# Report on the National Quality Framework & Regulatory Burden

## 2013

Australian Children's
Education & Care
Quality Authority

# Report on the National Quality Framework and Regulatory Burden

## Overview

The National Quality Framework (NQF) was introduced to improve the quality of Australia's early childhood education and care and outside school hours care services. One goal of the NQF was to reduce unnecessary compliance burden on children's education and care services through a jointly-governed system of regulation, replacing overlapping regulatory activities by Australian, state and territory governments.

The Australian Children's Education and Care Quality Authority (ACECQA) leads and monitors the nationally consistent application of the Education and Care Services National Law, including the NQF, and promotes quality and continuous improvement. ACECQA is required to report regularly on the progress of the implementation of the NQF to the Australian Government and state and territory governments through the Standing Council on School Education and Early Childhood (SCSEEC). This includes reporting on 'the experience of services under the NQF, with respect to the level of regulatory burden'[1].

This is ACECQA's first report on longitudinal research on children's education and care services' perceptions and experiences of administrative burden under the NQF.

The report is presented in two parts.

Part I contains findings from ACECQA's research on the administrative burden perceived and experienced by education and care services.  It was finalised in July 2013.

Part II[2] reviews these findings and details  actions already in progress and recommendations on what further steps might be taken, without compromising the quality objective, to reduce or eliminate burden associated with those administrative activities identified in the part I report. The Part II report also identifies where additional support can be provided to the sector for activities that are fundamental to the focus on quality under the NQF, such as quality improvement plans and educational programing. It was finalised in November 2013.

## Report publication

On 30 July 2013, ACECQA presented SCSEEC with Part I of its first NQF regulatory burden research report. Part I report findings included the sector's perception of administrative burden and relative cost impacts of the main administrative obligations under the Education and Care Services National Law and Regulations.

At that time, SCSEEC also noted that ACECQA would develop recommendations to Ministers in a Part II report, which would address areas where there is scope to reduce administrative burden. SCSEEC subsequently decided that it would consider Part II of the full report before making a decision on report publication.

At its 29 November 2013 meeting SCSEEC agreed to the recommendations in the regulatory burden Part II report and to publication of the regulatory burden Part I and II report.

---

[1] MCEECDYA, 2011. Implementation Plan for the National Quality Agenda for Early Childhood Education and Care, p.10.

[2] Please note that while presented as one document numbering across the two reports is not sequential.

# Report on the National Quality Framework & Regulatory Burden

# Part 1:
# Research findings overview

July 2013

# Contents

The best possible start in life

The best possible start in life

# List of Tables

The best possible start in life

# List of Figures

The best possible start in life

The best possible start in life

The best possible start in life

# Glossary

| | |
|---|---|
| ACECQA | Australian Children's Education and Care Quality Authority |
| ARIA | Accessibility/Remoteness Index of Australia |
| COAG | Council of Australian Governments |
| ECEC | Early Childhood Education and Care |
| FDC | Family day care |
| LDC | Long day care |
| National Law | Education and Care Services National Law |
| National Regulations | Education and Care Services National Regulations 2011 |
| NCAC | National Childcare Accreditation Council |
| NPA | National Partnership Agreement on the National Quality Agenda for Early Childhood Education and Care |
| NQA ITS | National Quality Agenda Information Technology System |
| NQF | National Quality Framework |
| NQS | National Quality Standard |
| OSHC | Outside School Hours Care |
| PS/K | Preschool/kindergarten |
| SCM | Standard Cost Model |
| SCSEEC | Standing Council for School Education and Early Childhood |
| SEIFA | Socio-Economic Indexes for Areas |

# 1 Executive Summary

This is the first report of longitudinal research on the level of administrative burden experienced by providers of education and care under the National Quality Framework (NQF).

The report is in two parts. This first part presents high level findings on the administrative burden experienced by providers. A second part, to be completed before the end of 2013, will review these findings and recommend strategies to reduce administrative burden. Taken together these reports establish a benchmark from which future research can enquire into whether administrative burden is reducing, and which strategies can best contribute to this goal.

## 1.1 Scope and methodology

This research attempts to answer questions such as, do providers perceive less administrative burden under the NQF, than under former regulatory systems? Which administrative obligations are most burdensome and why? What are the time and cost implications for providers in complying with administrative requirements? What actions might be taken to reduce administrative burden?

In addressing these questions, the research considers the profile of the education and care sector by a range of demographics including jurisdiction, service type, provider size and service location. The research draws on the views and experiences of providers, nominated supervisors and family day care (FDC) educators.

After a scoping study was conducted by the Australian Children's Education and Care Quality Authority (ACECQA) in 2012, the Board of ACECQA determined that the most appropriate research methods for answering these questions were:

- a longitudinal perception survey, and a
- Standard Cost Model (SCM) assessment.

It was also determined that the focus of the research should be administrative burden. This part one report, presents the high level findings from both research methods. Explanation of the methodologies, including their advantages and limitations, is contained in Appendix A. Further detail is also provided in Appendix D (SCM assessment).

The national perception survey involved over 5,400 service providers, nominated supervisors and FDC educators. The survey gives voice to the sector about what should be done to reduce the level of burden experienced under the NQF. The SCM assessment complements the survey, giving estimates of the relative cost of complying with specific administrative requirements of the NQF and the findings of interviews with a cross-section of 32 providers across two jurisdictions.

The main focus of the research is the sector's experience of administrative burden since the introduction of the NQF in January 2012.[1] Quantitative comparisons between the level of

---

[1] From August 2012 in Western Australia.

administrative burden under former regulatory systems and the NQF cannot be drawn because there is no data on the level of administrative burden before the commencement of the NQF. However, the research sought the views of providers on both their perception of administrative burden under the NQF as compared with former regulatory systems, and their views on ongoing impacts, as distinct from costs they experienced as they implemented the new system during the transition period.

The second part of this report will review these high level findings and recommend strategies that can reduce administrative burden. These strategies will be developed in consultation with the sector and with the agencies that are leading the NQF on behalf of governments.

## 1.2   Findings

1. Overall, providers, nominated supervisors and FDC educators are highly supportive of the NQF, despite perceiving a significant level of burden associated with ongoing administrative requirements of the National Law and Regulations. For example, 78 per cent of providers were either very supportive (42 per cent) or supportive (36 per cent) of the NQF (Figure 5).

2. Providers whose services have been quality rated are among the groups most supportive of the NQF (section 6.2). Significantly, these providers also perceive a much lower level of administrative burden (Figure 20). This is an encouraging finding for the future of the NQF, and the way it is being implemented. It suggests that as regulatory authorities engage more with providers about quality improvement, and quality rate more services, support for the NQF will grow and the perceived level of administrative burden may reduce.

3. The perception survey found that FDC providers, large providers (ten or more services), and providers in Victoria are the most supportive of the NQF overall (section 6.2). Analysis revealed that jurisdictional differences such as that indicated for Victoria were due to underlying factors such as how services were formerly regulated, and the prevalence of particular service types in each jurisdiction.

4. A significant portion of burden was found to be driven by the transition to the NQF, suggesting that a decrease in administrative burden, perceived and experienced, can be expected at the next stage of the research. This is evidenced by both the perception survey (Table 7 to Table 9), which demonstrates that the level of perceived burden has already declined between 2012 and 2013, and the SCM assessment findings, which suggest that the cost of compliance is reducing with improved familiarity with the Framework. At present, the majority of providers disagree administrative burden has reduced since the introduction of the National Law and Regulations, and that administrative requirements of the National Law are simpler than previous licensing and accreditation systems (33 per cent strongly, and 32 per cent somewhat) (Figure 23, Figure 24).

5. Despite the NQF's nationally consistent administrative obligations, some groups perceive a higher level of overall burden. This includes; community managed and not-for-profit providers; centre-based providers; providers whose service/s formerly operated under just a state or territory licensing and standards regulatory system and providers in NSW (section 6.3). Again, the apparent jurisdictional difference was influenced by underlying factors such as the profile of service types in NSW.

The best possible start in life

6. There are some groups who perceive a reduction in burden. Providers whose service/s formerly operated under the National Childcare Accreditation Council (NCAC) regulatory system are more inclined to somewhat agree regulatory burden has reduced (Figure 48).

7. Overall, the SCM assessment found that documenting educational programs and assessing children's learning are the costliest ongoing administrative activities. Importantly however, providers also consider these activities generate at least an equivalent increase in the quality of education and care (Table 13).

8. When asked in the perception survey about ongoing requirements, providers identified Quality Improvement Plans, documenting children's learning and quality assessment and ratings visits as the most burdensome of the administrative activities (Figure 55). FDC educators perceive documenting children's learning as a highly burdensome administrative requirement (Figure 56).

9. Providers consider staff hours / time as the key driver of perceptions of burden associated with specific ongoing administrative activities, including Quality Improvement Plans and documenting children's learning (Figure 58). Similarly, for FDC educators, the time involved is the key driver of perception of burden associated with documenting children's learning (Figure 61).

10. The SCM report found the process of applying for supervisor certificates to be one of the most commonly cited areas of difficulty. Related concerns arose from paperwork delays and inconsistent treatment of applications.

11. Providers report that more or improved face-to-face guidance or training would help reduce administrative burden, as would more consistent information about administrative obligations (Figure 63). Some providers stated that more readily accessible templates and check lists would assist in reducing administrative burden. This reflects the SCM assessment findings that the lack of specific guidance in the Regulations about what level of detail is required to comply with some administrative activities, such as policies and procedures, meant providers reported widely divergent costs to meet these requirements (Appendix D: Standard Cost Model (SCM) Report). FDC educators consider that administrative requirements are too subjective and difficult to understand, and in common with providers, that more guidance and simplification is required to reduce their compliance costs (section 6.7).

Overall, the perception survey found that the NQF enjoys strong support from providers, nominated supervisors and FDC educators. The strength of the support is influenced by demographics.

Similarly, while the SCM found quantifiable (and in the case of some providers, significant) ongoing administrative costs associated with documenting children's learning, maintaining educational programs and Quality Improvement Plans, these obligations each support measurement against the National Quality Standard (NQS) and engagement with children and families. In this way they are obligations that differ from what is traditionally considered 'red-tape'. A question for part two of this report will be, how can the benefits to children of these valuable features of the NQF be retained, with less cost, complexity, and perception of burden for the people that administer them?

While more detailed analysis is warranted before wide ranging recommendations for improvement are made, what several of these findings suggest is that administrative burden, both cost-based and perceived, can be driven down by greater support to the sector to increase its confidence and make it simpler to meet the obligations.

This further analysis will be conducted as part two of this report, with the aim of enabling ACECQA, and other agencies involved in regulating the sector, to translate these broad research findings into more specific recommendations for reducing the administrative burden of the NQF.

# 2  Introduction

## 2.1  National Quality Framework

The NQF began on 1 January 2012, creating a jointly governed national approach to the regulation of education and care services.

The NQF includes:

- a national legislative framework that consists of the Education and Care Services National Law and the Education and Care Services National Regulations
- a legislated NQS and  quality assessment and rating system
- a regulatory authority in each state and territory with primary responsibility for the approval, monitoring and quality assessment of services in their jurisdiction in accordance with the national legislative framework, including the NQS
- a new national body, ACECQA, which is responsible for guiding the implementation of the NQF.

## 2.2  Reducing regulatory burden – a goal of the NQF

Prior to the start of the NQF, state and territory regulatory authorities administered unique regulatory schemes for licensing and minimum standards, while the Australian Government's NCAC regulated for quality assurance. Duplication and inconsistency between these nine regulatory schemes resulted in increased and duplicative burden on services (COAG, 2009; Regulation Taskforce, 2006).

Consequently, a strategic objective of the NQF was to reduce burden for education and care providers through a nationally streamlined system of regulation that would meet COAG's *Principles of Best Practice Regulation* (COAG, 2007).

This broad objective translated into several specific objectives and principles of the National Partnership Agreement on the National Quality Agenda for Early Childhood Education and Care (NPA), including to:

> *Improve the efficiency and cost effectiveness of the regulation of … education and care … services (paragraph 16(d)).*

> *Reduce regulatory burden for … education and care …. service providers (paragraph 16(e)).*

During the NPA's implementation phase (2012 -2016), the Commonwealth, states and territories agreed to assess their performance on achieving the objectives of NPA against five performance indicators, the second of which is:

> *The regulatory burden experienced by services.*

Accordingly, the Implementation Plan for the NPA requires ACECQA to report to the Standing Council on School Education and Early Childhood (SCSEEC) six-monthly until January 2016 on the 'experience of services under the NQF, with respect to the level of regulatory burden' (MCEECDYA, 2011, p. 10).

> The objective of this report is to measure the level of regulatory burden experienced by services under the NQF. The report provides the results from the first ("baseline") stage of research, which can be compared to later research to measure progress over time.

## 2.3 Timing of this study

The study could not commence until the administrative obligations of the NQF had been fully implemented. This was necessary to ensure measurement of current and ongoing burden, as distinct from transitional burden experienced while the NQF was being implemented.

Further, the quality assessment and rating process needed to have commenced. The survey would then allow for comparison of answers from respondents at different stages of the quality rating process.

ACECQA originally proposed a timeframe with fieldwork in October 2012 to report to SCSEEC in April 2013. In December 2012, SCSEEC advised that the study should commence in 2013 and report as soon as possible. As a result, this report is in two parts.

The best possible start in life

# 3 Background and scope

## 3.1 Overview

ACECQA conducted a scoping study to inform the design of research into regulatory burden on providers of education and care under the NQF. Specifically, the study assisted in identifying appropriate research methods, exploring what drives perceptions of regulatory burden under the NQF, and determining the scope of the project.

The literature review compared a range of potential methods for measuring regulatory burden on providers of education and care, with the following objectives:

- to define regulatory burden for the purpose of the research
- to understand the broad context for reducing regulatory burden
- to identify and summarise appropriate methods for measuring regulatory burden
- to recommend scope and methods for measuring regulatory burden.

The two main finding of the literature review were that:

- the research project should focus on administrative burden – this was based on the meaning of "regulatory burden", as defined through the literature review, and the policy context in which the research project would occur
- a mixed method approach should be used, involving SCM measurement and perception surveys.

In-depth interviews were then conducted to explore providers' perception of regulatory burden under the NQF. Particular consideration was given to how the interviews could contribute to the design of perception survey instruments. The findings from the in-depth interviews are detailed in Appendix A.

## 3.2 "Regulatory burden"

### Approaches to the definition

In a broad sense, regulatory burden can be understood as the burden, or cost, imposed by regulation on business, government and the community. Given the objectives of the NPA, and ACECQA's obligations to report on the regulatory burden experienced by education and care services, the focus of this review is on regulatory burden on business.

A wide range of factors contribute to regulatory burden, including:

- financial costs (such as fees and charges)
- substantive compliance costs (such as hiring additional staff or investing in infrastructure)
- delay costs (associated with delays in an application or approval)
- irritation factors

The best possible start in life

- administrative costs.

## Decision to focus the study on "administrative burden"

Administrative costs, also known as administrative burden, "paperwork costs" or "red tape burden" are the costs of complying with information requirements, such as the time spent keeping records, reporting to regulatory authorities, or preparing for or taking part in inspections.

In determining the appropriate definition of regulatory burden to use for this research, consideration was given to the context of related evaluations and research. The 2009 COAG Decision Regulatory Impact Statement (RIS) for Early Childhood Education and Care Quality Reforms estimated and justified most substantive compliance costs and benefits associated with the NQF but not administrative costs, instead recommending that a sector survey be conducted to measure administrative burden (COAG, 2009).

The terms of reference of the 2014 Review of the NPA encompass "improving the efficiency and cost effectiveness of regulation" and "reducing the regulatory burden for providers". Research at this time into administrative burden and the NQF is well timed to feed into the 2014 Review.

ACECQA has focused on administrative burden in this report to SCSEEC because substantive regulatory costs were addressed in the COAG RIS, and it is an express aim of the NPA to reduce administrative burden for education and care services.

## Measuring administrative burden – mixed method approach

It was determined through the scoping study that a mixed method approach should be used to measure administrative burden, using the following evaluation techniques:

1. perception survey
2. Standard Cost Model (SCM).

The broad aim of the perception survey was to understand the perceptions of service providers and FDC educators under the NQF with respect to the level of administrative burden.

Specifically, the perception survey was selected to deliver on the following objectives:

- measure the overall perception of the level of administrative burden under the new regulatory system
- measure the proportion of services reporting a reduced burden
- understand which requirements were perceived to be most burdensome and why
- identify potential areas where requirements could be streamlined
- provide benchmarks from which to assess changes in perceptions of administrative burden over time.

The primary objective of the SCM measurement project was to provide indicative dollar value estimates of administrative burden experienced by services under the NQF. The data obtained from the SCM measurement complements the information obtained from the perception

The best possible start in life

survey. Taken together, these measures provide a comprehensive assessment of the types and levels of administrative burden experienced by services from a range of perspectives.

The specific objectives of the SCM measurement were to:

- estimate the total cost of selected elements of the NQF, nationally and for individual services/providers
- estimate the cost of each of the selected elements of the NQF, by population segments based on service type, provider size and jurisdiction
- identify cost-reduction opportunities, and their potential benefits.

The ACECQA Board selected a mixed method approach for measuring administrative burden: a perception survey and SCM measurement. The synthesis of these methods enables the report to mitigate the weaknesses of one approach, with the strengths of the other.

# 4  Methodology

The project method is outlined in the diagram below. Detailed methodologies for the perception survey and SCM components of the study are provided in Appendix A and Appendix D.

*Figure 1: Methodology – Regulatory Burden Project*



Note: P/NS: Provider / Nominated Supervisor

The best possible start in life
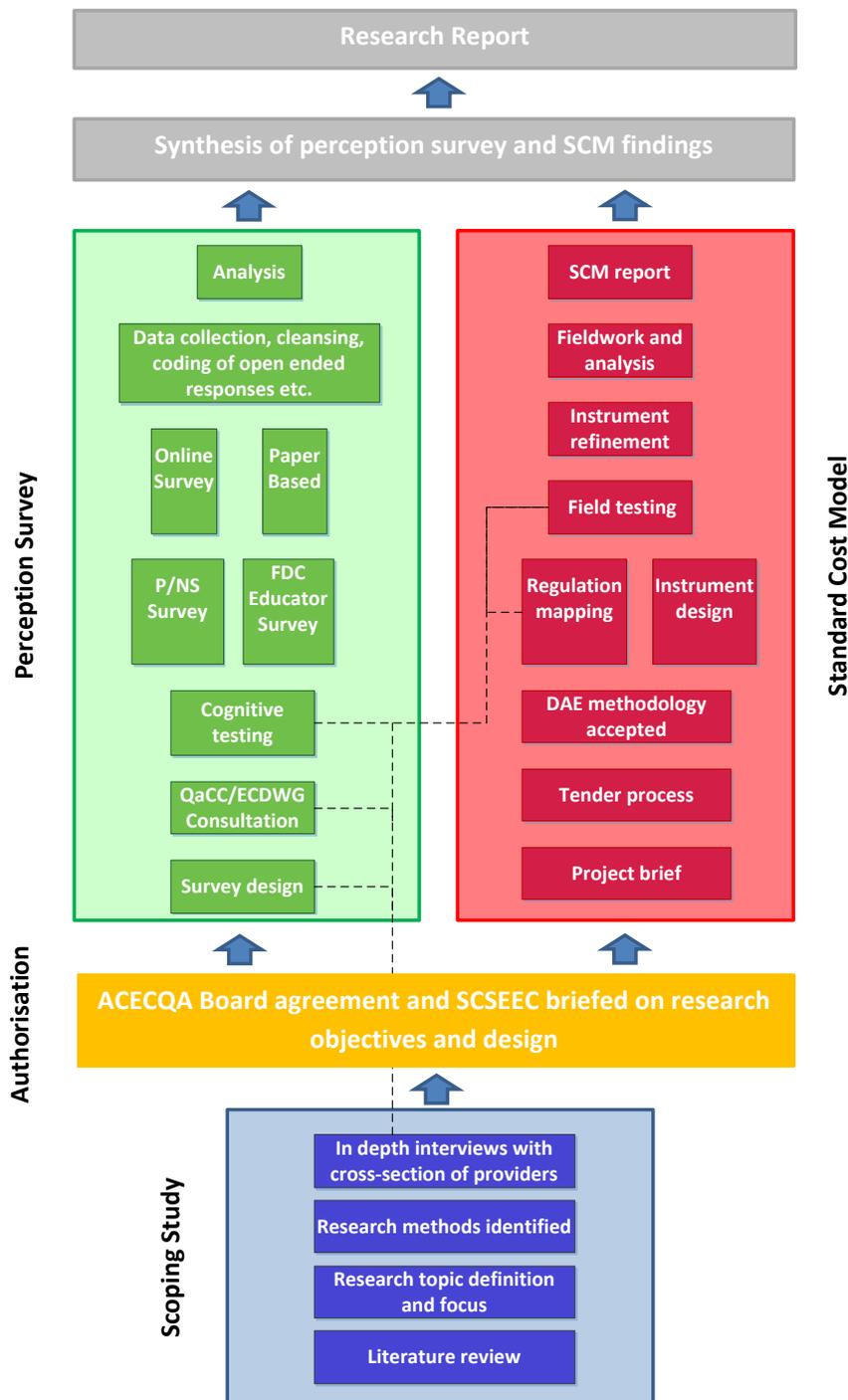
# 5 Profile of research participants

## 5.1 Perception survey sample

A large, representative sample of providers, nominated supervisors and FDC educators was required to reliably extrapolate the responses to the entire population. The following table shows the total number of survey responses received. For comparison, the table also includes the minimum responses needed to analyse the data at the required level of detail. As shown in the table, these thresholds were achieved for all groups.

