECQA will work collaboratively with the Australian Government and all States and Territories to streamline and improve the operation of the NQF, and identify opportunities to provide more flexibility to meet the needs of education and care services, in order to assist jurisdictions to reduce unnecessary regulatory burden on services and Regulatory Authorities.

The activities of ACECQA must be guided by COAG’s Principles of Best Practice Regulation with regard to improved outcomes for children. This includes consideration of:

- costs and benefits
- net community benefit
- regulatory burden.

Monitoring and supporting the assessment and rating of services

The assessment and rating process is a critical component of the NQF. In carrying out its activities, ACECQA will:

- actively work with the States and Territories to implement changes to the Guide to Assessment and Rating for Regulatory Authorities, including a more streamlined assessment and rating process, to support the States and Territories improve the rate of assessment to better meet the commitment to assess and rate all services by mid-2015
- work with the States and Territories and the sector to ensure the process remains valid and reliable
- provide additional training for authorised officers
• provide reports and analysis on a regular basis concerning the progress of assessment and ratings
• examine opportunities to streamline the National Quality Standard and identify options to further streamline the assessment and ratings process, particularly through contributing to the 2014 Review of the National Partnership Agreement
• continue to carry out its broad sector education role and work collaboratively with Regulatory Authorities to assist services striving to lift the quality of their service delivery to meet the National Quality Standard.

**Contributing to the 2014 Review of the National Partnership Agreement**

ACECQA will be a key contributor to the 2014 Review of the National Partnership Agreement through:

• providing information and findings gathered through research projects and audits
• providing data from the NQA ITS
• conducting a detailed analysis of the National Quality Standard, the assessment and rating process and the assessment and rating instrument, as commissioned by the Early Childhood Policy Group (ECPG).

ACECQA will work with the ECPG to undertake this work, including working with the lead jurisdiction and the ECPG Review Working Group.

**Promoting education and awareness**

Education and awareness is a key mechanism to increase the visibility of the importance of quality early childhood education and care and the consistent implementation of the NQF. The Education Council expects ACECQA to be the public face and voice for the implementation of the NQF and quality early childhood education and care in Australia through open and transparent communication with all stakeholders. In support of this priority, ACECQA is expected to lead and develop key communication materials in collaboration with Regulatory Authorities to enable consistent implementation of the National Quality Framework.

ACECQA will work with Regulatory Authorities and the Australian, State and Territory governments to implement a comprehensive communication and engagement strategy with a focus on educating and informing the education and care sector, community and parents about the NQF and the importance of quality early childhood education and care.

ACECQA will support the delivery of improved educational outcomes for children through the promotion of continuous quality improvement by early childhood education and care services, including: facilitating the development and publication of additional guides and resources focusing on supporting services to meet the National Quality Standard; and providing support for the approved learning frameworks including pedagogy, curriculum and assessment of learning.

**Developing and supporting a high quality workforce**

ACECQA will support quality improvements in early childhood education and care qualifications and training, and work to reduce overlap and miscalculation of approval processes. ACECQA will do this in collaboration with higher education providers, teacher registration authorities, the Australian Institute for Teaching and School Leadership and the Industry Skills Council.

In approving qualifications, and the assessment of equivalent qualifications, ACECQA will work with the sector, Australian and State and Territory governments to identify opportunities to ensure an adequate supply of suitably qualified educators is available for services.

ACECQA will also work with the Australian Skills Quality Authority in its review of the quality training in the early childhood education and care sector. The review is focused on the broad range of training issues in the sector including on-line learning, recognition of previous learning and assessment processes.

**Governance**

**Responsibilities of the ACECQA Board**

The Board is responsible for ensuring ACECQA meets its statutory requirements and undertakes the range of functions detailed in the National Law efficiently and effectively. The Board will provide strategic direction and leadership for ACECQA and formulate strategies for discharging its functions within a tight fiscal environment and with regard to the regulatory burden for services, Regulatory Authorities and the Australian, state and territory governments. The Board must ensure ACECQA focuses its activities and resources on areas of work with the highest priority as set out in this Letter.

The Education Council expects the Board will meet at least quarterly as appropriate to the Board’s work programme and priorities.

**Working collaboratively with the Australian, State and Territory governments**

The Education Council expects ACECQA will work collaboratively both as a leader and a stakeholder and build strong working relationships with ECPG, the Australian and State and Territory policy departments, the Australian Education, Early Childhood Development and Youth Affairs Senior Officials Committee (AEEYSOC) and Regulatory Authorities, in accordance with the Protocols Framework between the parties, to ensure a shared understanding and agreed approach to the NQF.
ACECQA and the Regulatory Authorities will act in a spirit of cooperation, and ACECQA will provide regular advice to the Regulatory Authorities, ECPG and AEEYSOC in relation to the collection of information and the evaluation of the NQF. ACECQA will work to minimise the regulatory burden on services and state and territory Regulatory Authorities.

The ECPG is responsible for reporting, and providing high-level strategic policy advice, to AEEYSOC on all early childhood related components of the Education Council's strategic reform framework. In recognition of this, and the ongoing policy role the Australian, State and Territory governments have in relation to the NQF, ACECQA must consult with ECPG on policy issues that arise in connection with the implementation and ongoing progress of the NQF, prior to progressing issues through AEEYSOC. This ensures broader policy implications are taken into account when dealing with NQF implementation issues and advice on possible changes to the National Law and National Regulations can be considered.

**Relationship with the Education Council**

The relationship between the Education Council 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 Education Council, on behalf of the Board, about any matters of concern in the administration of the NQF.

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

ACECQA’s Chair or Chief Executive Officer will be invited to attend ECPG 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 ECPG and AEEYSOC. ECPG and AEEYSOC will also provide relevant information to ACECQA on items discussed at meetings, or from ECPG and AEEYSOC papers.

**Reporting and Budget**

ACECQA will prepare a Strategic Plan and budget to assist in ensuring that ACECQA continues to meet the strategic needs of the Education Council. In a tight fiscal environment, ACECQA will need to identify operational efficiencies and ensure all activities are focused on strategic priorities set out in this Letter.

