



Australian Children's
Education & Care
Quality Authority™



Annual Report 2018–2019

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Quality Authority**

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Contents

OVERVIEW		APPENDICES	85
Contents	3	A. Letter of Expectation 2019–20	86
I. Transmittal Letter from Chair to Education Council Chair	4	B. ACECQA Chair’s response to Letter of Expectation 2019–20	92
II. Supporting the sector 2018–19	5	C. ACECQA Board membership	94
III. Foreword from the Chair	6	D. Board meeting attendance	102
IV. Report from the CEO	7	E. Board Sub Committees and attendance	103
PART 1: ACECQA’S GOVERNANCE AND OPERATIONS	11	F. ACECQA’s major speaking and sector engagements	106
1.1 Our role	12	G. Glossary	110
1.2 ACECQA Board and Sub Committees	16	INDEX	112
1.3 ACECQA’s operations	18		
PART 2: ACECQA’S FUNCTIONS UNDER THE NATIONAL LAW	25		
2.1 Guiding implementation of the National Quality Framework	26		
2.2 Reporting on national quality improvement	29		
2.3 National registers and IT system	32		
2.4 Excellent rating and second tier reviews	36		
2.5 Educate and inform	39		
2.6 Support and training for authorised officers	47		
2.7 Educator qualifications	50		
PART 3: IMPLEMENTATION OF THE NATIONAL QUALITY FRAMEWORK	55		
3.1 Report on the implementation and administration of the NQF	56		
PART 4: FINANCIAL REPORT AND FINANCIAL STATEMENTS	61		



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2 October 2019

The Hon Dan Tehan 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 2018–19 ACECQA Annual Report.

The report is presented in accordance with section 279 of the *Education and Care Services National Law* ('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, as determined by the Council. ACECQA is advised that South Australia has been confirmed as the participating jurisdiction for tabling purposes. Accordingly, the 2018–19 Annual Report has been prepared to meet the tabling requirements of that jurisdiction.

Yours sincerely

Judy Hebblethwaite
Chair

Supporting the sector 2018–19

Stakeholder engagement



52,000
unique
downloads
of resources
each month

300,000
views of
We Hear You



37,000
newsletter
subscribers



29,462
customer service
enquiries answered



comprised of
17,323
phone enquiries
12,139
email enquiries




1.8 days
average response
time to a customer
service enquiry



72
conference
and sector event presentations



3600
NQA ITS service desk enquiries

- ✓ **98% satisfaction** for regulatory authority users
- ✓ **92% satisfaction** for sector users



ACECQA functions

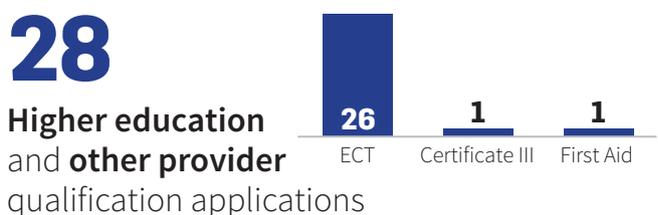
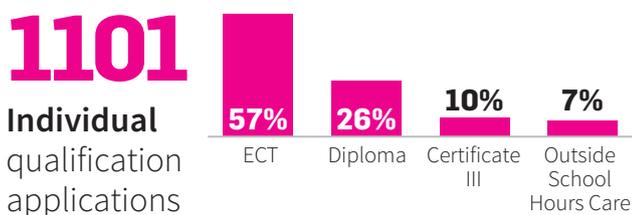
82
Authorised
Officers
trained



98%
Authorised Officers
very satisfied or
satisfied with training



6580
eLearning
modules viewed
by authorised officers

21
Excellent
rating
applications



19
Second
tier review
applications

88%
overall
satisfaction
with the NQA ITS for regulatory authority users



Foreword from the Chair

On behalf of the Board it is a pleasure to present our annual report for 2018–19.

This year has provided two important opportunities to consider both the work we undertake as an agency and our role within the broader sector, with the Education Council’s commissioning of the 2019 ACECQA Review and the 2019 NQF Review. The Board welcomes the chance these reviews offer to reflect on the strengths and achievements of both ACECQA and the National Quality Framework (NQF) and to contribute to our shared future direction.

The ACECQA Review, established to assess the effectiveness of our agency in performing its functions as set out in the National Law, will help ensure we remain ‘fit for purpose’ in a constantly evolving environment. The review offers an opportunity for us to demonstrate our critical role and value in enhancing the national system, supporting regulatory authorities and improving quality for children in education and care services across all jurisdictions. In the same way the 16,000 services across Australia are encouraged to embrace the path of quality improvement, we too must demonstrate innovation and growth in the way we exercise our responsibility of guiding and supporting the NQF.

The second review – the 2019 NQF Review – established to consider the ongoing effectiveness and sustainability of the NQF, builds on the 2014 NQF Review. A key deliverable in the Letter of Expectation from governments is to assist with this and we are supporting the important process of national communication and consultation across the sector, and are well placed to work with governments to implement the changes that arise, as we did during the 2014 review.

Both reviews offer an opportunity for considered reflection by staff, management and the Board on past achievements and importantly the challenges and goals we would like to set for the future.

We are now halfway through ACECQA’s current five-year strategic plan, and we remain focused on delivering the highest standard of service to



governments, services and families in a way that reflects our organisational values of integrity, commitment, respect and collaboration. The Letter of Expectation acknowledges the considerable expertise that has been developed within ACECQA since the start of the NQF and we are planning for continued growth in our capabilities so we can deliver new programs, resources and training to meet the needs of our government partners and sector stakeholders.

As Chair, I have the privilege of working with a committed Board who bring a diversity of knowledge, experience and insight to their role. I acknowledge the significant contributions of outgoing members Sandra Cheeseman and Robyn Layton, as well as the Deputy Chair, Catherine Hudson. I am fortunate to work with colleagues who are passionate and dedicated to improving the outcomes of children in Australia.

I would like to thank our CEO, Gabrielle Sinclair, the executive, staff, our government partners and sector stakeholders for their contributions this year. I look forward to the challenges and opportunities of 2019–20, as ACECQA continues its important work supporting the provision of high quality education and care for all children.

Judy Hebblethwaite
Chair

Report from the CEO

The 2018–19 year has been a time for reflection, review and change and, at ACECQA, we have measured our achievements through four important measures – efficiency, accountability and transparency, consistency and quality.

Efficiency

We work with governments to minimise regulatory burden on education and care services.

One of the biggest challenges in the sector has been the growing demand for access to high quality services and, in particular, the difficulties faced by rural and remote communities in meeting demand. To this end, our responsibility to support the sector to find ways to develop a qualified and experienced workforce will be a key focus of our work.

Our Qualifications and Workforce Symposium in November 2018 was attended by more than 100 stakeholders. It was an opportunity to examine issues associated with a growing workforce – attracting, training and retaining quality educators and improving regulatory alignment.

In 2019, we were asked to take the first step in progressing a national approach to the workforce. In response, we have worked with providers, peak associations, training organisations, government agencies and stakeholders to identify and analyse the main challenges and opportunities so that the Education Council can be well-informed for future strategies.

The national IT system is an essential part of the NQF infrastructure and delivering ongoing enhancements to its functionality ensures it remains an efficient and useful business tool for regulatory authorities and approved providers. A series of important upgrades has been implemented, including changes to accommodate the staged introduction of the 2018 NQS, improved recording of details relating to services in multi-storey buildings, publication of additional information on the national registers, such as the inclusion of a service's previous rating, and enhanced mobile functionality for easier evidence collection. We also worked with the Australian Government to reduce duplication for services by



allowing greater integration between the national IT system and the new Child Care Subsidy IT system.

Accountability and Transparency

We promote and foster continuous quality improvement by making information about the national system available.

This year, we used a range of mechanisms to report on the progress of the NQF. Our quarterly snapshots provide detailed, reliable data on the state of the sector, from the number of assessment and ratings completed and the progress in service quality improvement, to the performance of services compared to the remoteness of their location or the socio-economic status of their community.

Our second Annual Performance Report under the National Partnership Agreement also provided analysis of a range of indicators that suggest the NQF is realising its intended benefits, including that more than three quarters of assessed services are Meeting the NQS and the majority improved their quality rating at reassessment.

In 2018, we conducted our fifth survey of the sector to inform our regular reporting on the level of administrative burden experienced under the NQF. The survey found that overall, support for the NQF among providers of education and care services has been consistently above 95 per cent and remained very strong. While there was a slight increase in the degree of burden experienced, in the majority of circumstances providers felt the benefits for children outweighed the burden.

Our sixth occasional paper examined quality improvement in education and care services. The paper emphasises two important drivers of quality improvement – high quality educators who are familiar with the regulatory system and effective leaders who understand and articulate a service’s philosophy and can put it into practice. This research links well with the project we are undertaking with Macquarie University to identify the characteristics of quality improvement by analysing long day care services that have improved their quality rating for Educational program and practice (Quality Area 1 of the National Quality Standard) and Governance and leadership (Quality Area 7).

Our submissions to several reviews, such as the Vocational Education and Training (VET) review, SkillsIQ national training package review, and the Australian Qualifications Framework (AQF) review ensure the importance of a unified national system, focused on the ability to provide quality outcomes for children, continues to be emphasised.

Consistency

We monitor and promote consistency for national better practice.

The 2019 Review of the NQF offers the sector an important opportunity to have a say on the regulation and operation of education and care services. Areas under consultation include the types of services that should be in scope of the NQF, application and approval processes and how the operations of providers and services should be regulated.

We are supporting the review process through engagement with the sector, including managing the dedicated *Have Your Say* website, as well as policy review work and data analysis. The next step will be to work with governments on the development of the Consultation Regulation Impact Statement throughout the second half of 2019.

During the reporting period, more than 80 new authorised officers completed the three-day assessment and rating national training program we deliver to regulatory authority staff. We have also been

developing a new training package aimed at building the knowledge and skills of authorised officers in assessing educational programs and practice, and two interactive eLearning resources to assist with assessing against the Exceeding NQS themes. We continue to work with regulatory authorities to expand training programs to departmental staff in support of their commitment to better practice regulation.

Quality

We work to achieve the objectives and guiding principles of the NQF and to stay fit for purpose for all stakeholders.

During the past year, our Board has considered opportunities for our future growth and sustainability by listening to our stakeholders and delivering new programs, services and resources in response to their changing needs.

Working with the NSW Department of Education, we developed and tested a rich variety of effective resources in the Quality Support Program to help services rated Working Towards NQS to improve their practice and understanding of the NQF. We also responded to the sector by commissioning Early Childhood Australia to develop The Educational Leader Resource. It was downloaded more than 11,000 times in the first few months of publication and clarifies what is expected of this important role.

Similarly, with an average 102,000 unique website visits and 52,000 unique downloads of resources each month, we know our resources are well-used by the sector. This includes our new self-assessment tool which helps services to identify their own strengths, including practices that are Exceeding NQS and opportunities for quality improvement. An updated QIP template has also been developed to support this process.

Throughout 2018–19, we presented at more than 70 events and conferences, nationally and internationally. These are important opportunities for educators’ in-service and professional development and a crucial way in which we listen to, and learn



from, educators, services, the education sector and families.

International recognition of Australia's quality improvement journey is growing and this year we hosted members of the Education Review Office in New Zealand, Germany's early education sector and the Singaporean Early Childhood Development Agency. We also presented at the Canadian Early Learning and Child Care Data and Research conference, and participated at the World Health Organisation's meeting of technical experts in Chile to develop standards for global guidelines for physical activity, sleep and healthy eating.

In reflecting on this past year, the dedication of our staff was a constant and I would like to acknowledge their diligence and commitment to children's development and education. For a national authority, we are relatively small and, without strong partnerships with government partners, national peak bodies, teacher registration bodies, providers, educators, higher education and registered training institutes, and families, the national quality system would not be flourishing and attracting such interest worldwide.

Finally, it is a pleasure to thank and give credit to our Chair and Board for the strategic direction and essential guidance they provide.

Gabrielle Sinclair
Chief Executive Officer



A child's hands are shown holding a red plastic basket filled with alphabet stones. The stones are in various colors (yellow, white, brown, grey) and have letters and numbers written on them. The child is wearing a blue long-sleeved shirt and white socks with a blue strap. The background is a purple and blue patterned rug. The text 'PART 1: ACECQA's Governance and Operations' is overlaid on the right side of the image.

PART 1: ACECQA's Governance and Operations



1.1 Our role

As an independent statutory authority, we are established under Part 11 of the [Education and Care Services National Law \(the National Law\)](#) to effectively and efficiently administer the National Quality Framework (NQF).

Within Australia's federated model for the regulation and quality improvement of children's education and care, we are responsible for delivering nationally consistent outcomes that support the objectives of the NQF, while ensuring reduced regulatory burden and the shared interests of our nine government partners can be achieved.

We work collaboratively with jurisdictions to facilitate the work of, and deliver support services to, state and territory regulatory authorities. This includes authorised officer training and support, operational and strategic policy advice on NQF matters, including workforce, and management of the [National Quality Agenda IT System \(NQAITS\)](#), to provide an efficient and

effective online business tool for states and territories and the sector.

We have three distinct regulatory functions – educator qualifications, second tier review of quality ratings, and determining applications for the Excellent rating. Our other roles include research, education and awareness raising that inform families and the community, as well as guidance and support for the children's education and care sector.

The National Law sets out our primary functions under section 225, including:

- promoting and fostering continuous quality improvement by education and care services
- educating and informing about the NQF and supporting families and communities in understanding the importance of quality early education and care
- developing guidance materials for providers and educators to enhance their professional

development and focus on quality outcomes for children

- establishing the qualifications required to be an educator in our sector
- undertaking second tier review of quality ratings
- making determinations with respect to the highest level of rating for approved education and care services – the Excellent rating
- conducting national audits relating to the administration of the NQF.

Our vision that ‘Children in Australia have the best start in life’ drives the work that we do. As we enter the next decade, we will continue to champion quality in children’s education and care with a focus on continuous improvement, evidence-based practice and decision making, family and community awareness of the importance of the early years, and efficiency and consistency across a coherent and responsive national children’s education and care regulatory system.

Letter of Expectation

In December 2018 we received the Education Council’s Letter of Expectation 2019–20 (**Appendix A**). The letter, agreed by all governments, is the foundation for our Work Plan 2019 and 2020 and informs our [Strategic Plan 2017–21](#).

Reporting requirements

We are required to produce the following reports under the [National Law](#), the National Partnership Agreement on the National Quality Agenda for Early Childhood Education and Care (NP NQA) (concluded 31 December 2018), and the Education Council’s Letters of Expectation 2016–18 and 2019–20.

Annual report

Under section 279 (2) of [the National Law](#), our annual report must include:

- an audited financial statement for the period to which the report relates
- a report about our performance of our functions under this Law during the period to which the annual report relates

- an assessment of the implementation and administration of the NQF
- all directions given to us by the Ministerial Council and our response
- all directions given to the regulatory authorities by the Ministerial Council and the regulatory authorities’ responses
- a report on any committees established by the Board
- any other matter determined by the Ministerial Council.

NP NQA Annual Performance Report

The [December 2018 report](#) to the Education Council assessed the implementation of the NQF against the objectives and outcomes of the NP NQA to:

- deliver an integrated and unified national system for education and care services, which is jointly governed and which drives continuous improvement in the quality of services
- ensure the safety, health and wellbeing of children attending education and care services
- improve educational and developmental outcomes for children attending education and care 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 education and care services
- improve the efficiency and cost effectiveness of the regulation of education and care services
- reduce regulatory burden for education and care service providers
- improve public knowledge about and access to information about the quality of education and care services for families, 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.



***Lifelines and Bloodlines* by Chad Briggs.**

Strategic Plan

In the reporting period, the Board updated our [Strategic Plan 2017–21](#) to reflect the continued evolution of the organisation and maturity of the NQF. Revisions to the plan were included to make our vision more prominent and to promote continuous quality improvement through greater responsiveness and innovation.

Along with our purpose, priorities, role, framework and success indicators, the strategic plan also includes our strategies – collaboration and partnerships, evidence-based decisions, consistency, quality, accountability and responsiveness, and innovation.

The plan continues to reflect our commitment and approach to working collaboratively with our partners to effectively and efficiently administer the NQF.

Forward Work Plans

Our forward work plans are informed by the Education Council’s Letter of Expectation, [the National Law](#) and our [Strategic Plan 2017–21](#). The work plans outline our key deliverables and timelines for implementation. The 2018–19 reporting period spanned two consecutive work plans – Work Plan 2017 and 2018, and Work Plan 2019 and 2020.

Our final progress report on our Work Plan 2017–2018 was endorsed by the Education Council in December 2018 and our Work Plan 2019–2020 was approved by Education Council in June 2019.

The current work plan continues to demonstrate how we are meeting our obligations and functions as outlined in the [National Law](#), with a substantial program of work assisting the 2019 NQF Review and a review of the Authority itself. The first progress report against our current work plan will be submitted to Education Council at its December 2019 meeting, with a final progress report due mid-2020.

Ministerial directions

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 to ACECQA or a regulatory authority by the Education Council in 2018–19.

ACECQA Review

In 2019, the Education Council commissioned a review of ACECQA, the primary objective of which is to ensure that ACECQA's operations remain 'fit for purpose' in the current early childhood education and care environment, and in line with the objectives and guiding principles of the [National Law](#).

The review is being led by the Early Childhood Policy Group (ECPG) on behalf of the Education Council, with any findings and recommendations expected to be considered by the Education Council in late 2019.

ACECQA is assisting with the review through the provision of relevant information to the appointed reviewers, and looks forward to working with all governments in implementing agreed review outcomes. The Terms of Reference for the review can be found on the [Education Council's website](#).

Reconciliation Action Plan

Our 2019–2020 [Innovate Reconciliation Action Plan](#) (RAP), was endorsed by Reconciliation Australia in February 2019. It acknowledges our responsibility and outlines our commitment to reconciliation by working towards a culturally competent workplace environment that acknowledges and celebrates the unique place Aboriginal and Torres Strait Islander cultures hold in Australia.

Our organisation is located on the traditional lands of the Gadigal people of the Eora Nation. We recognise and affirm that reconciliation between Aboriginal and Torres Strait Islander peoples and other Australians is the responsibility of all Australians.

This year we commissioned Aboriginal and Torres Strait Islander artist, Chad Briggs, to create a bespoke piece of artwork that expresses both Aboriginal and Torres Strait Islander cultures. The original artwork *Lifelines and Bloodlines* is the result of this partnership.

Through a series of symbols, motifs and totems, the artwork tells the rich story and journey of Chad's life, incorporating his immediate family and his Muralag and Noongar ancestral bloodlines.

In commissioning this artwork, and through the plans outlined in our RAP, we are aiming to:

- add a respectful, creative and culturally-aware dimension to appropriate resources



Artist Chad Briggs engaging children in artwork creation, Beenleigh, Qld, 2018.

- symbolise our commitment to quality outcomes for all children in education and care services across the country
- demonstrate our commitment to improving opportunities and outcomes for Aboriginal and Torres Strait Islander Peoples and, in particular, Aboriginal and Torres Strait Islander children and families attending education and care services across Australia
- capture the voices, agency and contribution of children during the creation of the artwork.

More detail about our initiatives in support of the RAP can be found in section 1.3.



1.2 ACECQA Board and Sub Committees

ACECQA Board

Our organisation is governed by a Board of up to 13 members appointed by, and accountable to, the Education Council. Membership of the Board is outlined at **Appendix C**, with Catherine Hudson, Robyn Layton and Sandra Cheeseman’s appointments finishing in 2019 and Amanda Price-McGregor, Selwyn Button, Anne Glover and Sandra Lambert joining the Board this year.

The Board held five meetings in 2018–19. Board meeting attendance is outlined at **Appendix D**.

Key undertakings for the Board in 2018–19 included overseeing and guiding:

- the [determination of the qualifications required](#) in relation to the other ‘suitably qualified person’ regulations, to be introduced 1 January 2020
- the extension of the ‘taken to be equivalent early childhood teacher’ provision
- the [Families Qualitative Research project](#)
- our culture and effectiveness survey
- several key organisational strategies – Sector Support, Communications and Stakeholder Engagement, and the NQA ITS
- the support and training program for staff of regulatory authorities
- guidelines for supporting and promoting research and resources
- [guidelines for participation and support for external research and evaluation](#)
- the continued successful delivery and extension of the Quality Support Program in conjunction with the NSW Department of Education, aimed at assisting identified services to Meet or Exceed the NQS
- the delivery of a Qualifications and Workforce Symposium in support of sector workforce development



The ACECQA Board (left-to-right): Selwyn Button, Jackie Wilson, Naomi Wilson, Judy Hebblethwaite, Anne Glover, Ann Farrell, Amanda Price-McGregor, Jenni Perkins, Sandra Lambert, Sandra Cheeseman, Michael White. Absent¹: Maree Bredhauer, Catherine Hudson, Robyn Layton and Joce Nuttall.

- the conduct of two national audits as part of our role to monitor and promote consistency
- our performance against our strategic and forward work plans
- our support of the ACECQA Review
- our financial performance and approval of the 2019–20 budget, which will see us continue to operate within our overall funding envelope.

Board Sub Committees

Membership of Sub Committees and details of meetings held throughout 2018–19 are outlined at **Appendix E**.

Audit, Finance and Risk Sub Committee

The Audit, Finance and Risk (AFR) Sub Committee provides independent oversight and monitors the organisation’s governance, risk and control frameworks, financial performance and external accountability requirements.

Priorities for the Sub Committee during the reporting period included:

- reviewing and endorsing the financial statements
- reviewing and monitoring our financial and corporate governance policies and strategies, including the risk management plan, investment policies, procurement policies, fraud control plan, financial delegations, and legal and compliance reporting

- overseeing internal audits of our:
 - authorised officer training
 - mechanisms to identify fraudulent qualifications/applications
 - financial management control environment.

Performance and Remuneration Sub Committee

In 2018–19, the Performance and Remuneration Sub Committee provided advice on performance and remuneration matters for ACECQA.

Enterprise Agreement Sub Committee

In 2018–19, the Enterprise Agreement Sub Committee provided oversight of the negotiation of our Enterprise Agreement 2019–22.

Qualifications Sub Committee

The Qualifications Sub Committee provided direction on our two-day Qualifications and Workforce Symposium, the qualifications required to be considered a ‘suitably qualified person’ and input on a number of related submissions, including to the SkillsIQ and VET reviews.

Strategy Sub Committee

In 2018–19 the Strategy Sub Committee provided strategic advice to the Board, particularly in relation to direction and oversight to assist with the current review of ACECQA.

1 Catherine Hudson, Robyn Layton and Joce Nuttall’s terms ended March 2019.



1.3 ACECQA's operations

Organisational structure and staffing

In 2018–19 our organisation was led by Chief Executive Officer Gabrielle Sinclair and comprised four business groups to deliver our functions:

- Business Services
- Educational Leadership
- Policy and Strategic Programs
- Strategy, Communications and Consistency.