The sample selection process is explained in Appendix A. Tables in the rest of this section include the response rates (see for example Table 2), i.e. the proportion of the sample that responded to the survey.

*Table 1: Comparison of minimum responses required and proportion of minimum responses achieved*

| | Total Responses | Sample | Minimum responses required | % of Minimum responses achieved |
|---|---|---|---|---|
| Providers | 1,815 | 5,000 | 1,396 | 130% |
| Nominated Supervisors | 2,213 | 6,000 | 1,489 | 149% |
| FDC Educator (Online) | 725 | 3,490 | 500 | 145% |
| FDC Educator (Paper) | 703 | 2,510 | 500 | 141% |

Note: The minimum number of responses required are approximated for FDC educators.

## Providers and nominated supervisors

The provider and nominated supervisor samples were stratified by jurisdiction, service type and provider size (number of services). The methodology behind the survey sample selection and stratification[2] is outlined in Appendix A.

The tables below show the profile of providers and nominated supervisors according to their population, sample and survey response parameters. These tables demonstrate the outcome of stratification; where the sample conforms to the population proportions by jurisdiction, service type and provider size.

---

[2] Stratification: the process of "stratifying" or enforcing population proportions of some variable(s) upon the sample to ensure the sample is well represented.

The best possible start in life

Variations from the parameters are primarily due to intentional oversampling. For example, the sample sizes for providers and nominated supervisors based in the Australian Capital Territory, Northern Territory and Tasmania exceed their respective population proportions. This was to ensure a minimum threshold of responses were available for subsequent analysis. The tables below also enable comparison of the survey response rate to each of the stratification parameters (refer shaded columns).

Generally, the sample of respondents for each parameter is representative of the population. However, there was some over/under sampling that occurred, as follows:

1. A greater proportion of nominated supervisors from the FDC sector responded to the survey than was optimal to reflect the population representation (5.0 per cent compared to 2.7 per cent). This overrepresentation is positive, as the FDC sector is a small sub-population and a greater number of responses from this group improve the validity of subsequent analysis.

2. While nominated supervisors from very remote areas were oversampled (1.4 per cent), a low response rate (17.3 per cent) means that this group is underrepresented in comparison to its population (0.5 per cent compared to 1.1 per cent). The implication is that analysing this cohort has been approached with caution.

A profile of research participants by SEIFA and ARIA rating is included in Appendix B.[3]

---

[3] SEIFA: SEIFA (Socio-Economic Indexes for Areas) is a suite of four summary measures that have been created from 2006 Census information. The indexes can be used to explore different aspects of socio-economic conditions by geographic areas. This report uses the Index of Relative Socio-economic Disadvantage, which is derived from Census variables related to disadvantage – such as low income, low educational attainment, unemployment, and dwellings without motor vehicles. Because providers are not necessarily located where their service operates, and may operate services from multiple locations, analysis against SEIFA rankings was undertaken for services only through the nominated supervisor sample.

ARIA: ARIA (Accessibility/Remoteness Index of Australia) is an index of remoteness derived from measures of road distances between populated localities and service centres. These road distance measures are used to generate a remoteness score for any location in Australia. ARIA+ is the standard Australian Bureau of Statistics (ABS) endorsed measure of remoteness. Because providers are not necessarily located where their service operates, and may operate services from multiple locations, analysis against ARIA scores was undertaken for services only through the nominated supervisor sample.

The best possible start in life

*Table 2: Profile of providers compared to original sample stratification*

| Stratification | Population (N) | | Sample | | Returned Sample | | Response rate |
|---|---|---|---|---|---|---|---|
| | Number[4] | % Total | Number | % Total | Number | % Total | % |
| **Jurisdiction** | | | | | | | |
| ACT | 80 | 1% | 80 | 2% | 36 | 2% | 45% |
| NSW | 2,940 | 41% | 2,019 | 40% | 927 | 41% | 46% |
| NT | 77 | 1% | 77 | 2% | 31 | 1% | 40% |
| QLD | 1,276 | 18% | 883 | 18% | 400 | 18% | 45% |
| SA | 453 | 6% | 319 | 6% | 115 | 5% | 36% |
| TAS | 83 | 1% | 83 | 2% | 36 | 2% | 43% |
| VIC | 1,846 | 25% | 1,201 | 24% | 554 | 25% | 46% |
| WA | 492 | 7% | 338 | 7% | 158 | 7% | 47% |
| **Service type provided** | | | | | | | |
| Centre-based | 6,708 | 93% | 4,629 | 93% | 2,100 | 93% | 45% |
| FDC | 379 | 5% | 253 | 5% | 106 | 5% | 42% |
| Both | 160 | 2% | 118 | 2% | 51 | 2% | 43% |
| **Number of attached services** | | | | | | | |
| 1 | 6,006 | 83% | 4,089 | 82% | 1,898 | 84% | 46% |
| 2-9 | 1,128 | 16% | 798 | 16% | 306 | 14% | 38% |
| >=10 | 113 | 2% | 113 | 2% | 53 | 2% | 47% |
| **Total** | **7,247** | **100%** | 5,000 | 100% | 2,257 | 100% | 45% |

---

[4] Data source: NQAITS 13/03/13

The best possible start in life

*Table 3: Profile of nominated supervisors compared to original sample stratification*

| Stratification | Population (N) Number[5] | % Total | Sample Number | % Total | Returned Sample Number | % Total | Response rate % |
|---|---|---|---|---|---|---|---|
| **Jurisdiction** | | | | | | | |
| ACT | 316 | 2% | 233 | 4% | 101 | 4% | 43% |
| NSW | 4,772 | 34% | 1,869 | 31% | 806 | 31% | 43% |
| NT | 219 | 2% | 218 | 4% | 49 | 2% | 22% |
| QLD | 2,650 | 19% | 1,033 | 17% | 515 | 20% | 50% |
| SA | 1,138 | 8% | 446 | 7% | 169 | 6% | 38% |
| TAS | 225 | 2% | 224 | 4% | 104 | 4% | 46% |
| VIC | 3,846 | 27% | 1,579 | 26% | 711 | 27% | 45% |
| WA | 986 | 7% | 398 | 7% | 186 | 7% | 47% |
| **Service type** | | | | | | | |
| Centre-based | 11,852 | 84% | 4,887 | 81% | 2,148 | 81% | 44% |
| FDC | 386 | 3% | 289 | 5% | 133 | 5% | 46% |
| Both | 1,914 | 14% | 824 | 14% | 360 | 14% | 44% |
| **Number of attached services** | | | | | | | |
| 1 | 6,014 | 42% | 2,580 | 43% | 1,236 | 47% | 48% |
| 2-9 | 3,278 | 23% | 1,400 | 23% | 621 | 24% | 44% |
| >=10 | 4,860 | 34% | 2,020 | 34% | 784 | 30% | 39% |
| **Total** | **14,152** | **100%** | 6,000 | 100% | 2,641 | 100% | 44% |

---

[5] Data source: NQAITS 13/03/13

The best possible start in life

## Family day care educators

Of the 6,000 FDC educators in the sample, responses were received from 24 per cent, giving a non-response rate of 76 per cent. The response rates for the online and paper version of the survey are outlined in the below table.

*Table 4: Response rates – family day care educators*

| Survey Type | Sample | % Total Sample | Responses | Response Rate |
|---|---|---|---|---|
| Online | 3,490 | 58% | 725 | 21% |
| Paper | 2,510 | 42% | 703 | 28% |
| Total | 6,000 | 100% | 1,428 | 24% |

A significant proportion of FDC respondents speak a language other than English at home (38 per cent, n=1428), reflecting the large proportion of culturally and linguistically diverse backgrounds among FDC educators. Of the 38 per cent of respondents that speak a language other than English at home, 72 per cent (n=538) of these respondents completed the paper survey, which was sent to the portion of the sample with no email address.

*Figure 2: Language spoken at home – family day care educators*



1%

38%

61%

- No (English only)
- Yes
- No answer
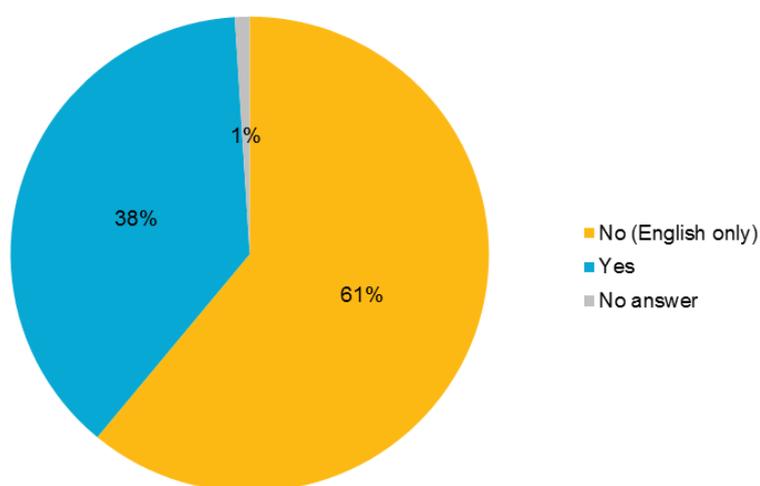
**Q2. Do you speak a language other than English at home?**          n=1428

Respondents who speak a language other than English were asked which languages they speak. The graph below shows the languages spoken by FDC educators, by country grouping. Country groupings were based on the ABS Australian Standard Classification of Languages (ASCL). Of the 538 educators (38 per cent) that speak a language other than English, African languages were the more widely spoken group of languages, with nearly one third (26 per cent) of these educators falling into this category. South Asian languages were the second most widely spoken group of languages (22 per cent), followed by Southwest and Central Asian languages (21 per cent).

The best possible start in life

*Figure 3: Languages spoken by family day care educators – by country grouping*
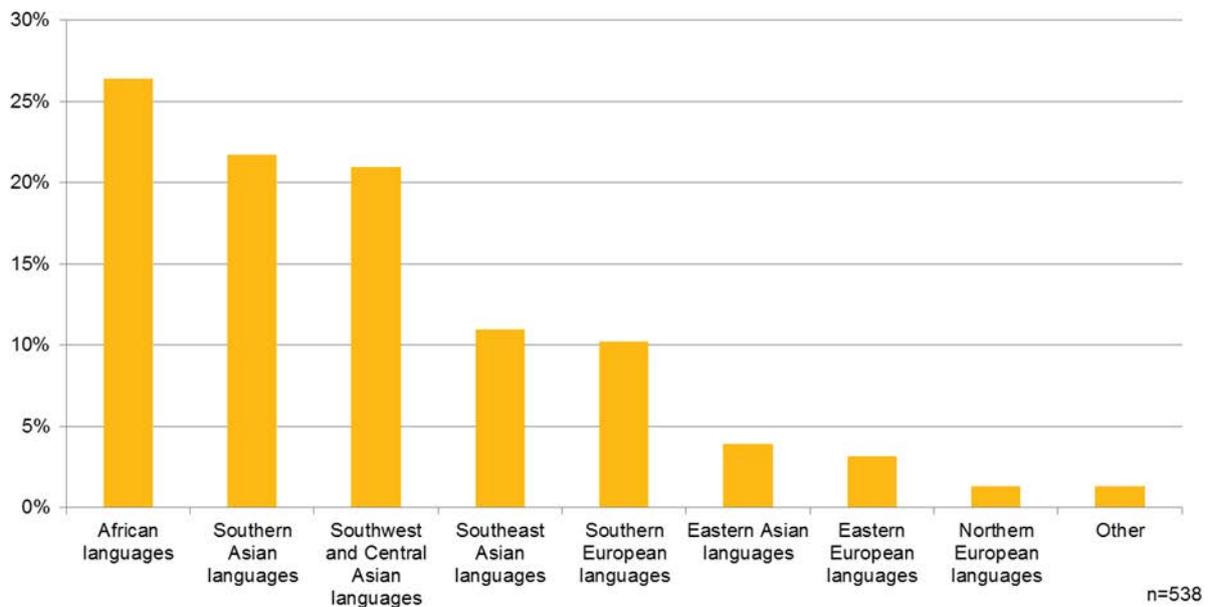


By individual languages, Arabic was the most widely spoken language, comprising 18 per cent of the 538 educators that speak a language other than English. Dinka, which is commonly spoken in South Sudan, was the second most widely spoken language (9 per cent). The top languages, which make up 67 per cent of FDC educators, are presented in the below graph.

*Figure 4: Top languages spoken by family day care educators*
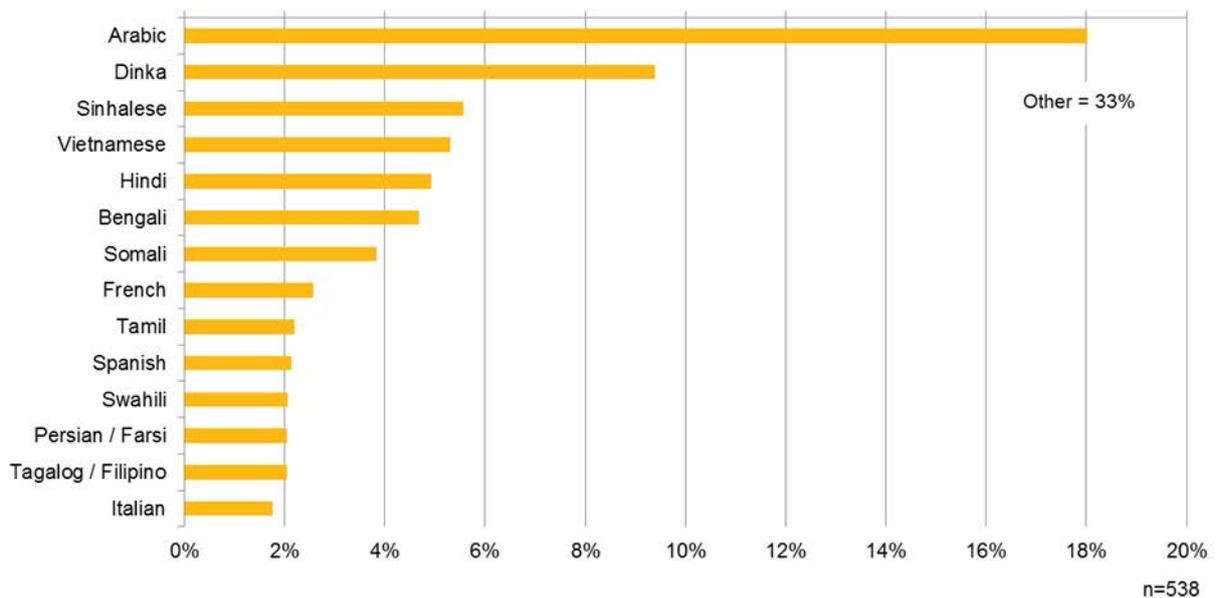


A full breakdown of languages other than English spoken by FDC educators, by country grouping, is provided in Appendix B.

The best possible start in life

## 5.2 Standard Cost Model sample

ACECQA contracted Deloitte Access Economics (DAE) to conduct the SCM component of the research.

DAE advised that selecting the sample was a major consideration for this component of the research. Thirty-six services were included in detailed face to face interviews to collect information and data to inform the modelling. Statistical significance in the sampling size is not emphasised in SCM analysis nevertheless, the sample was carefully constructed to identify the "typical" size and nature of administrative costs of the regulation across service types.

To capture the most important factors behind differences in the administrative costs of providers, the population was segmented according to three variables:

1. Provider size:

   - small (single service)
   - medium (2-9 services)
   - large (10 or more services).

2. Service type:

   - centre-based (preschool/kindergarten, long day care and outside school hours care)
   - family day care.

3. Jurisdiction:

   - Queensland
   - Victoria.

Due to the complexity of the SCM assessment, face to face (as opposed to telephone) consultations were required. Logistical and cost implications led to the decision to select two jurisdictions for the SCM assessment. However, the overall mixed method approach (SCM assessment and perception survey) was used to ensure that views from all jurisdictions were gathered. This is outlined further in Appendix A (Methodology) and Appendix D (SCM Report).

The above two jurisdictions were selected for the SCM assessment as they offered the required cross section of providers, within the logistical constraints of the project. For example, remote rural services were included in Queensland and a mix of most provider types, service types and sub-service types[6] was available in both jurisdictions. The fieldwork for the SCM involved 32 face to face interviews. These were conducted by two consultants gathering detailed information about time spent on each administrative obligation via a structured interview. Concentrating the SCM in two jurisdictions, which offered between them a variety of service types, therefore met the methodological and the logistical requirements of the project.

---

[6] Sub-service type: Disaggregation of service types into four groups: OSHC, preschool/kindergarten, LDC (these three groups make up centre-based services) and family day care.

The best possible start in life

The final sample design for the SCM was based on these segmentation variables, as well as the number of corresponding services. Selecting the three or four particular services within each of these ten segments was done on a random basis – within the bounds of practicality – as this was deemed to be the most appropriate approach to meet the objectives for the study.

The aim was to select the three or four example services in each of these segments to derive the cost for a typical (or average) service in each segment. The International SCM manual (SCM Network, 2005) recommends targeting normally efficient businesses to do this. For this study however, DAE determined that targeting the variation across the sector (through a targeted randomised sample) and taking the average of their resource requirements would more likely reveal the costs of a "typical" business.

*Table 5: Standard Cost Model project sample details*

| Service sub-type | Provider size | Management type | Remoteness indicator |
|---|---|---|---|
| **Victoria** | | | |
| Preschool/ Kindergarten | Large | Community | Major cities |
| OSHC | Small | Community | Major cities |
| LDC | Medium | Private | Major cities |
| FDC | Small | Private | Major cities |
| LDC | Medium | Government | Major cities |
| LDC/ Preschool/ Kindergarten | Small | Private | Major cities |
| Preschool/ Kindergarten | Large | Community | Major cities |
| Preschool/ Kindergarten | Large | Community | Major cities |
| FDC | Medium | Government | Major cities |
| OSHC | Medium | Community | Major cities |
| LDC/ Preschool/ Kindergarten | Large | Government | Major cities |
| FDC | Small | Private | Major cities |
| LDC | Medium | Private | Major cities |
| Preschool/ Kindergarten | Medium | Government | Inner regional |
| OSHC | Small | Community | Inner regional |
| LDC | Small | Private | Inner regional |
| FDC | Small | Community | Major cities |
| FDC | Other | Government | Major cities |
| **Queensland** | | | |
| LDC | Small | Private | Major cities |
| LDC/ Preschool/ Kindergarten | Small | Private | Major cities |
| LDC | Large | Private | Major cities |
| LDC/ Preschool/ Kindergarten | Medium | Private | Major cities |
| LDC/ Preschool/ Kindergarten | Medium | Private | Major cities |
| LDC | Medium | Private | Major cities |
| LDC/ Preschool/ Kindergarten | Large | Private | Major cities |
| LDC | Small | Private | Remote |
| LDC | Small | Community | Remote |
| FDC | Small | Private | Remote |

| Service sub-type | Provider size | Management type | Remoteness indicator |
|---|---|---|---|
| LDC/ Preschool/ Kindergarten | Large | Private | Major cities |
| FDC | Small | Private | Major cities |
| OSHC | Large | Private | Major cities |
| LDC | Large | Community | Major cities |
| FDC | Small | Private | Major cities |
| Preschool/ Kindergarten | Medium | Community | Major cities |
| LDC | Small | Government | Remote |

The best possible start in life

# 6 Findings

This section contains the findings from the perception survey and SCM research. Research questions answered in this section include:

- what do providers, nominated supervisors and FDC educators think about the NQF? (6.2)
- overall, how much of a burden is the NQF? (6.3)
- has administrative burden reduced since the introduction of the NQF? (6.4)
- what requirements are most burdensome? (6.5)
- why are these requirements most burdensome? (6.6)
- what do providers, nominated supervisors and family day care educators think should be done about administrative burden? (6.7)
- general feedback (6.8).