ACECQA will continue to 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 Education Council before the end of the previous financial year.

ACECQA will provide a written report under the MIP to the Education Council twice a year, in May and November. The reports should draw input from all parties to the MIP and outline progress, and any emerging issues and potential solutions, in relation to the performance benchmarks and indicators in the NPA.

ACECQA will also provide a written progress report against its annual forward work plan to the Education Council twice a year, in May and November, to coincide with the submission of the MIP performance report to the Education Council. The progress report should outline ACECQA’s performance in relation to its functions specified in the National Law and the strategic objectives and priorities identified in this Letter.

In addition to the ACECQA Annual Report, ACECQA should provide a budget update in its progress report on expenditure and identify any proposed changes to the forward work plan that may be required to ensure ACECQA is able to operate within the available budget, including any additional work identified by the Education Council that should be prioritised or undertaken.

ACECQA may also provide additional reports to the Education Council as necessary, such as regular updates on the implementation of the NQF and progress of quality assessment and rating.

**Conclusion**

On behalf of the Education Council, I look forward to our continued work with you in overseeing the implementation of the NQF and working closely with you as we undertake the 2014 Review of the National Partnership Agreement, to ensure the goal of improving quality in childcare and early learning services is being met in the most efficient and effective way.

Yours sincerely

[Signature]

Joy Burch MLA
Chair
Appendix B
Chair’s response to Letter of Expectation 2014–16

29 October 2014
Minister Joy Burch MLA
Chair
Education Council
PO Box 202
Carlton South Vic 3053
Dear Minister

Thank you for your Letter of Expectation for 2014-16 (Letter of Expectation) outlining the priorities and expectations of the Education Council for the Board of the Australian Children’s Education and Care Quality Authority (ACECQA).

ACECQA shares and supports the commitment of the Australian and State and Territory Governments to the importance of quality education and care to a child’s wellbeing and future success, and again looks forward to working with all governments to deliver on these commitments. ACECQA is allocating, and will continue to allocate, the highest importance and resources toward meeting the strategic objectives and priorities in the Letter of Expectation.

The ACECQA Strategic Plan 2012-16 outlines the Board’s vision that Australian children have the best possible start in life through quality early childhood education and care and outside school hours care services. At its first full meeting in December 2014, the Board will review ACECQA’s Strategic Plan to ensure all strategic priorities and expectations in the Letter of Expectation remain central to ACECQA's focus. I can also confirm that ACECQA's Forward Work Plan for 2014-15, which was endorsed by the Education Council on 18 September 2014, reflects the Council’s priorities and expectations for ACECQA. A progress report against the Forward Work Plan will be provided to the Education Council at its December 2014 meeting.

Additional information about ACECQA's current and future activities to address the strategic priorities and expectations within the Letter of Expectation is provided below. I also note that the Letter of Expectation may be reviewed following the 2014 Council of Australian Government’s Review of the National Partnership Agreement on the National Quality Agenda for Early Childhood Education and Care (2014 COAG Review).
1. **Promoting national consistency in the implementation of the National Quality Framework**

Leading the consistent implementation and administration of the National Quality Framework (NQF) is the first priority in ACECQA’s Strategic Plan 2012-16 and it informs all that we do. In keeping with good regulatory practice, ACECQA’s approach to consistency focusses on consistent outcomes, rather than consistent process.

ACECQA continues to promote and improve national consistency under the NQF through:
- identifying and resolving implementation and operational policy issues in partnership with jurisdictions and recommending amendments to the National Regulations and/or the National Law where required
- maintaining and enhancing the Operational Policy Manual (OPM) for Regulatory Authorities, which provides detailed and nationally consistent operational guidance to authorised officers in all jurisdictions
- providing training and support for authorised officers, such as a nationally consistent assessment and rating report template and online training modules
- undertaking national audits of the administration of the NQF, the most recent of which was on determining National Quality Standard (NQS) ratings levels (i.e. Working Towards NQS, Meeting NQS, and Exceeding NQS)
- analysing assessment and rating outcomes and sharing detailed assessment and rating analysis reports with each jurisdiction on a quarterly basis
- undertaking second tier reviews
- enhancements to, support for, and increased user uptake of the National Quality Agenda IT System (NQA ITS), which provides a national database and an online business tool for communication between children’s education and care services and state and territory regulatory authorities
- communicating with and engaging the sector through the ACECQA website, NQF resource kit, NQF quarterly snapshot, monthly newsletter and other resources.

We look forward to ACECQA working with all governments and the sector in 2014-16 to further promote consistency of outcomes and enhance the reputation of the NQF as a successfully integrated and unified national system. This will include responding to any relevant findings arising from the 2014 COAG Review.

2. **Reducing regulatory burden within the sector**

ACECQA is strongly committed to streamlining and improving the operation of the NQF to reduce regulatory burden. ACECQA continues to implement the recommendations from its first research report on administrative burden under the NQF, which was provided to Ministers in 2013.

Key projects have included:
- a review of the elements and standards in the National Quality Standard with the objective of identifying and recommending options that deliver quantifiable cost and time savings for the sector and regulatory authorities, which ACECQA has been a significant contributor to as part of the 2014 COAG Review
identifying opportunities to streamline administrative requirements of the National Law and National Regulations, also being progressed under the 2014 COAG Review

publishing clearer guidance for the sector about meeting NQF requirements, such as information sheets on ‘Reviewing your Quality Improvement Plan’ and ‘Guidelines for documenting children’s learning’.

ACECQA conducted Wave II of its regulatory burden project survey in February and March 2014. Draft preliminary survey findings were reported to Ministers through ACECQA’s May 2014 report under the National Quality Agenda Implementation Plan (NQA IP). Further analysis of findings from the Wave II research will be provided to Ministers through the National Authority’s November 2014 report under the NQA IP.

Additionally, in carrying out all functions under the National Law, ACECQA will continue to be guided by COAG’s Principles of Best Practice Regulation in seeking to minimise regulatory burden on education and care services as far as possible. For example, ACECQA’s enhancements to the NQA ITS are driving service provider uptake of the system, which help to remove regulatory inconsistencies across jurisdictions and create a more efficient, cohesive and streamlined environment for business activity.