The Educational Leadership group, led by National Educational Leader Rhonda Livingstone:

- provides advice on quality programs, practices and policies in early childhood education and school age care services and contributes to national reform processes
- assesses and promotes excellence in the delivery of early childhood and school age care services to support continual quality improvement

- develops and delivers (in collaboration with regulatory authorities and peak organisations) presentations, workshops, articles, training and resources to build a shared understanding of the requirements and expectations of the NQF and promote quality practice
- collaborates with regulatory authorities to develop and deliver engaging training and testing programs, guidance materials and resources for authorised officers to build skills and national consistency in assessing and rating against the NQS.

The Strategy, Communications and Consistency group, led by General Manager Michael Petrie, delivers the following functions:

- engagement and communication strategies to inform stakeholders, the community and families about the benefits of early childhood education and care, and the role the NQF plays in providing positive outcomes for children



Figure 1: Organisational Structure, 30 June 2019.

- provision of information to stakeholders who contact us about the NQF
- research, audit and analysis activities which contribute to overseeing and reporting on the administration of the NQF
- assessment of educator qualification courses being offered by institutions, and determining the equivalence of individuals' qualifications who may want to work in the sector, particularly those with overseas qualifications
- support for a high quality early childhood education and care workforce in collaboration with stakeholders.

The Policy and Strategic Programs group, led by General Manager John Mason:

- leads our national policy and strategic programs to support governments, regulatory authorities and the sector
- works with governments and the sector to provide strategic advice and support in the effective implementation of the NQF, including operational policy advice
- develops and delivers new programs and services including the Quality Support Program



The ACECQA executive team (left-to-right): Michael Petrie, Michelle Edwards, Angela Buchanan, Gabrielle Sinclair, Rhonda Livingstone and John Mason.

- manages our quality rating second tier review function including coordination of a pool of second tier review panel members.

The Business Services group is led by Chief Operating Officer Angela Buchanan and delivers corporate services functions including:

- ICT services and information and records management
- Finance
- Human resources and facilities.

This group also includes our education and care systems team, which provides maintenance and development of the [National Quality Agenda IT System \(NQA ITS\)](#) for the NQF, including sector and regulatory authority support.

In addition, a Board and Governance team, led by Board and Company Secretary Michelle Edwards, supports our Board and manages legal, governance, planning, and reporting and accountability requirements across the organisation, including our participation in inter-governmental working groups.

The number of FTE staff at 30 June 2019 was 94.7, inclusive of employees on parental and unpaid leave. A breakdown of the workforce profile by FTE, headcount and gender is at **Table 1**.

Table 1: Workforce Profile – FTE and headcount by gender 30 June 2019.

	Female	Male	Total
FTE	63.0	31.7	94.7
Headcount	70	32	102
% of workforce (headcount)	68.6	31.4	100

Human Resources

Our Human Resources team continued to support the organisation strategically and operationally, including assisting staff through training programs to promote and enhance engagement, development and performance.

In 2018–19 these initiatives and programs included:

- undertaking an organisational culture and effectiveness survey and facilitating a range of supporting projects such as developing an organisational values statement
- implementing a human resource information system with integrated payroll solution to provide better technology-enabled workforce management capability.

In 2018–19, the Human Resources team also supported the bargaining process for a new Enterprise Agreement which will commence in 2019–20.

Information and Communication Technologies

The consolidated ICT structure continues to provide more streamlined ICT management and support across ACECQA. The ICT team delivered a number of initiatives in 2018–19 to enhance capabilities and support for the organisation including:

- a refresh of the organisation’s IT operating environment to allow better support for users through centralised management and deployment of software and applications
- implementation of a new online asset management system. The system will allow for comprehensive management of assets including tracking life cycles and disposals
- upgrade of the Electronic Document and Records Management System (EDRMS) to the latest version
- successful migration of our Learning Management System (LMS) to LearnUpon.

The ICT team continues to support and provide technical guidance on other projects, including an electronic visitor registration system, assisting and facilitating in the review of our websites for accessibility, and further development of various applications used at ACECQA.

Records and Information Management

We have continued to enhance our records and information management systems in line with best practice.

In 2018–19, the electronic document management system was upgraded to ensure the ongoing security and usability of our records and information. Reviews of the policies and procedures were completed to ensure continued compliance with legislation and information security requirements. We will continue to review our upgraded electronic document management system to keep our records and information up to date.



Financial Operations and Funding

In 2018–19, our operational funding was provided by the Australian Government and this comprised the majority of our revenue (approximately 86 per cent).

In addition to this operational funding, income streams in 2018–19 included:

- fee revenue under the National Regulations relating to our functions of assessing qualifications and undertaking second tier reviews
- funding for continuing the delivery of a quality support program to build quality in education and care services from the NSW Government in 2019–20
- the sale of NQF educational resources and one-off funding for delivering specific projects for governments.

We operated in accordance with the Board-approved budget to deliver on the strategic priorities contained in the Education Council’s Letter of Expectation for 2016–18 and 2019–20. The operating result for the 2018–19 financial year was a deficit of approximately \$0.96 million which was ahead of the approved budget.

Funding from governments received in 2018–19 was approximately \$14.7 million. We also received own-source revenue of approximately \$0.94 million, mainly from services delivered under the National Regulations on a fee for service basis, the sale of NQF educational resources, one-off funding for delivering projects for governments and interest income.

The total expenditure for the 12 months was \$16.6 million. The main expenditure items were:

- salaries and on-costs (approximately 70 per cent)
- ICT costs (approximately 10 per cent)
- occupancy costs (approximately 6 per cent).

The 2018–19 Financial Statements report a \$15.2 million accumulated surplus as at 30 June 2019 and total assets of approximately \$16.5 million. The accumulated surplus includes approximately \$6.7 million funding received in advance from the Australian Government and \$1.2 million program funding received in advance from the NSW Government, which will be progressively spent in 2019–20, as well as required working capital to remain solvent. As an independent statutory

authority, adequate working capital is crucial to our financial viability to ensure the agency can arrange supplier contracts, declare solvency and cover any funding shortfall or funding delays.

The independent review of ACECQA underway in 2019 is expected to inform our future funding.

Workplace Health and Safety

Our commitment to workplace health and safety (WHS) is supported through a robust WHS management system, consultation, reporting, training for new and existing staff and specific training for key roles within the organisation.

We continue to maintain a positive, inclusive and supportive workplace through initiatives and events that engage staff and build awareness. Staff supported events for National Reconciliation Week, Cancer Council, NAIDOC Week, R U OK? Day, Movember and Education Week.

Reconciliation Action Plan

In 2018–19, we delivered a number of initiatives in support of our [2019–2020 Innovate Reconciliation Action Plan](#) (RAP), including:

- engaging an Aboriginal and Torres Strait Islander consultant to assist with developing a recruitment and retention strategy to be implemented in 2019–20. This strategy aims to build and maintain Aboriginal and Torres Strait Islander representation in our workforce
- delivering Aboriginal and Torres Strait Islander cultural awareness training for all staff to reinforce the importance of our RAP commitments and foster understanding and appreciation of the culture, history and achievement of Aboriginal and Torres Strait Islander peoples
- updating our procurement policy and obtaining membership of Supply Nation to facilitate and encourage supply of goods and services from Aboriginal and Torres Strait Islander businesses.

Freedom of Information

Freedom of information requests

The National Law and National Regulations apply and modify the *Commonwealth Freedom of Information Act 1982* (FOI Act). **Table 2** shows the status of Freedom of Information applications for the reporting period 1 July 2018 to 30 June 2019.

Table 2: FOI application status.

Applications considered	Number
On hand as at 1 July 2018	0
Received	7
Granted in full	0
Granted in part	0
Access refused	0
Dealt with administratively	1
Withdrawn by the applicant	2
Transferred to another agency	0
On hand as at 30 June 2019	4
Appeals to the National Education and Care Services Freedom of Information Commissioner	0
Appeals to the relevant Administrative Tribunal	0

Information Publication Scheme

The FOI Act requires agencies to publish a range of information on their website. We take a proactive approach to publishing information and in 2018–19 updated our [information publication scheme \(IPS\) webpage](#) to make it easier for users to access our information. Our IPS webpage includes our [Information Publication Plan](#) and details of our:

- organisational structure
- governance
- statutory appointments
- functions and powers
- reports and research



- consultative arrangements
- operational information
- policies
- submissions
- operational activity data.

Privacy

The National Law applies the *Privacy Act 1988* (Cth) (the Privacy Act) to regulatory bodies that undertake the administration of the 'national education and care services quality framework', including ACECQA. The National Law and National Regulations modify the way the Privacy Act applies to the national education and care services quality framework and to ACECQA.

Our Privacy Policy, published on our website, provides information on:

- the kinds of personal information we collect and hold
- how we collect and hold personal information
- the purposes for which we collect, hold, use and disclose personal information

- how the public may access personal information held by us and seek its correction.

During 2018–19 we did not receive any privacy complaints. In addition, no investigations were undertaken by the National Education and Care Services Privacy Commissioner.

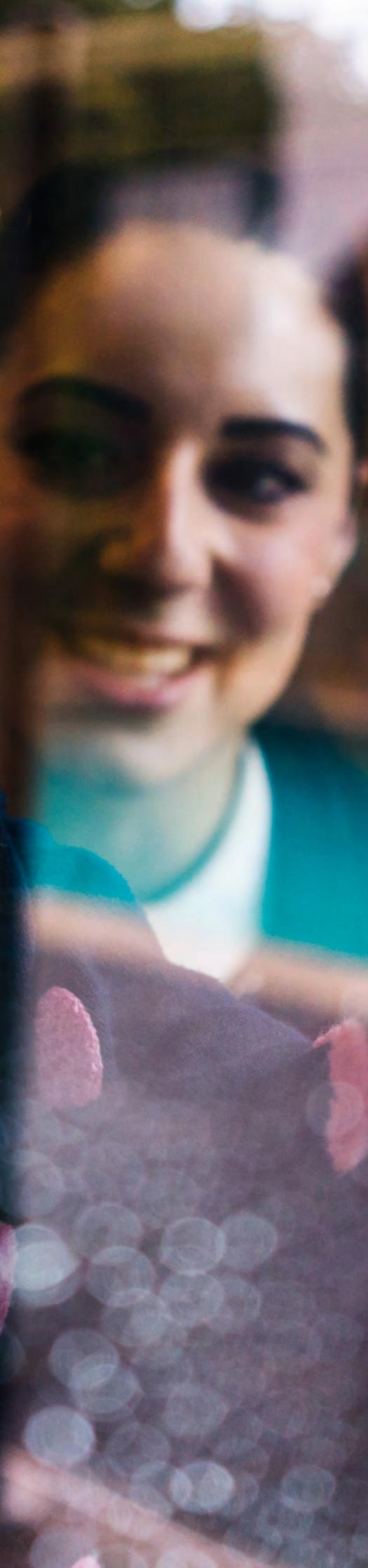
Staff who deal with personal information were provided with privacy training during the reporting period.

Education and Care Services Ombudsman

The Education and Care Services (ECS) Ombudsman is an independent, statutory officer appointed by the Council of Australian Governments (COAG) under the National Law. The Ombudsman is responsible for independently examining complaints and concerns about the administrative actions we undertake.

In 2018–19, we worked with the ECS Ombudsman to resolve any matters raised with her office, with no formal investigations instigated.





PART 2: **ACECQA's** **functions** **under the** **National Law**



2.1 Guiding implementation of the National Quality Framework

2019 NQF Review

In line with the Education Council's Letter of Expectation for ACECQA, we have been assisting with the 2019 NQF Review (NQF Review), which is being progressed by the Early Childhood Policy Group (ECPG) on behalf of the Education Council.

Following the Education Council's agreement to the Review Terms of Reference in December 2018, we worked closely with all nine governments to support development of the [Issues Paper](#), which has been the subject of public consultation.

Other contributions include:

- developing and hosting the [NQF Review website](#), the primary avenue for stakeholders and the wider public to submit feedback on the Issues Paper via a published survey
- assisting in developing communication plans and materials to promote engagement with the sector
- preparing presentations for face-to-face consultation sessions conducted by state and territory regulatory authorities across Australia.

As the NQF Review progresses and consultation feedback is received and analysed, we will continue to assist governments with the review, the next phase of which will involve development of options through a Consultation Regulation Impact Statement (CRIS) process, the purpose of which is to articulate the likely impacts of any regulatory changes under consideration.

“As the NQF Review progresses and consultation feedback is received and analysed, we will continue to assist governments”

Informing and developing operational policy

As part of our legislative function to establish consistent, effective and efficient procedures for the operation of the NQF, in 2018–19 our policy team has continued to develop operational policy content and provide a range of policy advisory services to government officials. Of note and in addition to providing advice on issues being considered under the NQF Review, this has included working with all governments to:

- develop sector communications and additional guidance to continue to assist authorised officers and education and care providers in applying the ‘Exceeding themes’, as introduced under the revised National Quality Standard (NQS) in 2018
- support the Improving Quality in Family Day Care program of work, including progressing work to assess the feasibility of aligning provider entry-level processes and approvals
- prepare consequential amendments to the National Regulations to support effective operation of the ‘suitably qualified person’ requirement under the National Law from its commencement in 2020.

Working with our government partners

Regulatory Practice Committee

Managing the operation of the Regulatory Practice Committee (RPC) is an important part of our role to guide the administration of the NQF as it facilitates collaboration with all state and territory regulatory authorities and the Australian Government. The RPC consists of senior representatives from each

regulatory authority, the Australian Government and ACECQA. It serves as a ‘community of practice’ forum to improve regulatory practice and inform/authorise a range of functions and services provided on behalf of all RPC members by:

- identifying new trends and emerging issues and developing mechanisms to minimise the risks to the objectives of the NQF
- promoting quality improvement and consistent outcomes for children by developing shared operational policy that facilitates best practice and efficiency
- setting the priorities for the NQA ITS
- developing national training and support resources and materials for authorised officers
- developing national communications material, including sector resources and support
- steering our national audit function
- reducing regulatory burden for approved providers and services and supporting them to realise the objectives of the NQF
- reporting to governments and the community.

In 2018–19, the RPC progressed most of its work out of session, however, two face-to-face meetings were conducted. It was chaired by Queensland in 2018 and Victoria in 2019. Examples of RPC’s work and outcomes for 2018–19 include:

- developing guidance and communications to the sector regarding the Exceeding NQS rating
- setting priorities for the ongoing development of the NQA ITS, including new functionality and reporting capacity
- agreeing the subject of national audits and implementing findings
- guiding a range of operationally focused working groups.



The following RPC working groups are currently in operation:

- National IT System Steering Group (NSG)
 - provides high-level advice and decision making on significant issues relating to the NQA ITS
- Communications Working Group (CWG)
 - develops effective and consistent national communication strategies
- Lead Assessor Network (LAN)
 - identifies emerging issues and informs development and review of national training, testing and support resources for authorised officers
- Lead Investigator Network (LIN)
 - identifies emerging issues, risks and areas of significant non-compliance with the National Law and Regulations

- Operational and Emerging Issues Working Group (OEIWG)
 - a first port-of-call forum for regulatory authorities, the Australian Government and ACECQA to resolve issues with potential implications across jurisdictions.

Early Childhood Policy Group

The ECPG is one of three Australian Education Senior Officials Committee (AESOC) Standing Working Groups, reporting to and providing advice to AESOC on national early childhood matters. We contribute to the work of the ECPG through policy advice, attendance at meetings where we have observer status, and participation in ECPG's working groups.



2.2 Reporting on national quality improvement

Research and evaluation strategy

In 2018–19 we continued to progress our [research and evaluation strategy and implementation plan 2017–21](#).

This five-year plan outlines our approach to research and evaluation under the NQF, providing a summary of progress to date, as well as our current and future priorities.

The plan also complements the [NQF Evaluation Framework](#), a shared framework developed in collaboration with the Australian and state and territory governments, and endorsed by education ministers. The [NQF Evaluation Framework](#) provides all governments with a common way of understanding whether and how the NQF is meeting its objectives.

Universities, research institutions, government organisations and departments, and other stakeholders can all contribute to the NQF evidence base by commissioning and undertaking research in line with the [NQF Evaluation Framework](#).

Our own research and evaluation activities, as detailed in the strategy and reported below, align to one or more of the objectives of the NQF, and contribute evidence towards answering the key evaluation questions and sub questions outlined in the evaluation framework.

Our research and evaluation strategy and the evaluation framework are available on the [research and reports page](#) of our website, which provides a repository of NQF related research and evidence.

“Our research and evaluation activities contribute evidence towards answering the key questions outlined in the evaluation framework.”

NQF annual performance report

In December 2018 we published our second annual performance report under the National Partnership Agreement on the National Quality Agenda for Early Childhood Education and Care 2015–16 to 2017–18. As with the inaugural report, our second report included an assessment against the objectives and outcomes of the national partnership agreement. After consideration and endorsement by education ministers, the report was published in December 2018 and is available on the [research and reports page](#) of our website.

We will produce a third NQF annual performance report in 2019. This report will examine areas such as the safety, health and wellbeing of children attending education and care services, and the education and care workforce. It will also include the results of a quantitative survey of families (similar to one that was undertaken in 2017) that provides a gauge of the level of awareness of the national quality ratings system.

NQF Snapshots

Our quarterly [NQF Snapshot](#) provides analysis and information on the profile of the sector, the progress and quality ratings of services, including by service sub-type and provider management type. In May 2019, we published our 25th Snapshot.

In addition to the easy to read summary document, we produce an interactive online version of the Snapshot and an Excel workbook containing comprehensive quality ratings data for all education and care services that have been assessed and rated.

Occasional papers

Our [sixth occasional paper](#), published in July 2018, analysed the performance of services reassessed against the 2012 National Quality Standard (NQS) from 2013 to 2017.

The paper examined the outcomes of reassessments, including evidence recorded in assessment and rating reports, and identified two factors that can contribute to marked quality improvement:

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

All of our occasional papers are available on the [research and reports page](#) of our website.

NQF national audits for 2018–19

In 2018–19 we completed two national audits – Waivers, and Investigations and Enforcement Actions.

Our audits align with our objectives of guiding the implementation and administration of the NQF, and monitoring and promoting national consistency. They also align with the [evaluation questions](#) in the [NQF Evaluation Framework](#).

Our audit topics focus on areas that have been identified and agreed as high priority, and the outcomes, learnings and good practice are shared with state and territory regulatory authorities.

Waivers

This audit examined waivers applied for by education and care service providers between 1 January 2015 and 31 March 2018. It analysed the characteristics of the applications, determined the rate of waiver approvals and considered changes since the first audit of waivers, undertaken in 2013.

State and territory regulatory authorities and large providers interviewed as part of the audit indicated that the sector appears to be improving its understanding of when a waiver is required and how to apply using the NQA ITS portal.



Investigations and enforcement actions

This audit examined trends in the number of investigations and enforcement actions undertaken by state and territory regulatory authorities between 1 October 2016 and 28 September 2018. The analysis included aspects of the Education and Care Services National Law and Regulations that are most commonly cited as part of investigations and enforcement actions.

Quality improvement research

We have commissioned Macquarie University to undertake a project to examine service quality

improvement, specifically looking at long day care services that have improved their overall quality rating, as well as their quality ratings for Quality Area 1 (Educational program and practice) and Quality Area 7 (Governance and leadership).

The project is being undertaken in three phases – statistical analysis of quality rating reassessment data; document analysis of assessment and rating reports and quality improvement plans; and case studies of individual long day care services.

The project will conclude in late 2019, with the findings of the research to be published by early 2020.



2.3 National registers and IT system

One of our key functions is to publish the [national registers](#) and deliver the [National Quality Agenda IT System \(NQA ITS\)](#). Delivering on these two functions ensures there is continued public access to quality information while also supporting state and territory regulatory authorities to administer the National Law.

National Registers

In accordance with the [National Law](#), there are two registers published on [our website](#):

- Education and Care Services – this register lists the individual services granted approval to operate under the NQF and also includes each service’s quality area ratings and overall rating
- Approved Providers – this register details individuals or entities authorised to operate an approved education and care service.

The registers offer search functionality to ensure the public can easily identify relevant services or providers. Also available is functionality to export the data into Excel reports. Additional information has been added to the registers in 2018–19, including the previous rating history and the nature of care for each service. Data on the registers is also shared with the Australian Government’s [Child Care Finder](#) website and our [Starting Blocks](#) website.

National Quality Agenda IT System

The [NQA ITS](#) is both a comprehensive regulatory system and online business tool that supports the secure and efficient administration of the National Law. The [NQA ITS](#) minimises regulatory inconsistencies across jurisdictions and aims to create a more efficient, cohesive and streamlined environment for business activity. The [NQA ITS](#) also

integrates with multiple external systems, from the Australian Government’s Child Care Subsidy System to external regulatory authority databases and applications in order to share data seamlessly. This system has seen ongoing enhancement and evolution as part of a continuous improvement strategy to minimise regulatory burden and improve administrative efficiency.

“The NQA ITS is a comprehensive regulatory system and online business tool that supports the secure and efficient administration of the National Law.”

National Law and Regulation update for Western Australia

The [NQA ITS](#) was updated in October 2018 to align Western Australia with the National Law and Regulation changes that came into effect as part of the first National Quality Framework review.

System updates were required by 1 October 2018 to ensure a seamless transition for Western Australian users without any impact on business operations.

NQA ITS Releases

There were several system releases across 2018–19 including significant technical upgrades and general functionality improvements. Additional major projects successfully completed include the following:

- the [NQA ITS](#) monitoring and compliance re-development project. The aim of this major project was to streamline all main inputs into nationally consistent business processes, improve reporting outcomes, reduce administrative burden and strengthen data quality
- upgrading of the front-end platform to ensure ongoing application support, meet industry best-practice and strengthen searching across various document repositories
- creation of a court and tribunal register to detail all prosecutions initiated by either regulatory authorities or approved providers
- publication of previous ratings on the national registers
- additional system integrations into regulatory authorities’ infrastructure to enable further sharing of data
- improvements to consolidate all sources of geospatial data and implementation of automated workflows to allow for better reporting capability.

NQA ITS Governance

The Regulatory Practice Committee (RPC) is the governing body responsible for the overall strategic direction of the [NQA ITS](#) and forms part of our broad governance framework. Under this committee sits the National IT System Steering Group (NSG). Membership of NSG comprises all state and territory regulatory authorities, the Australian Government and ACECQA. The NSG is responsible for:

- considering significant issues and operational decisions regarding the NQA ITS
- making recommendations to the RPC regarding strategic priorities for the system
- managing data quality and consistency issues.

The NSG meets at least twice each year to discuss the current status of the NQA ITS, its future direction and priorities, and other technical and operational matters. We report on the progress of the system and changes via an annual *State of the System* report.

An annual forward work plan is produced which outlines agreed system enhancements as well as a delivery schedule for the year. [NQA ITS](#) priorities are formulated and agreed through discussions with NSG, workshops, technological changes and high level direction from the RPC. Our [Strategic Plan](#) and Letter of Expectation also inform the work plan’s development. Both the *State of the System* report and NQA ITS forward work plan are agreed by NSG and then endorsed by RPC prior to commencement.

Table 3: Approved providers registered to use the NQA ITS public portal, 30 June 2019.

