

CHAPTER TWO

National Quality Framework

Background

2.1 In 2009 the Council of Australian Governments (COAG) adopted a National Partnership Agreement (NPA) requiring each state and territory to enact laws establishing a unified national system regulating child care.¹ This system is called the National Quality Framework (NQF) and is governed by COAG with the aim of reforming the early childhood education and care sector to replace, standardise and improve existing licensing and quality assurance processes:

One aim of this reform was to reduce regulatory overlap between levels of government, streamline approval processes, improve consistency of approaches in compliance and provide more certainty to the child care sector, businesses and investors.²

2.2 The NQF is underpinned by the Education and Care Services National Law (the National Law), which regulates the child care and education sector. The National Law is guided by six key principles:

- The rights and best interests of the child are paramount
- Children are successful, competent and capable learners
- The principles of equity, inclusion and diversity underlie this Law
- Australia's Aboriginal and Torres Strait Islander cultures are valued
- The role of parents and families is respected and supported
- Best practice is expected in the provision of education and care services.³

2.3 Implementation of the NQF is led by the Australian Children's Education and Care Quality Authority (ACECQA), an independent statutory authority established under the National Law.⁴

2.4 The NQF came into force on 1 January 2012 and is being progressively implemented across Australia. Currently the NQF applies to long day care, family day care, preschools and occasional school hours care (OSHC) services.⁵

1 Australian Children's Education & Care Quality Authority, *Submission 22*, p. 3.

2 Department of Education, *Submission 23*, p. 5.

3 *Submission 22*, p. 3.

4 *Submission 22*, p. 3.

5 See <http://acecqa.gov.au/national-quality-framework/introducing-the-national-quality-framework> (accessed 17 June 2014).

2.5 The committee received considerable evidence reflecting the views of parents, communities and childcare service operators on the operation and implementation of the NQF. While a number of concerns were raised,⁶ a substantial majority of witnesses and submitters supported the NQF, citing numerous benefits to both children and communities.⁷

2.6 This chapter outlines some of these views, noting significant stakeholder support for implementing the NQF across Australia as a critical feature of federal, state and territory government relations with respect to early childhood education and care.

Benefits of the NQF

2.7 ACECQA submitted that research shows early childhood education and care shape self-esteem, resilience and learning ability, which in turn influence later health, education and employment outcomes.⁸

2.8 Quality in children's education and care is integral to realising individual and long term economic and societal productivity gains. Parents and families lay the foundation for children's learning and development. This learning and development is further shaped and extended through children's participation in education and care services.

The NQF was designed to realise these educational and developmental outcomes for children, supported by parents and families, and to benefit Australia's long term prosperity.⁹

2.9 Australian Community Children's Services (ACCS), the national peak body for the not-for-profit children's services sector, explained that, as a signatory to the United Nations *Convention on the Rights of the Child* (UNCRC), Australia has an obligation to ensure that policies respect children's rights as enshrined in the UNCRC. This approach not only safeguards the best interests of the child, but also boosts workforce participation and economic growth.¹⁰ With the best interest of the child as a guiding principle, Dr Anne Kennedy, National Secretary of ACCS, described the NQF as a monumental reform:

ACCS believes that the COAG agreement of 2009 endorsing the national quality framework agenda is the most significant event in the history of

6 See: Australian Childcare Alliance, *Submission 12*; Child Care New South Wales, *Submission 15*.

7 See: Early Learning Association of Australia, *Submission 1*; Australian Community Children's Services, *Submission 22*; Early Childhood Australia, *Submission 11*; Australian Research Alliance for Children and Youth, *Submission 8*.