Section 6.1 explains the technical terms used in this section, to assist interpretation of the analysis.

## 6.1 Overview

### Technical terms and explanation of analysis used in this section

**Scale of burden**: Some perception survey questions asked respondents to answer on a scale from 0 (not at all burdensome) to 5 (very burdensome). To assist with reporting, where respondents selected 1 or 2 on the scale, the findings are described as 'somewhat burdensome', and where respondents selected 3 or 4 on the scale, the findings are described as 'quite burdensome'. These groupings have been made as a presentational aid only – all charts show results for the full scale of burden.

**Reporting on the perception survey sample – providers and nominated supervisors:** Due to strong similarities in responses between providers and nominated supervisors, the analysis reports on providers unless otherwise stated. Where results differed between the two groups, these results are presented for both.

**Z-score**: The z-score is used to test for significant difference in responses between two groups within a sample. This is done by comparing the number and proportion of responses given by a particular group to a question against the number and proportion of responses given by others to the same question. A z-score of 1.96 or higher is considered significant. Z-scores should not be used as an indication of strength relative to other z-scores.

**Significance testing**: All significance testing of perception survey data was conducted at a significance level of $\alpha=0.05$. This means if the survey was replicated 100 times, drawing a new sample from the same population each time, in 95 cases the research will get the same result.

Significance testing can only be performed where there are a sufficient number of responses for each variable *and* the proportion of responses for one group of respondents is very different to the proportion of responses from all other respondents in the group.

The best possible start in life

**Inclusion of numerical data:** Numerical data could not be included in the report where respondents could be identified.

**Comparing z-scores and percentages:** Graphs used to illustrate the perception survey findings of the report are typically displayed with percentage values. In some instances, the z-scores are highlighted to show significant difference where this might not be apparent from the percentages.

For example, in the graph below, the z-score identified that C was significantly greater than other responses (A and B). While the percentage for C and B was the same, the total number of respondents in B was too small to draw a significant difference when compared to A and C.
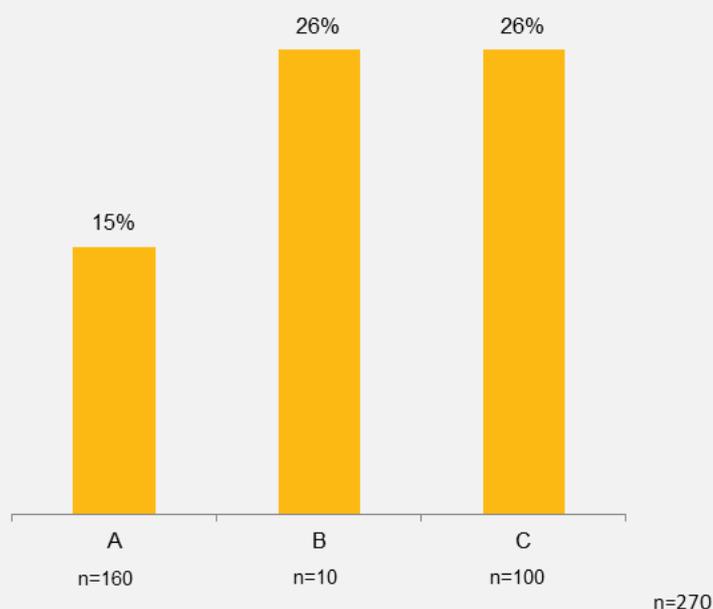


**Can't say**: Respondents were given the option to select "can't say" for most questions. Tests for significant differences include comparing the proportion of "can't say" responses against the proportion of responses to the question which expressed a perception. For simplicity, "can't say" responses appear in graphs were appropriate, but are generally omitted from the commentary.

**Standard Cost Model**: The International SCM is a method for determining the administrative burdens for businesses imposed by regulation. The SCM approach does not allow for a precise quantification of the total, sector-wide compliance cost of the NQF as the sample was insufficient to reliably extrapolate to a whole-of-sector level (i.e. it is not representative of the population in statistical terms). Instead, the focus of the SCM approach was to identify where the most significant administrative burdens lie, determine the variation across selected population segments and derive an order-of-magnitude sector assessment of the total cost of the administrative requirements associated with the NQF.

**Sub-service type:** This term is used throughout the report to show a disaggregation of service types into four groups: OSHC, preschool/kindergarten, LDC (these three groups make up centre-based services) and family day care. In the SCM report, the term "sub-sector" is used.

The best possible start in life

## Former regulation

The below table illustrates the regulation of education and care services before the NQF commenced. The table includes additional information where relevant. This background should be considered when interpreting the findings in section 6.

*Table 6: Regulation of education and care services before the NQF commenced*

| | Long day care | Preschool / kindergarten | Outside School Hours Care | Family Day Care | Comments |
|---|---|---|---|---|---|
| ACT | • Territory licensing and standards regulation<br>• NCAC | • School education system/ territory licensing and standards regulation | • Territory licensing and standards regulation<br>• NCAC | • Territory licensing and standards regulation<br>• NCAC | |
| NSW | • State licensing and standards regulation<br>• NCAC | • State licensing and standards regulation/ school education system | • NCAC | • State licensing and standards regulation<br>• NCAC | |
| NT | • Territory licensing and standards regulation<br>• NCAC | • School education system/ territory licensing and standards regulation | • NCAC | • NCAC | |
| Qld | • State licensing and standards regulation<br>• NCAC | • State licensing and standards regulation | • State licensing and standards regulation<br>• NCAC | • State licensing and standards regulation<br>• NCAC | |

The best possible start in life

| | Long day care | Preschool / kindergarten | Outside School Hours Care | Family Day Care | Comments |
|---|---|---|---|---|---|
| SA | • State licensing and standards regulation<br>• NCAC | • State licensing and standards regulation/ school education system | • State licensing and standards regulation<br>• NCAC | • State licensing and standards regulation<br>• NCAC | Licensing and standards regulation for OSHC services applied only to services provided on a school site<br>Family day care educators in SA were sponsored by the Government and subject to conditions of approval, but were not within scope of the children's services regulations |
| Tas | • State licensing and standards regulation<br>• NCAC | • School education system | • State licensing and standards regulation<br>• NCAC | • State licensing and standards regulation<br>• NCAC | Preschools in Tasmania are not in scope of the NQF |
| WA | • State licensing and standards regulation<br>• NCAC | • School education system | • State licensing and standards regulation<br>• NCAC | • State licensing and standards regulation<br>• NCAC | The NQF commenced in WA on 1 August 2012<br>Preschools in WA are not in scope of the NQF |
| Vic | • State licensing and standards regulation<br>• NCAC | • State licensing and standards regulation | • State licensing and standards regulation<br>• NCAC | • State licensing and standards regulation<br>• NCAC | |

The best possible start in life

## 6.2    What do people think about the NQF?

## Providers and nominated supervisors

The perception survey asked providers and nominated supervisors about their level of support for the NQF overall. This question was the first substantive question in the survey and ordered this way to ensure that remaining questions did not influence the responses to this question. Of the 2,257 providers that responded to the question, 78 per cent are supportive of the NQF, with 42 per cent selecting "very supportive" and 36 per cent selecting "supportive".

*Figure 5: Providers' support for the National Quality Framework*
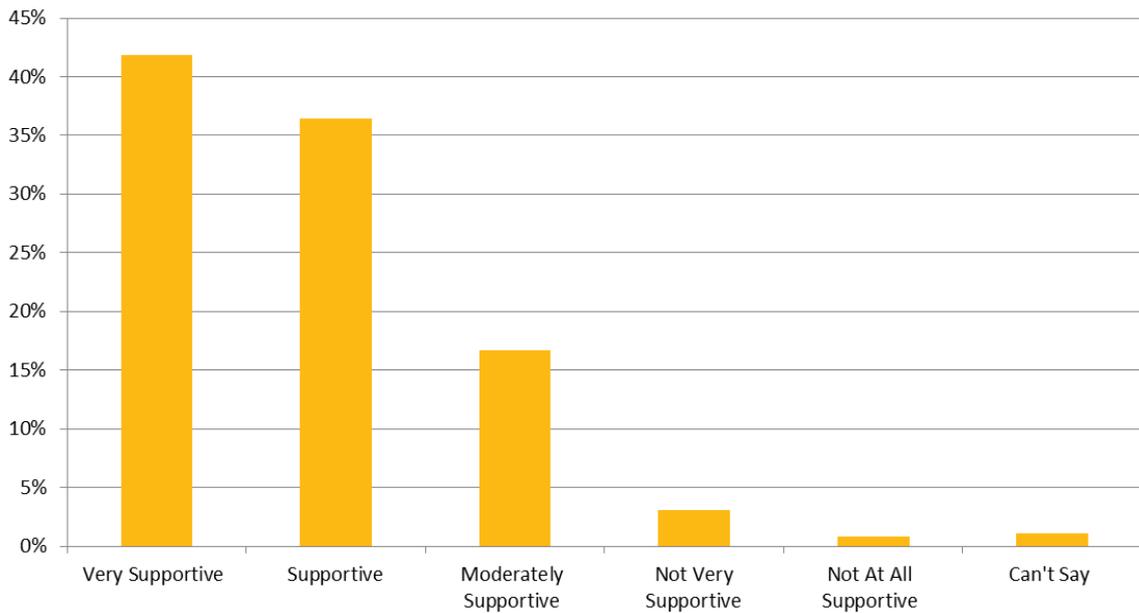


Q1. Overall, how supportive are you of the NQF?                                     n=2257

### Provider size

Large providers are more likely to be very supportive of the NQF compared to small and medium providers (z=3.59).

*Figure 6: Providers' support for the National Quality Framework, by provider size*
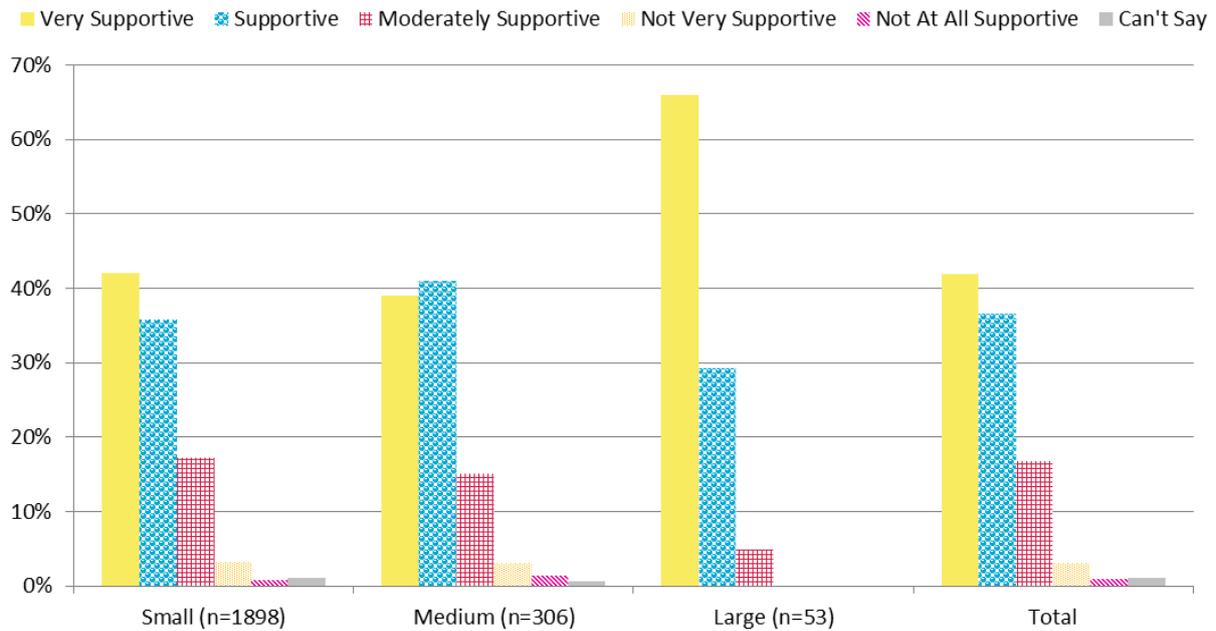


Q1. Overall, how supportive are you of the NQF? (by size from NQAITS)

n = 2257

## Jurisdiction

Providers in Victoria are more supportive of the NQF compared to other managing jurisdictions, with 47 per cent (z=2.44) selecting "very supportive" to the question.

*Figure 7: Providers' support for the National Quality Framework, by jurisdiction*
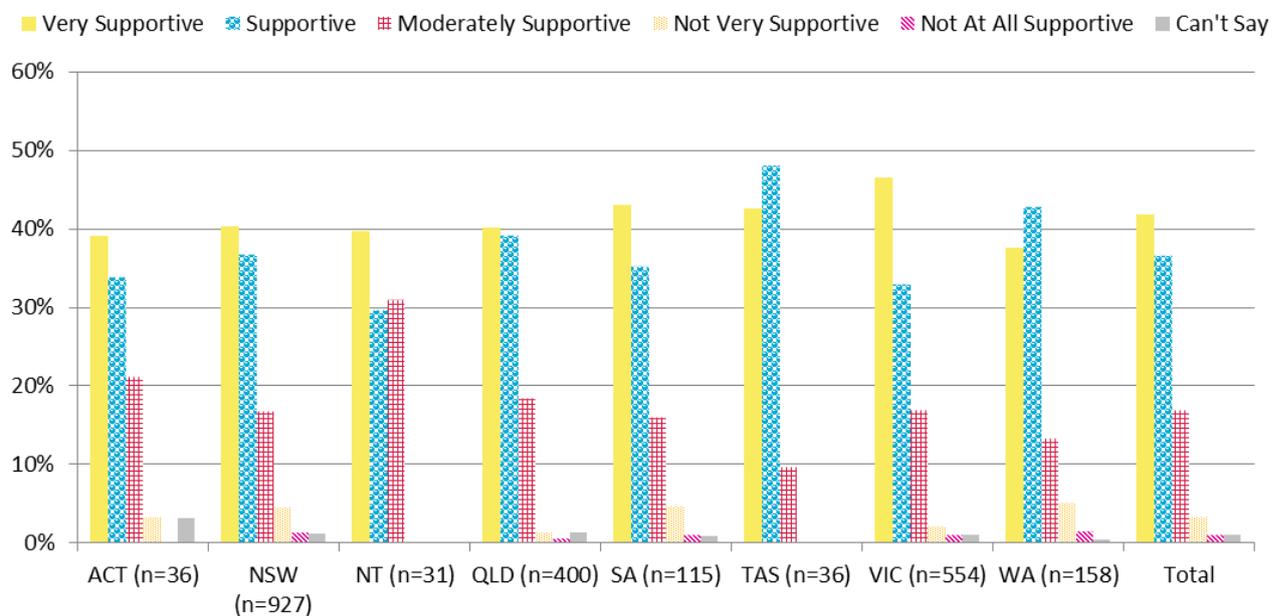


Q1. Overall, how supportive are you of the NQF? (by jurisdiction from NQAITS)

n = 2257

The best possible start in life

### Service type (centre-based, family day care, or both) and service sub-type

Using NQAITS data, providers can be categorised as delivering centre-based, FDC or both service types.

Centre-based providers are less likely to be very supportive of the NQF (z= -3.40) compared to providers of FDC services and providers of both centre-based and FDC services (z=2.21 and z=2.44, respectively).

Providers of FDC services only and multiple service types express strong support for the NQF compared to other service sub-types (z=2.24 and z=4.58 respectively for responses of "very supportive"). By contrast, providers of outside school hours care (OSHC) services only are more likely to have a moderate level of support (z=4.44), with a lower likelihood of "very supportive" responses to the question (z= -6.21).

### Position held by respondents

Providers in the position of Chief Executive Officer or "other" are less likely to express support for the NQF (z= -2.26 and z= -2.05, respectively).

### Years of operation

Providers who have been in operation for longer are generally more supportive of the NQF compared to more recent entrants to the sector. The following provider age categories[7] are more likely to be very supportive of the NQF when compared to the other age categories:

- 21-30 (z=2.12)
- 31-40 (z=3.26)
- 51-60 (z=2.08).

Providers who have been in operation for 11-20 years are more likely to be "supportive" in response to the question (z=2.03), while providers who have been operating for 1-10 years are more likely to be moderately supportive (z=1.98).

### Previous regulatory system

The survey asked providers whether their service/s operated under the following regulatory systems:

- the National Childcare Accreditation Council (NCAC)
- state/territory licensing and standards regulation
- a school education system
- none of the above.

---

[7] "Provider age categories": the age (or years of operation) of a provider, grouped.

The best possible start in life

Providers could select more than one system. Providers that selected more than one system were grouped as "multiple systems" for analysis.

Providers who were previously under a state/territory licensing and standards system only were very supportive of the NQF (z=2.60) in comparison to other regulatory systems, while providers who were under the NCAC only were less likely to select this option (z= -3.32). Those who could not identify their previous regulatory system were less likely to be very supportive (z=-2.47). Providers who were under a school education system only were more likely to be supportive of the NQF (z=3.47).

*Figure 8: Providers' support for National Quality Framework, by previous regulatory system*
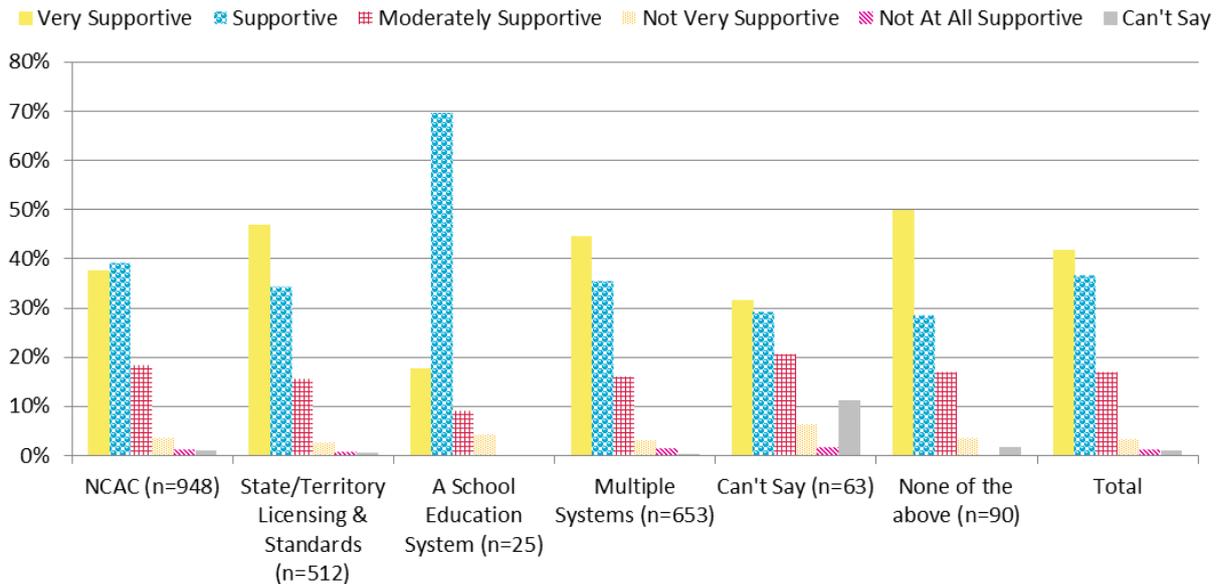


Q1. Overall, how supportive are you of the NQF?
QD5. Before the NQF was introduced, did (your organisations/your service) operate under the following regulatory systems?

n = 2257

## Provider management model

Community managed or not-for-profit (NFP) providers are very supportive of the NQF (z=5.09), while privately managed providers are more likely to express a moderate level of support (z=2.77).