Jurisdiction	Registered	Unregistered	Total	Percentage
ACT	107	0	107	100.0%
NSW	3955	25	3980	99.4%
NT	79	13	92	85.9%
QLD	1764	40	1804	97.8%
SA	471	68	539	87.4%
TAS	71	8	79	89.9%
VIC	2271	218	2489	91.2%
WA	608	4	612	99.3%
Totals	9326	376	9702	96.1%

NQA ITS usage

The [NQA ITS public portal](#) is the public facing side of the NQA IT System. It allows the sector to perform the following actions:

- register and link a provider and service
- view their details
- submit applications and notifications
- submit additional documentation (such as part of the assessment and rating process)
- pay annual fees or any application related invoice.

The online public portal is widely used by approved providers, with data showing that in 2018–19, 96 per cent of approved providers had registered with one or more user accounts to use the [NQA ITS public portal](#), an increase of 2 percentage points on the previous year.

Annual fee invoices

On behalf of regulatory authorities we manage the creation and distribution of their annual fee invoices to approved providers through the NQA ITS. In May-June 2019, 7549 invoices were distributed to approved providers.

Applications and notifications

Applications and notifications are prescribed in the National Law. To support these requirements the [NQA ITS public portal](#) has been built to provide an online interface for these forms. In October 2018 there were additional enhancements made to ensure Western Australian users could access forms under the aligned NQF review changes. In 2018–19, 98 per cent of all applications and notifications submitted by approved providers to regulatory authorities were online. **Table 4** shows the number of applications and notifications submitted for the reporting period.

Table 4: Applications and notifications submitted 2018–19.

Applications	Notifications	Total
8937	63,531	72,468

NQA ITS service desk and training support

Our in-house NQA ITS service desk responds to requests from both the sector and regulatory authority users seeking technical assistance, providing email and phone-based support to users.



In 2018–19, the service desk responded to more than 3600 enquiries from users of the system. This represents a decrease in enquiries of approximately 42 per cent from 2017–18. The reduction is a result of service improvements implemented in late 2018 and internal training with our enquiries team to answer basic navigation and other queries relating to the NQA ITS.

Training and support to regulatory authorities continues as needed and comprises face-to-face training, online modules, interactive courses, training videos and quick-reference help guides. A focus this year was the development of interactive courses allowing self-paced learning.

The NQA ITS Satisfaction Survey for 2018 was circulated in November 2018 to regulatory authority and sector users. The survey includes questions about the NQA ITS portals, system functionality and the service desk, as well as training.

Survey engagement was at 34 per cent for regulatory authority users and 20 per cent for sector users (a drop of 14 and 10 percentage points from the previous year respectively). Satisfaction with the NQA

ITS service desk went up 1 percentage point from the previous year to 98 per cent for regulatory authority users, and down 1 percentage point to 92 per cent for sector users.

Participation in webinar training by regulatory authority users was at 68 per cent, a drop of 17 percentage points from the year before. The new interactive courses, an additional delivery medium for training content, saw a positive feedback rate of 91 per cent.

Overall satisfaction with the NQA ITS increased by 7 percentage points from the year before to 88 per cent for regulatory authority users. Seventy per cent of public users reported that the NQA ITS met “all” or “most” of their needs in 2018, unchanged from the previous year.



2.4 Excellent rating and second tier reviews

Excellent rating

Awarding the Excellent rating is another of our functions under the [National Law](#). To be eligible to apply for the Excellent rating, a service must have received a quality rating of Exceeding National Quality Standard (NQS) in all seven quality areas by a state or territory regulatory authority.

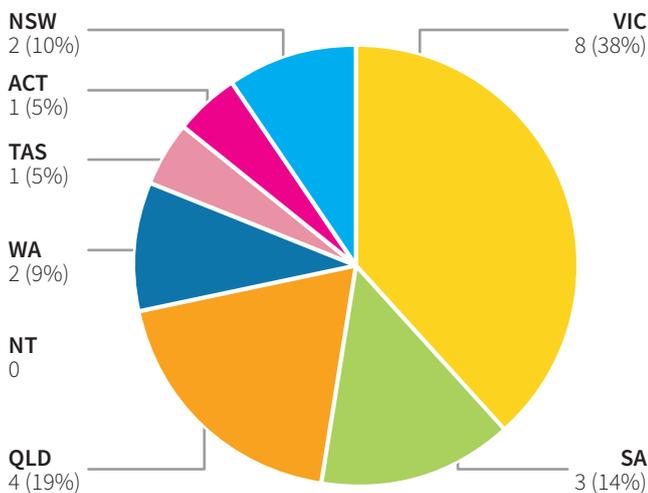
Since the 2018 changes to the eligibility benchmark (rising from an overall rating of Exceeding to a rating of Exceeding NQS in all quality areas) there has been a reduction in the number of applications we have received, down from 64 in 2017–18 to 21 in 2018–19. Of the 21 applications received, six were from services eligible to reapply and 15 were from services applying for the first time.

Both applications and reapplications are assessed

against the following three criterion determined by ACECQA's Board:

- Criterion 1: The service exemplifies and promotes exceptional education and care that improves outcomes for children and families across at least three of the agreed themes.
- Criterion 2: The service demonstrates leadership that contributes to the development of a community, a local area, or the wider education and care sector.
- Criterion 3: The service demonstrates commitment to sustained excellent practice through continuous improvement and comprehensive forward planning.

Figure 2: Source of applications received 2018–19.



“As at 30 June 2019, 47 services were rated Excellent.”

Excellent rated service profile

Following assessment of the 21 applications, eight services were awarded the Excellent rating in 2018–19.

The following three services were re-awarded the Excellent rating in 2018–19:

- Jescott Montessori Preschool
- Milford Lodge Child Care Centre
- Pelican Waters Golden Beach Preschool Kindergarten and Child Care

The following five services were awarded the Excellent rating for the first time in 2018–19:

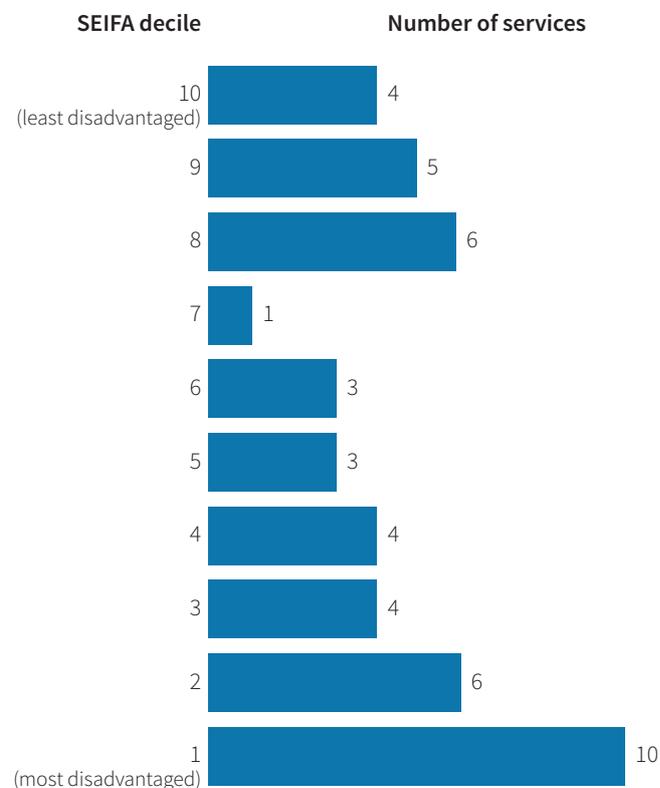
- Lobethal Community Kindergarten
- Cambrian Preschool
- Victoria Avenue Children’s Centre
- Forrest Out of School Hours Care
- Albert Park Preschool Centre

As at 30 June 2019, 47 services were rated Excellent. Those services include long day care, preschool/ kindergarten, family day care and outside school hours care services, across a range of socio-economic areas.

As at 30 June 2019, we had received a total of 235 applications for the Excellent rating since April 2013, when the legislative provisions enabling this function were proclaimed. Over this time, 98 services have been awarded the Excellent rating (this includes re-awarding). Up to six Excellent rated services may be eligible (dependent on quality rating outcomes) to re-apply in 2019–20 to receive the Excellent rating for a third time.

We continue to write to the approved providers of services eligible to apply for the Excellent rating, providing information about eligibility and the application process. In 2018–19 we wrote to more than 210 services about their eligibility to apply, down from more than 590 in the previous year, a direct result of the higher eligibility benchmark.

Figure 3: Number of centre-based services² rated Excellent by Socio-Economic Indexes for Areas (SEIFA).



² Family day care services are excluded from SEIFA classification because their operation is not specific to one location. Analysis excludes one Excellent rated family day care service.

Review of Excellent rating tools and information

In 2018–19 we have enhanced the Excellent rating information on [our website](#). Updates include a [map of Australia](#) with links to current Excellent rated services, as well as updated [fact sheets](#) to provide information on how to apply for the Excellent rating.

Examples of high quality practices from Excellent rated services are shared in newsletters, publications, presentations and through social media to promote quality and build confidence in services eligible to apply for the Excellent rating.

Second tier review

Applications received and finalised

If an approved provider of an education and care service disagrees with the rating level awarded through the quality assessment and rating process, they can apply to their regulatory authority for review. This [first tier review](#) offers a chance for approved providers to seek review by the regulatory authority of the awarded ratings following assessment and rating. If the first tier review does not resolve an approved provider's concerns, they may apply to us for a [second tier review](#), which is conducted by a ratings review panel.

In 2018–19, we received 19 applications for second tier review and finalised 14 applications. Of the finalised applications, the ratings review panels, by consensus, decided to:

- amend the service's overall rating in three cases
- partially amend the service's ratings in two cases which did not impact the service's overall rating
- confirm the rating of the service in nine cases.

Informing regulatory practice and promoting consistency

While the primary purpose of the second tier review function is to offer approved providers an opportunity to seek an independent review of a service's rating – thus furthering accountability and transparency within the assessment and rating process – our management of this function enables us to gather valuable information about regulatory practice across jurisdictions and identify opportunities to promote national consistency.

In 2018–19 we applied this knowledge to inform content in our regular communications with regulatory authorities on developments in the operation of the NQF, as well as inform aspects of our training delivery and support to authorised officers.

“This function enables us to gather valuable information about regulatory practice across jurisdictions and identify opportunities to promote national consistency.”

Second tier review panel

Each panel has three members, including at least one early childhood or school age education and care expert, and is responsible for confirming or amending the rating level awarded by the regulatory authority. We manage applications for second tier review and provide administrative support to the panel.

The panel is drawn from a pool of panel members, who are selected based on their knowledge or expertise in one 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.

A list of the current [panel member pool](#) is available on our website.

In 2018–19, the panel member pool was refreshed following the expiry of the terms of the previous pool members. A mix of returning and new members were appointed to the pool, who were selected to continue to best reflect the diversity of services and service types operating under the NQF. Induction training for new members was undertaken in October 2018, and March and June 2019.

De-identified [decision notices](#), setting out each panel's reasons, are published on our website. [Information](#) is also published to help approved providers submit a second tier review application.



2.5 Educate and inform

Education and care sector

During 2018–19 our communications and engagement with the education and care sector included new and improved guidance, information and resources.

ACECQA website

Our [ACECQA website](#) has again proven to be a trusted source of information for all key stakeholders including educators, approved providers, peak organisations and more. The website averages 102,000 unique visits and 52,000 unique downloads of resources each month.

During 2018–19 we continued to improve our content, page designs, and user experience.

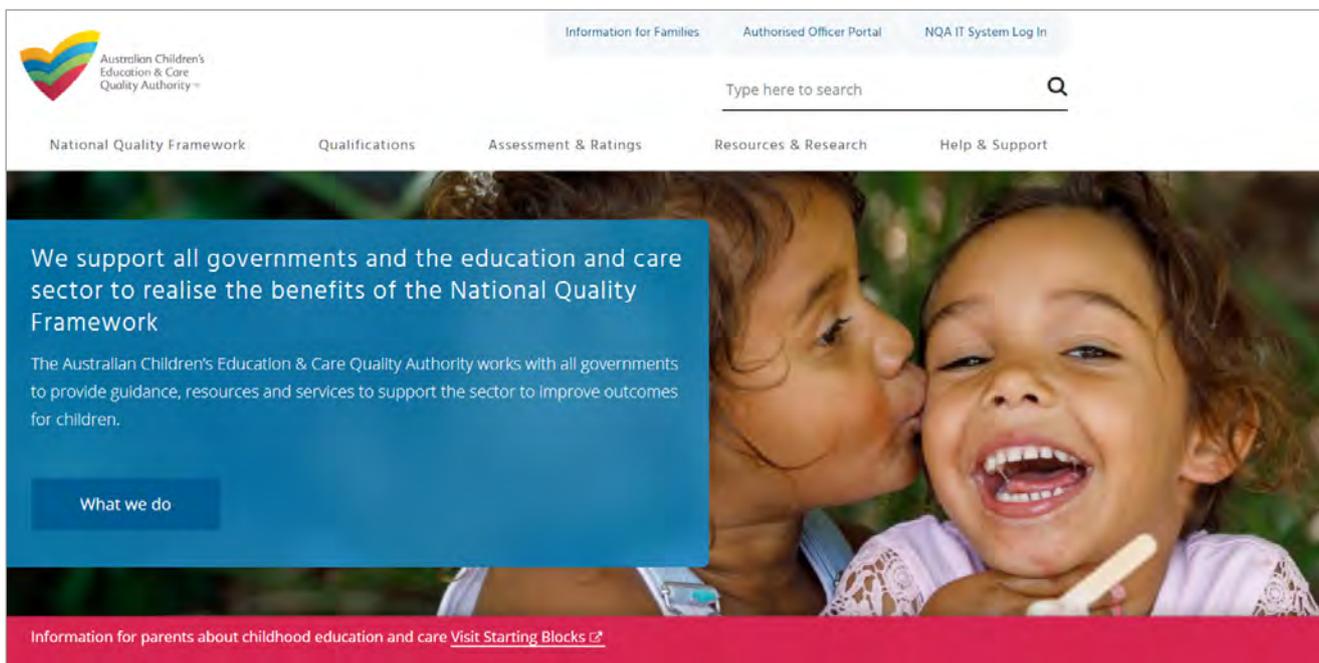
We updated our [NQF Snapshot](#) with a new mobile-friendly design and online access to data, our [Excellent rated services page](#) with interactive

mapping and links, and our [Contact Us](#) page with clearer advice on the organisations to contact for types of queries.

“The website averages 102,000 unique visits and 52,000 unique downloads of resources each month.”

By continually recognising and responding to our customer and stakeholders’ needs, we aim to make our website increasingly easier to navigate, visually appealing and practically engaging for users.

In late 2018 we commissioned an audit of our website to check its alignment with Web Content Accessibility Guidelines (WCAG 2.1 AA) and are currently implementing recommendations to make it even more accessible for all users.



The ACECQA website.

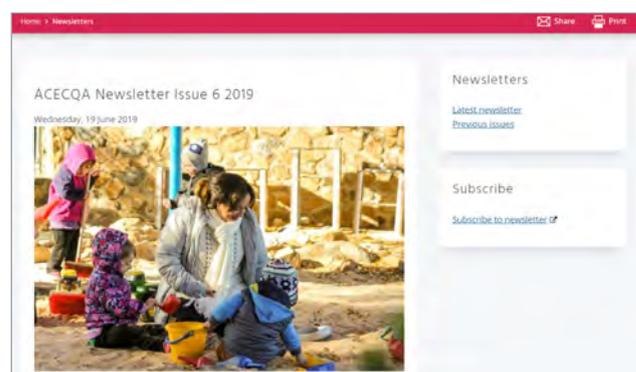
Newsletters

Our [monthly newsletters](#) are designed to inform education and care professionals of key updates and changes that may affect them, and to engage them as valued stakeholders in the sector.

This year we refreshed the newsletter's design to acknowledge our increasing mobile readership, enhance readability, and share more images, videos and interactive content. We recognise the busy schedules and information loads of sector professionals, and are continually responding to user behaviours and feedback to improve our communications. This has resulted in increased audience and positive feedback.

Our newsletters include interactive activities to support ongoing growth in NQF knowledge and communicate what quality practice looks like to inspire day to day work in services. Our [We Hear You](#) blog articles also share a range of perspectives and insights into NQF topics from educators and our staff, including our [National Education Leader](#).

The newsletter has more than 37,000 subscribers and the *We Hear You* blog has been viewed almost 300,000 times during the reporting period.



The ACECQA newsletter online.

Communicating about the 2019 NQF Review

In April 2019 an important national conversation about the future regulation of children's education and care in Australia started. Families, communities, educators, services, providers and peak bodies are all invited to be part of informing government decision making during the 2019 NQF Review.

The 2019 NQF Review aims to ensure that the NQF remains current, 'fit for purpose' and is implemented through best practice regulation. Over the next two years, there will be opportunities to find out more, provide feedback, and get updates on options being considered by governments.

We provided communications and engagement support to the NQF Review team, building the 2019 NQF Review 'Have Your Say' online [engagement](#)

[platform](#) hosting the issues paper, online survey and booking system for consultations across Australia during May and June 2019.

As at 30 June 2019 there had been over 17,000 visitors to this site, with over 1700 providing feedback by completing surveys.



Engaging Australia in an important conversation about quality.

Social media

Our ACECQA social media platforms, Facebook and Twitter, have continued to be pivotal in driving high numbers of engagement with our communications.

Our Facebook followers (45,000 as at 30 June) have grown by almost 7000 on the previous year and our Twitter followers (4700 as at 30 June) have grown by almost 400 on the previous year.

The [Facebook Live video](#) of our National Education Leader, Rhonda Livingstone and Deputy National Education Leader, Perry Campbell sharing the new [Educational Leader Resource](#) in early 2019 is a great example of the audience that can be achieved through social media. This video reached almost 18,000 Facebook users organically (without paid promotion).

“In the last year alone, our social media content has regularly reached more than 45,000 people a week with more popular posts reaching an average of 100,000 people.”



Facebook Live video launch of the new Educator Leadership Resource.

Through our social media communications strategy we have quickly identified relevant news and information to share with the sector, and been able to grow the engagement and credibility of our social media channels. In the last year alone, our social media content has regularly reached more than 45,000 people a week with more popular posts reaching an average of 100,000 people.

Sector resources

Recognising that we are all striving for continuous quality improvement, we have also continued to deliver new and enhanced sector resources – to improve policies, programs and professional practices for children’s optimal learning, health, safety, wellbeing and development.

We listen to educators and service leaders about their professional learning needs and we develop engaging and useful resources which are then published on our website.

These are just some of the resources produced this year:

Educational Leader Resource

We commissioned this [resource](#) in response to sector feedback from early career and experienced educational leaders, as well as those aspiring to the role.

Developed in conjunction with service and educational leaders, academics and sector leaders, the resource:

- helps to clarify what is expected of this important role, from both educational leaders and approved providers' perspectives
- demonstrates how the role supports quality outcomes for children and families
- provides ideas for professional development and reflection.

An accompanying series of videos share practical suggestions and real-life stories of educational leaders from many service types who have implemented the role with success. These are available on our [educational leadership webpage](#) and our [YouTube channel](#).

Self-assessment Tool

Self-assessment is an important part of the quality improvement planning process and NQS Element 7.2.1 requires an effective self-assessment and quality improvement process to be in place.

This year we developed a [self-assessment tool](#) in response to sector feedback, to help services through the process of self-assessment to inform their [Quality Improvement Plan](#) (QIP).

This tool allows all service types to identify strengths, areas of compliance, practices that are Exceeding NQS, and areas and opportunities for quality improvement. This provides a process that services may choose to apply or adapt in a way that meets the needs of their unique service context.

Updated Quality Improvement Plan template

To complement the release of our new self-assessment tool, we also developed a [new QIP template](#) for services.

All services should maintain a culture of ongoing professional reflection and self-assessment, and document continuous improvement in their QIP.

Exceeding themes guidance

During 2018 ACECQA supported the sector in understanding changes to the National Quality Standard (NQS), including a revised approach to how the Exceeding NQS rating level is determined and calculated.

We have developed and shared a range of resources and guidance on [our website](#) clarifying this change from February 2018, which requires every standard in a quality area to be rated Exceeding NQS for the quality area also to be rated Exceeding NQS. Three new Exceeding themes were also introduced and are required to be met for each standard, replacing the element-level Exceeding NQS descriptors.

While it is now more challenging, many services are achieving a rating of Exceeding NQS and we remain committed to supporting the sector with resources and guidance on this.

Guide to the National Quality Framework

Our [Guide to the NQF](#) is designed to help education and care providers, educators and authorised officers understand and apply the requirements of the NQF.

With over 63,000 downloads of the online version of the [Guide to the NQF](#) from our website, the demand for this resource has grown over the past year.

Stakeholder engagement

Enquiries service

Our customer service team is often the first point of contact with ACECQA. In 2018–19, the customer service team received a total of 29,462 enquiries. This comprised 17,323 phone enquiries and 12,139 email enquiries. The highest number of enquiries related to interpretation of legislation, including the NQS.



Gathering insights from services on-site is informing our customer focus – KU Lance, Millers Point, NSW, 2018.

As part of our [Customer Service Charter](#), the team has a goal to respond to email enquiries within five days. The average response time in 2018–19 was 1.8 days.

Contact from the sector with the team informs newsletter articles, information sheets, blogs, social media posts and website content so that relevant information is shared with a broader audience.

Peak bodies

Throughout the year we met regularly with peak bodies that operate at a national and state level and represent the diversity of the sector. We actively engage with the peak bodies and they provide us with timely information and useful insights about their concerns and expectations.

Providers and services

We communicated with approved providers and services through online platforms, resources and sector engagement activities to build a shared understanding of the requirements of the NQF and to promote quality improvement.

We met regularly with most of the largest providers in Australia to exchange information and canvass feedback, issues and concerns.

ACECQA Qualifications and Workforce Symposium 2018

ACECQA's Qualifications and Workforce Symposium 8–9 November 2018 was attended by over 100 stakeholders, and focused on the growing workforce, training and retaining quality educators, and improving regulatory alignment.

This event provided useful insights for our work and demonstrates our ongoing commitment to understanding sector issues and finding ways to address them.

Conferences and speaking engagements

Throughout 2018–19, our staff presented at 72 conferences and sector events both nationally and internationally. These events provided important opportunities for professional development and continuous improvement through listening and learning.

We presented 12 Family Day Care National Engagement Program workshops to educators, coordinators and providers, 29 presentations and workshops to the sector on the NQS, and 31 Inclusion in Practice Forums, in collaboration with Australian Government funded inclusion support agencies and state and territory regulatory authorities.

Engagement with families

We recognise education, information and awareness as a key mechanism to increase visibility of the NQF with families and the community.

Our communications and engagement with families during 2018–19 included:

StartingBlocks.gov.au

Starting Blocks is our family-focused brand, providing families with trusted information on early learning and development, and raising awareness of the importance of quality when choosing an education and care service.

The [Starting Blocks website](http://StartingBlocks website) contains a wealth of information and features the Find Child Care search tool for families looking for a quality rated education and care service.