8 Australian Children's Education & Care Quality Authority, *Submission 22*, p. 4.

9 Australian Children's Education & Care Quality Authority, *Submission 22*, p. 4.

10 Australian Community Children's Services, *Submission 38*, p. 5.

education and care services in Australia. We are the first federated nation to achieve national reform on this scale.¹¹

2.10 Support for the NQF was not limited to community organisations. The committee took evidence from a range of stakeholders, such as Baw Baw Shire Council:

We in Baw Baw totally support the National Quality Framework. We think that any service that is not high quality is not in the best interest of the children and the community. Yes, there is extra cost involved with it and, yes, there are more regulations, but we are talking about children. In Baw Baw we totally support that.¹²

2.11 United Voice viewed the framework as the first step in addressing the 'triple crisis' of quality, affordability and accessibility in the Australian ECEC sector. Representatives called for an urgent overhaul of funding to address the crisis:

We need to reassess how we fund the sector and we need to address all three areas—quality, affordability and accessibility—together. Parents will not return to the workforce unless they have access to quality affordable ECEC. As we have done by encouraging the Productivity Commission to address all three elements together, we encourage this committee to do the same. Quality ECEC is key to parents having the confidence to return to work and ensuring children and society reap the benefits of early childhood education and care. We welcome these inquiries with the Productivity Commission's inquiry as the sector is in urgent need of further reform.¹³

2.12 Ms Emily Donnan, a service operator, argued that the NQF had a significant effect in boosting the morale of staff in the ECEC sector. She submitted the NQF was, in effect, acknowledgement by government of the duties, responsibilities and roles that educators play in children's upbringing from ages zero to five.¹⁴

2.13 KU Children's Services described their experience in implementing the NQF as remarkably positive insofar as it complemented their commitment to high quality education programs, family involvement and the development of their teaching staff. This support for the NQF was expressed notwithstanding the changes that their organisation has been required to make in implementation.¹⁵

11 Dr Anne Kennedy, National Secretary, Australian Community Children's Services, *Proof Committee Hansard*, 21 May 2014, p. 6.

12 Mrs Caroline Halliday, Family Day Care Coordinator, Baw Baw Shire Council, *Proof Committee Hansard*, 21 May 2014, p. 17.

13 Ms Lyndal Ryan, National Vice President, United Voice, *Proof Committee Hansard*, 23 May 2014, p. 36.

14 Ms Emily Donnan, Private Capacity, *Proof Committee Hansard*, Australian Children's Education and Care Quality Authority, 23 May 2013, p. 40.

15 Ms Karen Dawson, A/g Chief Executive Officer, *Proof Committee Hansard*, 23 May 2013, p. 45.

2.14 ACECQA presented important evidence to the committee at a public hearing in Sydney. ACECQA provided significant insights into the NQF, its purpose and its role in raising standards for ECEC in Australia. Professor Collette Tayler, Deputy Board Chair of ACECQA submitted:

In terms of quality, the individual economic and societal benefits of quality early childhood education and care are well established. It is the quality of experiences that children have, at home and in early childhood programs, that count toward child development and wellbeing outcomes. Educators work closely with families to ensure strong early childhood development.¹⁶

2.15 Further, ACECQA found that improving the quality of ECEC services requires a whole system approach and incremental increases to standards. ACECQA noted the challenges of replacing regulatory schemes across all the states and territories:

In 2012, the NQF replaced separate systems in each state and territory, and overlapping regulations. Under the NQF, minimal enforceable standards of quality rating are now a unified system. This is both beneficial and efficient for providers and government. The NQF aims to improve quality by setting a national benchmark that becomes a valuable source of information for families as well as governments. The NQF regulates for quality through qualified educators, ratios and approved learning frameworks. The state and territory governments undertake the quality assessment and rating. Ratings promote compliance with regulatory standards and they drive continuous improvement. A nationally consistent system aims to ensure a higher level of quality EC for all services so that parents can be assured of a standard of quality, regardless of what approved service or program they choose for their children.¹⁷

2.16 The Australian Research Alliance for Children and Youth (ARACY) also voiced its support for the NQF, but suggested that more work needed to be done in improving quality:

We certainly applaud the attempt to address quality across the whole sector. There did need to be critical work done, particularly in the home based care sector, to improve the quality of that. We would continue to support attention paid to improving quality of child care. There was a question we heard earlier, when we were sitting in the gallery, about supporting professionals to do that better. I think that that is really what needs to happen. The framework and the assessment allows us to measure, but there has been a lack of support for professionals in practical, on-the-ground examples and professional development about how to do that. We have had

16 Professor Collette Tayler, Deputy Board Chair, Australian Children's Education and Care Quality Authority, *Proof Committee Hansard*, 23 May 2014, p. 18.