The best possible start in life

*Figure 9: Providers' support for the National Quality Framework, by management model*



Legend: ■ Very Supportive ▨ Supportive ▦ Moderately Supportive ▥ Not Very Supportive ▨ Not At All Supportive ■ Can't Say
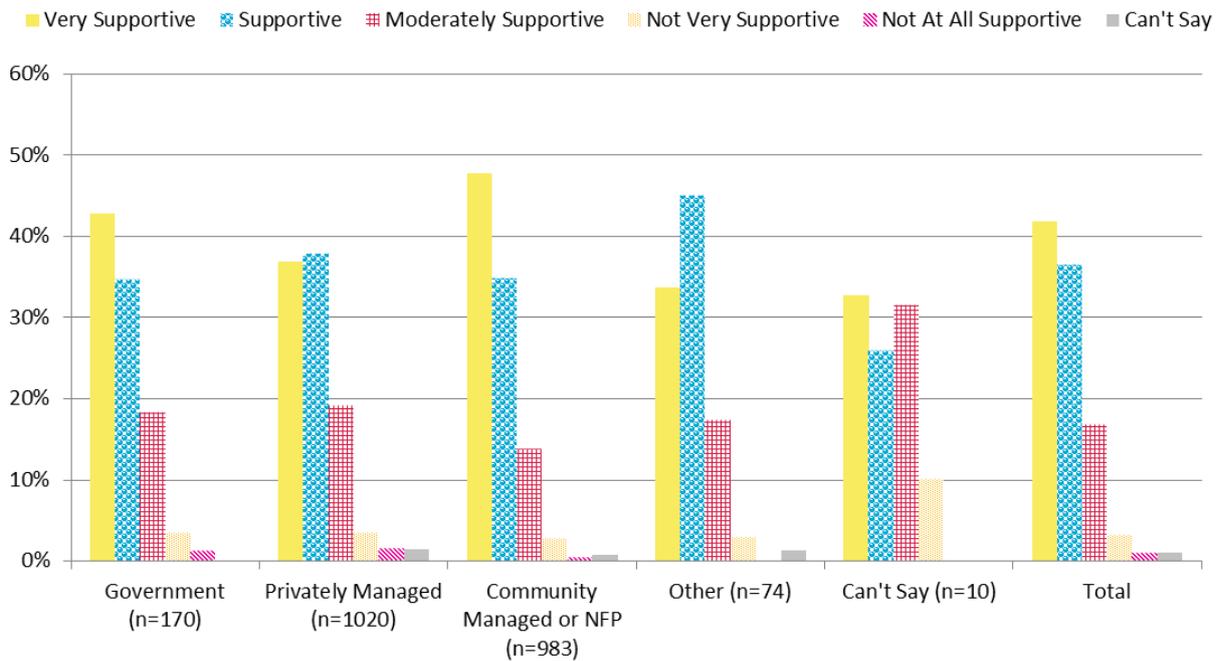
Q1. Overall, how supportive are you of the NQF?
D6. Which of the following best describes your (organisation/service)?

n = 2257

## Assessment and rating

The perception survey asked providers whether a quality assessment and rating visit under the NQF had been carried out at any of their services. Providers selected from the following responses (survey question D8B):

- yes, one or more services have been visited and/or received their ratings
- yes, one or more services have been visited but not have received their ratings
- no, but one or more services have been notified of the date of their visit
- no, and there are no visits planned
- can't say.

Providers who have been visited and received a rating are more likely to be very supportive of the NQF (z=2.57). However, respondents who can't say whether they had had an assessment and ratings visit are less likely to be very supportive of the NQF (z= -2.32).

The best possible start in life

*Figure 10: Providers' support for the National Quality Framework, by assessment and rating*



Very Supportive ▨ Supportive ⊞ Moderately Supportive ▨ Not Very Supportive ▨ Not At All Supportive ■ Can't Say
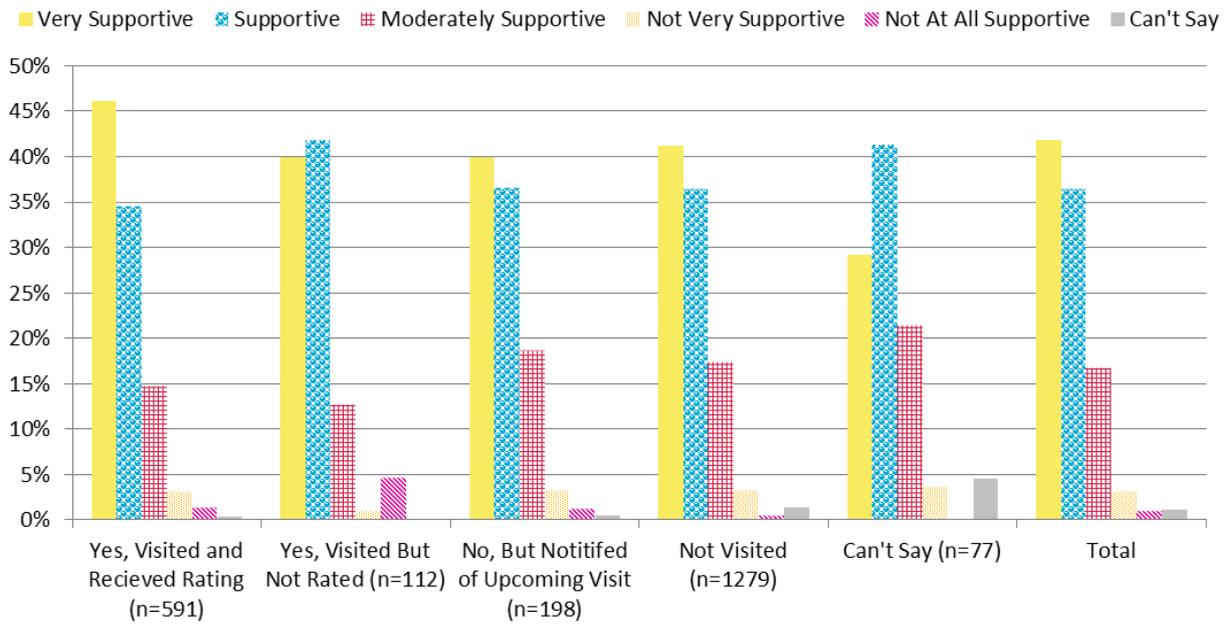
Q1. Overall, how supportive are you of the NQF?
QD8. Have any of your services had a quality assessment and ratings visit under the NQF?

n = 2257

### SEIFA and ARIA index

As providers are not necessarily at the location of the service, and may operate services from multiple locations, SEIFA and ARIA analysis was based on responses from nominated supervisors. Using service addresses held in the NQAITS, responses from nominated supervisors were grouped according to the SEIFA rating and ARIA classification of their service location.

Nominated supervisors in less disadvantaged socio-demographic areas (SEIFA index of 1 or 2 on a scale of least disadvantaged to most disadvantaged) have a lower level of support for the NQF overall. Nominated supervisors with services in areas with a SEIFA index of 1 (least disadvantaged) are less likely to select "very supportive" for this question ($z= -1.98$). Nominated supervisors with services in areas with a SEIFA index of 2 are more likely to be moderately supportive ($z=3.59$) and less likely to be very supportive ($z= -2.44$) of the NQF.

Analysis of responses to question one (overall level of support for the NQF) produced no significant difference with reference to the ARIA Index.

## Family day care educators

FDC educators were asked whether they had heard of the NQF and if so, how supportive they are of the NQF. Similar to providers and nominated supervisors, this was the first substantive question for FDC educators. The responses by FDC educators reflected those of providers and nominated supervisors in their level of support for the NQF. Of the 93 per cent (n=1328) who have heard of the NQF, 70 per cent are supportive of the system, with 44 per cent answering "supportive" and 26 per cent answering "very supportive". As shown by the graph below, the proportion of "very supportive" responses is lower for FDC educators than for providers and nominated supervisors.

The best possible start in life

*Figure 11: Family day care educators' support for the National Quality Framework*



Q1. Overall, how supportive are you of the NQF?                                    n=1328

The best possible start in life
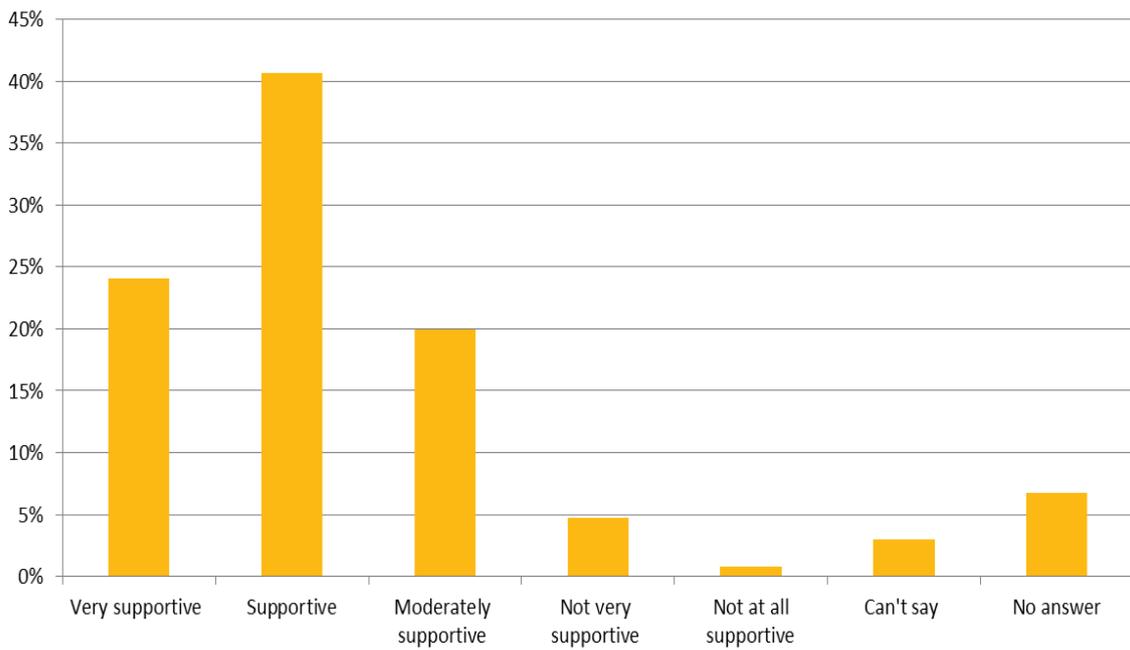
## 6.3 Overall, how much of a burden is the NQF?

The perception survey asked providers and nominated supervisors how burdensome, overall, they found the ongoing administrative requirements of the National Law and Regulations (question 11). They responded on a scale of 0 (not at all burdensome) to 5 (very burdensome). The question was preceded by an explanation of what is meant by "administrative requirements" and a series of questions about the level of burden posed by specific, ongoing administrative requirements of the National Law and Regulations. The explanation and questions about specific requirements gave respondents context in which to comment on how burdensome, overall, they find ongoing administrative requirements.

Analysis of responses found that 60 per cent of providers perceive the ongoing requirements to be quite burdensome, while 20 per cent perceive them to be somewhat burdensome. Seventeen per cent of providers describe the ongoing requirements as "very burdensome", while two per cent describe the ongoing requirements as "not at all burdensome".

*Figure 12: Providers' perception of the overall level of burden posed by ongoing administrative requirements*
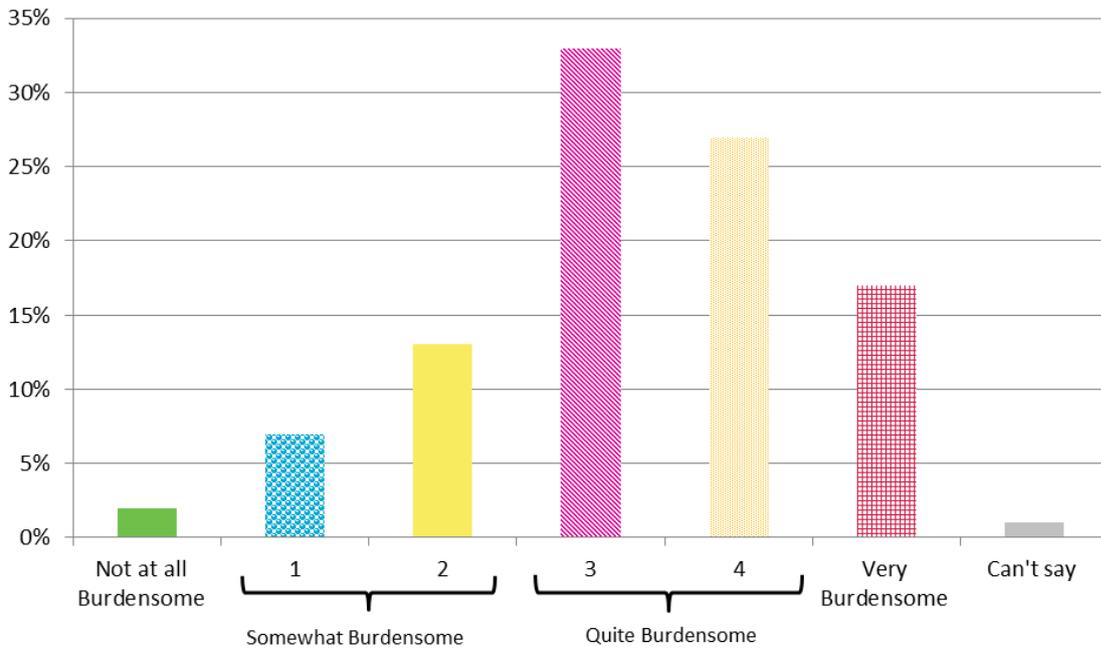


Q11.**Overall**, how much of a burden are the ongoing administrative requirements of the National Law and Regulations?

n = 2257

## Who perceives the burden?

### Service type (centre-based, family day care, or both) and sub-service type

The perception survey found providers of centre-based services perceive more overall administrative burden than providers of both service types or just FDC services (z=2.36).

*Figure 13: Providers' perception of overall administrative burden, by service type*
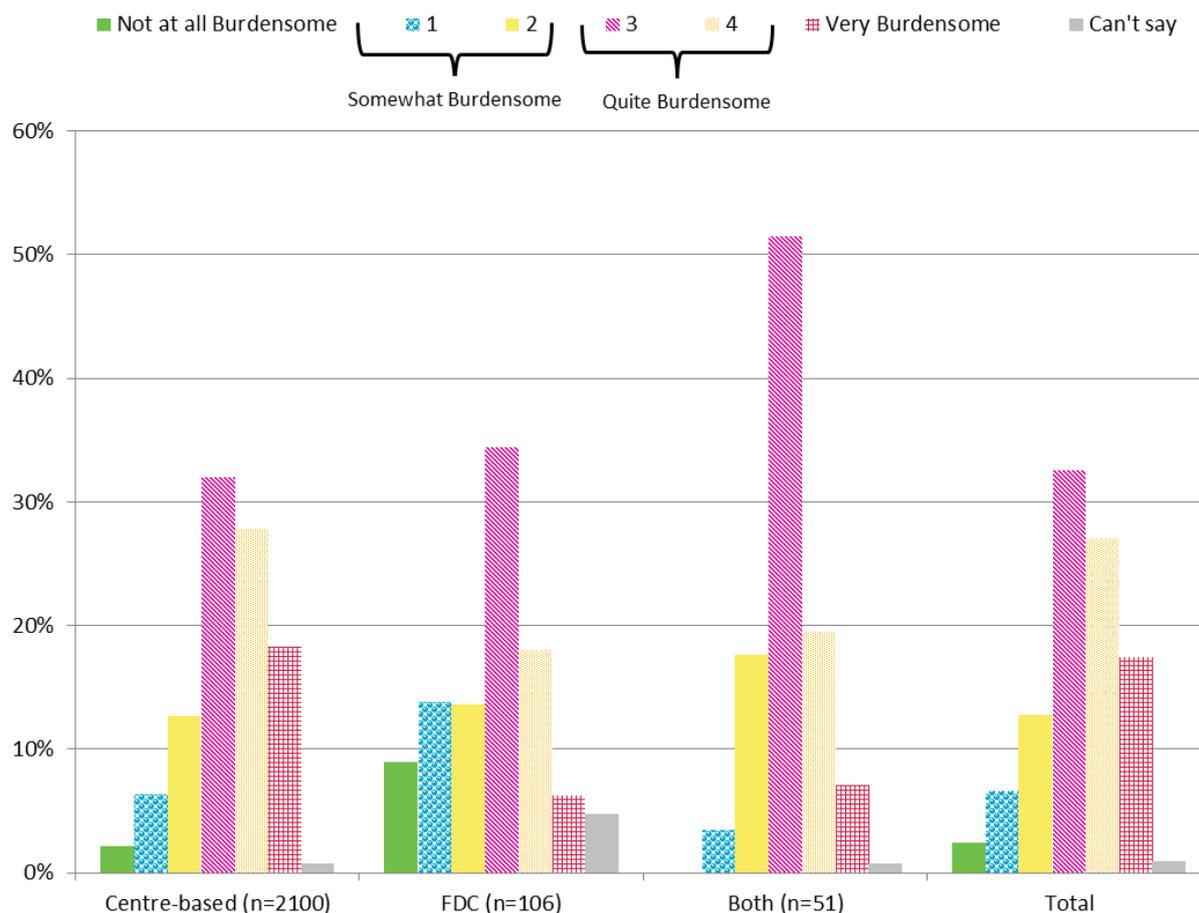


Q11.<u>Overall</u>, how much of a burden are the ongoing administrative requirements of the National Law and Regulations?
D1. What type(s) of approved education and care service(s) do you provide or manage?

n = 2257

The perception survey collected information about the service sub-types offered by providers. When responses were analysed by this variable, it was found that providers of OSHC more commonly view overall administrative requirements as very burdensome or quite burdensome. Next most impacted according to this analysis are providers of preschool/kindergarten services, who also view the overall administrative requirements as quite burdensome.

This finding from the perception survey in part reflects the different starting points for providers, depending on their jurisdiction. For example, NSW OSHC providers found overall the requirements are burdensome. This is unsurprising, given that prior to 1 January 2012, OSHC services in NSW were not regulated under a state regulatory system for minimum standards. A similar effect was seen for preschool/kindergarten in Victoria and Queensland.

These general findings are supported by the SCM assessment, which found that several relatively high cost administrative requirements, such as documenting educational programs, generate higher costs for FDC services, and are perceived slightly less positively by providers of OSHC services.

## Provider size

Data from the NQA ITS shows how many services are delivered by each provider.

Providers were classed as small (one service), medium (two to nine services) or large (ten or more services). The SCM assessment included analysis of administrative cost by provider size, but found no strong relationship across the range of administrative obligations, except that some economies of scale benefit was measured in reviewing and updating information obligations, but this was often offset by additional resources required to disseminate resources and train staff.

Analysis of responses to perception survey question 11 (overall administrative burden) produced no significant difference with reference to provider size.