### 3. Monitoring and supporting the assessment and rating of services

ACECQA works with state, territory and Australian Government officials to implement process efficiencies in quality assessment and rating under the NQF, with the objective of increasing the rate of progress towards the target of rating all education and care services by mid-2015.

Implementation of previous nationally agreed streamlining actions commenced in April 2014. We have supported jurisdictions with these changes and most states and territories report they are seeing progress on quality assessment and rating as a result of the implementation of the streamlining actions, as well as less time spent on supervisor certificate processing following amendments to the National Regulations.

Complementing our role in providing formal authorised officer training, ACECQA has and will continue to provide targeted guidance and resources to help authorised officers interpret the requirements of the NQS, with a focus on elements and standards that can prove challenging to assess. This will improve efficiency and consistency of the assessment and rating of services. As a priority in 2014-16, ACECQA will work with regulatory authorities and the Australian Government to best monitor and support consistency and efficiency of the assessment and rating process, including facilitation of any changes to the system decided by Ministers through the 2014 COAG Review.

ACECQA publishes a quarterly snapshot on NQF implementation, which focuses on progress and trends on quality assessment and rating. Since June 2014, ACECQA has provided Ministers with high level monthly reports on the progress of quality assessment and rating. This measure promotes transparency and provides Ministers with a regular point-in-time overview of national and jurisdictional progress.
ACECQA also supports quality service delivery across the sector through the provision of information and advice to the sector. In addition, in 2014-15 ACECQA’s National Education Leader is leading a series of seminars across the country focussed on educational program and practice, which is the quality area most likely to be rated as Working Towards NQS. The seminars include practical tips and examples, as well as the opportunity for participants to workshop ideas and take them back to their services to implement.

4. Contributing to the 2014 Review of the National Partnership Agreement

ACECQA is a major contributor to the 2014 COAG Review. ACECQA is a member of the Early Childhood Policy Group (ECPG) COAG Review Working Group and has been closely involved in:

- reviewing the NQS and rating levels, including working with governments and sector experts to develop a draft revised NQS for consultation through the Regulatory Impact Statement process
- leading and supporting analysis of identified legislative themes and identifying legislative areas for potential clarification, reduction and/or amendment
- undertaking a consistency analysis, which examined the extent to which the system is operating as a national system while working effectively for different service types and operating circumstances
- providing specialist communications support for the stakeholder consultation component of the Review.

ACECQA will continue to provide its national perspective and expertise to support all facets of the 2014 COAG Review, while supporting the implementation of any system changes decided by Ministers.

5. Promoting education and awareness

To continue to effectively discharge the Education Council’s expectation that ACECQA be the public face and voice for the implementation of the NQF and quality early childhood education and care in Australia, the Board finalised ACECQA’s 2014-15 stakeholder engagement strategy in July 2014, which sees ACECQA continue to consult with a wide range of stakeholders, including a greater focus on families.

A family communications project is well advanced and a new family communications strategy will be implemented in 2015 to raise awareness about the importance of early childhood education and care. The strategy will specifically focus on prospective or new parents, with no or very limited knowledge about the benefits of early learning, who may be making decisions about entering the system for the first time.

Current projects to promote continuous quality improvement by services include:

- updating the NQF Resource Kit
- providing guidance on the requirements for documentation and quality improvement planning and dispelling myths about administrative burden relating to these requirements
• unpacking the role of the educational leader, dispelling myths and exploring the potential of that role to support educators to document children’s programs and learning and feel confident about assessment and rating processes
• working with organisations such as the Professional Support Coordinators to build the cultural competence of educators.

6. Developing and supporting a high quality workforce

In undertaking its National Law function to determine the qualifications required by educators under the NQF, including the assessment of equivalent qualifications, ACECQA balances a high standard of qualifications while maximising the availability of a skilled workforce.

ACECQA continues to streamline processes for approval of teacher education programs qualifications through collaboration with government agencies, particularly the Australian Institute for Teaching and School Leadership (AITSL) and the Australasian Teacher Regulatory Authorities (ATRA). ACECQA is also represented on the management committee for the Australian Skills Quality Authority’s review of the quality training in the early childhood education and care sector.

A number of joint information sessions have been held for higher education institutions to provide advice on the approval and accreditation of programs through ACECQA and ATRA. ACECQA also continues to work with AITSL to further streamline and reduce duplication for the recognition of overseas qualifications in the Skilled Migration Program.

ACECQA is also supporting a high quality workforce by improving the application process for individual qualifications assessment. For example, in June 2014 ACECQA launched an online qualifications checking tool. The tool guides educators through a series of questions to confirm if they are a qualified educator and provides information about what evidence can be used to demonstrate they are qualified. The tool is an efficient means of supporting the supply of suitably qualified educators by reducing applications for assessment and qualification related enquiries.

7. Governance, budget and reporting

The Board is committed to meeting ACECQA’s statutory requirements while undertaking its National Law functions efficiently and effectively. In doing so, the Board will continue to have regard for the tight fiscal environment in which ACECQA operates. By the end of 2014, the ACECQA Board will have met five times in this calendar year to support effective governance and robust decision making by the National Authority.

To meet the reporting requirements outlined in the Letter of Expectation 2014-16, ACECQA’s regular reports to the Education Council will be:
• an annual forward work plan on a financial year basis, prior to the end of the previous financial year, with two progress reports per year against the forward work plan to correspond with the closest scheduled meetings of the Education Council. The progress reports will also provide a budget update on expenditure and identify any changes required to the forward work plan
• two reports per year under the National Quality Agenda Implementation Plan (NQA IP), in May and November.

8. Working collaboratively with the Australian, State and Territory Governments and the Education Council

ACECQA has productive relationships and works in close collaboration with the Australian, State and Territory Governments. For example, ACECQA worked with all governments to finalise and support the implementation of the most recent amendments to the National Regulations, which came into effect on 1 June 2014 in all states and territories except Western Australia.

ACECQA’s Quality and Consistency Committee (QaCC) is a key mechanism for state, territory and national authorities to inform and assist each other to better implement the NQF consistently across Australia. ACECQA also has regular bilateral meetings with each state and territory to further support and guide consistency, and share information on NQF developments, challenges and priorities.