17 Professor Collette Tayler, Deputy Board Chair, Australian Children's Education and Care Quality Authority, *Proof Committee Hansard*, 23 May 2014, p. 18.

some indication from members that they would need more support in knowing how to deliver that in an effective way.¹⁸

2.17 Other submitters, such as Early Childhood Australia (ECA), agreed that more work needed to be done. ECA praised the benefits resulting from the transition to the NQF, adding that although challenges remained, 'the sector has done a remarkable job in lifting quality within services.'¹⁹ This was considered a notable achievement given that agreement was required by all Australian governments.²⁰

2.18 ECA noted there had been extensive consultation between ACECQA and the sector, including the expert advisory panel. ACECQA's report noted that 78 per cent of respondents supported the NQF, which was consistent with the feedback received by ECA as a peak body. Further, the five per cent that were not supportive held concerns that could be resolved through additional professional development and support.²¹

Committee view

2.19 The committee notes broad community support for the NQF and shares the view that implementation of the framework must continue in order to ensure its objectives are met and quality standards maintained.

2.20 The committee also notes concerns about attracting quality staff to the ECEC sector. The committee addresses these concerns in chapter three of this report.

NQF and children's development

2.21 Witnesses before the committee discussed the risks of neglect on early childhood development in the context of the critical role the NQF plays in adequately resourcing early childhood educators and parents so they have the best chance to support and encourage the physical, social and emotional development of children.

2.22 Dr Anne Kennedy of ACCS called quality ECEC an 'incredibly powerful and protective feature', especially for children under three.²² Dr Kennedy added that quality education needs to occur in partnership with parents in order to assist with capacity building, pointing out that this principle of partnership was embedded in the NQF:

I can think of examples where families will come to the centre who perhaps have already got in place some system of respite care or something similar

¹⁸ Ms Amarylise Bessey, Senior Research Manager, Australian Research Alliance for Children and Youth, *Proof Committee Hansard*, 22 May 2014, p. 14.

¹⁹ Ms Samantha Page, Chief Executive Officer, Early Childhood Australia, *Proof Committee Hansard*, 22 May 2014, p. 45.

²⁰ Ms Samantha Page, Chief Executive Officer, Early Childhood Australia, *Proof Committee Hansard*, 22 May 2014, p. 45.

²¹ Ms Samantha Page, Chief Executive Officer, Early Childhood Australia, *Proof Committee Hansard*, 22 May 2014, p. 45.

²² Dr Anne Kennedy, National Secretary, Australian Community Children's Services, *Proof Committee Hansard*, 21 May 2014, p. 14.

organised through the local council because they are struggling with their parental responsibilities. They start child care and it gives them time to pursue some learning and training that they need to do. They build connections within the local community with other families who have similar aged children, and they are then often able to parent without the need for respite care or other support services because they are being empowered and supported in their community.²³

2.23 ARACY submitted that there was a consensus among researchers on the positive effects of high quality early learning and improved cognitive and wellbeing outcomes for children. Their submission discussed the British study, *Effective Provision of Pre-School Education*, which demonstrated:

...the robust link between participation in pre-school and early literacy and numeracy, as well as the link between the quality of the educational environment and impact on children's learning.²⁴

2.24 ARACY highlighted Australian data which clearly demonstrated a link between pre-school attendance and academic achievement, with benefits accruing to children who attended early education for more than one year.²⁵ The organisation called for quality care and education to be recognised and prioritised in its own right, not merely through the prism of economic benefit:

We are calling for a fundamental shift in the way that we talk about and perceive early childhood education in Australia to emphasise the central role that quality early childhood education plays in children's development and wellbeing, not just in the participation of their parents in the workforce.²⁶

2.25 The committee also received compelling evidence from ACCS relating to the effects of familial or social neglect on vulnerable and at risk children's brain development:²⁷

Learning begins from birth and in the womb. Everything we can do to support that learning environment in utero and then from the moment the child is born will make a difference to that child...We all pay the price for that, because these are people who will not work, who are likely to end up in our juvenile justice system and jail system and so forth. So that focus on learning is one of the biggest shifts in NQF reform.²⁸

23 Ms Linda Davison, National Treasurer, Australian Community Children's Services, *Proof Committee Hansard*, 11 June 2014, p. 9.