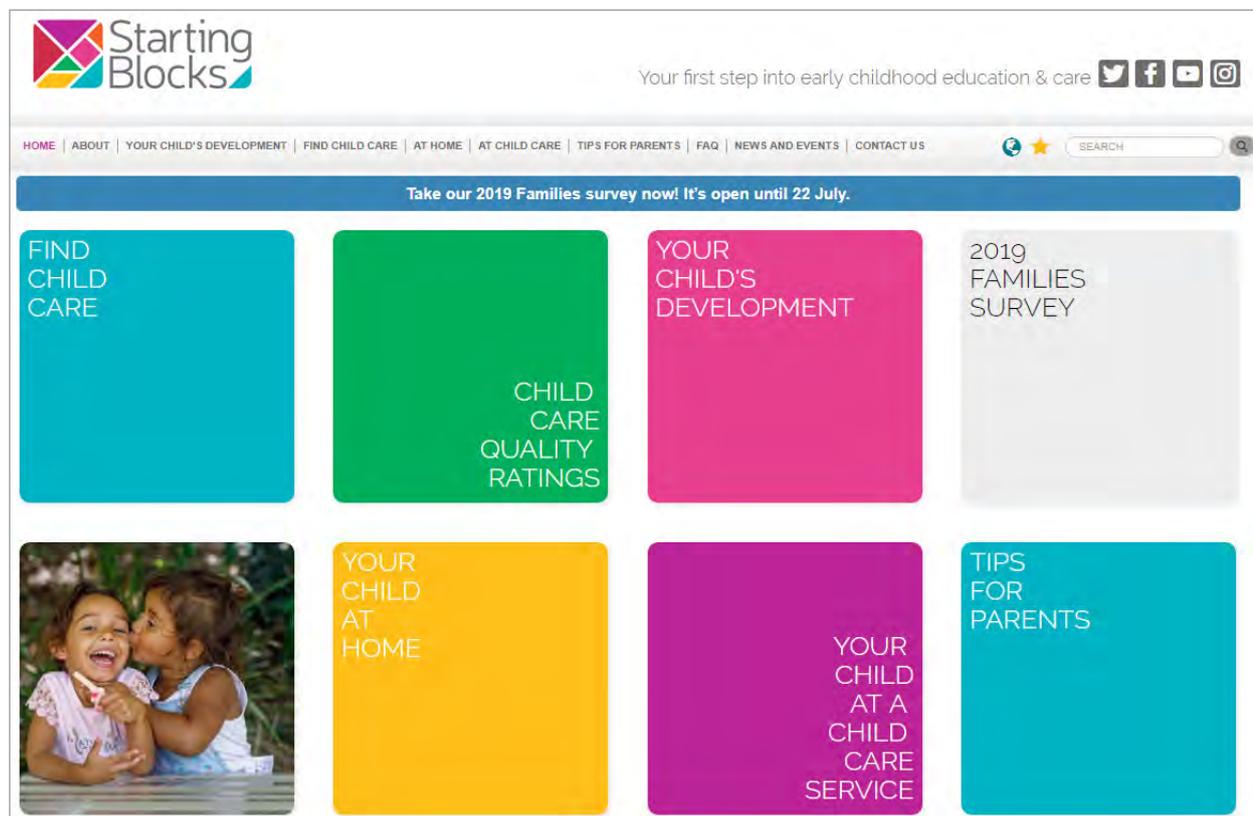
During 2018–19 a variety of resources have been added to the [Starting Blocks website](http://StartingBlocks website) along with some improvements to the user experience:

- guest blogs by organisations such as Cancer Council Australia and Raising Literacy Australia
- website page redesigns and new features
- update of Find Child Care search tool with filters including ‘nature of care’ and a shorter distance service search option.

The [Starting Blocks website](http://StartingBlocks website) hosted over 420,000 sessions during 2018–19, which represented a 100 per cent increase on the previous year. There was also a 105 per cent increase in visitors to the site.

The website was audited for WCAG 2.1 AA accessibility compliance during 2018–19 and ongoing improvements will be made through 2019–20.

The [Starting Blocks website](http://StartingBlocks website) and social media were also used to encourage families to complete the NQF Review online survey.



The Starting Blocks family-friendly website.

“The Starting Blocks website hosted over 420,000 sessions during 2018–19, a 100 per cent increase on the previous year.”

Radio advertising campaign

ACECQA's commissioned families research in 2018 recommended national media advertising to significantly increase awareness of the quality standards. In response to this recommendation, we developed a radio advertising pilot campaign to promote Starting Blocks in January and February 2019. The campaign reached over 1.4 million radio listeners in Sydney, Adelaide and Canberra.

The [Starting Blocks website](#) recorded a significant increase in the number of users and visits (sessions) during the campaign.



Starting Blocks advertising campaign.

Blogger engagement

Starting Blocks' brand awareness and audience engagement also increased as a result of advertising campaigns with Mum Central, Stay at Home Mum, Kinderling Digital Radio and Babyology. This advertising included blogs on websites, social media posts, digital radio and newsletters.

Newspaper advertising – Aboriginal and Torres Strait Islander families

Another insight from our families research was that Aboriginal and Torres Strait Islander families' child care decision-making processes were primarily influenced by the immediate community rather than online sources. In response to this finding it was decided to test newspaper advertising as a way of reaching these communities.

This year a pilot advertising campaign ran in the *Koori Mail*, *First Nations Telegraph* and *National Indigenous Times*, reaching a readership of about 80,000 nationwide.

Building awareness of Starting Blocks as a government website providing trusted information about quality early childhood education and care with these communities remains a priority for 2019–20.

Parenting expos

This year we promoted Starting Blocks at two parenting expos:

- Pregnancy Babies & Children's Expo
 - Perth, August 2018, attended by 11,047 people
- Essential Baby & Toddler Show
 - Sydney, September 2018, attended by 17,638 people



ACECQA staff promoting Starting Blocks to families.

Starting Blocks – social media

Families are increasingly engaging in social media and online platforms to find and share information. Starting Blocks had more than 30,000 Facebook followers on 30 June 2019 and is committed to growing its Instagram presence in 2019–20.

Quality Support Program

In 2018–19, we delivered on our partnership with the NSW Department of Education to provide free professional development and support to eligible services rated Working Towards NQS under the Quality Support Program (QSP).

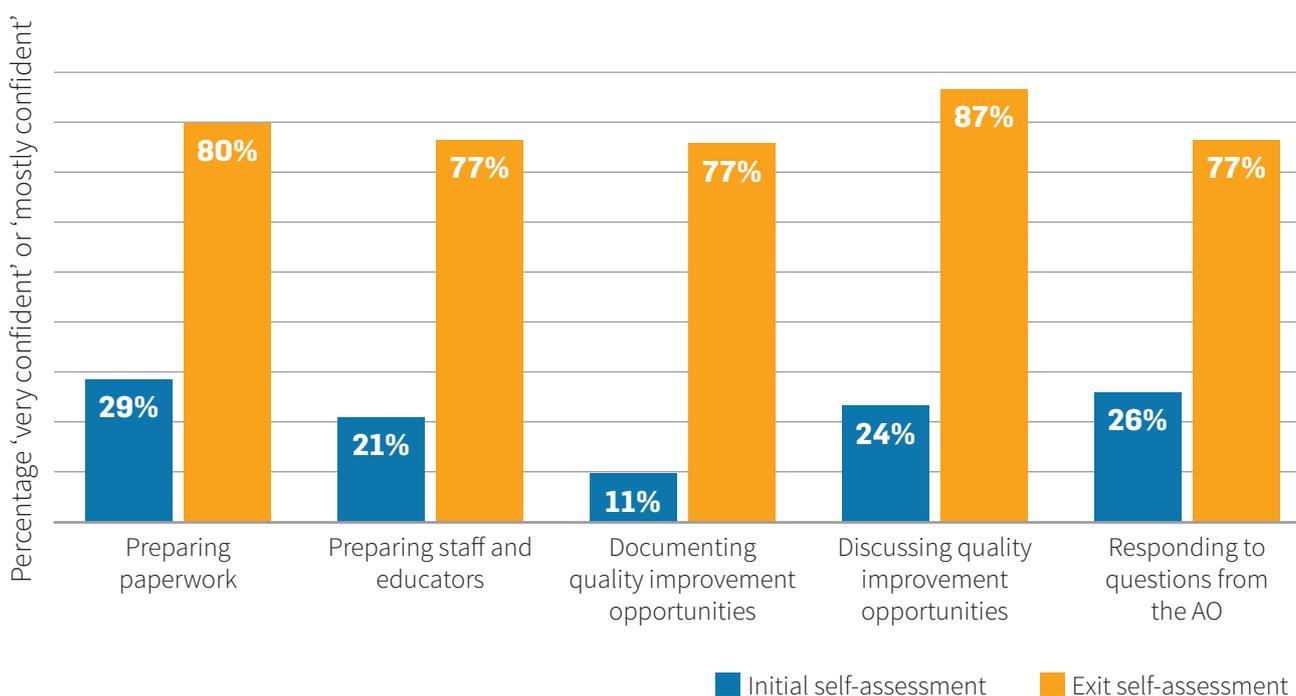
Three 16-week rounds of the QSP saw 142 long day care and family day care services benefit from tailored one-on-one support and bespoke resources to help improve practice, gain a deeper understanding of the 2018 NQS, and prepare for their next quality rating. The shared goal, over time, is that all services will Meet or Exceed the NQS, leading to improved outcomes for children and their families.

Early results from the QSP show participating services are more likely to improve their rating at the quality area, standard, and element levels and overall quality rating than similar services that did not participate. Service leaders also report increased confidence about quality standards and preparing for the quality rating process (see **Figure 4** below).

“Early results from the QSP show participating services are more likely to improve their rating.”

During the course of 2018–19, the NSW Department of Education announced an extension of the QSP into the next financial year which will see support provided to a further cohort of up to 150 eligible services. Additionally, in 2019–20, service providers nationally will benefit from access to a range of resources produced as part of the QSP.

Figure 4: Service leaders are more confident after participating in the QSP.





2.6 Support and training for authorised officers

Training

Our function under the [National Law](#) to provide assessment and rating training, support and testing to regulatory authorities in all jurisdictions has seen us deliver the Authorised Officer Training Package to 82 participants from six jurisdictions during 2018–19. Through nationally consistent training we aim to support regulatory best practice and promote service quality and continuous improvement within the NQF. Feedback from authorised officer training participants indicates almost all (98 per cent) were either very satisfied (61 per cent) or satisfied (37 per cent) with the training package.

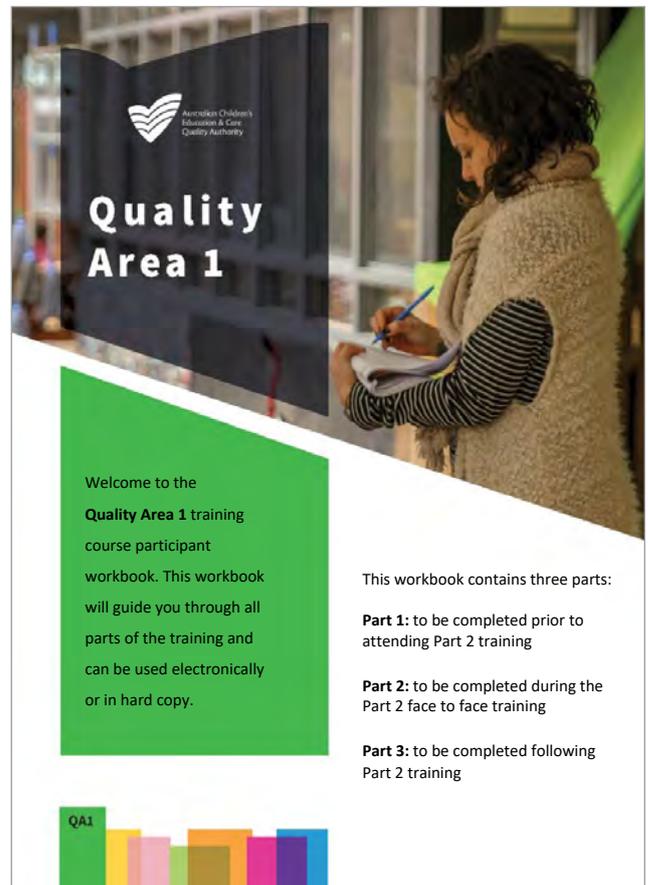
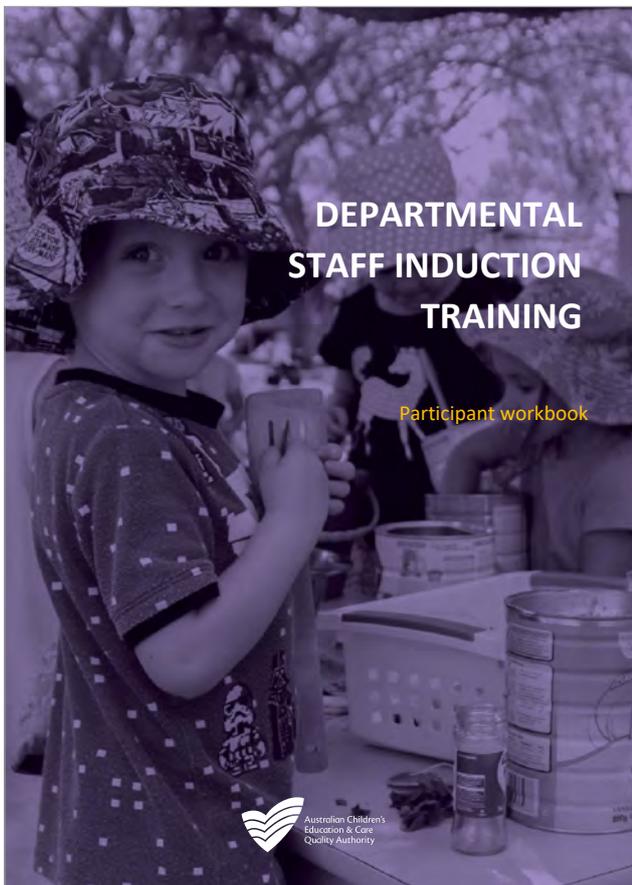
Testing

As part of the training package we conduct reliability testing to ensure authorised officers are ready to start

assessing and rating services, as well as annual drift testing, to ensure their reliability is maintained. In 2018–19, 126 reliability tests and 646 drift tests were administered, with telephone support provided where necessary.

In 2018–19 we have proactively been developing an additional training program to build the knowledge and skill of authorised officers in Quality Area 1 of the NQS – Educational programs and practice. This package development was informed by survey responses from authorised officers and feedback from the sector. Rollout of the program is planned for 2019–20.

In addition to face-to-face training, we provide support to authorised officers via an online training program, offering 67 eLearning modules. This includes two interactive eLearning resources



developed to further build authorised officers' knowledge and confidence assessing against the Exceeding NQS themes.

Engagement with the library of modules by regulatory authority staff has now exceeded 18,000 views.

Building on this work, 38 eLearning modules have been modified or developed as part of the bespoke programs for the Australian Government, NSW Government, second tier review panellists and Early Years Coaches in Queensland.

In 2018–19, bespoke training programs were delivered to 13 ACT Department of Education staff and more than 60 Australian Government Department of Education officers.

“In 2018–19 we have been developing an additional training program to build the knowledge and skill of authorised officers in Quality Area 1 of the NQS – Educational programs and practice.”

Community of practice

To further build national consistency, during 2018–19 we produced six *RA Update* newsletters, four guidance notes, and revised a range of resources for authorised officers.



Lead Assessor Network

The Lead Assessor Network (LAN) membership includes representatives from all regulatory authorities (as nominated by the Regulatory Practice Committee), with chairing and secretariat tasks by ACECQA.

In 2018–19 we facilitated two LAN meetings where lead assessors came together to workshop, plan and contribute to the development and review of national authorised officer training and support materials and activities, and discuss operational issues to further build national consistency.

With support from the LAN, work has been undertaken to streamline authorised officer access to interactive modules, guidance notes, videos and other resources to make these more engaging and build national consistency.



2.7 Educator qualifications

Applications from individuals

One of our key functions is determining and approving the qualifications that need to be held by educators working in children's education and care services.

These include:

- early childhood teaching (ECT) qualifications
- diploma level education and care qualifications
- certificate III level education and care qualifications
- working with school age children qualifications
- first aid qualifications
- anaphylaxis management training
- emergency asthma management training.

We maintain lists of current and formerly approved qualifications on our website, as well as state and territory specific lists of qualifications for working with school age children.

Individuals who do not hold qualifications on our approved lists and are not recognised by former state and territory laws can apply to us to have their qualifications assessed for equivalence.

In 2018–19, we received 1101 applications from individuals seeking to have their qualifications assessed for equivalence to an approved qualification. This compares to the 1095 applications we received in the 2017–18 financial year. More than half (57 per cent) of the applications were from individuals seeking equivalence to early childhood teaching qualifications. Around one quarter (26 per cent) were for diploma level qualifications, 10 per cent were for certificate III level qualifications and the remainder were for working with school age children qualifications.

Most applications were from individuals with qualifications from overseas, notably the UK (26 per cent of all applicants), New Zealand (14 per cent) and Ireland (9 per cent).

More than one quarter (27 per cent) of the applications were from individuals looking to work in NSW, followed by Victoria (21 per cent), Western Australia (17 per cent) and Queensland (15 per cent).

In 2018–19, we approved 591 individuals for equivalence. This included 210 early childhood teachers, 209 diploma level educators, 126 certificate III level educators and 46 educators working with school age children. The overall approval rate for finalised applications was 75 per cent, slightly higher than the percentage (74 per cent) for the 2017–18 financial year.

Applications from organisations

Organisations, such as universities and registered training organisations, can apply to have an early childhood education program or relevant training added to our approved lists.

Between 1 July 2018 and 30 June 2019, we received a total of 28 applications from organisations wanting their qualifications or training assessed for equivalence. This compares to the 16 applications we received in the 2017–18 financial year.

Most applications (26) were from organisations seeking to have early childhood teaching qualifications added to our published lists, with the remainder seeking approval of certificate III level (1) qualifications and first aid training (1).

“In 2018–19, we approved 591 individuals for equivalence. This included 210 early childhood teachers, 209 diploma level educators, 126 certificate III level educators and 46 educators working with school age children.”

Of the 28 applications received, 22 had been finalised by 30 June 2019. Of the 22 finalised applications, three were for overseas qualifications (two New

Zealand ECT qualifications and one Sri Lankan certificate III level qualification). All of the finalised applications were approved.

We publish quarterly updates of data relating to our applications from individuals and organisations on our website as part of our online [operational activity report](#). The report is available on the [research and reports page](#) of our website.

Collaboration with partner bodies

Australian Institute for Teaching and School Leadership (AITSL)

In the reporting period, we continued our collaborative work with AITSL to promote national consistency in the recognition and assessment of early childhood teachers in Australia, notably as a member of AITSL’s Teacher Qualification Expert Standing Committee (TQESC), and School Leadership and Teaching Expert Standing Committee (SLTESC).

We contributed to the AITSL Review of Teacher Registration in Australia. The final report [One Teaching Profession: Teacher Registration in Australia](#) was published in September 2018, with ACECQA’s Chief Executive, Gabrielle Sinclair, a member of the 10 person expert panel that oversaw the review. The review recognised the important role of ECTs and recommended a nationally consistent approach to recognition and registration of ECTs across Australia.

SkillsIQ

During 2018–19, SkillsIQ continued their review of the children’s education and care sector qualifications. These qualifications include the Certificate III and Diploma in Early Childhood Education and Care, as well as the Certificate IV and Diploma in School Age Education and Care, and the Certificate III and IV in Education Support.

Public consultation on draft two of the proposed changes to the qualifications commenced in November 2018 and continued beyond the end of June 2019. As a member of both SkillsIQ’s Industry



Reference Committee and Technical Advisory Committee, we have provided feedback and input to the review process since it commenced in 2017.

Additional staffing requirement from 1 January 2020

From 1 January 2020, the *Education and Care Services National Regulations* requires providers of centre-based early childhood services to have an additional ECT or, alternatively, a ‘suitably qualified person’ in attendance when 60 or more children are being educated and cared for (Regulations 133-134). This is the final scheduled step up in staffing requirements under the National Regulations (services located in NSW are unaffected by these changes, as additional ECT staffing requirements have been in place for several years).

Following a period of detailed sector and stakeholder engagement, ACECQA’s Board determined the qualifications required for a ‘suitably qualified person’ in October 2018. [Details](#) of this determination are available on our website.

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

In line with the priorities identified in the Education Council’s [Letter of Expectation](#), and the agreed ECPG priorities for 2019, we have commenced work on a national approach to supporting education and care service providers to attract, develop and retain a high quality workforce.

In May 2019 we began desktop analysis and research to inform an environmental scan of past, current and proposed workforce strategies and action plans, both domestic and international, as well as workforce related initiatives.

In June 2019 we launched a survey of the existing education and care workforce, and commenced targeted consultation and engagement with a range of stakeholders, including governments, large providers and peak associations, as well as higher education institutes, state and territory teacher regulatory authorities, and AITSL.

We will present a report to governments in the second half of 2019, outlining the findings of this work.

Submissions to qualifications related reviews

During 2018–19, we took the opportunity to make submissions to the following reviews:

- [National review of teacher registration](#)
- [Vocational education and training review](#)
- [Australian Qualifications Framework review](#)
- [Melbourne Declaration review](#).

Our submissions touch upon a number of themes, including:

- a continued commitment to pursuing opportunities to streamline and align the qualification assessment processes of relevant organisations. The aim is to provide a consistent and efficient approach to ensure a pool of suitably qualified ECTs that are eligible to work in the early childhood education and care sector
- support for a revised version of the Australian Professional Standards for Teachers (APST) that is inclusive of ECTs and early childhood settings, as well as an agreed efficient and effective approach to ECT registration/ accreditation nationally
- support for efforts to align and enhance the work and functions of Industry Reference Committees and the Australian Skills Quality Authority (ASQA). Better alignment would ensure ASQA is able to adequately audit registered training organisations (RTOs) against delivery of the training package
- recommending that mandatory minimum course durations are set for vocational education and training (VET), and linked to student skills and experience. For example, a new learner with no sector experience should not be able to achieve competency in less than a prescribed minimum timeframe

- strengthening the links between employers and RTOs to bridge any potential gap between employer expectations and graduate capabilities, as well as increase employer confidence in the quality of graduates who hold VET level qualifications
- the opportunity for a revised Melbourne Declaration to emphasise the importance of high quality early childhood education and care, and its positive impact on social, emotional and educational outcomes for children.





PART 3:

Implementation of the National Quality Framework



3.1 Report on the implementation and administration of the NQF

Sector overview

There were 15,919 education and care services [approved to operate](#) under the NQF at the end of the 2018–19 financial year, representing an annual increase of 1 per cent (in line with the annual growth in number of approved services in 2017–18 and 2016–17).