ACECQA will continue to actively engage with governments as appropriate on matters of policy that arise in connection with the administration of the NQF, including through participation at meetings of the Education Council, the Australian Education, Early Childhood Development and Youth Affairs Senior Officials Committee (AEEYSOC) and the ECPG.

I look forward to continuing to work collaboratively with the Education Council as ACECQA plays its role in enhancing the quality of children’s education and care services across Australia to give our children the best possible start.

Yours sincerely

Rachel Hunter
ACECQA Board Chair
Appendix C
ACECQA Board membership

Rachel Hunter
Chair
Rachel Hunter holds board membership with the Australian College of Educators, and is a member of the Griffith University Council. She was previously a board director of UQ College, and Service Trades College Australia. Rachel was formerly the Chair of QCOMP and of Legal Aid Queensland, and Deputy Chair of the Queensland Performing Arts Trust.

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’s research projects span learning and development from pre-birth to age eight. She leads large and small scale studies addressing home-, centre- and school-based educational programs in culturally and linguistically diverse urban, regional and remote communities. The experiences that advance early learning and development, and the collaborative relationships necessary to promote children’s learning are central concerns.

Collette holds a PhD from the University of Western Australia, and is a Chief Investigator in the National Science of Learning Centre, Project Leader of the E4Kids (Effective Early Educational Experiences) longitudinal study, local leader of 3A (Abecedarian Approach Australia) projects and the Victorian Advancing Early Learning study. Collette also serves on the Board of the Victorian Curriculum and Assessment Authority.

Tracey Bradley
Tracey Bradley is the Executive Manager, Organisational and Community Development at Waratah-Wynyard Council. Her responsibilities include Tourism, Community Development, Early Years, Risk, Health and Safety and Human Resources. She has worked in local government for over 30 years and is well known for her passion and commitment for children and communities, including through her work in regional areas and developing innovative programs for the early years.

Tracey has been involved at a state and national level on a number of boards and committees, including the Local Government Managers Association and the Tasmanian Minister’s Child Care Advisory Council.
Mark Brown

Mark Brown has been involved in education in Western Australia since 1974 as a primary school teacher, university lecturer, curriculum and assessment manager, and director for Kindergarten to Year 12 curriculum in WA.

Most recently, Mark was the Director, Education and Training Regulation, Department of Education Services in WA. Before that time, Mark managed the registration of non-government schools (Kindergarten to Year 12).

Bernard Curran

Bernard Curran is a Chartered Accountant and has been a partner of BDO since 1991. In this position he has held senior roles including National Chair of the Private Client division from 2008 to 2011. He is actively involved in advising clients on taxation and business advisory matters.

Bernard has been a director of Creche & Kindergarten Association Limited (C&K) since August 2012 and has been Chair of the Board since June 2013. He was Chair of the Audit & Finance Committee of C&K from March 2011 until March 2013.

Bernard is also a director on a number of private company Boards; he is a graduate member of the Australian Institute of Company Directors (GAIDC) and a Fellow of the Taxation Institute of Australia.

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.

Alison has held a range of academic and leadership positions in the university sector, 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.

1. Appointed from 13 August 2014.
Tonia Godhard AM

Tonia Godhard has worked for more than 40 years in various roles in early childhood. She has been a teacher and director in services in Sydney and London and an academic with special interests in learning through play, special education and management. She has held a number of senior roles in a range of community based children’s services organisations including the position as CEO of SDN Children’s Services. She sits on a number of boards and committees.

Tonia is committed to strong advocacy for young children and raising the quality of services for children and their families. She has been the national president of Early Childhood Australia, the 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.

Catherine Hudson

Catherine Hudson is Principal Consultant of Policy Innovation, a consulting business focussing on policy development, governance, stakeholder management and change management. Catherine has extensive high-level experience in government, at federal, state and territory levels, across a range of social and economic areas. Catherine is a Commissioner on the Safety, Rehabilitation and Compensation Commission.

Catherine held Deputy Director-General roles in the ACT Government from 2006 to 2014 and acted in Director-General roles for substantial periods of time. For five years she held a key integrity and governance position as the ACT Public Service Commissioner. In 2014 she retired from the Deputy Director-General role within the Economic Development Directorate in the ACT Government.

Catherine has a passion for seeking to improve the lives of Australians, particularly children and young people, and those who experience disadvantage. Catherine is a graduate of the Australian Institute of Company Directors.

2. Appointed from 10 September 2014.
Sabine Phillips
Sabine Phillips is a principal at Russell Kennedy Lawyers, a Melbourne and Canberra law firm. Sabine is also a Director of Uniting AgeWell and a Director of Northern Health. Sabine has been the Chair of the Quality Committee for Northern Health and is currently the Chair of the Audit & Risk Committee. Sabine specialises in corporate and clinical governance, risk management and compliance in health and aged care. Sabine has also worked as an external assessor for the then Aged Care Standards & Accreditation Agency.

Sabine holds a Master of Laws and a Master of Business (Organisation Behaviour) and a Bachelor of Applied Science (Advanced Nursing). Sabine is also a non practising registered nurse. Sabine is a Fellow of the Australian Institute of Company Directors.

Nick Ryan
Nick Ryan is the inaugural CEO of the Australian Aged Care Quality Agency. Appointed in April 2014, he is responsible for accreditation and quality in Commonwealth funded residential and home care as well as industry education.

He was the CEO (2010–2013) of Aged Care Queensland (later LASA Qld), an industry peak body and RTO. From 1998 to 2010 he was a senior executive in a range of Queensland Government agencies including the Department of the Premier and Cabinet responsible for regional engagement and coordination. While in the Department of Communities he served in roles including General Manager Children and Families and Regional Executive Director Gold Coast overseeing human services including child protection and child care regulation.

He has sat on a number of governance bodies including the Brisbane Catholic Education Council (2002–2005), the Council of the Institute of Public Administration Qld (2003-2005) and the Board of the Leukaemia Foundation of Queensland (2010–2012). He is a Fellow of the Australian Institute of Company Directors.