24 Australian Research Alliance for Children and Youth, *Submission 8*, p. 4.

25 Australian Research Alliance for Children and Youth, *Submission 8*, p. 4.

26 Ms Amarylise Bessey, Senior Research Manager, Australian Research Alliance for Children and Youth, *Proof Committee Hansard*, 22 May 2014, p. 13.

27 Australian Community Children's Services, *Additional information*, 21 May 2014.

28 Dr Anne Kennedy, Australian Children's Community Services, *Proof Committee Hansard*, p. 12.

Committee view

2.26 The committee recognises the significant benefits of ECEC, as well as the risks inherent in failing to ensure that quality services are accessible to all families.

2.27 The committee acknowledges the multifaceted and detrimental effects of absent or substandard ECEC, particularly on vulnerable and at risk children. The committee is aware that the quality of any system must in part be measured by its reach and accessibility.

Regulatory overlap and implementation costs

2.28 The committee also received evidence from stakeholders with more muted support for and reservations about the NQF, in particular on possible regulatory overlap and implementation costs.

2.29 The committee heard evidence from the Australian Childcare Alliance (ACA) suggesting the implementation of the system had been 'hurried and improperly imposed on the sector,'²⁹ creating a significant regulatory overlap:

The overlap has been the fact that we had services having to implement the full legislation, which was thousands of pages, from the beginning of 2012, and we were only given these documents in October 2011. That immediately set everyone off on a back foot, and extra staff had to be employed to make sure that these were implemented as they were required to be under the law. So it did put a lot of pressure on the staffing side...³⁰

2.30 Some private ECEC providers argued that while the National Partnership Agreement was a historic reform, its 'staged implementation' had resulted in a patchwork of standards across Australia.³¹

2.31 The majority of witnesses, however, agreed that the NQF had already simplified and improved the system and will continue to do so:

In terms of the regulation, bringing together eight regulatory systems into one inevitably results in a lot of things being thrown in which one state was doing [w]hat all the other states have to agree to. Now that we have had three years of operation and we have a review of the NQF happening, we are hoping that a lot of those will now wash out.³²

2.32 KU Children's Services (KU) agreed that while there were some unintended administrative processes which could be streamlined, implementation of the system

29 Ms Gwynn Bridge, President, Australian Childcare Alliance, *Proof Committee Hansard*, 21 May 2014, p. 33.

30 Ms Gwynn Bridge, President, Australian Childcare Alliance, *Proof Committee Hansard*, 21 May 2014, p. 33.

31 Ms Nesha O'Neil, President, Child Care New South Wales, *Proof Committee Hansard*, 23 May 2014, p. 1.

32 Mr John Cherry, Advocacy Manager, Goodstart Early Learning, *Proof Committee Hansard*, 21 May 2014, p. 36.

had not been overly onerous or costly.³³ KU added the timeframe and notice period for NQF implementation allowed them to plan for and implement required changes incrementally, resulting in a reduced impact on parents and children.

2.33 KU was asked by the committee to respond to modelling apparently undertaken by ACECQA which suggested the NQF could cost an ECEC provider up to \$35 000 to establish, and thereafter \$140 000 per year to administer. KU did not agree with the modelling, noting:

KU understand these costings are based on a single service case study, not an assessment of an 'average' centre based on statistical data from a broader sample. This cost is not reflective of KU's experience.³⁴

2.34 ACECQA explained that the modelling was originally produced in July 2013 by Deloitte Access Economics, with the outcome created by responses to interviews within a hypothetical case study only,³⁵ and therefore not necessarily reflective of actual data.