- 15,337 centre-based³ services and 582 family day care⁴ services were approved to operate

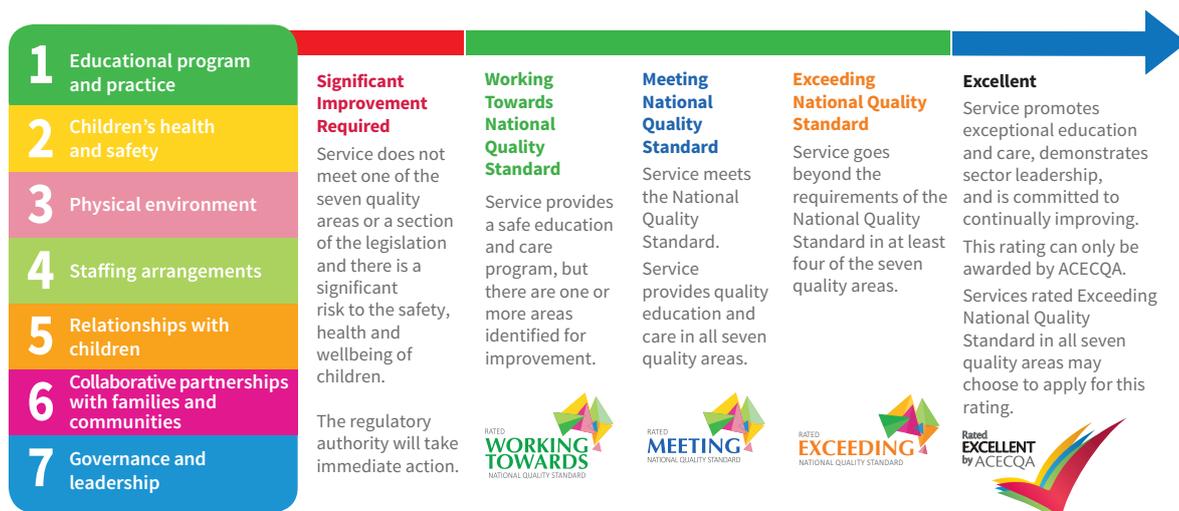
- 3 Centre-based services include most long day care, preschool/ kindergarten and outside school hours care services. They do not include preschools in Tasmania or Western Australia that are outside the scope of the NQF, or other services that aren't regulated under the National Law.
- 4 Family day care services provide education and care in residences or venues. They are sometimes known as family day care schemes and are administered and supported by central coordination units.

- the number of approved family day care services has decreased by 23 per cent since the end of the 2017–18 financial year
- 82 per cent of providers (5952 out of 7294) were approved to operate a single education and care service.

Quality ratings

Under the NQF, in addition to stringent provider and service approval processes, and ongoing compliance, monitoring, enforcement and investigation activities, regulatory authorities in each state and territory [quality assess and rate](#) children's education and care services against the NQS.

Figure 5: Quality areas and quality ratings.



As at 30 June 2019:

- 79 per cent of services were rated Meeting NQS or above, with 31 per cent rated Exceeding NQS or above
- 8068 quality rating reassessments had been completed, with just under two thirds (65 per cent) of reassessments of services rated Working Towards NQS resulting in a higher overall rating
- 29 per cent of services (4656 out of 15,919) had been quality rated against the 2018 NQS.

Table 5: Overall quality ratings by jurisdiction.

	Significant improvement required	Working Towards NQS	Meeting NQS	Exceeding NQS	Excellent rated	TOTAL
ACT	0	81 (25%)	91 (28%)	152 (46%)	4	328
NSW	6	1302 (25%)	2432 (47%)	1398 (27%)	16	5154
NT	0	62 (29%)	115 (53%)	40 (18%)	0	217
QLD	2	430 (15%)	1503 (53%)	871 (31%)	10	2816
SA	0	205 (18%)	370 (33%)	545 (48%)	8	1128
TAS	2	49 (23%)	88 (41%)	78 (36%)	0	217
VIC	1	623 (16%)	2039 (51%)	1315 (33%)	9	3987
WA	0	351 (32%)	509 (46%)	235 (21%)	0	1095
TOTAL	11	3103 (21%)	7147 (48%)	4634 (31%)	47	14,942⁵

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

Figure 6: Proportion of services rated Meeting NQS or above.⁶

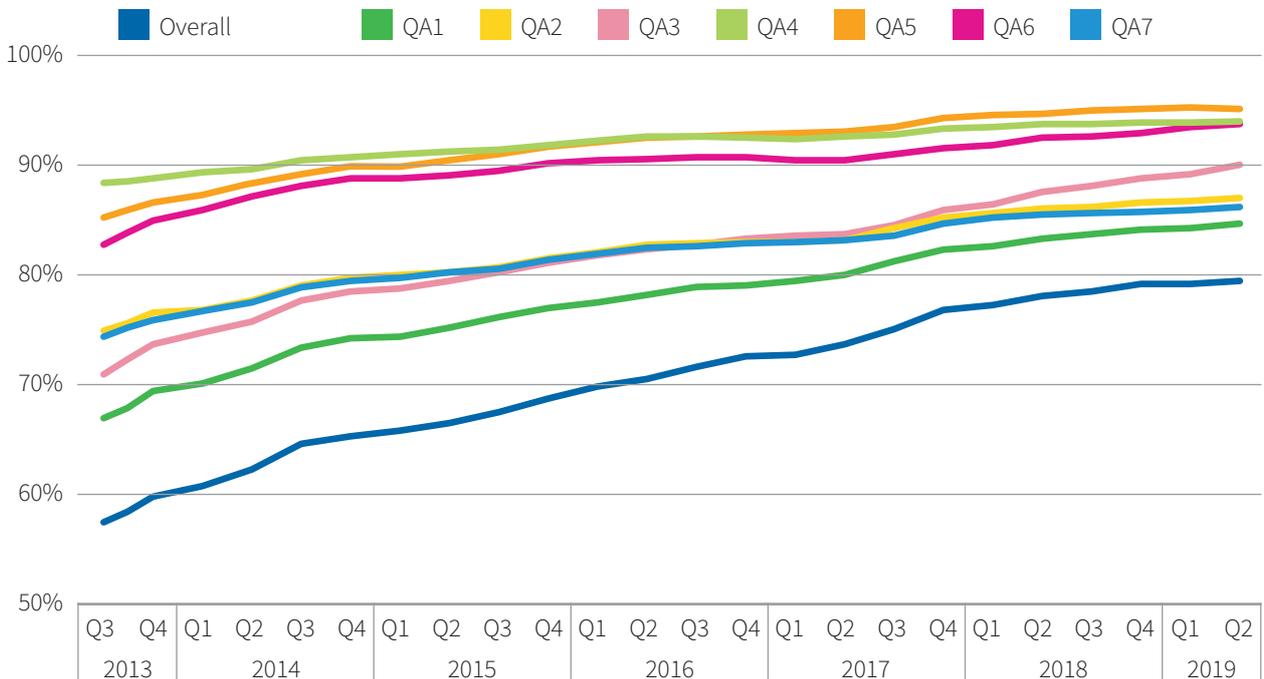
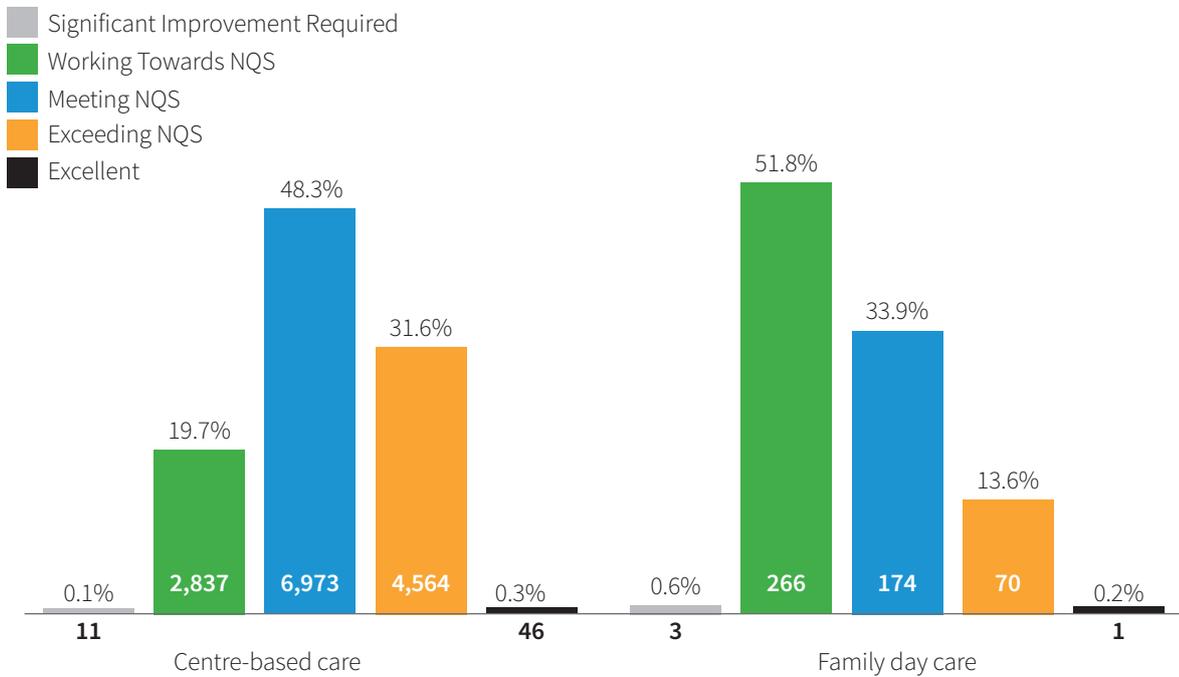
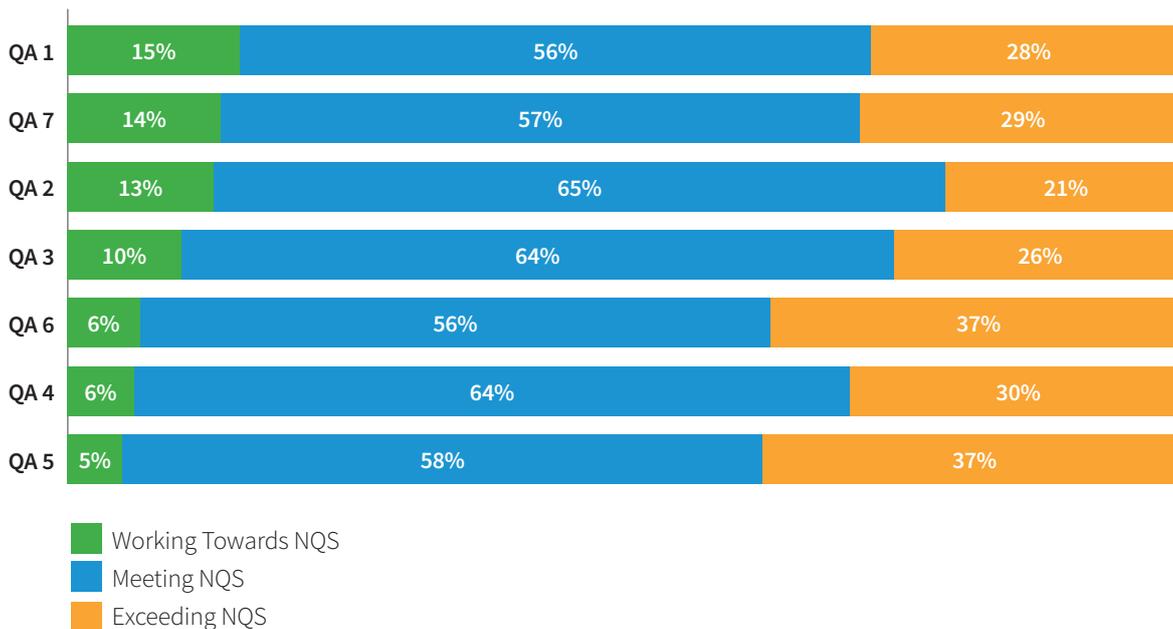


Figure 7: Overall quality ratings by service type



⁶ QA1 – Educational program and practice; QA2 – Children’s health and safety; QA3 – Physical environment; QA4 – Staffing arrangements; QA5 – Relationships with children; QA6 – Collaborative partnerships with families and communities; QA7 – Governance and leadership.

Figure 8: Quality area ratings.⁷



More information

Our quarterly [NQF Snapshot](#) reports provide analysis and information on the profile of the children’s education and care sector, and the quality ratings awarded to services, including examining the distribution of ratings by provider management type, service sub-type and location.

Our [annual performance reports](#) provide detailed analysis and commentary against the objectives and intended outcomes of the NQF, examining areas such as the safety, health and wellbeing of children attending education and care services, and the education and care workforce.

⁷ QA1 – Educational program and practice; QA2 – Children’s health and safety; QA3 – Physical environment; QA4 – Staffing arrangements; QA5 – Relationships with children; QA6 – Collaborative partnerships with families and communities; QA7 – Governance and leadership.





PART 4:

Financial Report and Financial Statements

Financial Statements for the period ended 30 June 2019

Contents

Certification

Independent Auditor's Report	63
Statement by Chair, Chief Executive Officer and Chief Operating Officer	65

Primary financial statement

Statement of Comprehensive Income	66
Statement of Financial Position	67
Statement of Changes in Equity	68
Cash Flow Statement	69

Overview	70
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Notes to the financial statements

1. Financial Performance **71**

1.1 Expenses	71
1.2 Own-Source Revenue and Gains	72

2. Financial Position **73**

2.1 Financial Assets	73
2.2 Non-Financial Assets	74
2.3 Payables	76
2.4 Other Provisions	76

3. People and Relationships **77**

3.1 Employee Provisions	77
3.2 Key Management Personnel Remuneration	78
3.3 Related Party Disclosures	78

4. Managing Uncertainties **79**

4.1 Contingent Assets and Liabilities	79
4.2 Financial Instruments	79

5. Other Information **82**

5.1: Aggregate Assets and Liabilities	82
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INDEPENDENT AUDITOR'S REPORT

To the Education Council

Opinion

In my opinion, the financial statements of the Australian Children's Education and Care Quality Authority ('the Entity') for the year ended 30 June 2019 are based on properly maintained financial records and present a true and fair view, in all material respects, the financial position of the Entity as at 30 June 2019 and its financial performance and cash flows for the year then ended in accordance with Australian Accounting Standards – Reduced Disclosure Requirements, as required by subsection 279(3) of the *Education and Care Services National Law Act 2010*.

The financial statements of the Entity, which I have audited, comprise the following statements as at 30 June 2019 and for the year then ended:

- 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; and
- Notes to the financial statements, comprising an Overview and other explanatory information.

Basis for Opinion

I conducted my audit in accordance with the Australian National Audit Office Auditing Standards, which incorporate the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Entity in accordance with the relevant ethical requirements for financial statement audits conducted by the Auditor-General and his delegates. These include the relevant independence requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) to the extent that they are not in conflict with the *Auditor-General Act 1997*. I have also fulfilled my other responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Board's Responsibility for the Financial Statements

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

In preparing the financial statements, the Board is responsible for assessing the ability of the Entity to continue as a going concern, taking into account whether the Entity's operations will cease as a result of an administrative restructure or for any other reason. The Board is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the assessment indicates that it is not appropriate

Auditor's Responsibilities for the Audit of the Financial Statements

My objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian National Audit Office Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with the Australian National Audit Office Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board;
- conclude on the appropriateness of the Board's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern; and
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Australian National Audit Office



Peter Kerr

Executive Director

Delegate of the Auditor-General

Canberra

2 October 2019

Financial Statements for the period ended 30 June 2019

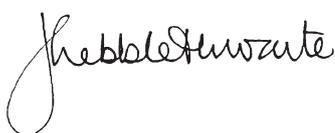
STATEMENT BY CHAIR, CHIEF EXECUTIVE OFFICER AND CHIEF OPERATING OFFICER

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 2019 and the results of its financial performance and cash flows for the financial year ended 30 June 2019.

In our opinion, at the date of this statement, there are reasonable grounds to believe that the Australian Children's Education and Care Quality Authority 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.



Judy Hebblethwaite
Chair of the Board
2 October 2019



Gabrielle Sinclair
Chief Executive Officer
2 October 2019



Angela Buchanan
Chief Operating Officer
2 October 2019

Statement of Comprehensive Income for the period ended 30 June 2019

	Notes	2019 \$'000	2018 \$'000
NET COST OF SERVICES			
Expenses			
Employee benefits	1.1A	10,960	9,390
Suppliers	1.1B	5,444	4,758
Unwinding of discount – make good provision	2.4	2	2
Depreciation and amortisation	2.2A	194	181
Total expenses		16,600	14,331
Own-source revenue			
Sale of goods and rendering of services	1.2A	621	569
Interest	1.2B	303	227
Other revenue		11	4
Total own-source revenue		935	800
Gains			
Gains from sale of assets		1	4
Total gains		1	4
Net cost of services		15,664	13,527
Funding and other revenue from Governments	1.2C	14,699	16,380
(Deficit) / Surplus		(965)	2,853
Other comprehensive income		-	-
Total comprehensive income		(965)	2,853

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

Statement of Financial Position as at 30 June 2019

	Notes	2019 \$'000	2018 \$'000
ASSETS			
Financial Assets			
Cash and cash equivalents	2.1A	4,334	2,485
Trade and other receivables	2.1B	419	58
Other investments	2.1C	11,789	15,289
Total financial assets		16,542	17,832
Non-Financial Assets			
Leasehold improvements	2.2A	452	568
Plant and equipment	2.2A	127	171
Other current asset – inventory		5	–
Prepayments		632	288
Total non-financial assets		1,216	1,027
Total assets		17,758	18,859
LIABILITIES			
Payables			
Suppliers – trade creditors		127	50
Other payables	2.3	956	1,341
Total payables		1,083	1,391
Provisions			
Employee provisions	3.1A	1,400	1,229
Other provisions	2.4	73	72
Total provisions		1,473	1,301
Total liabilities		2,556	2,692
Net assets		15,202	16,167
EQUITY			
Retained surplus		15,202	16,167
Total equity		15,202	16,167

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

Statement of Changes in Equity for the period ended 30 June 2019

	Total Equity	
	2019	2018
	\$'000	\$'000
Opening balance as at 1 July	16,167	13,314
Comprehensive income		
(Deficit) / Surplus for the period	(965)	2,853
Other comprehensive income	-	-
Total comprehensive income	(965)	2,853
Closing balance as at 30 June	15,202	16,167

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

Cash Flow Statement for the period ended 30 June 2019

	2019 \$'000	2018 \$'000
OPERATING ACTIVITIES		
Cash received		
Revenue from Commonwealth, States and Territories	14,810	17,956
Sales of goods and rendering of services	688	611
Interest	291	207
Total cash received	15,789	18,774
Cash used		
Employees	(10,693)	(9,305)
Suppliers	(6,225)	(5,010)
Net GST paid	(484)	(1,125)
Total cash used	(17,402)	(15,440)
Net cash (used in) / from operating activities	(1,613)	3,334
INVESTING ACTIVITIES		
Cash received		
Proceeds from sale of property, plant and equipment	-	3
Proceeds from Investments	3,500	-
Total cash received	3,500	3
Cash used		
Purchase of property, plant and equipment	(38)	(59)
Investments	-	(2,800)
Total cash used	(38)	(2,859)
Net cash from / (used by) investing activities	3,462	(2,856)
Net increase in cash held	1,849	478
Cash and cash equivalents at the beginning of the reporting period	2,485	2,007
Cash and cash equivalents at the end of the reporting period	4,334	2,485

2.1A

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

Overview

The Basis of Preparation

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 – Reduced Disclosure Requirements 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.

New Accounting Standards

Adoption of New Australian Accounting Standard Requirements

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

AASB 9 *Financial Instruments* is effective for 2018–19. An assessment of the changes has been undertaken. The Standard does not have a material impact on the financial statements in 2018–19, but there are changes to the disclosures.

All other new/revised/amending standards and/or interpretations that were issued prior to the sign-off date and are applicable to the current reporting period did not have a material effect on ACECQA's financial statements.

Future Australian Accounting Standard Requirements

The following new standards were issued by the Australian Accounting Standards Board prior to the sign-off date:

ACECQA will apply AASB 15 *Revenue from Contracts with Customers* from 2019–20. The standard requires

revenue from such contracts to be recognised as the entity transfers goods and services to the customer. An assessment has been undertaken and the standard is not expected to have a material financial impact. However there will be a change to disclosures in the financial statements for 2019–20 and future years.

ACECQA will apply AASB 1058 *Income of Not-for-Profit Entities* from 2019–20. The standard outlines revenue recognition requirements for not-for-profit entities that receive volunteer services or enter into other transactions to acquire an asset for significantly less than its fair value to enable the entity to achieve its objectives. An assessment has been conducted alongside the assessment for AASB 15 and the standard is not expected to have a material financial impact. However there will be a change to disclosures in the financial statements for 2019–20 and future years.

ACECQA will apply AASB 16 *Leases* from 2019–20. The standard removes the classification of leases as either operating leases or finance leases and requires a lessee to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligations to make lease payments. An assessment has been conducted on ACECQA's one lease for office accommodation. The standard is expected to have a material impact on the financial statements as well as a change to disclosures in the financial statements for 2019–20 and future years.

All other new/revised/amending standards and/or 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 ACECQA's financial statements.

Taxation

ACECQA is not subject to income tax. ACECQA is liable for Payroll Tax, Fringe Benefits Tax (FBT) and Goods and Services Tax (GST).

Events After the Reporting Period

No events have occurred after balance date that should be brought to account or noted in the 2018–19 financial statements.

Financial Performance

This section analyses the financial performance of ACECQA for the year ended 2019.

1.1: Expenses

	2019 \$'000	2018 \$'000
1.1A: Employee Benefits		
Wages and salaries	9,818	8,506
Superannuation	970	841
Leave and other entitlements	172	43
Total employee benefits	10,960	9,390

Accounting Policy

Accounting policies for employee related expenses are contained in the People and Relationships section.

	2019 \$'000	2018 \$'000
1.1B: Suppliers		
Goods and services		
Consultants	451	533
Contractors	181	153
Travel	384	245
Information and communication technology	1,682	1,259
Publishing	428	342
Other	808	804
Total goods and services	3,934	3,336

Other expenses are general administration costs including stakeholder engagement, professional development and recruitment.

	2019 \$'000	2018 \$'000
Other suppliers		
Operating lease rentals	916	916
Workers compensation expenses	56	43
Payroll tax expenses	538	463
Total other suppliers	1,510	1,422
Total suppliers	5,444	4,758

Leasing commitment – office accommodation

ACECQA has one operating lease for its office accommodation. The lease commenced on 1 January 2016 for a period of 7 years and 3 months. There is an option to terminate the lease on 31 December 2020 if ACECQA ceases to be a statutory authority or does not receive government funding. At the end of lease, ACECQA is required to pay \$80k in lieu of a make good clause.

Accounting Policy

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

	2019 \$'000	2018 \$'000
Commitments for operating lease		
Within 1 year	1,024	972
Between 1 to 5 years	3,100	4,124
Total operating lease commitments	4,124	5,096

Commitments are GST inclusive where relevant.

1.2: Own-Source Revenue

	2019 \$'000	2018 \$'000
Own-source revenue		
<u>1.2A: Sale of Goods and Rendering of Services</u>		
Sale of goods	436	390
Rendering of services	185	179
Total sale of goods and rendering of services	621	569

Accounting Policy

Revenue from the sale of goods is recognised when:

- a) the risks and rewards of ownership have been transferred to the buyer;
- b) the entity retains no managerial involvement or effective control over the goods.