Jackie Wilson
Jackie Wilson is the Deputy Secretary, Early Childhood & Child Care at the Australian Government Department of Social Services.

Prior to joining the former Department of Education, Employment and Workplace Relations (DEEWR) in August 2013, Jackie jointly led the Schools Funding Taskforce with DEEWR for 12 months in the Department of the Prime Minister and Cabinet. From 2009 to 2011 Jackie worked in the Department of Immigration and Citizenship and was the Deputy Secretary responsible for Business Services (2011), including responsibility for finance and IT, and Detention and Community Services (2009–2010) during a very busy time for the department.

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

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

3. Appointed from 31 October 2014.
5. Appointed from 6 October 2014.
Naomi Wilson

Naomi Wilson has been involved in early childhood education and care for over 30 years. A former teacher and politician, Naomi held the positions of Parliamentary Secretary and then Minister for Families, Youth and Community Care in the Queensland Government. Prior to entering state politics, Naomi was a Mulgrave Shire councillor.

Naomi has vast experience with the TAFE sector in both setting up and delivering the initial full and part-time TAFE child care courses in Cairns. Naomi is also an experienced counsellor and operates a clinic that supports businesses, families and councils across a wide range of issues. She has lectured at James Cook University.

Naomi’s passion is in quality early childhood education and care and she has a deep interest in, and understanding of, regional and rural service delivery. Naomi operated her own long day care service in Cairns, was a member of the former National Childcare Accreditation Council Board, and was the foundation member and past president of the Cairns and District Child Care Development Association.

6. Appointed from 6 October 2014.
## Appendix D

### Board meeting attendance

Meetings of the ACECQA Board 1 July 2014 to 30 June 2015

<table>
<thead>
<tr>
<th>Meeting</th>
<th>Date</th>
<th>Apologies</th>
<th>Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>Meeting 4/2014</td>
<td>18 September 2014</td>
<td>Collette Tayler</td>
<td>Teleconference</td>
</tr>
<tr>
<td>Meeting 5/2014</td>
<td>2–3 December 2014</td>
<td>Alison Elliott (apology for day 1)</td>
<td>Sydney</td>
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<tr>
<td></td>
<td></td>
<td>Bernard Curran (apology for day 2)</td>
<td>Sydney</td>
</tr>
<tr>
<td>Meeting 1/2015</td>
<td>19 February 2015</td>
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<td>Sydney</td>
</tr>
<tr>
<td>Meeting 2/2015</td>
<td>21 May 2015</td>
<td>Nil</td>
<td>Sydney</td>
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Appendix E
Board sub committee membership and attendance

Audit, Finance and Risk Sub Committee
Membership

<table>
<thead>
<tr>
<th>Dates</th>
<th>Membership</th>
</tr>
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<tbody>
<tr>
<td>Until 31 July 2014</td>
<td>Gayle Ginnane – Chair Tracey Bradley Tonia Godhard Ken Barker – External member</td>
</tr>
<tr>
<td>18 September 2014 – 2 December 2014</td>
<td>Tonia Godhard – Acting Chair Tracey Bradley Ken Barker – External member</td>
</tr>
<tr>
<td>From 2 December 2014</td>
<td>Bernard Curran – Chair Tracey Bradley Sabine Phillips Ken Barker – External member</td>
</tr>
</tbody>
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Attendance

<table>
<thead>
<tr>
<th>Meeting</th>
<th>Date</th>
<th>Apologies</th>
<th>Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>Meeting 3/2014</td>
<td>2 October 2014</td>
<td>Nil</td>
<td>Sydney</td>
</tr>
<tr>
<td>Meeting 1/2015</td>
<td>12 February 2015</td>
<td>Nil</td>
<td>Sydney</td>
</tr>
<tr>
<td>Meeting 2/2015</td>
<td>7 May 2015</td>
<td>Nil</td>
<td>Sydney</td>
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Performance and Remuneration Sub Committee
Membership

<table>
<thead>
<tr>
<th>Dates</th>
<th>Membership</th>
</tr>
</thead>
<tbody>
<tr>
<td>Until 31 July 2014</td>
<td>Rachel Hunter – Chair Tracey Bradley Gayle Ginnane Michael Manthorpe</td>
</tr>
<tr>
<td>From 2 December 2014</td>
<td>Rachel Hunter – Chair Bernard Curran Nick Ryan</td>
</tr>
</tbody>
</table>

Attendance

<table>
<thead>
<tr>
<th>Meeting</th>
<th>Date</th>
<th>Apologies</th>
<th>Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>Meeting 4/2014</td>
<td>21 July 2014</td>
<td>Nil</td>
<td>Teleconference</td>
</tr>
<tr>
<td>Meeting 1/2015</td>
<td>9 March 2015</td>
<td>Nil</td>
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<td>Meeting 2/2015</td>
<td>27 March 2015</td>
<td>Nil</td>
<td>Teleconference</td>
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1. Interim Sub Committee in operation until the new Board established its AFR Sub Committee on 2 December 2014.
Policy, Research and Consistency Sub Committee

Membership

<table>
<thead>
<tr>
<th>Dates</th>
<th>Membership</th>
</tr>
</thead>
<tbody>
<tr>
<td>From 2 December 2014</td>
<td>Catherine Hudson – Chair</td>
</tr>
<tr>
<td></td>
<td>Mark Brown</td>
</tr>
<tr>
<td></td>
<td>Alison Elliott</td>
</tr>
<tr>
<td></td>
<td>Tonia Godhard</td>
</tr>
<tr>
<td></td>
<td>Pauline Harris</td>
</tr>
<tr>
<td></td>
<td>Collette Tayler</td>
</tr>
<tr>
<td></td>
<td>Jackie Wilson</td>
</tr>
<tr>
<td></td>
<td>Naomi Wilson</td>
</tr>
</tbody>
</table>