## Jurisdiction

Compared to other jurisdictions, providers in NSW perceive overall administrative requirements as very burdensome (z=3.09). Providers in Queensland are more likely to select '2' on the scale (z=2.16), compared with providers in other jurisdictions. While results for Western Australia showed a high proportion of "very burdensome" responses (23%, n=158), this result is not statistically significant (z=1.93). The later introduction of the NQF in Western Australia (1 August 2012) may have influenced perceptions of overall burden in that jurisdiction as people responding to the survey were closer to the initial transition period, where the research shows, costs were highest.
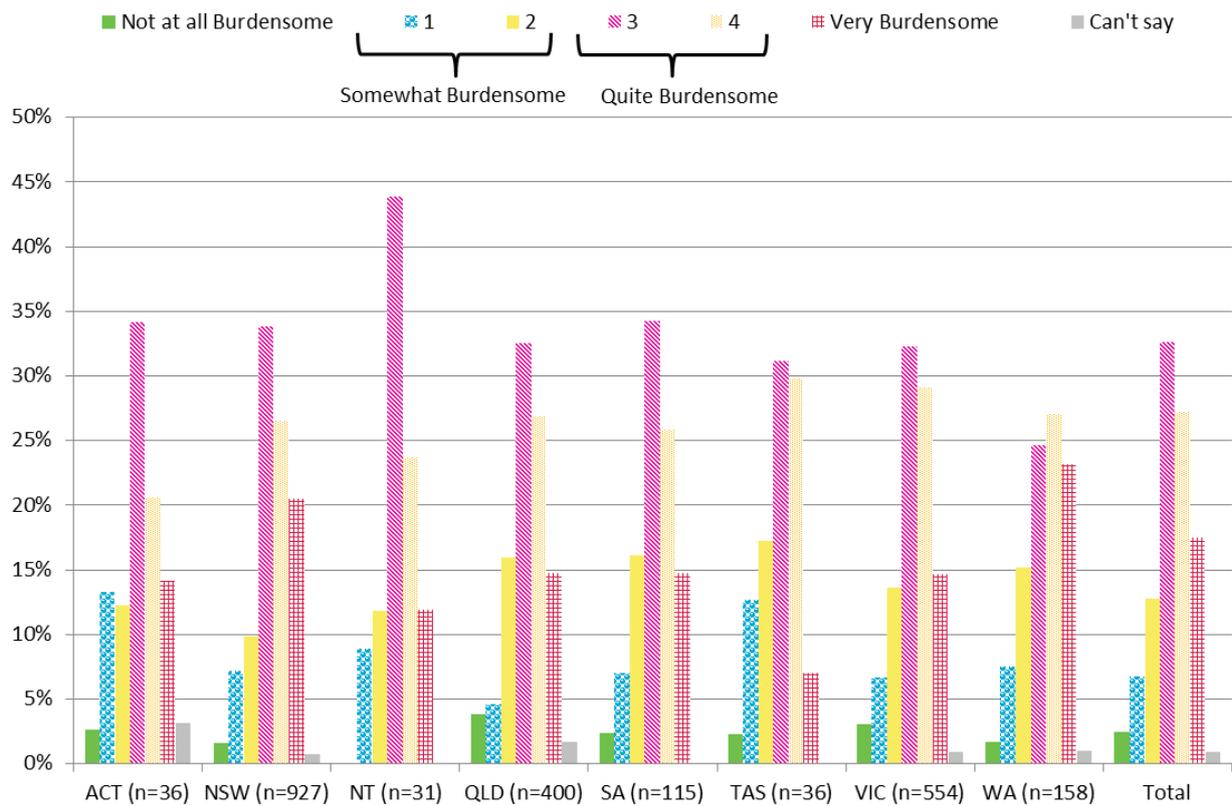
Q11.<u>Overall</u>, how much of a burden are the ongoing administrative requirements of the National Law and Regulations?

n = 2257

Analysis of responses from NSW providers of OSHC services indicated that those providers perceive the NQF administrative requirements as very burdensome overall (z=2.49), compared with NSW providers of other service sub-types.

Analysis of responses from providers in Queensland by service sub-type showed providers of preschool/kindergarten perceive a higher level of burden (4) than Queensland providers of other service sub-types (z=2.32). As noted above, this may be due to these services not previously being regulated under the NCAC's quality assurance model, and explain similar patterns in other jurisdictions.

Responses from providers in Victoria by service sub-type indicated that the most overall administrative burden is perceived by providers of preschool/kindergarten and OSHC services (very burdensome, z=2.29 and z=2.34, respectively), compared with Victorian providers of other service sub-types.

The best possible start in life

**Figure 15: Providers' perception of overall administrative burden, by jurisdiction and service sub-type (NSW, Qld, Vic)**
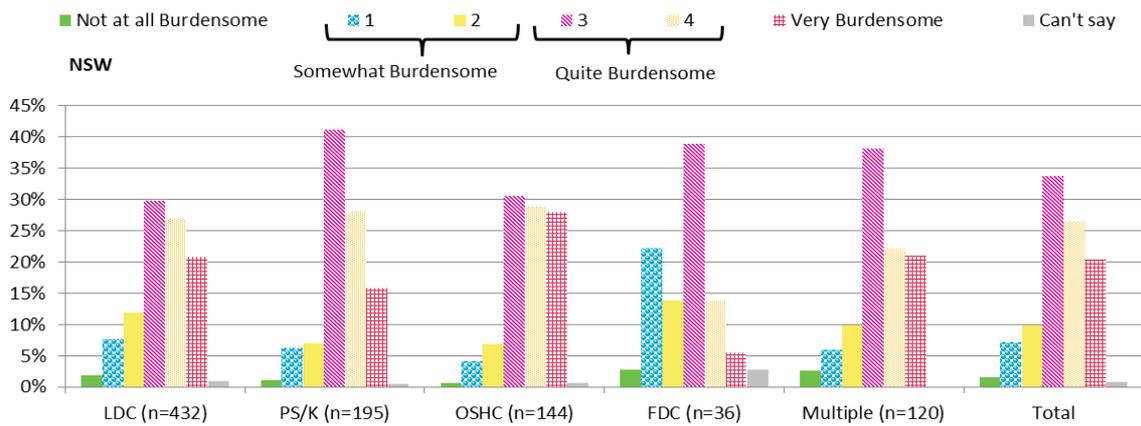
Q11.**Overall**, how much of a burden are the ongoing administrative requirements of the National Law and Regulations?
D1. What type(s) of approved education and care service(s) do you provide or manage?

n = 927
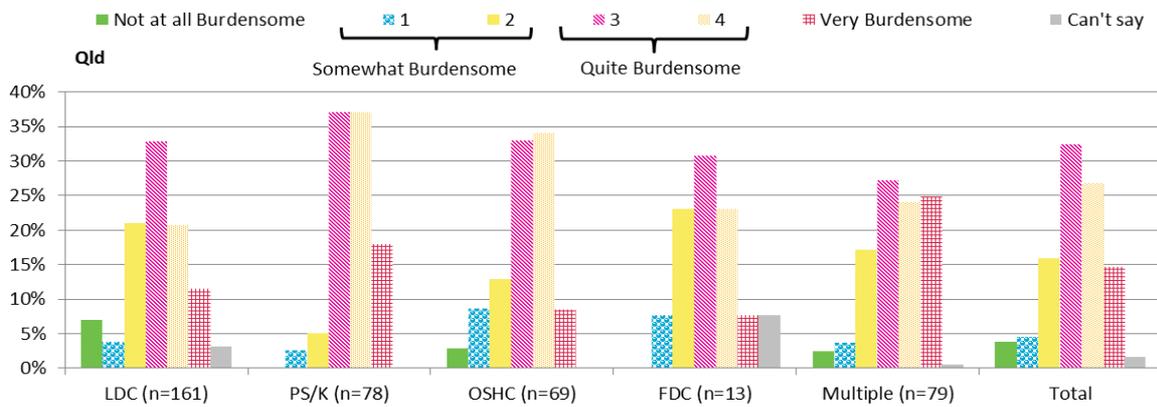
Q11.**Overall**, how much of a burden are the ongoing administrative requirements of the National Law and Regulations?
D1. What type(s) of approved education and care service(s) do you provide or manage?

n = 400

Q11.**Overall**, how much of a burden are the ongoing administrative requirements of the National Law and Regulations?
D1. What type(s) of approved education and care service(s) do you provide or manage?

n = 554

The best possible start in life
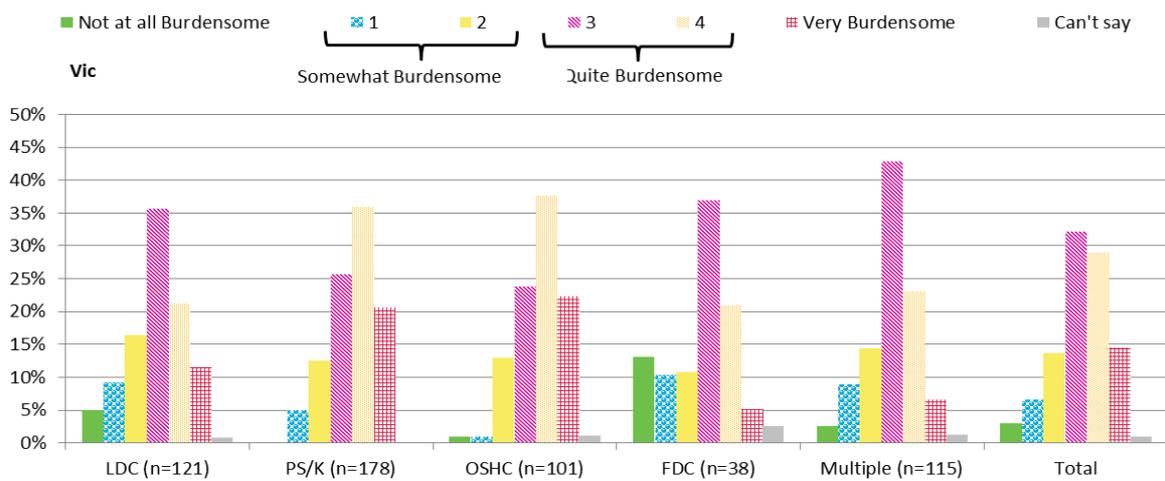
The same level of data disaggregation was attempted for jurisdictions with smaller populations and the results are set out in the charts below. For each of these charts, the service sub-type responses are too few to establish statistical significance.

Proportions presented in the following five graphs represent very small raw numbers, and as such should be interpreted with caution.

**Figure 16: Providers' perception of overall administrative burden by jurisdiction and service sub-type (ACT, NT, SA)**



ACT

Q11.Overall, how much of a burden are the ongoing administrative requirements of the National Law and Regulations?
D1. What type(s) of approved education and care service(s) do you provide or manage?

n = 36



NT

Q11.Overall, how much of a burden are the ongoing administrative requirements of the National Law and Regulations?
D1. What type(s) of approved education and care service(s) do you provide or manage?

n = 31



SA

Q11.Overall, how much of a burden are the ongoing administrative requirements of the National Law and Regulations?
D1. What type(s) of approved education and care service(s) do you provide or manage?

n = 115

47

Q11.Overall, how much of a burden are the ongoing administrative requirements of the National Law and Regulations?
D1. What type(s) of approved education and care service(s) do you provide or manage?                    n = 36



Q11.Overall, how much of a burden are the ongoing administrative requirements of the National Law and Regulations?
D1. What type(s) of approved education and care service(s) do you provide or manage?                    n = 158

The SCM project drew on providers in Victoria and Queensland (this is explained further in section 5.2, Standard Cost Model sample) so findings were not made about the relative costs experienced by providers in each of the eight jurisdictions.

## Approved providers, and providers seeking approval

Analysis of responses from providers seeking approval, compared with the responses of those from approved providers, produced no significant difference.

## Provider management model

The survey asked providers to indicate which of the following ownership models best described their organisation (question D6):

- government (state/territory/local)
- privately managed
- community managed or NFP
- other.

More providers who identify themselves as community managed or NFP perceive the administrative requirements as "quite burdensome" compared to providers with other ownership models, based on those providers selecting (3) (z=2.15) and (4) (z=1.96) on the scale.

*Figure 18: Providers' perception of overall administrative burden, by management model*
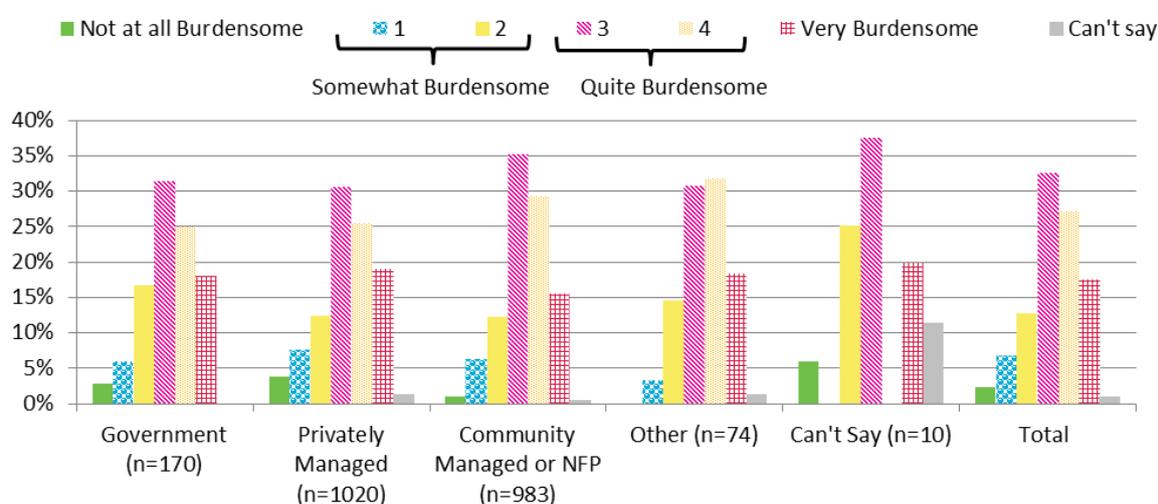


Q11. <u>Overall</u>, how much of a burden are the ongoing administrative requirements of the National Law and Regulations?
D6. Which of the following best describes your (organisation/service)          n = 2257

Community managed or NFP providers perceive a higher level of burden in the provision of preschool/kindergarten, than community managed or NFP providers of other service sub-types, based on those providers selecting (4) (z=12.72) and very burdensome (z=10.37). These providers also perceive a higher level of burden in the provision of OSHC (very burdensome, z=3.31).

A high level of burden is perceived by privately managed providers of LDC and multiple service types. Privately managed providers of LDC are more likely to select (4) (z=12.19) or very burdensome (z=10.02), compared with privately managed providers of other service types. Similarly, those providers of multiple service types are more likely to select (4) (z=2.98) and very burdensome (z=3.85).

The best possible start in life

***Figure 19: Level of providers' perception of overall administrative burden, by management model and service sub-type***
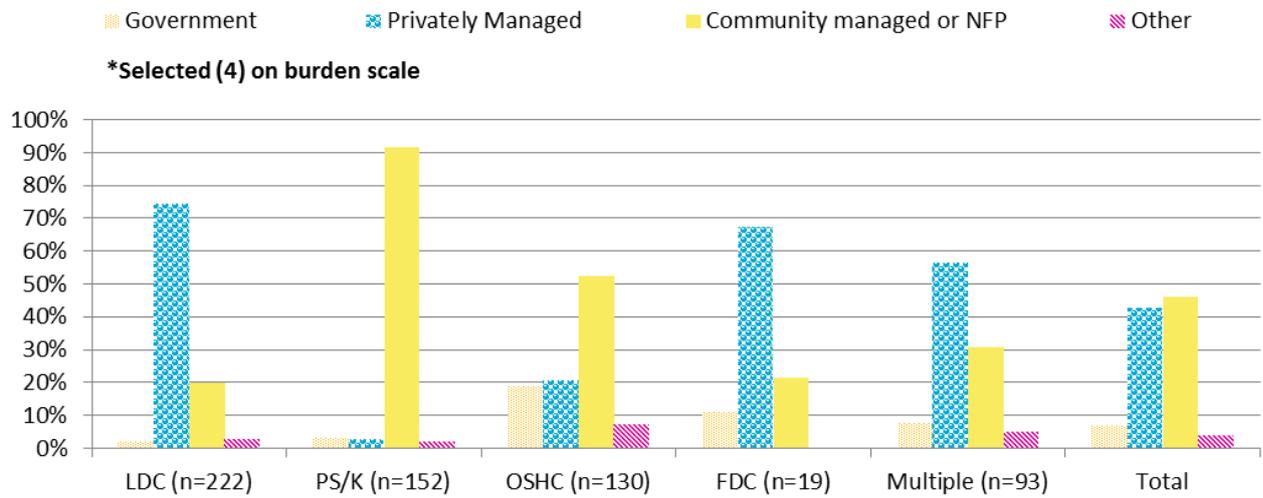


Government   Privately Managed   Community managed or NFP   Other

*Selected (4) on burden scale

Q11.<u>Overall</u>, how much of a burden are the ongoing administrative requirements of the National Law and Regulations?
D6. Which of the following best describes your (organisation/service)
D1. What type(s) of approved education and care service(s) do you provide or manage?

n = 616



Government   Privately Managed   Community managed or NFP   Other   Can't say

*Selected (5) on burden scale
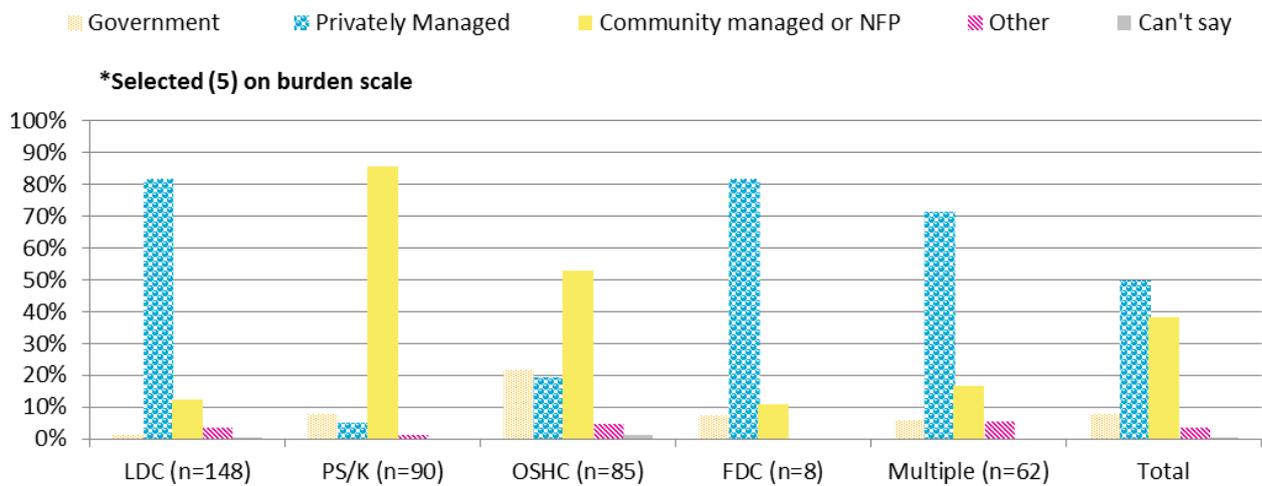
Q11.<u>Overall</u>, how much of a burden are the ongoing administrative requirements of the National Law and Regulations?
D6. Which of the following best describes your (organisation/service)
D1. What type(s) of approved education and care service(s) do you provide or manage?

n = 393

The SCM sample included providers from a cross section of management models (see Appendix B of the SCM report) however no findings were made specific to provider management model.

The best possible start in life

# What other factors influence perceptions of burden?

## Assessment and rating

Analysis shows providers who perceive the most burden are those who have not been visited and have not been notified of an upcoming visit (z=2.17). Providers whose services have been visited and/or have received their quality rating, perceive some lower level burden (based on those providers selecting (2) on the scale (z=4.10)).