Revenue from rendering of services is recognised when:

- a) the amount of revenue can be reliably measured; and
- b) the probable economic benefits associated with the transaction will flow to the entity.

Receivables for goods and services are recognised at the nominal amounts due less any impairment allowance account. Collectability of debts is reviewed at end of the reporting period. Allowances are made when collectability of the debt is no longer probable.

1.2B: Interest

	2019 \$'000	2018 \$'000
Deposits	303	227
Total interest	303	227

Accounting Policy

Interest revenue is recognised using the effective interest method.

1.2C: Funding and other revenue from Commonwealth, State and Territory Governments

	2019 \$'000	2018 \$'000
Funding and other revenue from Commonwealth Government	13,446	7,137
Funding and other revenue from State and Territory Governments	1,253	9,243
Total funding from Governments	14,699	16,380

In 2018–19, the majority of ACECQA's funding was provided by the Commonwealth Government. In addition, revenue was received from the NSW Government for the delivery of programs and services.

The difference in funding between 2017–18 and 2018–19 was due to the timing of recognising revenue for funding of a particular program and additional once-off program revenue received in 2017–18.

The independent review of ACECQA currently underway is expected to inform ACECQA's future funding. ACECQA's continued existence is dependent on policy and funding decisions made by governments.

Accounting Policy

Funding is recognised as revenue when ACECQA obtains control of the contribution or the right to receive the contribution, except for certain amounts that relate to activities that are reciprocal in nature, in which case revenue is recognised only when it has been earned.

Funding receivables are recognised at their nominal amounts.

Financial Position

This section analyses ACECQA's assets used to conduct its operations and the operating liabilities incurred as a result. Employee related information is disclosed in the People and Relationships section.

2.1: Financial Assets

	2019 \$'000	2018 \$'000
2.1A: Cash and Cash Equivalents		
Cash on hand or on deposit	4,334	2,485
Total cash and cash equivalents	4,334	2,485

Accounting Policy

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

- a) cash on hand;
- b) demand deposits in bank accounts with an original maturity of 3 months or less that are readily convertible to known amounts of cash and subject to insignificant risk of changes in value.

	2019 \$'000	2018 \$'000
2.1B: Trade and Other Receivables		
Goods and services	182	17
Net GST receivables	184	-
Interest	53	41
Total trade and other receivables (gross)	419	58
Less impairment loss allowance	-	-
Total trade and other receivables (net)	419	58

Credit terms for goods and services were within 30 days (2018: 30 days).

Accounting Policy

Financial Assets

Trade receivables, loans and other receivables that are held for the purpose of collecting the contractual cash flows where the cash flows are solely payments of principal and interest, that are not provided at below-market interest rates, are subsequently measured at amortised cost using the effective interest method adjusted for any loss allowance.

	2019 \$'000	2018 \$'000
2.1C: Other Investments		
Term deposits	11,500	15,000
Security deposit for bank guarantee	289	289
Total investments	11,789	15,289

Accounting Policy

Investments are term deposits held at fixed interest rates to maturity. Interest income from investments is recognised on an effective interest rate basis.

2.2: Non-Financial Assets

2.2A: Property, Plant and Equipment

Reconciliation of the opening and closing balances of property, plant and equipment for 2019

	Leasehold Improvements \$'000	Plant & equipment \$'000	Total \$'000
As at 1 July 2018			
Gross book value	868	339	1,207
Accumulated depreciation and impairment	(300)	(168)	(468)
Net book value 1 July 2018	568	171	739
Additions – by purchase	3	31	34
Depreciation expense	(119)	(75)	(194)
Disposals	–	–	–
Net book value 30 June 2019	452	127	579

Net book value as of 30 June 2019 represented by:

Gross book value	871	333	1,204
Accumulated depreciation and impairment	(419)	(206)	(625)
Net book value 30 June 2019	452	127	579

Accounting Policy

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.

Asset Recognition Threshold

Purchase of property, plant and equipment are recognised initially at cost in the statement of financial position, except for purchases costing less than \$1,000, which are expensed in the year of acquisition (other than where they form part of a group of similar items which are significant in total).

The initial cost of an asset includes an estimate of the cost of dismantling and removing the item and restoring the site on which it is located. This is particularly relevant to the accommodation sublease taken up by ACECQA where there exists an obligation to pay a fixed amount in lieu of a 'make good' clause.

The cost is included in the value of ACECQA's Leasehold Improvements with a corresponding provision for the recognition of payment.

Revaluations

Following initial recognition at cost, property, plant and equipment are carried at fair value. Carrying amounts are reviewed every year to determine if an independent valuation is required. The regularity of independent valuations is depended upon the volatility of movements in market values for the relevant assets.

Revaluation adjustments are made on a class basis. Any revaluation increment is 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 are recognised directly in the surplus/deficit except to the extent that they reversed a previous revaluation increment for that class. Upon revaluation, any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the asset is 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 to ACECQA using, in all cases, the straight-line method of depreciation. Leasehold improvements are depreciated over the lease term.

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

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

Asset Class	2019	2018
Leasehold improvements	Lease term	Lease term
Plant and equipment	3 to 20 years	3 to 20 years

Impairment

All assets were assessed for impairment as at 30 June 2019. Where indications of impairment exist, the asset's recoverable amount is estimated and an impairment adjustment made if the asset's recoverable amount is less than its carrying amount.

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

Derecognition

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

Intangibles

ACECQA'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 (2018: \$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.

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

All software assets were fully amortised as at 30 June 2019 and 30 June 2018.

2.2B: Fair Value Measurements

	Fair value measurements at the end of the reporting period	
	2019	2018
	\$'000	\$'000
Non-financial assets		
Leasehold improvements	452	568
Plant and equipment	127	171
Total non-financial assets	579	739
Total fair value measurements of assets in the statement of financial position	579	739

All property, plant and equipment is measured at fair value in the Statement of Financial Position. When estimating fair value, market prices were used where available. Where market prices were not available, depreciated replacement cost was used.

The remaining non-financial assets and liabilities reported by ACECQA in the Statement of Financial Position do not apply the fair value hierarchy.

2.3: Payables

	2019 \$'000	2018 \$'000
2.3: Other Payables		
Salaries and wages	89	97
Superannuation	87	87
Prepayments received/unearned income	164	–
Net GST payable	–	628
Lease Liability	344	307
Accruals and other payables	272	222
Total other payables	956	1,341

Accounting Policy

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).

2.4: Other Provisions

	2019 \$'000	2018 \$'000
2.4: Provision for make good		
As at 1 July	72	70
Additional provisions made	–	–
Unwinding of discount	2	2
Rounding	(1)	–
As at 30 June	73	72

ACECQA has a sublease agreement which requires ACECQA to pay a fixed amount (\$80k) in lieu of a make good clause at the conclusion of the lease. ACECQA has made the provision to reflect the present value of this obligation.

People and Relationships

This section describes a range of employment and post employment benefits provided to ACECQA's staff and ACECQA's relationships with other key people.

3.1: Employee Provisions

	2019 \$'000	2018 \$'000
3.1A: Employee Provisions		
Leave	1,400	1,229
Total employee provisions	1,400	1,229

Accounting Policy

Liabilities for short-term 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.

Unless otherwise stated, other long-term employee benefits are measured as the net total of the present value of the defined benefit obligation at the end of the reporting period.

Leave

The liability for employee benefits includes provision for annual leave and long service 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 and applicable on-costs, 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 has been determined using the shorthand method. 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 employees' externally managed superannuation funds as nominated by them.

The liability for superannuation recognised as at 30 June 2019 represents outstanding contributions due but not yet paid.

3.2: Key Management Personnel Remuneration

	2019	2018
	\$	\$
3.2A: Senior Executive Remuneration		
Short-term employee benefits	1,160,502	1,024,247
Post-employment benefits	136,602	120,369
Other long-term benefits	32,733	24,383
Total employment benefits	1,329,837	1,168,999

ACECQA's key management personnel are ACECQA Board members and Senior Executives.

The total number of Senior Executives that are included in the above table are 5 (2018: 5). Staff who have acted in a Senior Executive role for a period of less than three months have been excluded in the note.

Short-term employee benefits include salaries, paid annual leave and sick leave, accrued annual leave entitlements, benefits under salary sacrifice arrangements and non-monetary benefits. Other long-term benefits include accrued long service leave entitlements.

3.2B: Board Member Remuneration

	2019	2018
	\$	\$
Total Board remuneration	235,092	182,343

Board remuneration is the payments received or due and receivable by ACECQA Board members in 2018–19.

Remuneration for the Board is determined by the Education Council.

There were changes to the composition of the ACECQA Board in 2018–19. The highest number of Board members in 2018–19 was 13 (2017–18: 11).

3.3: Related Party Disclosures

Related party relationship

ACECQA is a national statutory body predominantly funded by the Australian Government Department of Education and Training. Its Board Members are appointed by the Council of Australian Governments' Education Council. Related parties to ACECQA are Board Members and Senior Executives.

Transactions with related parties

Giving consideration to relationships with related entities, and transactions entered into during the reporting period by ACECQA, it has been determined that there are no related party transactions to be separately disclosed.

Managing Uncertainties

This section analyses how ACECQA manages financial risks within its operating environment.

4.1: Contingent Assets and Liabilities

A bank guarantee was provided by ACECQA to the sublessor in relation to its leased premises. The value of the bank guarantee is \$289,124 (2018: 289,124) and will be released upon termination of the sublease agreement.

The bank guarantee is secured by a term deposit of the same amount.

ACECQA had no other quantifiable or unquantifiable contingent assets or liabilities as at 30 June 2019 (2018: nil).

4.2: Financial Instruments

	2019 \$'000	2018 \$'000
4.2A: Categories of Financial Instruments		
Financial Assets under AASB 139		
Held-to-maturity investments		
Term Deposits		15,000
Security deposit for bank guarantee		289
Total held-to-maturity investments		<u>15,289</u>
Loans and receivables		
Cash and cash equivalents		2,485
Trade and other receivables		58
Total loans and receivables		<u>2,543</u>
Financial Assets under AASB 9		
Financial assets at amortised cost		
Cash and cash equivalents	4,334	
Trade and other receivables	235	
Term Deposits	11,500	
Security deposit for bank guarantee	289	
Total financial assets at amortised cost	<u>16,358</u>	
Total financial assets	<u>16,358</u>	17,832
Financial Liabilities		
Financial liabilities measured at amortised cost:		
Trade creditors	127	50
Other payables	616	529
Total financial liabilities measured at amortised cost:	<u>743</u>	579
Total financial liabilities	<u>743</u>	579

Financial assets exclude GST receivables and prepayments.

Financial liabilities exclude GST payables and prepayments received/unearned income.

Classification of financial assets on the date of initial application of AASB 9

Financial assets class	Note	AASB 139 original classification	AASB 9 new classification	AASB 139 carrying amount at 1 July 2018 \$'000	AASB 9 carrying amount at 1 July 2018 \$'000
Cash and cash equivalents	2.1A	Loans and receivables	Amortised Cost	2,485	2,485
Trade and Other Receivables	2.1B	Loans and receivables	Amortised Cost	58	58
Other investments	2.1C	Held-to-maturity	Amortised Cost	15,289	15,289
Total financial assets				17,832	17,832

Reconciliation of carrying amounts of financial assets on the date of initial application of AASB 9

	AASB 139 carrying amount at 30 June 2018 \$'000	Reclassification \$'000	Remeasurement \$'000	AASB 9 carrying amount at 1 July 2018 \$'000
Financial assets at amortised cost				
Held-to-maturity investments				
Term Deposits	15,000	–	–	15,000
Security deposit for bank guarantee	289	–	–	289
Loans and receivables				–
Cash and cash equivalents	2,485	–	–	2,485
Trade and other receivables	58	–	–	58
Total amortised cost	17,832	–	–	17,832

Accounting Policy

Financial Assets

With the implementation of AASB 9 Financial Instruments for the first time in 2019, the entity classifies its financial assets in the following categories:

- financial assets measured at amortised cost
- financial assets at fair value through profit or loss
- financial assets at fair value through other comprehensive income.

The classification depends on both the entity's business model for managing the financial assets and contractual cash flow characteristics at the time of initial recognition. Financial assets are recognised when the entity becomes a party to the contract and, as a consequence, has a legal right to receive or a legal obligation to pay cash and derecognised when the contractual rights to the cash flows from the financial asset expire or are transferred upon trade date.

Comparatives have not been restated on initial application.

Financial Assets at Amortised Cost

Financial assets included in this category need to meet two criteria:

- 1) the financial asset is held in order to collect the contractual cash flows; and
- 2) the cash flows are solely payments of principal and interest (SPPI) on the principal outstanding amount.

Amortised cost is determined using the effective interest method.

Effective Interest Method

Income is recognised on an effective interest rate basis for financial assets that are recognised at amortised cost.

Impairment of Financial Assets

Financial assets are assessed for impairment at the end of each reporting period based on Expected Credit Losses, using the general approach which measures the loss allowance based on an amount equal to lifetime expected credit losses where risk has significantly increased, or an amount equal to 12-month expected credit losses if risk has not increased.

The simplified approach for trade and contract receivables is used. This approach always measures the loss allowance as the amount equal to the lifetime expected credit losses.

A write-off constitutes a derecognition event where the write-off directly reduces the gross carrying amount of the financial asset.

Financial Liabilities

Financial liabilities are classified as either financial liabilities 'at fair value through profit or loss' or other financial liabilities. Financial liabilities are recognised and derecognised upon 'trade date'.

Financial Liabilities at Amortised Cost

Financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs. These liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective interest basis.

Trade 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).

	2019 \$'000	2018 \$'000
4.2B: Net Gains or Losses on Financial Assets		
Financial assets at amortised cost		
Interest revenue	303	227
Net gains/(losses) on financial assets at amortised cost	303	227

Other Information

5.1: Aggregate Assets and Liabilities

	2019 \$'000	2018 \$'000
<u>Assets expected to be recovered in:</u>		
No more than 12 months	17,179	18,120
More than 12 months	579	739
Total assets	17,758	18,859
<u>Liabilities expected to be settled in:</u>		
No more than 12 months	1,406	1,661
More than 12 months	1,151	1,031
Total liabilities	2,557	2,692

End of Financial Statements

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Appendices



Appendix A

Letter of Expectation 2019–20



Ms Judy Hebblethwaite
Chair
Australian Children's Education and Care Quality Authority Board
PO Box A292
Sydney NSW 1235

Dear Ms Hebblethwaite

Australian Children's Education and Care Quality Authority: Letter of Expectation.

I am writing to set out the Education Council's priorities and expectations for the Australian Children's Education and Care Quality Authority (ACECQA) to 30 June 2020.

This Letter of Expectation (Letter) aligns with the provisions of the Education and Care Services National Law (National Law) and associated regulations, and priorities for the Early Childhood Education and Care sector endorsed by the Education Council. It replaces the previous Letter approved by the Council on 5 December 2016.

The Education Council would like to acknowledge and congratulate ACECQA on the work achieved under this previous Letter.

Purpose

The Education Council is responsible for overseeing the implementation and administration of the National Quality Framework (NQF) as per s220 of the National Law.

ACECQA is an independent statutory authority established under Part 11 of the National Law, with its functions detailed under s225.

The Letter sets the Education Council's strategic directions and key performance expectations for ACECQA, and recognises that the ACECQA Board and Chief Executive Officer are responsible for how ACECQA exercises its functions to achieve these directions and expectations.

The Letter provides direction about the nature of activities ACECQA is expected to undertake and should inform the development of ACECQA's strategic plan and forward Work Plan.

Context

This Letter is developed in the context of evidence demonstrating that engagement in quality education and care, particularly in the early years, leads to better health, education and employment outcomes in later life.

It is for this reason jurisdictions have demonstrated commitment to the National Quality Agenda (NQA), which includes the NQF, as a consistent national regulatory system for the early childhood education and care sector.

Since the inception of the NQA, considerable expertise, particularly in relation to the NQF, has been developed within ACECQA and state and territory Regulatory Authorities (RAs). Execution of this Letter is predicated on ACECQA utilising and capitalising on expertise that resides in RAs in the delivery of its functions. Recognising the primacy of RAs in regulating the early childhood education and care sector, ACECQA and RAs are expected to meaningfully collaborate and support one another in pursuit of the aims of the NQF.

This Letter reflects the current position of the NQA, with reviews of ACECQA and the NQF taking place in 2019, and the cessation of the National Partnership on the NQA (NP NQA) in 2018. The success of the NQA will continue to be highly influenced by the quality of collaborative efforts between ACECQA and its key stakeholders.

ECPG is entrusted by Council to provide high-level strategic policy advice on all early childhood policy matters, therefore ACECQA must consult with ECPG prior to progressing any policy matters to Education Council. Within this context, the relationship between ACECQA and ECPG is vital to successful administration of the NQA. This Letter stipulates a specific role for ECPG in guiding ACECQA in prioritising Education Council's strategic directions and developing a forward Work Plan for addressing these priorities.

ACECQA's relationship with RAs, which have operational responsibility for the NQF, is critical to effective regulation of early childhood services and national consistency under the National Law. Productive and meaningful collaboration between RAs, ACECQA, and its various working groups (e.g. Regulatory Practice Committee) is essential to identify ways to support RAs in regulating the sector. This collaboration is paramount to improving outcomes for children and successful implementation of the NQF.

Term

This Letter outlines the Education Council's expectations for ACECQA for the period 1 January 2019 to 30 June 2020. This reflects the current funding arrangements for ACECQA that ensure core funding until 30 June 2020.

The early childhood development environment is changing, with an evolving and complex service profile and sustained expansion. As such, the aims and efficacy of the NQF are constantly being reviewed by jurisdictions. This process of review will influence future decisions regarding the NQF, and therefore the regulatory system environment beyond 2020 is not certain.

Future Letters of Expectation will reflect resultant changes in the strategic directions of the Education Council.

Principles

The health, safety and wellbeing of children is the paramount consideration of the strategic directions articulated in this Letter and are the critical foundation to improved outcomes for life and learning through quality education and care experiences.

ACECQA will have regard to the following core ideals:

- a transparent, fair, accountable, efficient and effective system
- streamlined governance arrangements and clearly defined accountabilities
- collaboration with jurisdictions in decision making
- a single NQF with consistent implementation of the National Law, to apply to all early childhood education and care services within the system
- consistent application of the National Quality Standard (NQS)
- ongoing investment in research and evaluation, reflecting Education Council priorities and taking into account work underway in jurisdictions, as essential to providing an evidence base for national decision making a continuous focus on quality improvement.

In performing its functions, ACECQA will:

- ensure it acts in accordance with the decisions of the Education Council; and
- progress advice to the Council in accordance with protocols, procedures and/or arrangements agreed to by the Education Council, or the Australian Education Senior Officials Committee (AESOC) on behalf of the Council.

Strategic Directions

The strategic directions outlined below acknowledge the commitment to ensuring the NQF is an integrated and consistent national system. ACECQA will prioritise pursuit of these directions through the development of a forward Work Plan. This plan will detail key deliverables, timeframes and budgets for approval by Education Council and determine key actions for immediate delivery compared to those with a longer lead time.

Achieving NQF system and reporting improvements

- Evaluate the NQF in collaboration with all jurisdictions, and provide regular advice to RAs, ECPG and AESOC in relation to the collection of information and the evaluation of the NQF
- Develop streamlined and reliable systems, including the identification and collection of relevant data in the NQA IT System (NQA ITS), to monitor and identify any emerging issues or risks and develop practical operational solutions in collaboration with jurisdictions.
- Explore changes to the NQA ITS to better support jurisdictions in undertaking regulatory activities, including record keeping and archiving, investigations, compliance capabilities and sharing appropriate information with and between RAs.
- Ensure that protocols for protecting NQA ITS and clear reporting requirements around national data are in place.

Assist with the 2019 NQF Review and implementation of the outcomes

- Assist, as appropriate, with conducting the 2019 NQF Review
- Implement necessary changes arising from the 2019 NQF Review, and the Improving Quality in Family Day Care program of work effectively and efficiently, including system changes to the NQA ITS, new and updated training materials and resources for RAs, and delivery of high quality training to authorised officers, including in relation to assessment of risk and monitoring of services, as required by states and territories.
- Support the development of a consistent and comprehensive sector communication and consultation strategy for the 2019 NQF Review.
- Support jurisdictions with implementing any changes agreed to the NQF as a result of the recommendations arising from the Royal Commission into Institutional Responses to Child Sexual Abuse through the 2019 NQF review and other system changes.

Assist with implementation of the outcomes of the 2014 NQA Review

- Continue to support jurisdictions in the implementation of changes as a result of the 2014 NQA Review.

Assist with the 2019 ACECQA Review

- Assist, as appropriate, with conducting the 2019 ACECQA Review

Provision of ongoing support to jurisdictions to improve quality outcomes for children, including for Regulatory Authorities to enable regulatory best practice

The following strategic directions are predicated on the notion that ACECQA has a critical role in supporting RAs to improve quality outcomes for children and achieve consistency of approach, noting the recent exponential growth in early childhood education and care services.

As such, ACECQA should continue to work with and support each RA in recognition of the different operating environments across jurisdictions and the need for flexible and nuanced approaches for effective regulatory practice. In doing so, ACECQA should avoid duplicating work already undertaken by RAs and capitalise on their existing expertise to ensure effective use of resources.

- Implement effectively and efficiently any actions agreed by Education Council to improve compliance and provider understanding in family day care.
- Develop evidence-based guidance in line with the NQS for approved providers on quality education and care programs and practices. Operate advisory and support structures, including the Regulatory Practice Committee, the Lead Assessors Network and the Lead Investigators Network, in collaboration with states and territories to promote transparency and accountability, with a view to ensuring outcomes are maximised and participation achieves a net benefit for all parties.
- Identify ways to better support RAs to coordinate and manage key issues, deliver best practice regulation and achieve comparable outcomes in the administration of approvals, assessment and rating, compliance and enforcement, and ad hoc requests for advice about the NQF.
- Develop options for promoting consistency and validity in respect to assessment and rating nationally, including proposals for leveraging lead assessor skills, experience, capabilities and understandings across jurisdictions.
- Review existing training to ensure high quality, flexible and risk-based professional development is provided for jurisdictions including:
 - identifying ways to increase authorised officer capability and maintain consistency of regulatory practice, recognising the full scope of regulatory functions, and
 - consideration of flexible IT training arrangements in respect to NQA ITS to support jurisdictions in their work
- Implement, in consultation with all jurisdictions, a mutually agreed national audit program aimed at promoting national consistency, operational enhancements and improved outcomes for children.
- Develop and maintain an evidence base to inform early childhood education and care policy decision making and improve quality outcomes for children.
- As owner on behalf of jurisdictions, manage the NQA ITS, including: day-to-day administration; resolving data quality issues; consideration and facilitation of enhancements, including potential new reporting capabilities.
- Provide RAs with information and tools, where required, to enhance their regulatory activities.