2.35 Finally, the committee acknowledges that 78 per cent of ACECQA's surveyed respondents were supportive or very supportive of the NQF.³⁶

Committee view

2.36 The committee is not persuaded that the modelling undertaken by Deloitte Access Economics is an accurate approximation of average implementation costs, given the lack of evidence from submitters or witnesses corroborating the modelling. The committee further notes that the Deloitte Access Economics modelling did not model costs before the implementation of the NQF so it is impossible to state that its current report is in fact accurate or indeed related to the implementation of the NQF. The Deloitte Access Economics modelling lacks the robustness that should be relied upon when making claims about actual cost outcomes. The committee believes the NQF is a worthwhile development for the ECEC sector and is persuaded by the overwhelming evidence from submitters and witnesses that the staged implementation has limited costs and disruption to services.

2.37 The committee notes the overwhelming support for the NQF, and agrees that it is a historic reform which should continue.

33 KU Children's Services, *Answers to Questions on Notice*, p. 3.

34 KU Children's Services, *Answers to Questions on Notice*, p. 3.

35 Professor Collette Tayler, Deputy Board Chair, ACECQA, *Proof Committee Hansard*, 23 May 2014, pp 22–23.

36 Ms Karen Curtis, Chief Executive Officer, Australian Children's Education and Care Quality Authority, *Proof Committee Hansard*, 21 May 2014, p. 19.

Recommendation 1

2.38 The committee recommends that the government continues the implementation of the NQF in accordance with the time frames set down and agreed to by COAG.

Impact on the quality of service

2.39 The committee heard evidence about a number of areas where the NQF has had negative impacts on service delivery, with providers predicting increased costs for families accessing their services:

As a result of the savings provisions in the National Quality Framework and the 2016 ration, requirements are going to have a massive impact on these services, and they may reduce their numbers and will definitely increase their fees. It is no surprise that we have heard this situation referred to as the perfect storm, and that is without factoring in the equal remuneration order currently before Fair Work. While those challenges may paint a picture of doom and gloom, we are optimistic about the future.³⁷

2.40 MADCAPS (Merredin and Districts Childcare and Playschool), a regional service provider operating in Western Australia, detailed the challenges experienced as a small service in a regional centre, noting the particular challenges of meeting the staffing quota where they must either shut the doors of the facility or operate in breach of the standards set out in the NQF.³⁸ MADCAPS argued that while it supported the NQF and the standards it introduced, it faced significant difficulties in providing quality service:

[I]t is a shame that the regulations make it harder for us to staff the centre properly and sometimes reduce quality of care.³⁹

2.41 Municipal Association of Victoria (MAV) submitted that a multi-government response was required to address the critical lack of services for communities in regional or remote areas.⁴⁰ While strongly advocating the continued implementation of the NQF,⁴¹ MAV argued that:

Victorian Councils have been planning for NQF implementation in a staged manner to carefully balance viability and affordability to minimise financial impact on ratepayers and families. Notwithstanding this, the MAV believes that the Commonwealth and State Governments should invest adequately in the quality reform process to ensure there is a reasonable cost sharing arrangement between government, services and families which this is not

37 Ms Nesha O'Neil, President, Child Care New South Wales, *Proof Committee Hansard*, 23 May 2014, p. 2.

38 Ms Rebecca Ryan, Chairperson, Management Committee, Merredin and Districts Childcare and Play School (MADCAPS), *Proof Committee Hansard*, 22 May 2014, p. 26.

39 Ms Rebecca Ryan, Chairperson, Management Committee, Merredin and Districts Childcare and Play School (MADCAPS), *Proof Committee Hansard*, 22 May 2014, p. 29.