*Figure 20: Providers' perception of the overall level of burden, by assessment and rating*
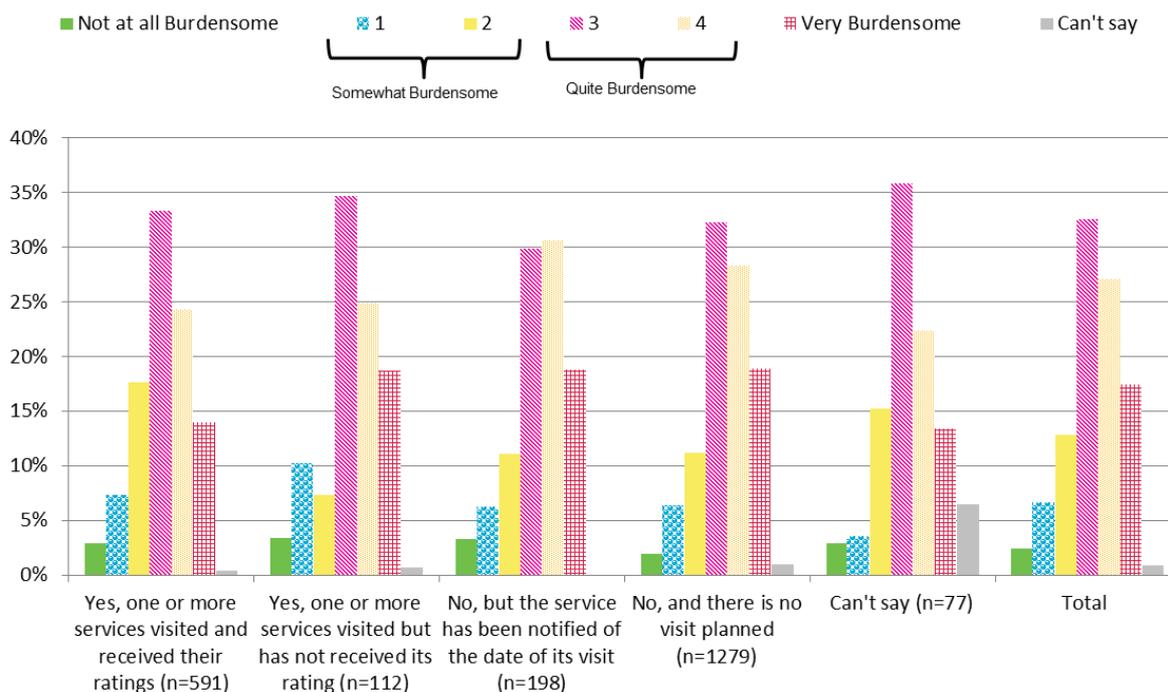


Q11.<u>Overall</u>, how much of a burden are the ongoing administrative requirements of the National Law and Regulations?
Q8. Have any of your services had a quality assessment and ratings visit under the NQF?

n = 2257

## Years of operation

The survey asked providers how long their organisation/service had been providing education and care. Providers whose service/s have been providing education and care for 1-10 years perceive less burden associated with overall administrative requirements, than providers whose service/s have been providing education and care for more than 10 years (based on those providers selecting (4) on the scale (z= -2.11)).

## SEIFA / ARIA index

Nominated supervisors from services with a high SEIFA rating (indicating a less disadvantaged area) perceive more burden than those from services in locations with lower SEIFA ratings (very burdensome, z=2.17, and respondents selecting (4) on the scale, z=2.45). This correlated with responses from nominated supervisors in services in major cities (respondents selecting (4) on the scale, z=2.84), compared with responses from nominated supervisors in regional and remote areas.

The best possible start in life

## Previous regulatory system

The greatest amount of overall administrative burden is perceived by providers who said that they formerly operated under just a state/territory licensing and standards system (very burdensome, z=2.62).

*Figure 21: Providers' perception of overall administrative burden, by former regulatory system*
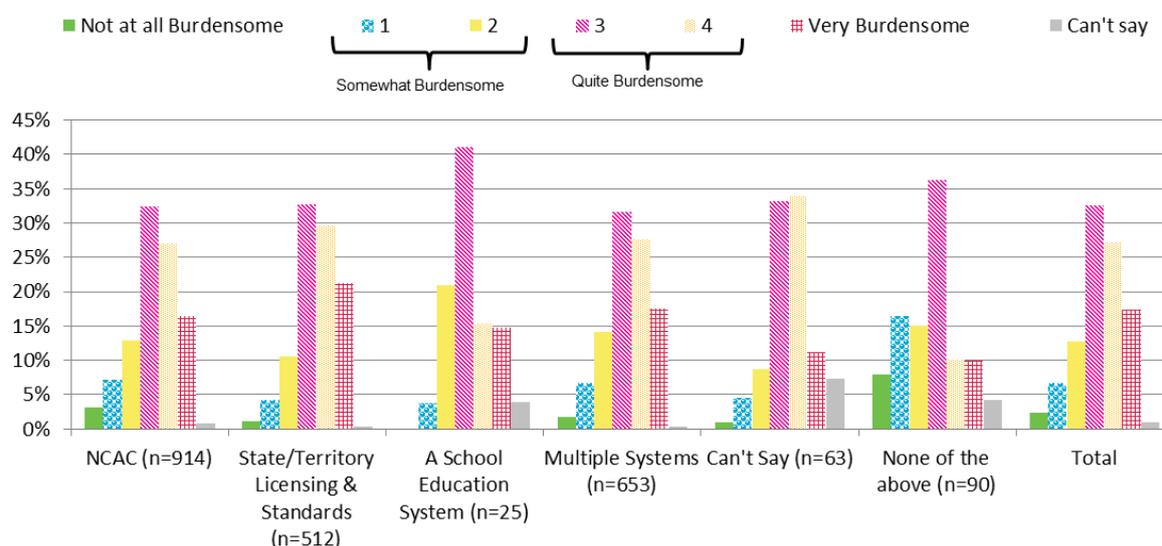


Q11. **Overall**, how much of a burden are the ongoing administrative requirements of the National Law and Regulations?
D5. Before the NQF was introduced, did (your organisation/your service) operate under the following regulatory systems?

n = 2257

However, when responses were analysed based on the former regulatory system (survey question D5) against the service sub-type delivered by the provider (survey question D1), significant differences emerged in responses from providers who formerly operated under the NCAC or multiple regulatory systems.

Providers of LDC services who formerly operated under multiple regulatory systems generally perceive greater burden than providers of other service sub-types which formerly operated under multiple regulatory systems, based on their selecting (4) (z=3.59) or very burdensome (z=6.05). Providers of LDC who formerly operated under the NCAC also perceive a higher level of burden, based on their selecting (4) (z=6.95) on the scale.

Providers of OSHC services who formerly operated under the NCAC perceive ongoing administrative requirements as quite burdensome (based on their selecting (4) (z=4.90)), or very burdensome (z=7.08), compared with providers of other service sub-types formerly regulated under the NCAC.

Lastly, those providers of multiple service sub-types who formerly operated under multiple regulatory systems perceive ongoing administrative requirements as quite burdensome (based on their selecting (4) (z=5.40)) or very burdensome (z=4.07), compared with providers of a single service sub-type under multiple regulatory systems.

The best possible start in life

**Figure 22: Level of overall administrative burden perceived by providers, by former regulatory system and service sub-type**

Legend: National Childcare Accreditation Council · State/Territory Licensing & Standards · A School Education System · Multiple Systems · Can't Say · None of the above



*Selected (4) on burden scale

Q11. Overall, how much of a burden are the ongoing administrative requirements of the National Law and Regulations?
D5. Before the NQF was introduced did (your organisation/your service) operate under the following regulatory systems?
D1. What type(s) of approved education and care service(s) do you provide or manage?

n = 616



*Selected (5) on burden scale

Q11. Overall, how much of a burden are the ongoing administrative requirements of the National Law and Regulations?
D5. Before the NQF was introduced did (your organisation/your service) operate under the following regulatory systems?
D1. What type(s) of approved education and care service(s) do you provide or manage?

n = 393
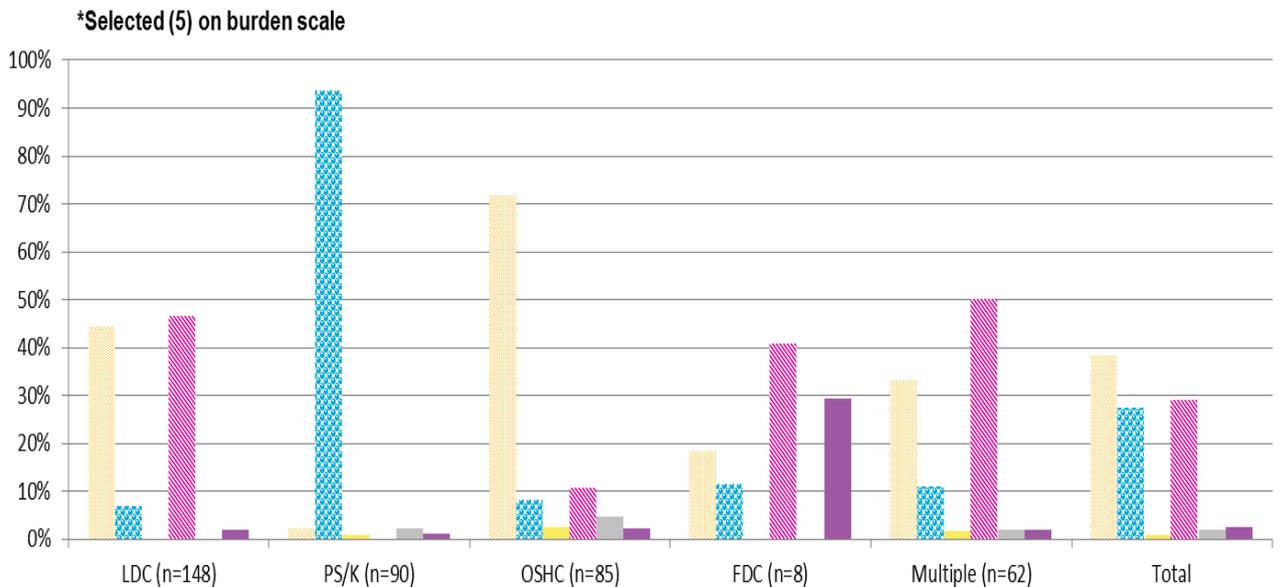
53

## 6.4  Has administrative burden reduced since the introduction of the NQF?

Providers and nominated supervisors were asked how strongly they agreed or disagreed with the following statements about the ongoing administrative requirements of the National Law and Regulations:

- Administrative burden has reduced since the introduction of the National Law and Regulations (question 10A)
- The administrative requirements of the National Law and Regulations are simpler than previous licensing and accreditation systems (question 10E).

Providers and supervisors responded on a scale[8] from 'strongly disagree' to 'strongly agree'. To identify the transitional burden perceived by providers and nominated supervisors, these respondents were also asked about the level of burden at the time of the survey compared with what they experienced in 2012. Transitional burden is addressed in the next section of this report (section 6.5 What requirements are most burdensome?).

The analysis below focuses on responses to the above two statements. Analysis of the responses found that 65 per cent of providers disagree administrative burden has reduced since the introduction of the National Law and Regulations (32 per cent somewhat, and 33 per cent strongly) (n=2257).

*Figure 23: Provider responses to the statement "Administrative burden has reduced since the introduction of the National Law and Regulations"*
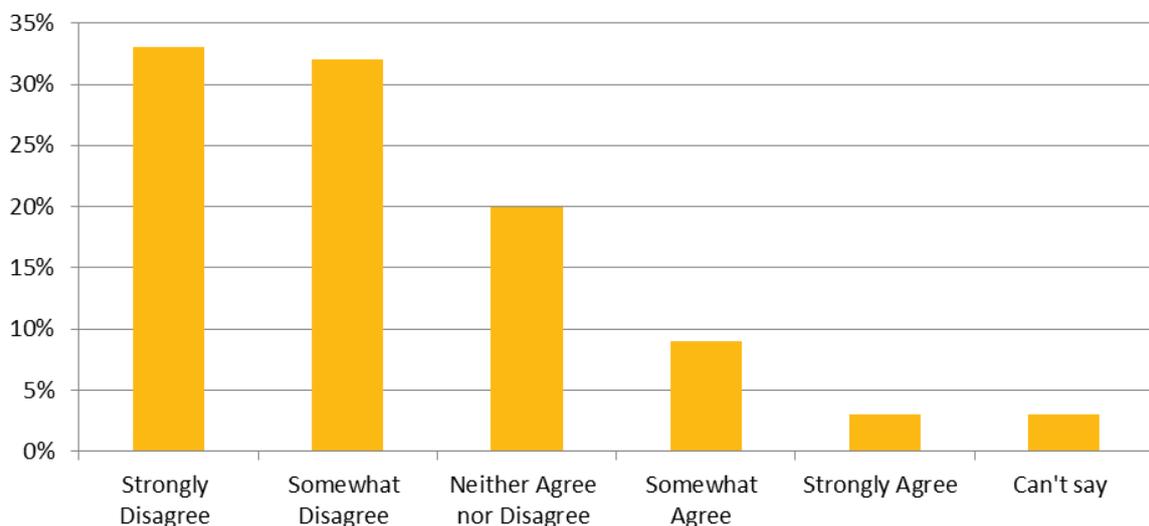


Q10A. Focussing on ongoing administrative requirements (rather than one-off activities), please tell us how strongly you agree or disagree with the following statements? *Administrative burden has reduced since the introduction of the National Law and Regulations.*

n=2257

---

[8] The 'Likert' scale was used to measure attitudes using answer choices that range from one extreme to another (for example, not at all likely to extremely likely). Unlike a simple "yes / no" question, a Likert scale allows reporting of degrees of opinion.

The best possible start in life

Forty-two per cent of providers disagree that administrative requirements of the National Law are simpler than previous licensing and accreditation systems (33 per cent "strongly disagree", 32 per cent "somewhat disagree").

*Figure 24: Provider responses to the statement "The administrative requirements of the National Law and Regulations are simpler than the previous licensing and accreditation systems"*
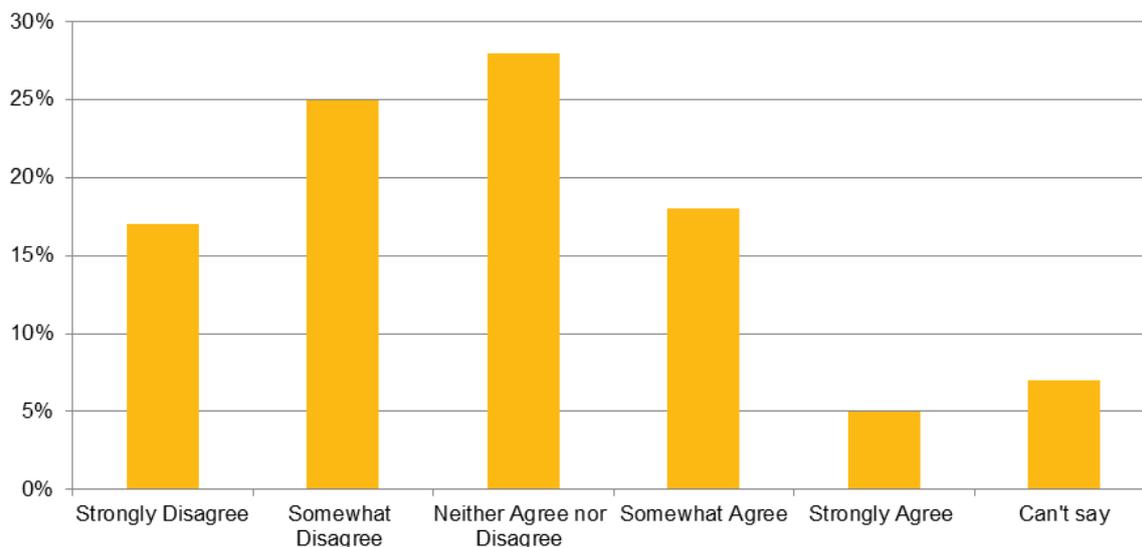


Q10E. Focussing on ongoing administrative requirements (rather than one-off activities), please tell us how strongly you agree or disagree with the following statements? *The administrative requirements of the National Law and Regulations are simpler than the previous licensing and accreditation systems.* n=2257

## Who perceives the burden?

### Service type (centre-based, family day care, or both)

Providers and nominated supervisors of both centre-based and FDC services somewhat disagree that administrative burden has reduced since the introduction of the National Law and Regulations (z=2.86), compared with providers of a single service type. However, there is no significant difference based on service type in response to the statement "The administrative requirements of the National Law and Regulations are simpler than the previous licensing and accreditation systems".

### Provider size

Analysis found that, while there is no significant difference based on provider size in response to the statement "Administrative burden has reduced since the introduction of the National Law and Regulations", large providers (operating ten or more services) disagree the administrative requirements of the National Law and Regulations are simpler than the previous licensing and accreditation systems (z=2.45), compared with medium providers (two to nine services) or small providers (one service).

## Jurisdiction

Responses to the two statements are shown by jurisdiction in Figure 25 and Figure 26, below.

Consistent with responses to survey question 11, (section 6.3 Overall, how much of a burden is the NQF?) providers in NSW strongly disagree with the statement "Administrative burden has reduced since the introduction of the National Law and Regulations" (z=2.75), compared with providers from other jurisdictions. Queensland providers disagree administrative requirements are simpler, as evidenced by their selecting "somewhat disagree" (z=2.93) or "strongly disagree" (z=3.54).

Providers in Victoria are more moderate compared to other jurisdictions when asked to comment on the statement that "Administrative requirements of the National Law and Regulations are simpler than the previous licensing and accreditation systems".

*Figure 25: Provider responses to the statement "Administrative burden has reduced since the introduction of the National Law and Regulations", by jurisdiction*
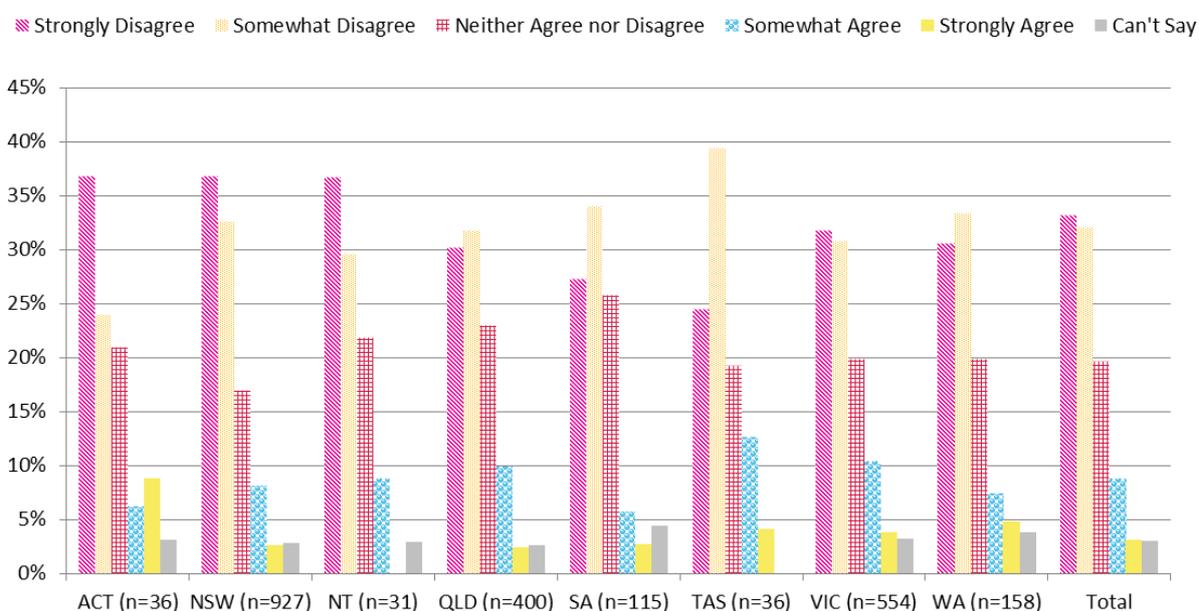


Q10A. Focussing on ongoing administrative requirements (rather than one-off activities), please tell us how strongly you agree or disagree with the following statements? *Administrative burden has reduced since the introduction of the National Law and Regulations.*

n = 2257

Consistent with responses to survey question 11, providers in NSW strongly disagree with the statement "Administrative requirements of the National Law and Regulations are simpler than previous licensing and accreditation systems" (z=3.24), compared with providers from other jurisdictions.

Providers in Queensland who previously operated under state licensing and standards strongly disagree administrative burden has reduced since the introduction of the National Law and Regulations (z=2.95). Queensland providers who formerly operated under multiple regulatory systems tend to either be neutral (z=5.79) or disagree that administrative burden has reduced, by selecting "somewhat disagree" (z=5.16) or "strongly disagree" (z=4.93), compared with providers whose services previously operated under a single regulatory system (or none). Conversely, Queensland providers who formerly operated under multiple systems somewhat

The best possible start in life

agree the administrative requirements of the National Law and Regulations are simpler than the previous licensing and accreditation systems (z=2.61).

Providers in Victoria are less likely to answer "strongly disagree" (z= -3.41) than providers from other jurisdictions.