Promoting education and awareness

Given education and awareness is a key mechanism to increasing visibility and consistent implementation of the NQF, ACECQA is primarily responsible for communicating with parents and the community. From an operational perspective, RAs are directly responsible for communicating and engaging with providers.

The strategic directions below acknowledge and reflect the respective roles of ACECQA, RAs and ECPG in promoting education and awareness of the NQF.

- Continue to develop a comprehensive and innovative communication and engagement strategy regarding the NQF and the importance of quality early childhood education and care, targeting parents and the community directly.
- Develop and publish appropriate additional resources for RAs to support services to meet and exceed the NQS, and to understand and comply with their obligations under the NQF.
- Promote approved learning frameworks as identified by RAs.
- Monitor the provision of information and resources to services and educators and provide ECPG with information on this.

Developing and supporting a high quality workforce

- In consultation with other relevant bodies, work on professional development and relevant workforce matters for consideration by ECPG.
- Work with SkillsIQ to finalise development of revised VET qualifications and their introduction across the sector and supporting quality improvements in early childhood education and care workforce training
- Work to reduce overlap and misalignment of approval processes, in collaboration with higher education providers, teacher registration authorities and the Australian Institute for Teaching and School Leadership (AITSL).
- Support all jurisdictions to maximise the availability of suitably qualified educators for the sector and inform decisions about qualification provisions in the National Law.
- Work with AITSL and jurisdictions to support as appropriate the implementation of the recommendations of the National Review of Teacher Registration.

Governance

Relationship with the Education Council and the Australian Education Senior Officials Committee

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

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 of strategic national significance to the Education Council for its consideration, through AESOC, following initial consultation with the ECPG.

Working collaboratively with the Australian, State and Territory governments

The Education Council expects ACECQA to work collaboratively and maintain strong working relationships with AESOC, ECPG and jurisdictions (including RAs), to ensure effective implementation of the NQF.

Importantly, in an expanding early childhood market, it is expected ACECQA will identify ways in which each RA can be better supported, given challenging fiscal constraints, to effectively regulate the early childhood education and care sector.

Planning and Reporting

ACECQA will provide a written progress report against its forward Work Plan to the Education Council (via AESOC) at least once per year. 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.

ACECQA will also provide a budget update in its progress report, identifying any proposed changes to the forward Work Plan that may be required to ensure it is able to deliver on Education Council priorities. Timeframes for the submission of reports to Ministers will be guided by Education Council meeting dates.

Funding

The cessation of funding to states and territories under the NPNQA on 30 June 2018 has altered the funding context for ACECQA. Responsibility for funding ACECQA has now shifted from all jurisdictions (under NP NQA funding) to the sole responsibility of the Australian Government for core national services.

However, given the inherent risk associated with reliance on a single source of revenue, ACECQA is expected to seek opportunities for commissioned work and to provide new programs, services and resources through cost recovery and commercially, consistent with ACECQA's statutory functions and the strategic priorities in this letter.

Conclusion

On behalf of the Education Council, I look forward to continuing to work with you in improving the quality of early childhood education and care nationally and promoting children's health, safety and well-being.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'John Gardner', with a horizontal line extending from the end of the signature.

The Hon. John Gardner
Chair

18/12/18

Appendix B

ACECQA Chair's response to Letter of Expectation 2019–20



Australian Children's
Education & Care
Quality Authority™

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17 January 2019

The Hon Dan Tehan
Chair
Education Council
PO Box 202
Carlton South Victoria 3053

Dear Minister

Thank you for the Letter of Expectation signed by Minister Gardner outlining the priorities and expectations of the Education Council for the Australian Children's Education and Care Quality Authority (ACECQA) to 30 June 2020.

We are pleased to have met the expectations of Council under the previous Letter of Expectation and thank the Council for acknowledging ACECQA's efforts. Thank you also for providing us with an opportunity to consider a draft of Council's new Letter of Expectation.

We welcome the opportunity to deliver against the seven strategic directions outlined in the Letter of Expectation through our new forward Work Plan. ACECQA has a number of initiatives and projects in progress which align with these strategic directions. The Board will also take the opportunity in early 2019 to refresh its Strategic Plan in line with Council's updated strategic directions.

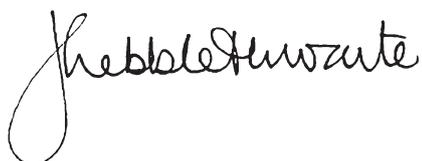
In 2019 and 2020, we look forward to continuing to demonstrate to Education Council and governments how we are delivering services effectively, efficiently and within budget while also identifying new opportunities to support regulatory authorities, services and families. In particular, the 2019 Review of ACECQA will provide an opportunity to demonstrate ACECQA's critical role and value in enhancing the national system, supporting regulatory authorities and improving quality for children in education and care services across all jurisdictions beyond 2020.

We acknowledge the support and commitment to the National Quality Framework (NQF) represented by the Australian Government's extension of its funding of ACECQA until June 2020. The new funding agreement with the Australian Government provides ACECQA with the majority of funding for its core national services. ACECQA will continue to deliver our legislated functions, work plan and report to Council based on the Letter of Expectation and the National Law. As requested in the Letter, we look forward to seeking additional opportunities for commissioned work to grow the services provided to our stakeholders consistent with the National Law and Council's strategic priorities.

We have commenced a work plan and budget for submission to Council by April 2019, detailing the work ACECQA will undertake to meet the priorities and expectations outlined by Council.

We look forward to working with our many sector stakeholders to guide, support and enhance the NQF for the children and families of Australia.

Yours sincerely

A handwritten signature in black ink, reading 'Judy Hebblethwaite'. The signature is written in a cursive style with a large initial 'J'.

Judy Hebblethwaite
ACECQA Board Chair

Appendix C

ACECQA Board membership



**Ms Judy Hebblethwaite
Chair**

Judy Hebblethwaite worked for more than 35 years in education, including more than 13 years in various roles associated with early childhood. She was a teacher before holding a number of senior positions in the Tasmanian Department of Education. These included Director, Early Years as well as managing the child care regulatory unit in the Department.

Judy has a strong commitment to quality early childhood education and care. She oversaw the final development, introduction and implementation of the state Child Care Act in 2000 and was responsible for much of the establishment phase of the Child and Family Centre program in Tasmania. Judy also led Tasmania's participation in the development of the National Quality Agenda framework and the Universal Access to Early Childhood Education initiative. Until recently Judy was also President of the Board of the Link Youth Health Service in Tasmania.



**Ms Catherine Hudson⁸
Deputy Chair**

Catherine Hudson has extensive high-level experience in government, at federal, state and territory levels, across a range of social and economic areas.

Currently working as a consultant, Catherine specialises in providing advice on governance, policy development and implementation, strategic planning, and change management. She is also a Commissioner with the Safety, Rehabilitation and Compensation Commission and an Independent Member of the Wollongong City Council Corporate Governance Committee.

She was a Deputy Director-General in ACT Government and held a key integrity and governance position as the ACT Public Service Commissioner and Deputy Director-General Governance, Chief Minister's Directorate. This role included membership, as Commissioner, of the ACT Public Service Strategic Board with all Directorate Chief Executives.

Catherine was Deputy within the Economic Development Directorate in the ACT Government, with responsibility for business development; ministerial, cabinet and policy coordination; workforce and governance; and media and communication.

In her previous work for the Queensland Government, Catherine gained a deep understanding of the importance of evidence, prevention and collaboration in improving child and youth well-being, and the importance of the early years to life outcomes.

⁸ Ms Hudson's term ended on 10 March 2019.



Professor Ann Farrell⁹ **Deputy Chair**

Ann Farrell is Professor and Head of the School of Early Childhood, Faculty of Education, Queensland University of Technology. Earning a PhD from the University of Queensland in 1996, she received an Honorary Doctorate from Gothenburg University (Sweden) in 2012.

Her expertise is in early childhood education and care, children's rights to protection and participation and research ethics.

Professor Farrell serves as an Australian Research Council International Reader, an External Assessor for the National Health and Medical Research Council, the Social Sciences and Humanities Research Council of Canada, and South Africa's National Research Foundation, Reviews and Evaluation Directorate. She also serves as an expert panellist with Australia's Tertiary Education Quality Standards Agency.



Ms Maree Bredhauer

Maree Bredhauer has worked for more than 35 years in both the private and public sector in early childhood in the Northern Territory, including time as a primary school principal in both urban and rural schools.

Maree has been President of the NT Schools Principals' Association, with an executive role in the creation of the Centre for School Leadership. This centre is a partnership organisation between Charles Darwin University and the Department of Education. In June 2014, Maree left her position in Early Childhood Policy and Regulations in the NT Department of Education to work in the not-for-profit sector. Maree is currently Manager of Early Childhood Australia NT Branch, is a member of the Early Childhood Australia Board and holds an elected position in local government as Mayor of Litchfield Municipality.

⁹ Professor Farrell was appointed Deputy Chair from 11 March 2019.

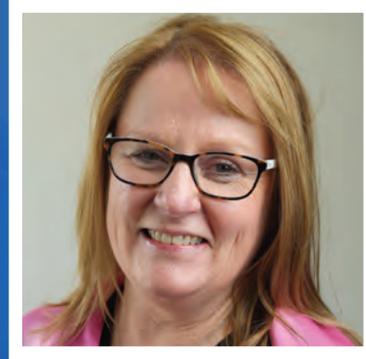


Mr Selwyn Button¹⁰

Selwyn Button is a Gungarri man from South West Queensland, raised in Cherbourg.

Selwyn is the Registrar, Office of the Registrar of Indigenous Corporations (ORIC) the regulatory body supporting more than 3000 Indigenous corporations across the country. Selwyn has extensive experience in Queensland health and education sectors. From 2014 to 2018 he was Assistant Director-General of Indigenous Education in state schools, where he oversaw significant improvements in outcomes for Aboriginal and Torres Strait Islander students. Prior to that he was CEO of the Queensland Aboriginal and Islander Health Council (QAIHC), chairperson of the Aboriginal and Torres Strait Islander Community Health Service Brisbane Limited, and director of the Indigenous health policy branch within Queensland Health. He is a former teacher and Queensland police officer.

Selwyn has served on numerous councils and committees including Oxfam Australia, Queensland Council of Social Service, and the Queensland Indigenous Education Consultative Committee. He remains a director of The Lowitja Institute and Queensland Rugby Union.



Dr Sandra Cheeseman¹¹

While serving on the Board, Sandra Cheeseman was a senior lecturer in early childhood policy, leadership and professional experience at Macquarie University, Sydney. She has more than 30 years of experience as an early childhood teacher, director and senior executive in a range of early childhood settings and organisations.

Sandra was a member of the core writing team which developed the *Early Years Learning Framework* (EYLF) for Australia and has since worked on a number of related research and professional projects. These include the former Department of Education, Employment and Workplace Relations (DEEWR) Professional Learning Projects (PLP) supporting the introduction of both the EYLF and National Quality Standard (NQS) to the sector and the Quality Interactions Study (QIS) for the NSW Department of Education. She is also co-author of the book *Leadership Contexts and Complexities in Early Childhood Education* and is a regular contributor to a range of early childhood publications.

Sandra is also actively involved in a number of community outreach and advocacy organisations. She has been a member of executive boards for Community Child Care Co-operative NSW, Lady Gowrie Sydney and was Vice President of Early Childhood Australia NSW Branch. She is currently on the board of the Infants Home, Ashfield and is a member of the Scientific Advisory Group for the Raising Children Network.

10 Mr Button was appointed from 25 February 2019.

11 Dr Cheeseman resigned on 15 June 2019.



Dr Anne Glover AO¹²

Anne Glover is an international education and development consultant with extensive experience in designing, implementing and evaluating development programs. Anne specialises in systemic reform and the development of fair and efficient education systems. For more than 20 years she has worked with regional governments – Indonesia, Papua New Guinea, Kiribati and Vanuatu – to develop and implement education reform agendas at national, state and local levels.

Anne also has specific expertise in early childhood care and education. A child advocate with a long commitment to promoting and protecting children's rights and working proactively to support children's access to and participation in education, Anne has more than 30 years' experience in the early childhood education and care sector as a practitioner, academic, researcher and mentor. Beginning her academic career at the University of South Australia in 1983, Anne has been responsible for early childhood program and course development and coordination, undergraduate and postgraduate teaching, and supervising higher degrees. A keen researcher committed to rigorous and ethical research, she was a Foundation Member of the UniSA Early Childhood Research Group and the Paediatric Wellbeing Research Group, and is currently an Adjunct Senior Research Fellow at UniSA.

Anne is actively engaged in various organisations concerned with children's well-being and is the Presiding Member of the SA Child Development Council.

¹² Dr Glover was appointed from 11 March 2019.



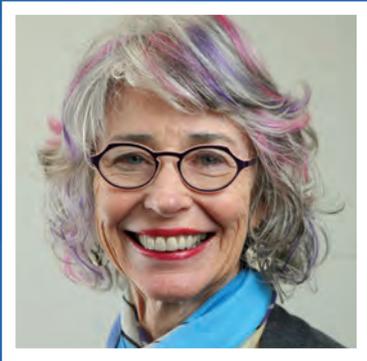
Ms Sandra Lambert AM¹³

Sandra Lambert has more than 35 years' experience working in the public sector and education. She was a teacher and principal before moving into a number of roles in educational administration in the ACT Government, including as Executive Director of Schools and Training responsible for policy and programs in government schools at all levels. She then worked in other senior executive ACT Government roles and was the Chief Executive of the then ACT Department of Disability, Housing and Community Services from 2002 – 2010, where she was responsible for children's services across public and private sectors.

After 2010 Sandra held a variety of positions including on the Safety, Rehabilitation and Compensation Commission, the Cultural Facilities Corporation, the Land Development Agency Board (LDA) and as Chair of the Risk, Business Continuity and Security Committee in the Department of Human Services (DHS). She then spent almost two years in New York, New York State and California working as a consultant in educational leadership and English language arts.

On returning to the ACT in 2015 she resumed her role on the LDA and was Deputy Chair for its final year of operation. Currently Sandra is Chair of the ACT Remuneration Committee and works as an executive coach. She also participates as an independent member on two Department of Human Service Committees. Sandra is a Fellow of the Australian Institute of Managers and Leaders and was admitted to the Order of Australia in 2012 for expertise in public sector leadership and management.

¹³ Ms Lambert was appointed from 11 March 2019.



Dr Robyn Layton AO QC¹⁴

Robyn Layton is an Adjunct Professor at the University of South Australia, School of Law. She also works as an education and development consultant both nationally and internationally.

Robyn was a Judge of the Supreme Court of South Australia. During her extensive legal career she has been a barrister and a judge in a broad range of jurisdictions, including a Judge and Deputy President of the Industrial Court and Commission in South Australia and a Deputy President of the Administrative Appeals Tribunal (Cth). She has been a member or chair of multiple government and non-government boards across a variety of industry groups, both state and national.

Since undertaking an assessment of whole of Government approaches to improve child protection in South Australia in 2003, Robyn has continued her involvement in child protection and the education sector. She is Chair of the Advisory Council for the Australian Centre for Child Protection; has ongoing involvement with Reconciliation South Australia, having been Co-Chair until 2016 and is a Patron of the Migrant Resource Centre in South Australia. Robyn is also a patron or chair of a number of committees and non-government organisations involved with various aspects of child protection, childcare, education and services as well as standards and training, which particularly address equity concerns, including gender, Aboriginal and Torres Strait Islander, and CALD issues.

¹⁴ Dr Layton's term ended on 10 March 2019.



Professor Joce Nuttall¹⁵

Joce Nuttall is a Professor at the Australian Catholic University, Melbourne, where she leads the Teacher Education, Quality, and Professional Practice Research Concentration in the Learning Sciences Institute Australia. Joce has more than 25 years' experience as a leader and educator in primary and early childhood settings (principally early childhood education and care) and as a teacher educator and researcher.

Joce's research focuses on the initial and continuing education of educators and educational leaders, and the development of strategies for system-level workforce capacity-building in early childhood education and care. Joce also has significant expertise in the construction and implementation of early childhood curriculum policy and the design of teacher education programs.

In 2015 Joce was Chair of the Advisory Group on Early Learning, which reviewed the implementation of New Zealand's early childhood curriculum framework, Te Whāriki, on behalf of the New Zealand Government. Joce is a fellow of the Australian Teacher Education Association and is a previous Governor-General's appointee to the Board of the New Zealand Council for Educational Research.

¹⁵ Professor Nuttall's term ended on 10 March 2019.



Ms Jenni Perkins

Jenni Perkins has had over thirty years' experience in social policy development, program design, community consultation, evaluation and performance reporting, and has led policy reform agendas across disability and community services.

As Director General of the Department for Communities from 2010–2013, Jenni had leadership responsibility for the implementation of the National Quality Framework for children's education and care services in Western Australia. Jenni was also responsible for the delivery of state-wide parenting information and support services, along with youth and community services.

As the acting Commissioner for Children and Young People in Western Australia from 2013–2015, Jenni established collaborative partnerships with Aboriginal and community organisations to undertake a state-wide consultation with over 1200 Aboriginal children and young people.

Jenni has a strong interest and commitment to the delivery of evidence-based policy and consumer-focused services.



Mrs Amanda Price-McGregor¹⁶

Amanda Price-McGregor has more than 20 years' experience in strategic planning, policy development, community engagement and project delivery.

She has a diverse industry background encompassing state and national project experience in private sector consulting, and state and local government sectors with widespread experience across an array of portfolio areas. These areas include land use planning, infrastructure planning, urban and regional development, education planning, retail planning, housing, land development, engineering and buildings and tourism nationally and in her home state of South Australia.

As the managing principal and owner of a strategic planning consulting firm, Amanda has considerable expertise in high-level consulting, project management, portfolio policy-making and implementation.

Amanda has an avid interest in early childhood education and child development and has been a devoted and active board member in a community childcare centre for more than three years. She also served on the centre's strategic development and human resources planning committees.

Amanda has a strong interest in encouraging and empowering early childhood educators to work with parents and carers to help identify children with potential growth and development delay and is a passionate advocate for early intervention to help address these challenges.

¹⁶ Mrs Price-McGregor was appointed from 1 January 2019.



Mr Michael White

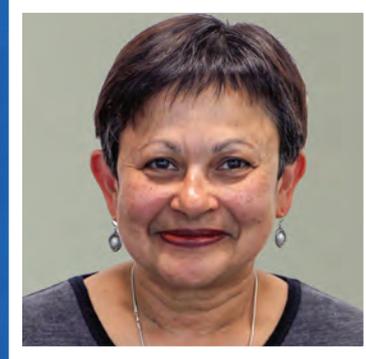
Michael White has had over 30 years of experience in the fields of child development, child protection, youth justice and early childhood education as an academic, teacher and administrator in both the government and non-government sectors.

Michael lectured in Human Development at the University of Tasmania and was responsible for the leadership of the Early Childhood Programs of the University for several years.

Michael was Director of Schools in Victoria and subsequently, Chief Executive Officer of the Victorian Curriculum and Assessment Authority. In the health and human services sector he held the positions of Executive Director Children, Youth and Family Services Bureau (ACT) and State Program Manager for Children Youth and Family Support in Tasmania.

In Victoria Michael was responsible for the development of “whole of government” policy on children and young people, and for the creation of a system to monitor the health, safety, learning, development and well-being of all children aged 0-18. The Child and Adolescent Monitoring system remains a major research and policy resource on children in Australia.

Michael’s work also includes an active interest in the economic and social context which frames the development of systemic responses to the needs of families in Australia. From 2009-2011 he held the position of Director in the Economics and Policy Division of PricewaterhouseCoopers focussing specifically on early childhood issues.



Ms Jackie Wilson

Jackie Wilson is the Deputy Secretary, Early Childhood and Child Care, in the Australian Government Department of Education and Training. She also has responsibility for the State and Territory Network.

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 Australian Government 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.



Mrs Naomi Wilson

Naomi Wilson has been involved in early childhood education and care for more than 40 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 her own clinic that supports businesses, families and councils across a wide range of issues. She has lectured at James Cook University and was a member of the Queensland state/federal Ministerial Child Care Planning Advisory Committee, representing rural and remote areas for four years.

Naomi's passion is quality early childhood education and care, particularly her work with Indigenous communities and services. She has a deep interest in, and understanding of, regional and rural service delivery and compliance, including those affecting First Nations people. Naomi designed and operated her own long day care service in Cairns, was a six-year 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, which recently celebrated 40 years of child care services in Cairns and regional areas.

Appendix D

Board meeting attendance

Meetings of the ACECQA Board 1 July 2018 to 30 June 2019

Meeting	Date	Apologies	Location
Meeting 3/2018	16–17 August 2018	Nil	Adelaide
Meeting 4/2018	11–12 October 2018	Jackie Wilson	Sydney
Meeting 5/2018	6–7 December 2018	Michael White	Sydney
Meeting 1/2019	7–8 March 2019	Sandra Cheeseman Ann Farrell Joce Nuttall Maree Bredhauer (8 March) Selwyn Button (8 March)	Sydney
Meeting 2/2019	7 June 2019	Maree Bredhauer ¹⁷	Sydney

¹⁷ Attended for one agenda item.

Appendix E

Board Sub Committees and attendance

Audit, Finance and Risk Sub Committee

Membership

Catherine Hudson – Chair (until 10 March 2019)
Jenni Perkins – Chair (from 11 March 2019)
Maree Bredhauer (from 30 April 2019)
Selwyn Button (from 30 April 2019)
Sandra Cheeseman (until 15 June 2019)
Robyn Layton (until 10 March 2019)
Ken Barker – External member (until 31 December 2018)
David Black – External member (from 1 January 2019)

Meeting	Date	Apologies	Location
Meeting 3/2018	3 August 2018	Nil	Sydney/Teleconference
Meeting 4/2018	21 September 2018	Jenni Perkins	Teleconference
Meeting 5/2018	23 November 2018	Nil	Teleconference
Meeting 1/2019	21 February 2019	Nil	Teleconference
Meeting 2/2019	24 May 2019	Maree Bredhauer	Sydney/Teleconference

Performance and Remuneration Sub Committee

Membership

Judy Hebblethwaite – Chair
Catherine Hudson (until 10 March 2019)
Jackie Wilson

Meeting	Date	Apologies	Location
Meeting 1/2019	1 February 2019	Nil	Sydney

Qualifications Sub Committee

Membership

Joce Nuttall – Chair (until 10 March 2019)
Sandra Cheeseman (until 15 June 2019)
Ann Farrell
Naomi Wilson

Meeting	Date	Apologies	Location
Meeting 3/2018	4 September 2018	Nil	Teleconference
Meeting 4/2018	3 October 2018	Nil	Teleconference
Meeting 5/2018	31 October 2018	Nil	Teleconference
Meeting 6/2018	22 November 2018	Nil	Teleconference

Strategy Sub Committee¹⁸

Membership

Judy Hebblethwaite – Chair
Catherine Hudson (until 10 March 2019)
Ann Farrell (from 30 April 2019)
Joce Nuttall (until 10 March 2019)
Amanda Price-McGregor (from 30 April 2019)
Jenni Perkins
Michael White
Gabrielle Sinclair (CEO)
Angela Buchanan (COO)

Meeting	Date	Apologies	Location
Meeting 1/2018	31 August 2018	Joce Nuttall	Teleconference
Meeting 1/2019	14 February 2019	Catherine Hudson	Teleconference
Meeting 2/2019	2 May 2019	Jenni Perkins	Teleconference
Meeting 3/2019	27 May 2019	Amanda Price-McGregor Jenni Perkins	Teleconference

18 Formerly known as Strategic Planning Sub Committee.

Enterprise Agreement Sub Committee¹⁹

Membership

Judy Hebblethwaite – Chair
Jenni Perkins
Michael White

Meeting	Date	Apologies	Location
Meeting 1/2019	17 June 2019	Jenni Perkins	Teleconference

¹⁹ Re-established 7 March 2019.