Attendance

<table>
<thead>
<tr>
<th>Meeting</th>
<th>Date</th>
<th>Apologies</th>
<th>Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>Meeting 1/2014</td>
<td>18 December 2014</td>
<td>Pauline Harris, Jackie Wilson</td>
<td>Teleconference</td>
</tr>
<tr>
<td>Meeting 1/2015</td>
<td>6 February 2015</td>
<td>Pauline Harris, Jackie Wilson</td>
<td>Teleconference</td>
</tr>
<tr>
<td>Meeting 2/2015</td>
<td>22 April 2015</td>
<td>Jackie Wilson</td>
<td>Teleconference</td>
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Policy Advisory Committee

Membership

<table>
<thead>
<tr>
<th>Dates</th>
<th>Membership</th>
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</thead>
<tbody>
<tr>
<td>Until 31 July 2014</td>
<td>Anne Reddell – Chair</td>
</tr>
<tr>
<td></td>
<td>Mark Brown</td>
</tr>
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<td></td>
<td>Alison Elliott</td>
</tr>
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<td></td>
<td>Tonia Godhard</td>
</tr>
<tr>
<td></td>
<td>Pauline Harris</td>
</tr>
<tr>
<td></td>
<td>June McLoughlin</td>
</tr>
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</table>

Attendance

<table>
<thead>
<tr>
<th>Meeting</th>
<th>Date</th>
<th>Apologies</th>
<th>Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>Meeting 3/2014</td>
<td>7 July 2014</td>
<td>Alison Elliott, June McLoughlin</td>
<td>Teleconference</td>
</tr>
</tbody>
</table>

2. At its December 2014 meeting, the Board disbanded the Policy Advisory Committee and created the Policy, Research and Consistency Sub Committee.
### Appendix F

**ACECQA major speaking and sector engagements** (excludes ACECQA National Workshops)

<table>
<thead>
<tr>
<th>ACECQA Engagement Name</th>
<th>Location</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>ACECQA Stakeholder Forum</td>
<td>Melbourne VIC</td>
<td>4 July 2014</td>
</tr>
<tr>
<td>Family Day Care Australia Forum</td>
<td>Altona VIC</td>
<td>15 July 2014</td>
</tr>
<tr>
<td>Family Day Care Australia Forum</td>
<td>Narre Warren VIC</td>
<td>16 July 2014</td>
</tr>
<tr>
<td>QLD Professional Support Co-ordinators panel presentation</td>
<td>Murrumba Downs QLD</td>
<td>30 July 2014</td>
</tr>
<tr>
<td>NSW Department of Education and Communities preschool conference</td>
<td>Sydney NSW</td>
<td>7 August 2014</td>
</tr>
<tr>
<td>NSW Professional Support Co-ordinators Educational Leaders’ forum</td>
<td>Sydney NSW</td>
<td>14 August 2014</td>
</tr>
<tr>
<td>NSW Professional Support Co-ordinators Educational Leaders’ forum</td>
<td>Campbelltown NSW</td>
<td>18 August 2014</td>
</tr>
<tr>
<td>Early Childhood Australia Outside School Hours Care presentation</td>
<td>Launceston TAS</td>
<td>19 August 2014</td>
</tr>
<tr>
<td>Early Childhood Australia Tasmanian meeting and AGM</td>
<td>Launceston TAS</td>
<td>20 August 2014</td>
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<tr>
<td>Early Childhood Australia Outside School Hours Care Presentation</td>
<td>Burnie TAS</td>
<td>21 August 2014</td>
</tr>
<tr>
<td>Queensland Children’s Activities Network State Conference</td>
<td>Gold Coast QLD</td>
<td>22 August 2014</td>
</tr>
<tr>
<td>Remote Support Teachers Conference</td>
<td>Brisbane QLD</td>
<td>25 August 2014</td>
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<tr>
<td>Early Childhood Australia Conference Seasons of Change – Presentation 1</td>
<td>Melbourne VIC</td>
<td>5 September 2014</td>
</tr>
<tr>
<td>Early Childhood Australia Conference Seasons of Change – Presentation 2</td>
<td>Melbourne VIC</td>
<td>7 September 2014</td>
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<tr>
<td>ACT Professional Support Co-ordinator Educational Leader Network Meeting</td>
<td>Canberra ACT</td>
<td>10 September 2014</td>
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<tr>
<td>NSW Family Day Care Conference</td>
<td>Sydney NSW</td>
<td>11 September 2014</td>
</tr>
<tr>
<td>NSW Professional Support Co-ordinators Educational Leaders’ Forum</td>
<td>Newcastle NSW</td>
<td>16 September 2014</td>
</tr>
<tr>
<td>Early Childhood Australia NT Inclusion Support Agency Alliance Presentation</td>
<td>Darwin NT</td>
<td>8 October 2014</td>
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<tr>
<td>National Indigenous Professional Support Unit Alliance meeting</td>
<td>Darwin NT</td>
<td>9 October 2014</td>
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<tr>
<td>Professional Support Co-ordinator Alliance meeting</td>
<td>Darwin NT</td>
<td>10 October 2014</td>
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<tr>
<td>Northern Territory Early Childhood and School Aged Education and Care Conference</td>
<td>Darwin NT</td>
<td>11 October 2014</td>
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<tr>
<td>Children's Services Coordinators Association Seminar and AGM</td>
<td>St Kilda VIC</td>
<td>14 October 2014</td>
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<tr>
<td>NSW Professional Support Co-ordinators Educational Leaders’ Forum</td>
<td>Orange NSW</td>
<td>16 October 2014</td>
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<tr>
<td>Creche and Kindergarten Webinar</td>
<td>Online</td>
<td>20 October 2014</td>
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<tr>
<td>Child Care Centres Association of Victoria conference</td>
<td>Melbourne VIC</td>
<td>24 October 2014</td>
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<td>Family Day Care Australia Symposium – Visions for Leadership</td>
<td>Adelaide SA</td>
<td>25 October 2014</td>
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<td>Gowrie Educational Leader Network Workshop</td>
<td>SA</td>
<td>28 October 2014</td>
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<td>St George Advocates for Children Inc. AGM</td>
<td>Hurstville NSW</td>
<td>11 November 2014</td>
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<td>Coffs Harbour Goodstart Meeting</td>
<td>Coffs Harbour NSW</td>
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<tr>
<td>NSW Professional Support Co-ordinators Educational Leaders’ forum</td>
<td>Port Macquarie NSW</td>
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<tr>
<td>FKA Children's Services AGM</td>
<td>Melbourne VIC</td>
<td>13 November 2014</td>
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<td>NSW Professional Support Co-ordinators Educational Leaders’ forum</td>
<td>Wagga Wagga NSW</td>
<td>25 November 2014</td>
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<tr>
<td>ACT Professional Support Co-ordinators Gala Awards</td>
<td>Canberra ACT</td>
<td>28 November 2014</td>
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<tr>
<td>ACECQA Engagement Name</td>
<td>Location</td>
<td>Date</td>
</tr>
<tr>
<td>------------------------</td>
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</tr>
<tr>
<td>ACECQA Stakeholder Forum</td>
<td>Sydney NSW</td>
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<tr>
<td>Montessori ECEC workshop</td>
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<td>Montessori ECEC workshop</td>
<td>Adelaide SA</td>
<td>28 February 2015</td>
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<td>Melbourne VIC</td>
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ACECQA National Workshops