40 Municipal Association of Victoria, *Submission 20*, p. 19.

41 *Submission 20*, p. 9.

currently the case. The MAV also calls on the Commonwealth Government to clarify its position on the Coalition's 2013 election policies of slowing down the introduction of the rest of the National Quality Framework reforms, in particular the introduction of changed ratio requirements in 2016.⁴²

2.42 Others added that the NQF '...has reduced or has significantly reduced time educators spend with children,'⁴³ and that the viability of the sector may be at stake:

We are extremely concerned about the viability of the sector at the moment. We are hearing about long waiting lists. I would say that 70 per cent of the sector Australia wide would be only wishing for a waiting list. We have members already operating at less than 50 per cent occupancy and we all know that 70 per cent and above this viability.⁴⁴

Committee view

2.43 The committee notes that some ECEC providers have experienced difficulties in implementing aspects of the NQF, particularly smaller and regional and remote services. However, the committee also notes that these services remain generally supportive of the NQF and see its value. The committee is of the view that some smaller and regional or remote ECEC providers may require assistance to fully implement the NQF and that further consideration should be given as to what assistance may be required.

Recommendation 2

2.44 The committee recommends that the government examine and undertake to provide additional resources directly to small rural and regional early childhood services to ensure they continue to meet quality standards, and attract and retain professional staff.

Educator-child ratio

2.45 Section 169 of the National Law requires that services maintain the required educator to child ratio at all times. These ratios are determined by the ages and numbers of children being educated at the service. ACECQA's website notes that only those educators working directly with children can be counted when calculating staff ratios:

Working directly with children' means an educator is physically present with the children and is directly engaged in providing education and care to the children. An educator cannot be included in calculating the educator-to-child ratio unless they are working directly with children.⁴⁵

42 *Submission 20*, p. 9.

43 Australian Childcare Alliance, *Submission 12*, p. 26.

44 Ms Gwynn Bridge, President, Australian Childcare Alliance, *Proof Committee Hansard*, 21 May 2014, p. 33.

45 ACECQA, *Guide to the National Law and National Regulations*, p. 85.

2.46 ACECQA's *Guide to the National Law and National Regulations* notes some jurisdictions retain higher ratio standards, but that following the implementation of the National Law, the following ratios apply as a minimum.⁴⁶ The guide also contains information setting out new requirements for child-educator ratios:

*Figure 1- Educator to child ratios, ACECQA, Guide to the National Law and National Regulations*⁴⁷

Age	Educator-to-child ratio	Compliance timeframe
Birth to 24 months	1:4	1 January 2012
25 to 35 months	1:5	1 January 2016
36 months up to and including preschool age	1:11	1 January 2016
Over preschool age (that is, school age children)	The National Quality Framework has been agreed to at this stage to include children over preschool age, however the National Quality Framework does not include a National Standard for children over preschool age—see individual jurisdiction arrangements	
Please note: Some jurisdiction-specific requirements override the national educator-to-child ratios.		

2.47 Family Day Care Australia (FDCA) supported the ratio changes, noting the widely reported survey of providers suggests only two per cent of the sector did not support the NQF. Further, FDCA noted 70 per cent of the sector support the one to four (teacher to student ratio) and an additional 74 per cent believe the NQF supports high-quality outcomes for children. FDCA also submitted that 85 per cent of respondents supported the requirement for a minimum of a Certificate III qualification for educators.⁴⁸

2.48 Early Learning Association of Australia (ELAA) argued the new educator-child ratio requirements have greatly improved the quality of services available in the ECEC sector:⁴⁹

We ask that the committee focus its attention on the following key issues. The first is the integrity of the national quality framework, particularly those requirements that pertain to increased qualifications for educators and

46 ACECQA, *Guide to the National Law and National Regulations*, p. 85.

47 ACECQA, *Guide to the National Law and National Regulations*, p. 85.

48 Ms Carla Northam, Chief Executive Officer, Family Day Care Australia, *Proof Committee Hansard*, 23 May 2014, p. 26.

49 Mr Shane Lucas, Chief Executive Officer, Early Learning Association Australia, *Proof Committee Hansard*, 21 May 2014, p. 23.

improved ratios of educators to children. These requirements will provide the quality that is so important for children and their parents.⁵⁰

2.49 The City of Boroondara (Boroondara) operates ten out of the 29 long day care centres operating in its municipal boundary, providing approximately 1742 full time child care places for children aged zero to six. In relation to the educator-child ratio, Boroondara submitted that the main feedback received from service providers related to the difficulties in attracting and recruiting qualified staff, especially in relation to the educator-child ratio.