Appendix F

ACECQA's major speaking and sector engagements

ACECQA Engagement Name	Location	Date
Independent Schools Victoria The Educational Leader Role	Malvern, Vic	26 July 2018
Gowrie Tasmania Destination Tasmania 2018 Conference	Hobart, Tas	28 July 2018
Condy Park Preschool and Kindergarten An evening with Rhonda – The role of the educational leader	Hervey Bay, Qld	15 August 2018
Early Childhood Management Services Beyond Tomorrow Conference – Exceeding the NQS	Moonee Ponds, Vic	17 August 2018
Queensland Children's Activities Network 2018 QCAN Annual State Conference – 'Oh the places we have been!'	Brisbane, Qld	25 August 2018
Early Childhood Teachers Association What does it mean to be an educational leader?	Mackay, Qld	29 August 2019
Family Day Care Australia Say as I do – The art of articulation	Gold Coast, Qld	7 September 2018
Early Childhood Australia ECA National Conference – Be the difference for children and families – Building a culture of ethical leadership	Sydney, NSW	20 September 2019
Melbourne Graduate School of Education/University of Melbourne Video interview on 'Educational Leadership'	Melbourne, Vic	8 October 2018
Montessori Australia Montessori Directors Forum – ACECQA Update, NQS and other priorities	Surfers Paradise, Qld	16 October 2018
Department of Education and Training, Qld Investing in Outcomes – The Exceeding NQS themes and the A&R process	Brisbane, Qld	19 October 2018
Blacktown City Council, Kids' Early Learning Early Childhood Conference	Rooty Hill, NSW	10 November 2018
Melbourne Graduate School of Education/University of Melbourne Early Childhood Mentor Teachers Professional Learning Day	Melbourne, Vic	23 November 2018
Melbourne Graduate School of Education/University of Melbourne Panel of Researchers and other interested people – Reflection on the implementation of high-quality interaction strategies in practice	Melbourne, Vic	23 November 2018

ACECQA Engagement Name	Location	Date
Goodstart Early Learning Professional Support Forum	Brighton-Le-Sands, NSW	13 February 2019
Department for Education, Government of SA Education Leaders Day	Adelaide, SA	25 February 2019
Strategic and Service Policy Branch, Employment and Social Development Canada. Early Learning and Child Care Data and Research Conference – 2 presentations	Ottawa, Canada	25 and 26 February 2019
Family Day Care Training Australia Family Day Care Australia Queensland Members Symposium	Brisbane City, Qld	8 March 2019
Victorian Institute of Teaching Professional Boundaries Workshop	Abbotsford, Vic	15 March 2019
World Health Organisation Development of the International Guidelines for the Physical Development of Children Aged Less Than 5 years	Temuco, Chile	8 to 10 April 2019
Northside Community Service NQF Perspectives – Quality Area 1	Parkes, ACT	3 April 2019
Independent Schools Victoria ISV Arts Festival – Opening address and introduction of speakers	Melbourne, Vic	3 May 2019
Queensland Lutheran Early Childhood Services The Educational Leader and the assessment and rating process	Carindale, Qld	13 May 2019
Lady Gowrie Qld An Evening with Rhonda – Digital technology in early childhood	Herston, Qld	14 May 2019
NSW FDC Educators Association Conference – Risk Assessment and the NQF	Dubbo, NSW	19 May 2019
Uniting Victoria and Tasmania Quality Improvement – Quality Area 1	Sale, Vic	22 May 2019
Early Childhood Development Agency – Singapore ACECQA and the NQF	Sydney, NSW	6 June 2019
Australian Government Department of Education and Training In Home Care – Developing Communities of Practice for In Home Care Educators	Canberra, ACT	18 June 2019
C&K Annual Conference – Panel member and key note address	Gold Coast, Qld	29 June 2019

Family Day Care Australia National Engagement Program

Family Day Care Engagement Name	Location	Date
Family Day Care National Engagement Program	Adelaide, SA	8 February 2019
Family Day Care National Engagement Program	Adelaide, SA	9 February 2019
Family Day Care National Engagement Program	Melbourne, Vic	1 March 2019
Family Day Care National Engagement Program	Melbourne, Vic	2 March 2019
Family Day Care National Engagement Program	Canberra, ACT	12 April 2019
Family Day Care National Engagement Program	Canberra, ACT	13 April 2019
Family Day Care National Engagement Program	Perth, WA	10 April 2019
Family Day Care National Engagement Program	Perth, WA	11 April 2019
Family Day Care National Engagement Program	Hornsby, NSW	24 May 2019
Family Day Care National Engagement Program	Hornsby, NSW	25 May 2019
Family Day Care National Engagement Program	Bundaberg, Qld	14 June 2019
Family Day Care National Engagement Program	Bundaberg, Qld	15 June 2019

NQS Inclusion Agency Workshops

Inclusion Engagement Name	Location	Date
NQS Inclusion in Practice Forum	Dubbo, NSW	3 July 2018
NQS Inclusion in Practice Forum	Broken Hill, NSW	4 July 2018
NQS Inclusion in Practice Forum	Ipswich, Qld	30 July 2018
NQS Inclusion in Practice Forum	South Toowoomba, Qld	31 July 2018
NQS Inclusion in Practice Forum	Toowoomba, Qld	31 July 2018
NQS Inclusion in Practice Forum	Bathurst, NSW	7 August 2018
NQS Inclusion in Practice Forum	Maroochydore, Qld	13 August 2018
NQS Inclusion in Practice Forum x 2	Urangan, Qld	14 August 2018
NQS Inclusion in Practice Forum x 2	Woden, ACT	21 August 2018
NQS Inclusion in Practice Forum x 2	Loganholme, Qld	27 August 2018
NQS Inclusion in Practice Forum	Alexandra Hills, Qld	28 August 2018
NQS Inclusion in Practice Forum	Mackay, Qld	29 August 2018
NQS Inclusion in Practice Forum	Kwinana, WA	10 September 2018

Inclusion Engagement Name	Location	Date
NQS Inclusion in Practice Forum	Bunbury, WA	10 September 2018
NQS Inclusion in Practice Forum x 2	Perth North, WA	11 September 2018
NQS Inclusion in Practice Forum	Kalgoorlie, WA	12 September 2018
NQS Inclusion in Practice Forum	Karratha, WA	13 September 2018
NQS Inclusion in Practice Forum	Darwin, NT	12 November 2018
NQS Inclusion in Practice Forum	Katherine, NT	12 November 2018
NQS Inclusion in Practice Forum	Darwin, NT	13 November 2018
NQS Inclusion in Practice Forum	Alice Springs, NT	15 November 2018
NQS Inclusion in Practice Forum	Hobart, Tas	11 December 2018
NQS Inclusion in Practice Forum	Launceston, Tas	12 December 2018
NQS Inclusion in Practice Forum	Burnie, Tas	13 December 2018
NQS Inclusion in Practice Forum	Whyalla, SA	19 February 2019
NQS Inclusion in Practice Forum	Hindmarsh, SA	20 February 2019
NQS Inclusion in Practice Forum	Munno Para, SA	21 February 2019

Appendix G

Glossary

ACECQA	The Australian Children's Education and Care Quality Authority
AESOC	Australian Education Senior Officials Committee
AFR	Audit, Finance and Risk Sub Committee
AITSL	Australian Institute for Teaching and School Leadership
AO	Authorised officer
APST	Australian Professional Standards for Teachers
ASQA	Australian Skills Quality Authority
AQF	Australian Qualifications Framework
COAG	Council of Australian Governments
CRIS	Consultation Regulation Impact Statement
CWG	Communications Working Group
DEEWR	Department of Education, Employment and Workplace Relations (ceased operations September 2013)
ECPG	Early Childhood Policy Group
ECS	Education and Care Services
ECT	Early Childhood Teacher
EDRMS	Electronic Document and Records Management System
EYLF	Early Years Learning Framework
FDC	Family Day Care
FOI	Freedom of Information
FTE	Full-time equivalent
ICT	Information and Communication Technology
IPS	Information Publication Scheme
LAN	Lead Assessor Network
LIN	Lead Investigator Network
LMS	Learning Management System
NP NQA	National Partnership Agreement on the National Quality Agenda for Early Childhood Education and Care
NQA	National Quality Agenda
NQA ITS	National Quality Agenda IT System
NQF	National Quality Framework
NQS	National Quality Standard

Glossary

NSG	National IT System Steering Group
OEIWG	Operational and Emerging Issues Working Group
QA	Quality Area
QIP	Quality Improvement Plan
QSP	Quality Support Program
RA	Regulatory Authority
RAP	Reconciliation Action Plan
RPC	Regulatory Practice Committee
RTO	Registered Training Organisation
SEIFA	Socio-Economic Indexes for Areas
SLTESC	School Leadership and Teaching Expert Standing Committee
TQESC	Teacher Qualification Expert Standing Committee
VET	Vocational Education and Training
WCAG	Web Content Accessibility Guidelines
WHS	Workplace Health and Safety

Index

A

Aboriginal and Torres Strait Islander people, 15, 22, 45

accountability and transparency, 7–8, 16, 17, 20, 38, 89

ACECQA newsletters, 38, 40

ACECQA review, 6, 15, 17, 22, 87, 92

achievements, 7

ACT Department of Education, 48

administrative burden, 7, 12, 27, 33

AITSL Review of Teacher Registration in Australia, 51

annual fee invoices, 34

annual performance report, 7, 13, 30

annual report, 13

applications

- Excellent rating, 36, 38
- NQA ITS, 34
- received and finalised, 38
- second tier review, 19, 21, 38, 48
- source, 37

approvals, conditions, 56–7

approved education and care services, 56

Approved Providers register, 32, 34

assessment and ratings. *see also* qualifications determination

- analysis for regulatory authorities, 12, 18, 89
- Exceeding NQS, 8, 27, 36, 42, 48, 57
- Excellent rating, 36, 38
- first tier review, 38
- Meeting NQS, 7, 42, 57, 58
- quality areas, 32, 57, 59
- quality ratings, 57, 58–9
- research, 8
- second tier review, 13, 19, 21, 38, 48
- Significant Improvement Required (SIR) rating, 57

assessors, network, 49, 89

assets, 20, 21

Audit, Finance and Risk (AFR) Sub Committee, 17

Auditor-General Act 1997, 63

audits

- independent auditor's report, 63–4
- internal, 17
- national NQF, 13, 17, 27, 30–1, 89
- website, 39, 44

Australian Accounting Standards Board (AASB), 70

Australian Education Senior Officials Committee (AESOC), 28, 88, 90

Australian Institute for Teaching and School Leadership (AITSL), 51, 90

Australian National Audit Office (ANAO) report, 63–4

Australian Professional Standards for Teachers (APST), 53

Australian Qualifications Framework (AQF) review, 8

Australian Skills Quality Authority (ASQA), 53

authorised officers

- drift testing, 47
- eLearning modules, 47, 48
- guidance resources, 48
- lead assessor network (LAN), 49, 89
- reliability tests, 47–8
- training, 8, 38, 47–9, 88, 89

B

blogs, 40, 44, 45

Board

- accountability, 7–8, 16, 17, 20, 38, 89
- appointments, 16
- attendance, 102–6
- determinations, 52
- meetings, 16
- membership, 16, 94–101
- remuneration, 78
- sub committees, 17, 103–6
- undertakings 2018-19, 8, 14, 16–17

Board and governance team, 20

Briggs, Chad, 15

Business Services group, 19–20

C

Cancer Council Australia, 44
centre-based services
 additional staffing requirement, 52
 approved, 56
 NQF ratings, 37
certificate III level qualification, 50, 51
Chair
 forward, 6
 response to Letter of Expectation 2019-20, 92–3
Chief Executive Officer, report, 7–9
Child Care Finder website, 32
Child Care Subsidy System, 33
COAG Education Council. *see* Education Council
collaboration (national), 6, 18, 19, 27, 29, 43, 51–2, 87, 89, 90
Communications Working Group (CWG), 28
conferences and sector events, 43, 106–7
conferences attended, 9
consistency
 assessment and rating, 18, 51
 data, 33
 national practice, 8, 48, 49, 87
 regulatory, 38
Consultation Regulation Impact Statement, 8, 26
Copyright Act 1968, 2
Council of Australian Governments (COAG), 23
cultural awareness training, 22
Customer Service Charter, 43

D

data analysis, 8
database. *see* National Quality Agenda (NQA) for Early Childhood Education and Care
decision notices, 38
diploma level qualifications, 50, 51
drift testing, 47

E

Early Childhood Australia, 8
early childhood education and care services
 approved Australia wide, 56
 quality areas, 32, 57, 59
 quality improvement, 6, 7, 8–9, 12, 14
 quality rating, 57, 58–9
 regulatory burden, 7, 12, 27, 33
 workforce retention, 52–3
Early Childhood Policy Group (ECPG), 15, 26, 28
early childhood teachers, 51
Early Years Coaches, 48
education and awareness, *Starting Blocks*, 44–6
Education and Care Services National Law Act 2010 (National Law), 4, 6, 12, 13, 14, 15, 22, 23, 27, 28, 31, 32, 33, 34, 36, 47, 56, 63, 65, 70, 86, 87, 90, 93
Education and Care Services National Regulations 2011 (National Regulations), 21, 22, 23, 27, 28, 31, 33, 52
Education and Care Services register, 32
Education Council, 6, 7, 13, 14
 appointment of Board, 16
 directions of, 14
 Letter of Expectation to ACECQA, 13, 14, 21, 26, 52, 86–91
 ACECQA Chair's response to letter 2019-20, 92–3
 review commission, 15, 26
Educational Leader Resource, The, 8, 41, 42
Educational Leadership group, 16
efficiency, 7
eLearning portal, 47
Electronic Document and Records Management System (EDRMS), 20
enquiries service, 42–3
Enterprise Agreement, 17, 20
Enterprise Agreement Sub Committee, 17, 105
Exceeding NQS rating, 8, 27, 36, 42, 48, 57
Excellent rating, 13, 27, 36–8
expenditure, 21

F

Facebook, 41, 46
Facebook Live video, 41
families, communication and engagement, 44
Family Day Care Australia (FDCA), National Engagement Program, 108
Family Day Care National Engagement Program workshops, 43
family day care services
 approved, 56
 Quality Support Program, 8, 16, 19, 21, 46
fee invoices, 34
fee revenue, 21
financial operations, 21–2
financial performance 2017–18
financial statements, 65–82
first tier review, 38
forums, 27, 28, 43, 108–9
forward work plans, 14, 17, 33, 86, 87, 88, 90
fraud detection, 17
Freedom of Information Act 1982, 22
freedom of information requests, 22
functions, 12–13, 27
funding, 21, 90–1

G

governance, 12–17
 NQA ITS, 33
government partners, 27
Guide to the National Quality Framework, 42

H

Have Your Say website, 8
human resources, 20
Human Resources team, 20

I

ICT. *see* National Quality Agenda (NQA) for Early Childhood Education and Care
ICT capabilities enhancement, 20
ICT team, 20
Improving Quality in Family Day Care program, 27, 88
Inclusion in Practice Forums, 43, 108–9

income streams, 21
independent auditor's report, 63–4
Industry Reference Committees, 53
information management, 20
Information Publication Plan, 22
Information Publication Scheme, 22–3
Innovate Reconciliation Action Plan (RAP) (2019–2020), 22
internal audit, 17
international guests, 9
investigations and enforcement actions, 30, 31

L

Lead Assessor Network (LAN), 49, 89
Lead Investigator Network (LIN), 28, 89
Letter of Expectation
 2016–18, 13, 21
 2019–20, 13, 14, 21, 26, 52, 86–91
letter of transmittal, 4
Lifelines and Bloodlines (Briggs), 14, 15
long day care, 8, 31, 37, 46, 56

M

Macquarie University, 8, 31
Meeting NQS rating, 7, 42, 57, 58
Melbourne Declaration, 53
Ministerial Council, 13
ministerial directions, 14

N

national audits, 13, 17, 27, 30–1, 89
National Education and Care Services Privacy Commissioner, 23
National Education Leader, 18
National Engagement Program (NEP) (FDCA), 43, 108
National IT System Steering Group (NSG), 28, 33
National Law. *see* *Education and Care Services National Law Act*
National Partnership Agreement (NPA), 7, 30. *see also* National Quality Agenda for Early Childhood Education and Care
 annual performance report, 7, 13

National Partnership Agreement on the National Quality Agenda for Early Childhood Education and Care 2015–16 to 2017–18, 30, 87

National Quality Agenda (NQA) for Early Childhood Education and Care

annual performance report, 7, 13

ITS

application and notification forms, 34

child care subsidy integration, 33

data enhancements, 32, 33

governance, 33

public portal, 34

releases, 33

Review 2014 implementation, 6, 88

satisfaction survey, 35

service desk, 34–5

training support, 34–5

usage, 34

user survey, 35

National Quality Framework (NQF)

2019 review, 6, 8, 14, 26–7, 34, 40–1, 87, 88

approved services, 56

data analysis, 8

evaluation framework, 29

government partners, 27

implementation, 13, 14, 56–9

objectives, 8, 12, 27, 29, 30, 59

publications, 59

ratings, 56–9

Regulatory Practice Committee (RPC), 27, 33, 49, 87, 89

research and evaluation strategy, 29

National Quality Standard (NQS)

quality areas, 32, 57, 59

quality ratings, 30, 31

national registers, 32–5

National Regulations. *see Education and Care Services National Regulations*

national review of teacher registration, 51

newsletters, 38, 40, 48

NQF Regulatory Practice Committee, 27, 33, 49, 87, 89

NQF Snapshots, 30, 39, 59

NSW Department of Education, 8, 16, 46

O

objectives (NQF), 8, 12, 27, 29, 30, 59

occasional papers, 30

Office of the Education and Care Services (ECS)

Ombudsman, 23

Ombudsman. *see* Office of the Education and Care Services (ECS) Ombudsman

One Teaching Profession: Teacher Registration in Australia, 2018, 51

online asset management system, 20

online training portal, 47

operating result, 21

Operational and Emerging Issues Working Group (OEIWG), 28

operational policy, 27

operations, 18–23

organisational structure, 18, 19

P

parenting expos, 45

peak bodies, engagement, 43

Performance and Remuneration Sub Committee, 17, 103

Policy and Strategic Programs group, 19

practice forums, 43, 108–9

presentations, 43, 106–7

priorities, strategic, 21

privacy, 23

Privacy Act 1988, 23

procurement policy, 22

providers. *see also* centre-based services; family day care services

approved, 56

communication with, 43

NQA ITS registration, 32, 34, 53

publications for sector, 59

Q

- Qualifications and Workforce Symposium, 7, 17, 43
- qualifications determination
 - applications from individuals, 50–1
 - applications from organisations, 51
 - assessment for equivalence, 51
 - collaboration with partner bodies, 51–2
- qualifications reviews
 - SkillsIQ, 51–2
 - submissions, 53
- Qualifications Sub Committee, 17, 104
- quality improvement, 6, 7, 8–9, 12, 14, 42, 87, 90
 - reporting, 29–31
 - research, 31
- Quality Improvement Plan (QIP), 42
- Quality Support Program, 8, 16, 19, 21, 46

R

- RA Update* newsletters, 48
- radio advertising pilot campaign, 45
- Raising Literacy Australia, 44
- ratings. *see* assessment and ratings; qualifications determination
- reapplications for Excellent rating, 36
- Reconciliation Action Plan (RAP), 15, 22
- Reconciliation Australia, 15
- records management, 20
- registered training organisations (RTOs), 51
- regulatory authorities, 49
 - ACECQA's support function, 6, 7, 12, 16, 18, 27, 28, 47, 56, 87, 88, 92
 - assessment and rating services, 12, 18, 89
 - investigations and enforcement actions, 31
 - training of, 35
- regulatory burden, 7, 12, 27, 33
- Regulatory Practice Committee (RPC), 27, 33, 49, 87, 89
- reliability tests, 47
- reporting obligations, 13–14, 29–30
- research, quality improvement, 31
- research and evaluation strategy and implementation plan 2017–21, 29
- resources for sector, 41–2

- revenue, 21
- Review NQA 2019, 6, 26–8, 40–1, 88
- role, 12

S

- School Leadership and Teaching Expert Standing Committee (SLTESC), 51
- second tier review, 19, 21, 38, 48
- self-assessment tool, 42
- service desk and training/ support (NQA ITS), 34–5
- services, communication with, 43
- Significant Improvement Required rating, 57
- SkillsIQ national training package review, 8, 17, 51–2, 90
- SkillsIQ's Industry Reference Committee, 51–2
- Snapshots, NQF, 30, 39, 59
- social media, 41, 46
- Socio-Economic Indexes for Areas (SEIFA), 37
- speaking and sector engagements, 43, 106–7
- staff
 - agreement, 20
 - education and training, 22
 - numbers, 20
 - profile, 20
- staffing requirements, centre-based services, 52
- stakeholder engagement, 42–3
- Starting Blocks*, 32, 44–6
- State of the System* report, 33
- statistical overview, 5
- strategic priorities, 21, 86, 88–90
- Strategy, Communications and Consistency group, 18
- Strategy Sub Committee, 17, 104
- Supply Nation, 22
- surplus, 21
- surveys. *see also* audits
 - administrative burden, 7
 - families' awareness of ratings, 30
 - NQA IT System users, 35
 - NQF evaluation, 29
 - organisational culture and effectiveness, 20
 - regulatory authority officers, 47
 - workforce, 52

T

Teacher Qualification Expert Standing Committee (TQESC) (AITSL), 51
teaching, early childhood qualifications, 50, 51
Technical Advisory Committee, 52
training and support

- authorised officers, 8, 38, 47–9, 88, 89
- regulatory authorities, 35
- staff, 22

transparency. *see* accountability and transparency
Twitter, 41

U

user attitudes survey (NQA ITS), 35

V

Vocational Education and Training (VET) review, 8, 17, 53, 90

W

waivers, 30
We Hear You blog, 40
websites

- ACECQA, 8, 20, 39–40
- Child Care Finder, 32
- Have Your Say*, 8
- NQF Review, 26
- Starting Blocks*, 32, 44–5

Western Australia, 33
Work Plan 2017–2018, 14
Work Plan 2019–2020, 14
work plans, forward, 14, 17, 33, 86, 87, 88, 90, 92
workforce profile (ACECQA), 20
Working Towards NQS rating, 8, 46, 57
Workplace Health and Safety (WHS), 22
workshops

- Inclusion, 43, 108–9
- lead assessor network, 49, 89

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