*Figure 26: Provider responses to the statement "The administrative requirements of the National Law and Regulations are simpler than the previous licensing and accreditation systems", by jurisdiction*
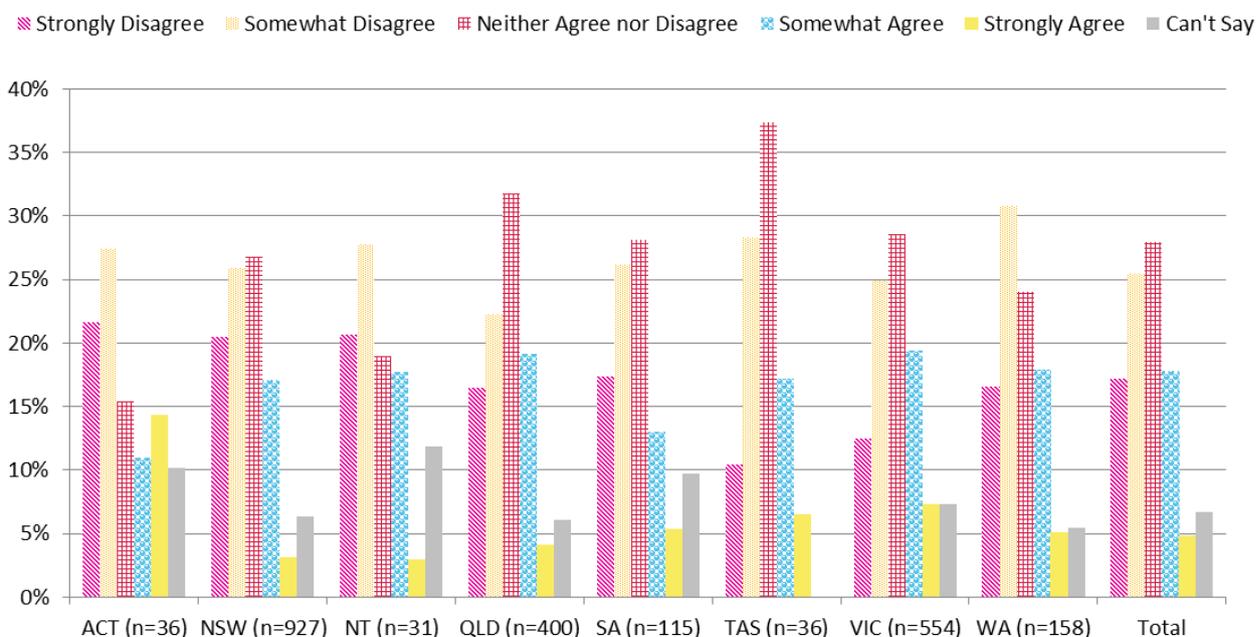


Legend: ▨ Strongly Disagree  ▨ Somewhat Disagree  ▦ Neither Agree nor Disagree  ▨ Somewhat Agree  ▨ Strongly Agree  ▨ Can't Say

**Q10E. Focussing on ongoing administrative requirements (rather than one-off activities), please tell us how strongly you agree or disagree with the following statements?** *The administrative requirements of the National Law and regulations are simpler than the previous licensing and accreditation systems*

n = 2257

### NSW

As noted above, prior to 1 January 2012, OSHC services in NSW were not regulated under the state licensing system. Analysis of responses from NSW providers of OSHC services found that this group strongly disagree administrative burden has reduced (z=2.24), compared with NSW providers of other service sub-types. These providers are also more likely to strongly disagree administrative requirements are simpler (z=3.56). This is shown in Figure 27 and Figure 28.

Some significant difference also emerged in responses from NSW providers of preschool / kindergarten and LDC services to the statement "Administrative burden has reduced since the introduction of the National Law and Regulations". Providers of preschool / kindergarten somewhat disagree administrative burden has reduced (z=2.31), and providers of LDC are neutral (z=3.21). However, no significant differences emerged in these groups in response to the statement "The administrative requirements of the National Law and Regulations are simpler than previous regulatory systems".

NSW providers who indicated that they had formerly operated under multiple regulatory systems strongly disagree administrative requirements are simpler (z=2.02), compared with NSW providers who indicated they had formerly operated under a single regulatory system (or none at all).

No significant difference was identified when comparing NSW providers who indicated that they had formerly operated under the NCAC regulatory system, with NSW providers who had formerly operated under other regulatory systems (or none at all).

## Queensland

Queensland providers of preschool/kindergarten strongly disagree administrative burden has reduced since the introduction of the National Law and Regulations (z=2.53), compared with Queensland providers of other service sub-types. These providers are also more likely to disagree administrative requirements are simpler, by selecting "somewhat disagree" (z=2.50), or "strongly disagree" (z=4.12). Queensland providers of LDC were neutral in response to both statements (z=3.30 and z=2.31, respectively), compared with providers of other service sub-types. This is shown in Figure 29 and Figure 30.

## Victoria

Analysis of responses from Victorian providers by service sub-type found that preschools/kindergarten providers strongly disagree administrative burden has reduced since the introduction of the National Law and Regulations, compared with providers of other service sub-types. Providers who delivered multiple service sub-types tend to be neutral (z=2.87), however, those same providers somewhat disagree administrative requirements are simpler (z=1.97). This is shown in Figure 31 and Figure 32.

Victorian providers who formerly operated under state licensing and standards strongly disagree administrative burden has reduced (z=5.08), compared with providers who formerly operated under other regulatory systems (or none). Victorian providers who formerly operated under multiple systems are either neutral (z=4.07) or disagree administrative burden has reduced, by selecting "somewhat disagree" (z=4.37) or "strongly disagree" (z=3.04). These providers are also more likely to somewhat disagree administrative requirements are simpler (z=1.97).

## Other jurisdictions

As with perceptions of overall administrative burden, the same level of data disaggregation was completed for jurisdictions with smaller populations and the results are set out from Figure 33 to Figure 42. For each of these charts, the disaggregated responses are too few to establish technical statistical significance.

Proportions presented for these charts represent very small raw numbers, and as such should be interpreted with caution.

***Figure 27: NSW provider responses to the statement "Administrative burden has reduced since the introduction of the National Law and Regulations" by service sub-type and former regulatory system***

**NSW**
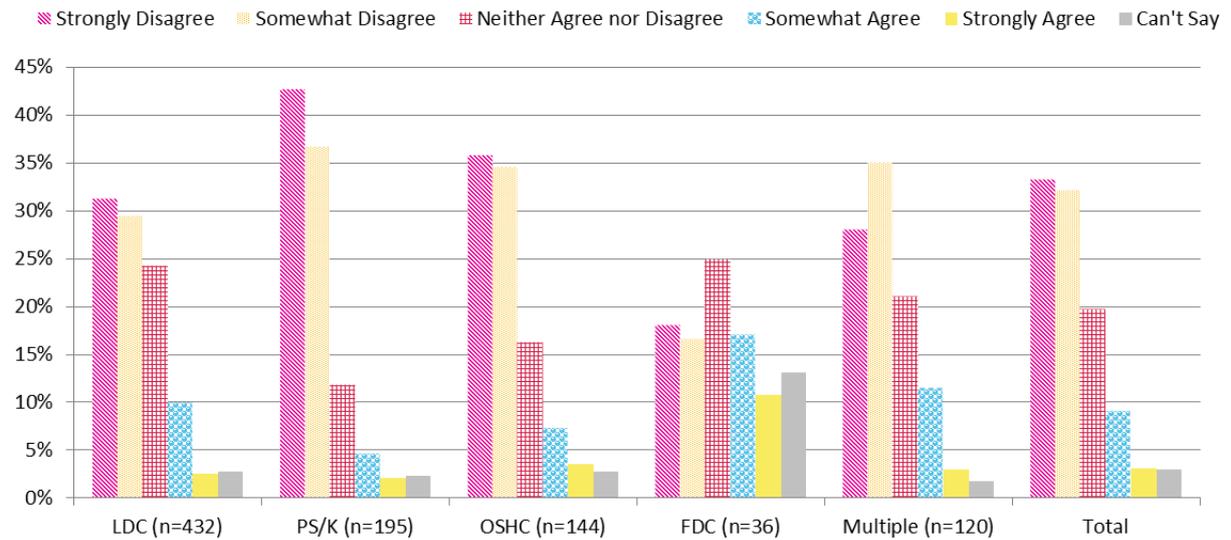


Q10A. Focussing on ongoing administrative requirements (rather than one-off activities), please tell us how strongly you agree or disagree with the following statements? *Administrative burden has reduced since the introduction of the National Law and Regulations.*

**D1. What type(s) of approved education and care service(s) do you provide or manage?**

n = 927

**NSW**



Q10A. Focussing on ongoing administrative requirements (rather than one-off activities), please tell us how strongly you agree or disagree with the following statements? *Administrative burden has reduced since the introduction of the National Law and Regulations.*

**D5. Before the NQF was introduced did (your organisation/your service) operate under the following regulatory systems?**

n = 927

The best possible start in life

**Figure 28: NSW provider responses to statement "Administrative requirements are simpler than the previous licensing and accreditation systems" by service sub-type and former regulatory system**

**NSW**



Q10E. Focussing on ongoing administrative requirements (rather than one-off activities), please tell us how strongly you agree or disagree with the following statements? *The administrative requirements of the National Law and Regulations are simpler than the previous licensing and accreditation systems*

D1. What type(s) of approved education and care service(s) do you provide or manage?

n = 927

**NSW**



Q10E. Focussing on ongoing administrative requirements (rather than one-off activities), please tell us how strongly you agree or disagree with the following statements? *The administrative requirements of the National Law and Regulations are simpler than the previous licensing and accreditation systems*

D5. Before the NQF was introduced did (your organisation/your service) operate under the following regulatory systems?

n = 927

The best possible start in life

**Qld**



Q10A. Focussing on ongoing administrative requirements (rather than one-off activities), please tell us how strongly you agree or disagree with the following statements? *Administrative burden has reduced since the introduction of the National Law and Regulations.*

D1. What type(s) of approved education and care service(s) do you provide or manage?

n = 400

**Qld**



Q10A. Focussing on ongoing administrative requirements (rather than one-off activities), please tell us how strongly you agree or disagree with the following statements? *Administrative burden has reduced since the introduction of the National Law and Regulations.*

D5. Before the NQF was introduced did (your organisation/your service) operate under the following regulatory systems?

n = 400

The best possible start in life

*Figure 30: QLD provider responses to the statement "Administrative requirements of the National Law and Regulations are simpler than the previous licensing and accreditation systems", by service sub-type and former regulatory system*



**Qld**

Legend: Strongly Disagree, Somewhat Disagree, Neither Agree nor Disagree, Somewhat Agree, Strongly Agree, Can't Say

Categories: LDC, PS/K, OSHC, FDC, Multiple, Total

**Q10E. Focussing on ongoing administrative requirements (rather than one-off activities), please tell us how strongly you agree or disagree with the following statements?** *The administrative requirements of the National Law and Regulations are simpler than the previous licensing and accreditation systems*
**D1. What type(s) of approved education and care service(s) do you provide or manage?**

n = 400



**Qld**

Legend: Strongly Disagree, Somewhat Disagree, Neither Agree nor Disagree, Somewhat Agree, Strongly Agree, Can't Say

Categories: NCAC, State/Territory Licensing & Standards, A School Education System, Multiple Systems, Can't Say, None of the above, Total

**Q10E. Focussing on ongoing administrative requirements (rather than one-off activities), please tell us how strongly you agree or disagree with the following statements?** *The administrative requirements of the National Law and Regulations are simpler than the previous licensing and accreditation systems*
**D5. Before the NQF was introduced did (your organisation/your service) operate under the following regulatory systems?**

n = 400

The best possible start in life

*Figure 31: Victorian provider responses to the statement "Administrative burden has reduced since the introduction of the National Law and Regulations", by service sub-type and former regulatory system*

**Vic**
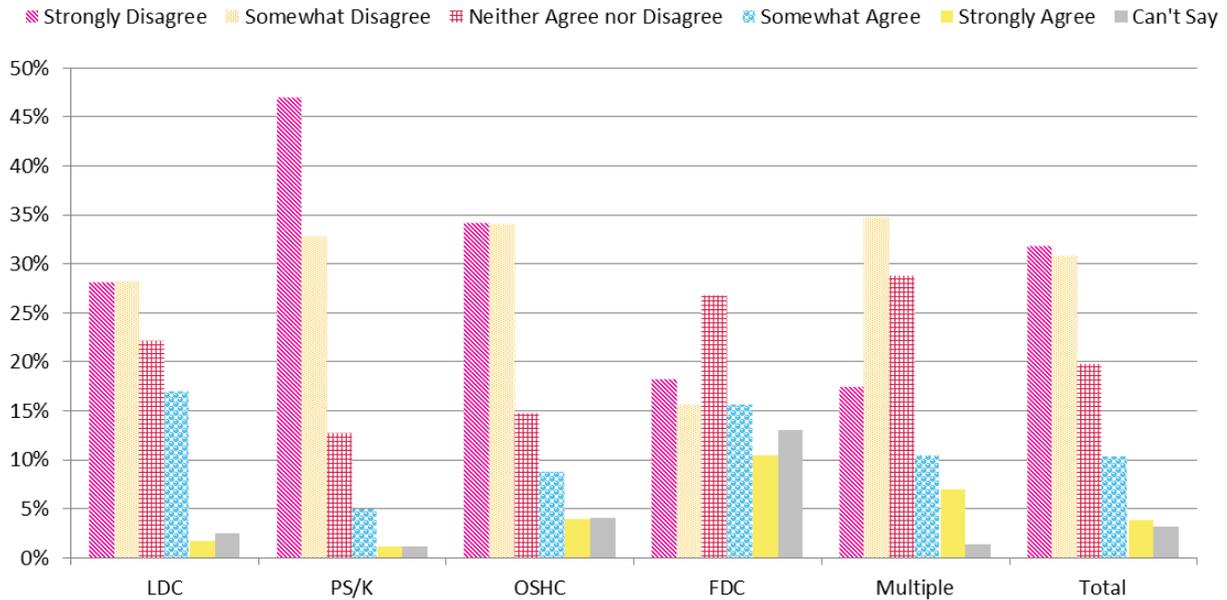


**Q10A. Focussing on ongoing administrative requirements (rather than one-off activities), please tell us how strongly you agree or disagree with the following statetements?** *Administrative burden has reduced since the introduction of the National Law and Regulations.*

**D1. What type(s) of approved education and care service(s) do you provide or manage?**

n = 554

**Vic**



**Q10A. Focussing on ongoing administrative requirements (rather than one-off activities), please tell us how strongly you agree or disagree with the following statetements?** *Administrative burden has reduced since the introduction of the National Law and Regulations.*

**D5. Before the NQF was introduced did (your organisation/your service) operate under the following regulatory systems?**

n = 554

The best possible start in life

**Vic**



Q10E. Focussing on ongoing administrative requirements (rather than one-off activities), please tell us how strongly you agree or disagree with the following statements? *The administrative requirements of the National Law and Regulations are simpler than the previous licensing and accreditation systems*
**D1. What type(s) of approved education and care service(s) do you provide or manage?**                    n = 554

**Vic**



Q10E. Focussing on ongoing administrative requirements (rather than one-off activities), please tell us how strongly you agree or disagree with the following statements? *The administrative requirements of the National Law and Regulations are simpler than the previous licensing and accreditation systems*
**D5. Before the NQF was introduced did (your organisation/your service) operate under the following regulatory systems?**                    n = 554

**Note**: The following charts involve data disaggregation for jurisdictions with smaller populations. Proportions presented for these charts represent very small raw numbers, and as such should be interpreted with caution.

*Figure 33: ACT provider responses to the statement "Administrative burden has reduced since the introduction of the National Law and Regulations" by service sub-type and former regulatory system*



**ACT**

Strongly Disagree   Somewhat Disagree   Neither Agree nor Disagree   Somewhat Agree   Strongly Agree   Can't Say

Q10A. Focussing on ongoing administrative requirements (rather than one-off activities), please tell us how strongly you agree or disagree with the following statements? *Administrative burden has reduced since the introduction of the National Law and Regulations.*
**D1. What type(s) of approved education and care service(s) do you provide or manage?**

n = 36



**ACT**

Strongly Disagree   Somewhat Disagree   Neither Agree nor Disagree   Somewhat Agree   Strongly Agree   Can't Say

Q10A. Focussing on ongoing administrative requirements (rather than one-off activities), please tell us how strongly you agree or disagree with the following statements? *Administrative burden has reduced since the introduction of the National Law and Regulations.*
**D5. Before the NQF was introduced did (your organisation/your service) operate under the following regulatory systems?**

n = 36

The best possible start in life

**Figure 34: ACT provider responses to the statement "Administrative requirements of the National Law and Regulations are simpler than the previous licensing and accreditation systems", by service sub-type and former regulatory system**

## ACT

Strongly Disagree | Somewhat Disagree | Neither Agree nor Disagree | Somewhat Agree | Strongly Agree | Can't Say



Q10E. Focussing on ongoing administrative requirements (rather than one-off activities), please tell us how strongly you agree or disagree with the following statements? *The administrative requirements of the National Law and Regulations are simpler than the previous licensing and accreditation systems*

D1. What type(s) of approved education and care service(s) do you provide or manage?

n = 36

## ACT

Strongly Disagree | Somewhat Disagree | Neither Agree nor Disagree | Somewhat Agree | Strongly Agree | Can't Say



Q10E. Focussing on ongoing administrative requirements (rather than one-off activities), please tell us how strongly you agree or disagree with the following statements? *The administrative requirements of the National Law and Regulations are simpler than the previous licensing and accreditation systems*

D5. Before the NQF was introduced did (your organisation/your service) operate under the following regulatory systems?

n = 36

The best possible start in life

*Figure 35: NT provider responses to the statement "Administrative burden has reduced since the introduction of the National Law and Regulations" by service sub-type and former regulatory system*

**NT**

Strongly Disagree  Somewhat Disagree  Neither Agree nor Disagree  Somewhat Agree  Strongly Agree  Can't Say



Q10A. Focussing on ongoing administrative requirements (rather than one-off activities), please tell us how strongly you agree or disagree with the following statements? *Administrative burden has reduced since the introduction of the National Law and Regulations.*
D1. What type(s) of approved education and care service(s) do you provide or manage?

n = 31

**NT**

Strongly Disagree  Somewhat Disagree  Neither Agree nor Disagree  Somewhat Agree  Strongly Agree  Can't Say



Q10A. Focussing on ongoing administrative requirements (rather than one-off activities), please tell us how strongly you agree or disagree with the following statements? *Administrative burden has reduced since the introduction of the National Law and Regulations.*
D5. Before the NQF was introduced did (your organisation/your service) operate under the following regulatory systems?

n = 31

The best possible start in life

***Figure 36: NT provider responses to the statement "Administrative requirements of the National Law and Regulations are simpler than the previous licensing and accreditation systems", by service sub-type and former regulatory system***

**NT**



Q10E. Focussing on ongoing administrative requirements (rather than one-off activities), please tell us how strongly you agree or disagree with the following statements? *The administrative requirements of the National Law and Regulations are simpler than the previous licensing and accreditation systems*
D1. What type(s) of approved education and care service(s) do you provide or manage?

n = 31

**NT**



Q10E. Focussing on ongoing administrative requirements (rather than one-off activities), please tell us how strongly you agree or disagree with the following statements? *The administrative requirements of the National Law and Regulations are simpler than the previous licensing and accreditation systems*
D5. Before the NQF was introduced did (your organisation/your service) operate under the following regulatory systems?

n = 31

The best possible start in life

**Figure 37: SA provider responses to the statement "Administrative burden has reduced since the introduction of the National Law and Regulations", by service sub-type and former regulatory system**