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</tr>
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</tr>
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<td>30 September 2014</td>
</tr>
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<td>19 November 2014</td>
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<td>19 November 2014</td>
</tr>
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<td>ACECQA National Workshop</td>
<td>Katherine NT</td>
<td>20 November 2014</td>
</tr>
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<td>Perth WA</td>
<td>23 February 2015</td>
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<td>26 February 2015</td>
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<td>ACECQA National Workshop</td>
<td>Bendigo VIC</td>
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<td>Ballarat VIC</td>
<td>11 March 2015</td>
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</tr>
<tr>
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<td>Location</td>
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<td>Nunawading VIC</td>
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<td>Preston VIC</td>
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<td>Parkville VIC</td>
<td>26 March 2015</td>
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<td>Pakenham VIC</td>
<td>27 March 2015</td>
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<tr>
<td>ACECQA National Workshop</td>
<td>Penola SA</td>
<td>30 March 2015</td>
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<tr>
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<td>Adelaide SA</td>
<td>31 March 2015</td>
</tr>
<tr>
<td>ACECQA National Workshop – PM session</td>
<td>Adelaide SA</td>
<td>31 March 2015</td>
</tr>
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<td>ACECQA National Workshop</td>
<td>Whyalla SA</td>
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<td>Peakhurst NSW</td>
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<td>11 May 2015</td>
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<td>11 May 2015</td>
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<td>ACECQA National Workshop – AM session</td>
<td>Parramatta NSW</td>
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<tr>
<td>ACECQA National Workshop – PM session</td>
<td>Parramatta NSW</td>
<td>12 May 2015</td>
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<td>ACECQA National Workshop – PM session</td>
<td>Lismore NSW</td>
<td>26 May 2015</td>
</tr>
<tr>
<td>ACECQA National Workshop – AM session</td>
<td>Coffs Harbour NSW</td>
<td>28 May 2015</td>
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<tr>
<td>ACECQA National Workshop</td>
<td>Wagga Wagga NSW</td>
<td>2 June 2015</td>
</tr>
<tr>
<td>ACECQA National Workshop – PM session</td>
<td>Dubbo NSW</td>
<td>3 June 2015</td>
</tr>
<tr>
<td>ACECQA National Workshop – AM session</td>
<td>Dubbo NSW</td>
<td>4 June 2015</td>
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<td>ACECQA National Workshop</td>
<td>Wollongong NSW</td>
<td>10 June 2015</td>
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<tr>
<td>ACECQA National Workshop</td>
<td>Campbelltown NSW</td>
<td>11 June 2015</td>
</tr>
<tr>
<td>ACECQA National Workshop</td>
<td>Newcastle NSW</td>
<td>18 June 2015</td>
</tr>
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Appendix G
Qualifications application statistics from 1 July 2014 to 30 June 2015

Individual applications

Table 1 Applications by jurisdiction (2014–15)

<table>
<thead>
<tr>
<th></th>
<th>NSW</th>
<th>WA</th>
<th>Vic</th>
<th>Qld</th>
<th>SA</th>
<th>NT</th>
<th>ACT</th>
<th>Tas</th>
<th>Unknown</th>
<th>TOTAL</th>
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<tbody>
<tr>
<td>ECT</td>
<td>235</td>
<td>142</td>
<td>117</td>
<td>75</td>
<td>13</td>
<td>14</td>
<td>16</td>
<td>5</td>
<td>57</td>
<td>674</td>
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<tr>
<td>Diploma</td>
<td>103</td>
<td>117</td>
<td>69</td>
<td>46</td>
<td>14</td>
<td>9</td>
<td>8</td>
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<td>Cert III</td>
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<td>40</td>
<td>23</td>
<td>15</td>
<td>5</td>
<td>6</td>
<td>2</td>
<td>0</td>
<td>6</td>
<td>135</td>
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<tr>
<td>Working with children over preschool age</td>
<td>0</td>
<td>29</td>
<td>21</td>
<td>18</td>
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<td>2</td>
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<tr>
<td>TOTAL</td>
<td>376</td>
<td>328</td>
<td>230</td>
<td>154</td>
<td>38</td>
<td>30</td>
<td>28</td>
<td>7</td>
<td>88</td>
<td>1,279</td>
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<table>
<thead>
<tr>
<th></th>
<th>Percentage</th>
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<tbody>
<tr>
<td>NSW</td>
<td>29%</td>
</tr>
<tr>
<td>WA</td>
<td>26%</td>
</tr>
<tr>
<td>Vic</td>
<td>18%</td>
</tr>
<tr>
<td>Qld</td>
<td>12%</td>
</tr>
<tr>
<td>SA</td>
<td>3%</td>
</tr>
<tr>
<td>NT</td>
<td>2%</td>
</tr>
<tr>
<td>ACT</td>
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</tr>
<tr>
<td>Tas</td>
<td>1%</td>
</tr>
<tr>
<td>Unknown</td>
<td>7%</td>
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Table 2 Applications by country of qualification (2014–15)