...if not appropriately funded and planned for with regard to infrastructure and service provision, it will result in further barriers to access for families; and the administrative burden and additional workloads, particularly for voluntary committees of management, of implementing the National Quality Framework. However, it should be equally noted that services that have undertaken the quality and rating assessment process reported that there have been identified benefits to the overall provision of these services.⁵¹

Committee view

2.50 The committee notes the evidence provided by witnesses and submitters relating to the introduction of the educator-child ratio, and agrees that the significant benefits of increasing the number of educators outweigh any adjustment challenges.

2.51 The committee is persuaded by the evidence presented by witnesses and submitters that the educator-child ratios required by the NQF would greatly enhance the quality of early childhood education.

Rating System

2.52 ACECQA's *Guide to the National Law and National Regulations* details the requirements under the National Law. It outlines the national assessment system for all education and care services to enable families to make informed decisions about the services providing education and care based on ratings.⁵² These ratings consist of seven quality areas:

- Educational program and practice
- Children's health and safety
- Physical environment
- Staffing arrangements, including qualification requirements
- Relationships with children
- Collaborative partnerships with families and communities

50 Mr Shane Lucas, Chief Executive Officer, Early Learning Association Australia, *Proof Committee Hansard*, 21 May 2014, p. 23.

51 Ms Kylie Mussared, Manager Family, Youth and Recreation Services, City of Boroondara, *Proof Committee Hansard*, 21 May 2014, p. 41.

52 ACECQA, *Guide to the National Law and National Regulations*, p. 40.

- Leadership and service management.⁵³

2.53 Some submitters viewed the rating system as problematic. ACA criticised the assessment and rating system used by ACECQA, arguing the rating system is excessive and has increased costs to operators and families as a consequence of implementation. This is because meeting the requirements involves removing directors and supervisors from contact with children increasing administrative workload and numbers of educators, which puts pressure on salary budgets of ECEC services.⁵⁴ Further, ACA argued the rating process was fundamentally flawed:

A rating result defaults to the lowest rating for an element received e.g. “working towards” despite having received a higher outcome in other quality areas. ACA questions whether an overall rating is appropriate when it does not accurately describe the service’s practices and performance in all or the majority of the areas of assessment.⁵⁵

2.54 ECA also submitted that the rating system was not ideal, arguing:

Many Early Childhood services are concerned that they have been rated ‘Working Towards NQS’ under the National Quality Standard. These concerns have been driven, in large part, by widespread, poorly informed media coverage of the assessment ratings.⁵⁶

2.55 Others supported the rating system, with United Voice submitting the quality rating system has the potential to improve the quality of ECEC services by providing parents with objective information to assess the relative quality of services.⁵⁷

2.56 Uniting Care Children, Young People and Families submitted that the ratings systems are delivering positive changes to the ECEC sector and should continue, noting the expansion of the NQF to all providers of ECEC:⁵⁸

While we have identified some areas for reform across national and state jurisdictions, UCCS has not found the NQS to be onerous or a “burden”. In particular the new assessment and rating system in our experience has been a positive change for the sector and has markedly improved from the old system of accreditation.⁵⁹

Committee view

2.57 The committee is persuaded by the evidence presented which demonstrates the importance of high quality early childhood education and care, and opposes any attempts to weaken or 'water down' the NQF.

53 ACECQA, *Guide to the National Law and National Regulations*, p. 40.

54 Australian Childcare Alliance, *Submission 12*, p. 31.

55 Australian Childcare Alliance, *Submission 12*, p. 31.

56 Early Childhood Australia, *Submission 11*, p. 20.

57 United Voice, *Submission 7*, p. 49.

58 Uniting Care Children, Young People and Families, *Submission 13*, p. 5.

59 *Submission 13*, p. 34.

2.58 The committee notes that some services are disappointed in the rollout of the rating system, but suggests that the progressive rollout of the NQF will allow services an appropriate amount of time to adjust to the requirements set out in the rating system and by ACECQA.

Recommendation 3

2.59 The committee recommends the rating system be retained.