<table>
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<th>Country</th>
<th>Number</th>
<th>Percentage</th>
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</thead>
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<tr>
<td>United Kingdom</td>
<td>387</td>
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</tr>
<tr>
<td>New Zealand</td>
<td>173</td>
<td>14%</td>
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<tr>
<td>Ireland</td>
<td>130</td>
<td>10%</td>
</tr>
<tr>
<td>Australia</td>
<td>115</td>
<td>9%</td>
</tr>
<tr>
<td>India</td>
<td>90</td>
<td>7%</td>
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<tr>
<td>United States</td>
<td>43</td>
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</tr>
<tr>
<td>Philippines</td>
<td>42</td>
<td>3%</td>
</tr>
<tr>
<td>South Africa</td>
<td>38</td>
<td>3%</td>
</tr>
<tr>
<td>Canada</td>
<td>26</td>
<td>2%</td>
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<tr>
<td>TOTAL</td>
<td>1,044</td>
<td>82%</td>
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<table>
<thead>
<tr>
<th>Country</th>
<th>Number</th>
<th>Percentage</th>
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<tr>
<td>Other countries</td>
<td>235</td>
<td>18%</td>
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<tr>
<td>GRAND TOTAL</td>
<td>1,279</td>
<td>100%</td>
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Table 3 Applications by recommendation (2014–15)

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<thead>
<tr>
<th>Recommendation</th>
<th>Number</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assessed equivalent</td>
<td>710</td>
<td>56%</td>
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<tr>
<td>Assessed not equivalent</td>
<td>184</td>
<td>14%</td>
</tr>
<tr>
<td>Assessment in progress</td>
<td>9</td>
<td>1%</td>
</tr>
<tr>
<td>Pending</td>
<td>214</td>
<td>17%</td>
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<tr>
<td>Discontinued</td>
<td>74</td>
<td>6%</td>
</tr>
<tr>
<td>Withdrawn</td>
<td>5</td>
<td>0%</td>
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<tr>
<td>Refunded</td>
<td>83</td>
<td>6%</td>
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<tr>
<td>TOTAL</td>
<td>1,279</td>
<td>100%</td>
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Table 4: Applications by month

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<th>Received</th>
<th>Complete</th>
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<td>July 2014</td>
<td>139</td>
<td>62</td>
<td>38</td>
</tr>
<tr>
<td>August 2014</td>
<td>118</td>
<td>101</td>
<td>38</td>
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<tr>
<td>September 2014</td>
<td>113</td>
<td>83</td>
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<tr>
<td>October 2014</td>
<td>107</td>
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<td>November 2014</td>
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<td>December 2014</td>
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<td>January 2015</td>
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<td>February 2015</td>
<td>122</td>
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<td>87</td>
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<td>March 2015</td>
<td>123</td>
<td>109</td>
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<td>April 2015</td>
<td>148</td>
<td>89</td>
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<td>May 2015</td>
<td>109</td>
<td>81</td>
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<tr>
<td>June 2015</td>
<td>94</td>
<td>73</td>
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Organisation applications

Table 5: Applications by qualification/training course (2014–15)

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<th>Pending</th>
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<td>ECT</td>
<td>20</td>
<td>18</td>
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</tr>
<tr>
<td>Asthma</td>
<td>2</td>
<td>2</td>
<td>0</td>
</tr>
<tr>
<td>Asthma &amp; Anaphylaxis</td>
<td>0</td>
<td>0</td>
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</tr>
<tr>
<td>Diploma</td>
<td>0</td>
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</table>

Table 6: Applications by recommendation (2014–15)

<table>
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<th>Recommendation</th>
<th>Add to approved qualifications list</th>
<th>Do not add to approved qualifications list</th>
<th>Pending</th>
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<tr>
<td>ECT</td>
<td>20</td>
<td>18</td>
<td>4</td>
</tr>
<tr>
<td>Asthma</td>
<td>2</td>
<td>2</td>
<td>0</td>
</tr>
<tr>
<td>Asthma &amp; Anaphylaxis</td>
<td>0</td>
<td>0</td>
<td>0</td>
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</table>
Table 7 Applications by month

<table>
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</thead>
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<td>4</td>
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</tr>
<tr>
<td>June 2015</td>
<td>2</td>
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</table>
## Index of key terms

**ABS** Australian Bureau of Statistics  
**ACECQA** The Australian Children’s Education and Care Quality Authority  
**AEEYSOC** Australian Education, Early Childhood Development and Youth Affairs Senior Officials Committee  
**AFR SC** Audit, Finance and Risk Sub Committee  
**AIHW** Australian Institute of Health and Welfare  
**AITSL** Australian Institute for Teaching and School Leadership  
**AQF** Australian Qualifications Framework  
**ARIA+** Accessibility/Remoteness Index of Australia  
**ASQA** Australian Skills Quality Authority  
**ATRA** Australasian Teacher Regulatory Authorities  
**COAG** Council of Australian Governments  
**2014 COAG Review** 2014 COAG review of the National Partnership Agreement on the National Quality Agenda for Early Childhood Education and Care  
**CWG** Communications Working Group  
**DSS** Australian Government Department of Social Services  
**ECPG** Early Childhood Policy Group  
**ECT** Early Childhood Teacher  
**EDRMS** Electronic Document and Records Management System  
**Education Council** The COAG Education Council  
**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  
**FTE** Full Time Equivalent  
**ICT** Information and Communication Technology  
**IPPS** Information Publication Scheme  
**National Law** Education and Care Services National Law Act 2010  
**National Regulations** Education and Care Services National Regulations 2011  
**NECS** National Education and Care Services  
**NIMSG** National Quality Agenda IT System Management Steering Group  
**NPA** National Partnership Agreement  
**NQA** National Quality Agenda  
**NQA IP** Implementation Plan for the National Quality Agenda for Early Childhood Education and Care  
**NQA ITS** National Quality Agenda IT System  
**NQF** National Quality Framework  
**NQS** National Quality Standard  
**OPM** Operational Policy Manual  
**OSHC** Outside School Hours Care  
**PC** Productivity Commission  
**PraC SC** Policy, Research and Consistency Sub 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.  
**RoGS** Report on Government Services  
**SEIFA** Socio-Economic Index for Areas  
**TWG** Training Working Group  
**WHS** Work Health and Safety
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