SA
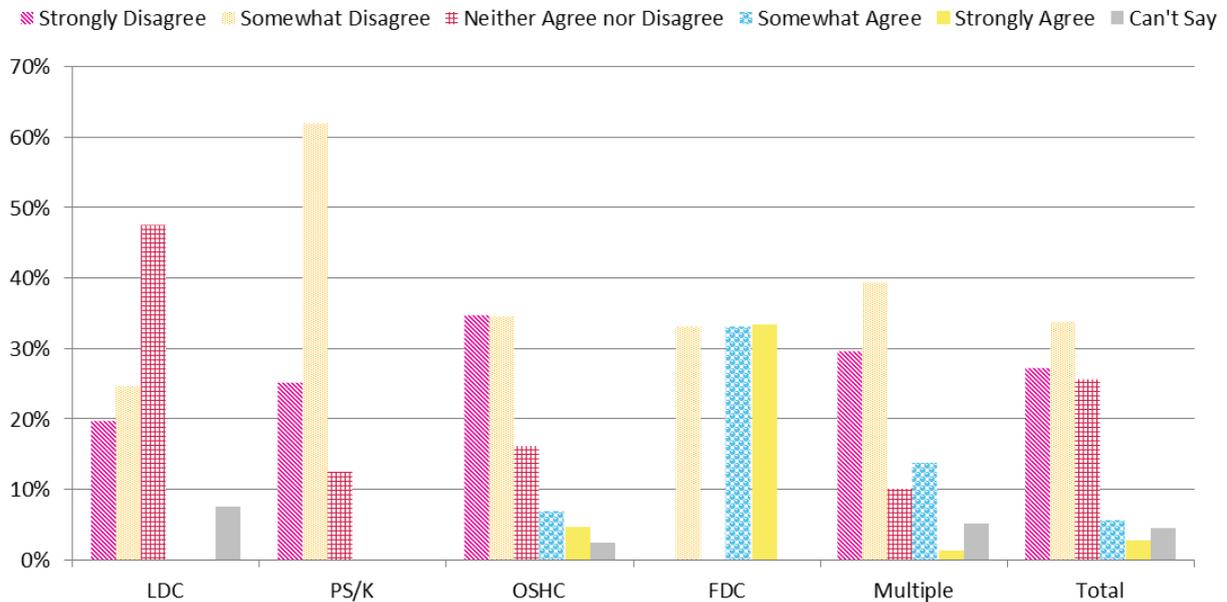


Q10A. Focussing on ongoing administrative requirements (rather than one-off activities), please tell us how strongly you agree or disagree with the following statements? *Administrative burden has reduced since the introduction of the National Law and Regulations.*
D1. What type(s) of approved education and care service(s) do you provide or manage?

n = 115

SA



Q10A. Focussing on ongoing administrative requirements (rather than one-off activities), please tell us how strongly you agree or disagree with the following statements? *Administrative burden has reduced since the introduction of the National Law and Regulations.*
D5. Before the NQF was introduced did (your organisation/your service) operate under the following regulatory systems?

n = 115

The best possible start in life

*Figure 38: SA provider responses to the statement "Administrative requirements of the National Law and Regulations are simpler than the previous licensing and accreditation systems", by service sub-type and former regulatory system*

## SA



Q10E. Focussing on ongoing administrative requirements (rather than one-off activities), please tell us how strongly you agree or disagree with the following statements? *The administrative requirements of the National Law and Regulations are simpler than the previous licensing and accreditation systems*
**D1. What type(s) of approved education and care service(s) do you provide or manage?**

n = 115

## SA



Q10E. Focussing on ongoing administrative requirements (rather than one-off activities), please tell us how strongly you agree or disagree with the following statements? *The administrative requirements of the National Law and Regulations are simpler than the previous licensing and accreditation systems*
**D5. Before the NQF was introduced did (your organisation/your service) operate under the following regulatory systems?**

n = 115

The best possible start in life

***Figure 39: Tasmanian provider responses to the statement "Administrative burden has reduced since the introduction of the National Law and Regulations", by service sub-type and former regulatory system***



Q10A. Focussing on ongoing administrative requirements (rather than one-off activities), please tell us how strongly you agree or disagree with the following statements? *Administrative burden has reduced since the introduction of the National Law and Regulations.*

**D1. What type(s) of approved education and care service(s) do you provide or manage?**

n = 36



Q10A. Focussing on ongoing administrative requirements (rather than one-off activities), please tell us how strongly you agree or disagree with the following statements? *Administrative burden has reduced since the introduction of the National Law and Regulations.*

**D5. Before the NQF was introduced did (your organisation/your service) operate under the following regulatory systems?**

n = 36

71

The best possible start in life

**Tas**



Q10E. Focussing on ongoing administrative requirements (rather than one-off activities), please tell us how strongly you agree or disagree with the following statements? *The administrative requirements of the National Law and Regulations are simpler than the previous licensing and accreditation systems*

D1. What type(s) of approved education and care service(s) do you provide or manage?

n = 36

**Tas**



Q10E. Focussing on ongoing administrative requirements (rather than one-off activities), please tell us how strongly you agree or disagree with the following statements? *The administrative requirements of the National Law and Regulations are simpler than the previous licensing and accreditation systems*

D5. Before the NQF was introduced did (your organisation/your service) operate under the following regulatory systems?

n = 36

72

*Figure 41: WA provider responses to the statement "Administrative burden has reduced since the introduction of the National Law and Regulations", by service sub-type and former regulatory system*

**WA**

Strongly Disagree ▪ Somewhat Disagree ▪ Neither Agree nor Disagree ▪ Somewhat Agree ▪ Strongly Agree ▪ Can't Say

**Q10A. Focussing on ongoing administrative requirements (rather than one-off activities), please tell us how strongly you agree or disagree with the following statements?** *Administrative burden has reduced since the introduction of the National Law and Regulations.*
**D1. What type(s) of approved education and care service(s) do you provide or manage?**

n = 158

**WA**

Strongly Disagree ▪ Somewhat Disagree ▪ Neither Agree nor Disagree ▪ Somewhat Agree ▪ Strongly Agree ▪ Can't Say

**Q10A. Focussing on ongoing administrative requirements (rather than one-off activities), please tell us how strongly you agree or disagree with the following statements?** *Administrative burden has reduced since the introduction of the National Law and Regulations.*
**D5. Before the NQF was introduced did (your organisation/your service) operate under the following regulatory systems?**

n = 158

73

The best possible start in life

**Figure 42: WA provider responses to the statement "Administrative requirements of the National Law and Regulations are simpler than the previous licensing and accreditation systems", by service sub-type and former regulatory system**

**WA**



Q10E. Focussing on ongoing administrative requirements (rather than one-off activities), please tell us how strongly you agree or disagree with the following statements? *The administrative requirements of the National Law and Regulations are simpler than the previous licensing and accreditation systems*
**D1. What type(s) of approved education and care service(s) do you provide or manage?**

n = 158

**WA**



Q10E. Focussing on ongoing administrative requirements (rather than one-off activities), please tell us how strongly you agree or disagree with the following statements? *The administrative requirements of the National Law and Regulations are simpler than the previous licensing and accreditation systems*
**D5. Before the NQF was introduced did (your organisation/your service) operate under the following regulatory systems?**

n = 158

The best possible start in life

## Approved services and services seeking approval

Nominated supervisors from services that are in the process of seeking approval strongly disagree administrative burden has reduced since the introduction of the National Law and Regulations (z=2.15), when compared with supervisors from approved services. There is no significant difference in responses from nominated supervisors to the statement "The administrative requirements of the National Law and Regulations are simpler than the previous licensing and accreditation systems".

## Provider management model

Analysis of responses by provider management model found community managed or NFP providers are more likely have an opinion than providers with other management models, and that opinion is more likely to be adverse. Privately managed providers are generally more likely to be positive.

When compared to other management models, privately managed providers somewhat agree administrative burden has reduced since the introduction of the National Law and Regulations (z=1.96), whereas community managed or NFP providers somewhat disagree burden has reduced (z=4.96). Privately managed providers also showed a tendency to be neutral, in contrast to community managed or NFP providers, who were more likely to express an opinion.

When asked to respond to the statement "Administrative requirements are simpler than previous licensing and accreditation systems", privately managed providers are less likely to somewhat disagree (z= -2.15). Contrastingly, community managed or NFP providers somewhat disagree administrative requirements are simpler (z=2.04).

*Figure 43: Provider responses to the statement "Administrative burden has reduced since the introduction of the National Law and Regulations", by management model*
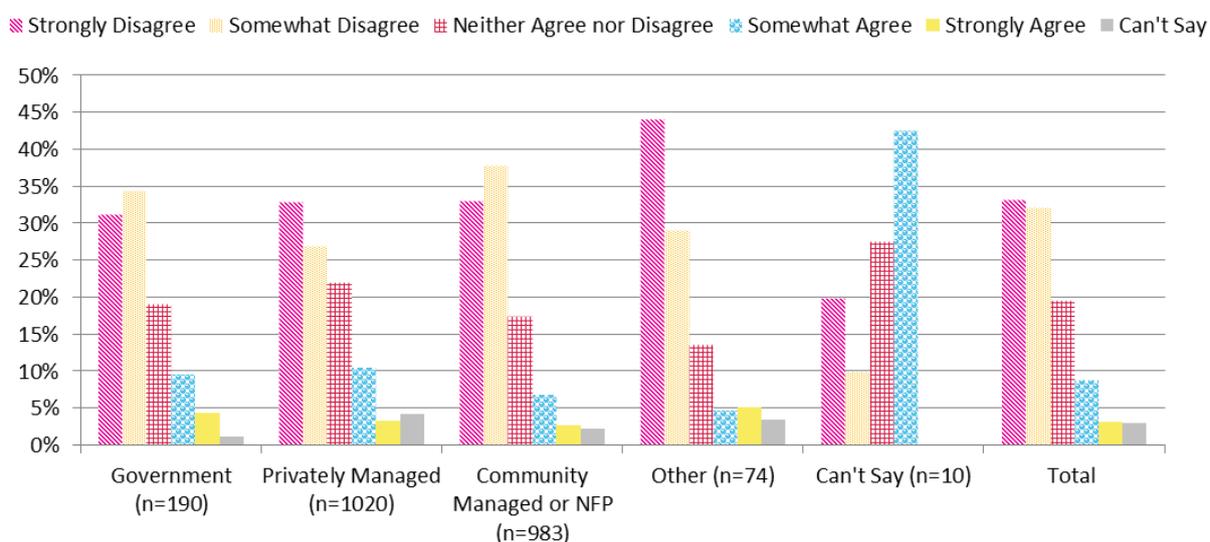


Q10A. Focussing on ongoing administrative requirements (rather than one-off activities), please tell us how strongly you agree or disagree with the following statetements? *Administrative burden has reduced since the introduction of the National Law and Regulations.*
D6. Which of the following best describes your (organisation/service)?

n = 2257

The best possible start in life

**Figure 44: Provider responses to the statement "The administrative requirements of the National Law and Regulations are simpler than the previous licensing and accreditation systems", by management model**
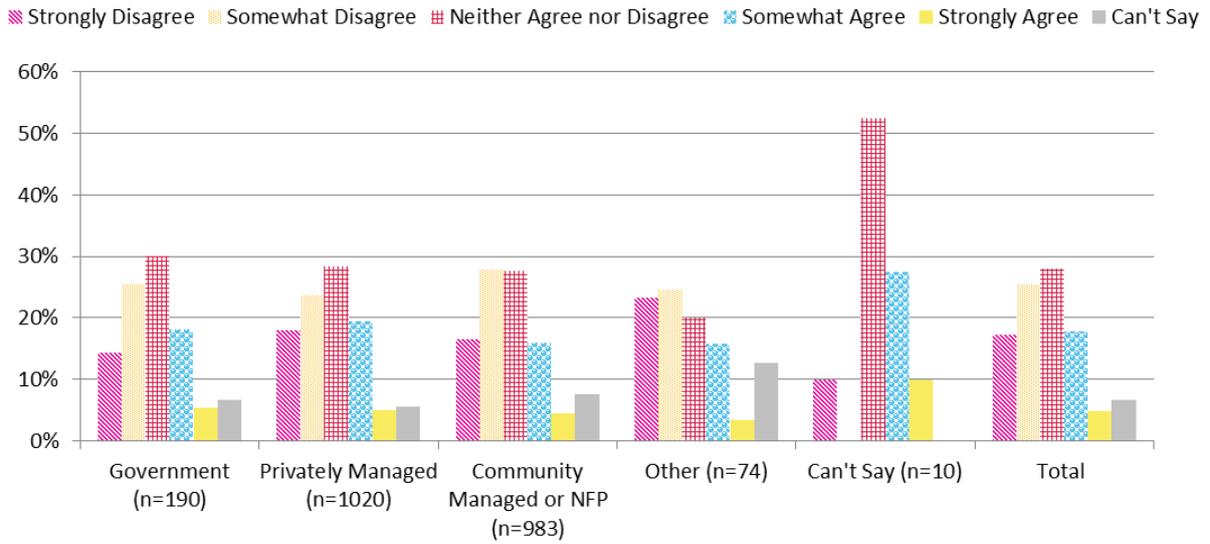


Legend: Strongly Disagree | Somewhat Disagree | Neither Agree nor Disagree | Somewhat Agree | Strongly Agree | Can't Say

X-axis categories: Government (n=190), Privately Managed (n=1020), Community Managed or NFP (n=983), Other (n=74), Can't Say (n=10), Total

**Q10E. Focussing on ongoing administrative requirements (rather than one-off activities), please tell us how strongly you agree or disagree with the following statements?** *The administrative requirements of the National Law and Regulations are simpler than the previous licensing and accreditation systems*
**D6. Which of the following best describes your (organisations/service)?**

n = 2257

## What other factors influence perceptions of burden?

### Assessment and rating

Providers of one or more services which have been visited and/or have received a rating somewhat agree administrative burden has reduced since the introduction of the National Law and Regulations (z=4.29), compared with providers whose service/s have not been visited, or have been visited but not yet rated. Those providers whose services have not yet been visited, strongly disagree administrative burden has reduced (z=3.38).

There is no significant difference in responses to the statement "The administrative requirements of the National Law and Regulations are simpler than the previous licensing and accreditation systems", based on whether a quality rating has been received.

*Figure 45: Provider responses to the statement "Administrative burden has reduced since the introduction of the National Law and Regulations", by assessment and rating*
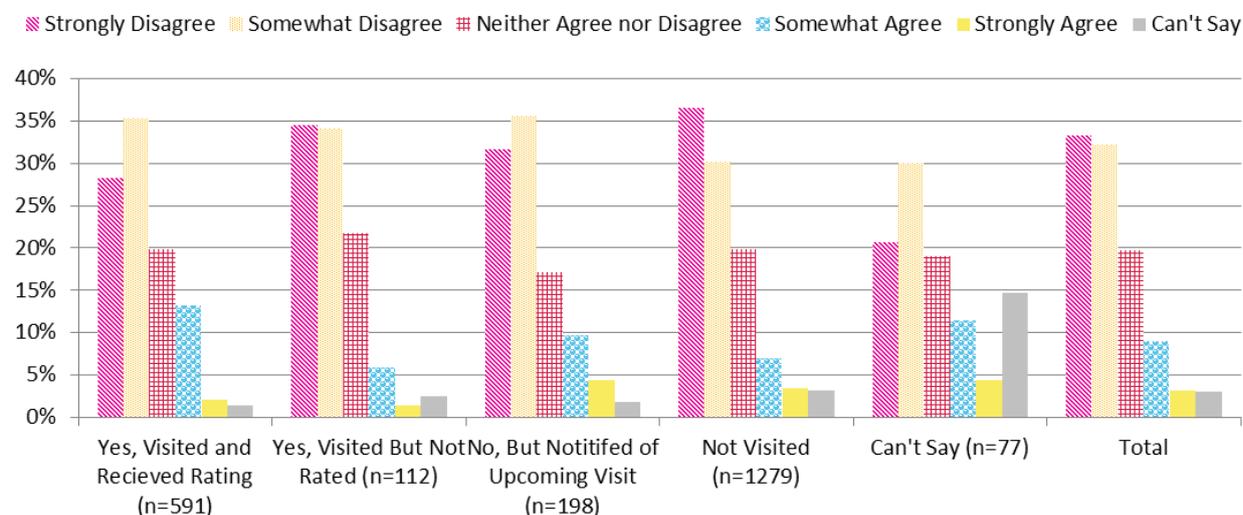


Q10A. Focussing on ongoing administrative requirements (rather than one-off activities), please tell us how strongly you agree or disagree with the following statetements? *Administrative burden has reduced since the introduction of the National Law and Regulations*

QD8. Have any of your services had a quality assessment and ratings visit under the NQF?

n = 2257

### Years of operation

Generally, the longer a provider has been providing education and care, the more likely the provider will disagree burden has reduced since the introduction of the National Law and Regulations.

Providers who have been providing education and care for 1-20 years are generally neutral (z=2.93) in response to the statement "Administrative burden has reduced since the introduction of the National Law and Regulations", compared with providers who have been delivering education and care for a longer period. Providers who have been delivering education and care for 21-40 years tend to somewhat disagree burden has reduced (z=5.08), and providers who have been delivering education and care for more than 40 years strongly disagree burden has reduced (z=3.33).

There is little significant difference in responses to the statement "The administrative requirements of the National Law and Regulations are simpler than the previous licensing and accreditation systems", based on the number of years a provider has been delivering education and care.

*Figure 46: Provider responses to statement "Administrative burden has reduced since the introduction of the National Law and Regulations", by years of operation*
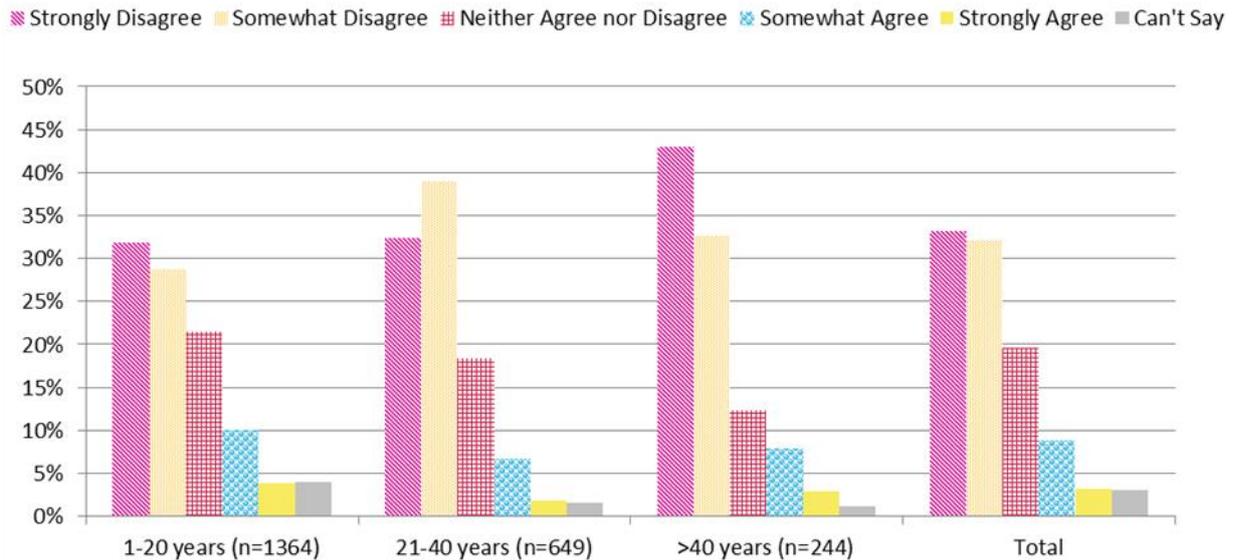


Q10A. Focussing on ongoing administrative requirements (rather than one-off activities), please tell us how strongly you agree or disagree with the following statements? *Administrative burden has reduced since the introduction of the National Law and Regulations.*
QD4. How many years has your (organisation/service) been providing education and care?     n = 2257

*Figure 47: Provider responses to the statement "The administrative requirements of the National Law and Regulations are simpler than the previous licencing and accreditation systems", by years of operation*



Q10E. Focussing on ongoing administrative requirements (rather than one-off activities), please tell us how strongly you agree or disagree with the following statements? *The administrative requirements of the National Law and Regulations are simpler than the previous licensing and accreditation systems.*
QD4. How many years has your (organisation/service) been providing education and care?     n = 2257

The best possible start in life

### SEIFA and ARIA index

There is little significant difference, and no pattern to the identified difference, in responses from nominated supervisors at services in different SEIFA rated locations.

Nominated supervisors from services in major cities strongly disagree administrative burden has reduced since the introduction of the National Law and Regulations (z=1.96), compared with nominated supervisors from services in regional or remote areas.

### Previous regulatory system

Providers whose service/s formerly operated under the NCAC regulatory system somewhat agree administrative burden has reduced since the introduction of the National Law and Regulations (z=2.13), and are less likely to strongly disagree that burden has reduced (z=-2.50), compared with providers whose service/s formerly operated under other regulatory systems. This is shown in Figure 48. However, these providers tend to be neutral when asked to respond to the statement "Administrative requirements of the National Law and Regulations are simpler than the previous licensing and accreditation systems" (z=3.68) (see Figure 49).

*Figure 48: Provider responses to statement 'Administrative burden has reduced since the introduction of the National Law and Regulations', by previous regulatory system*
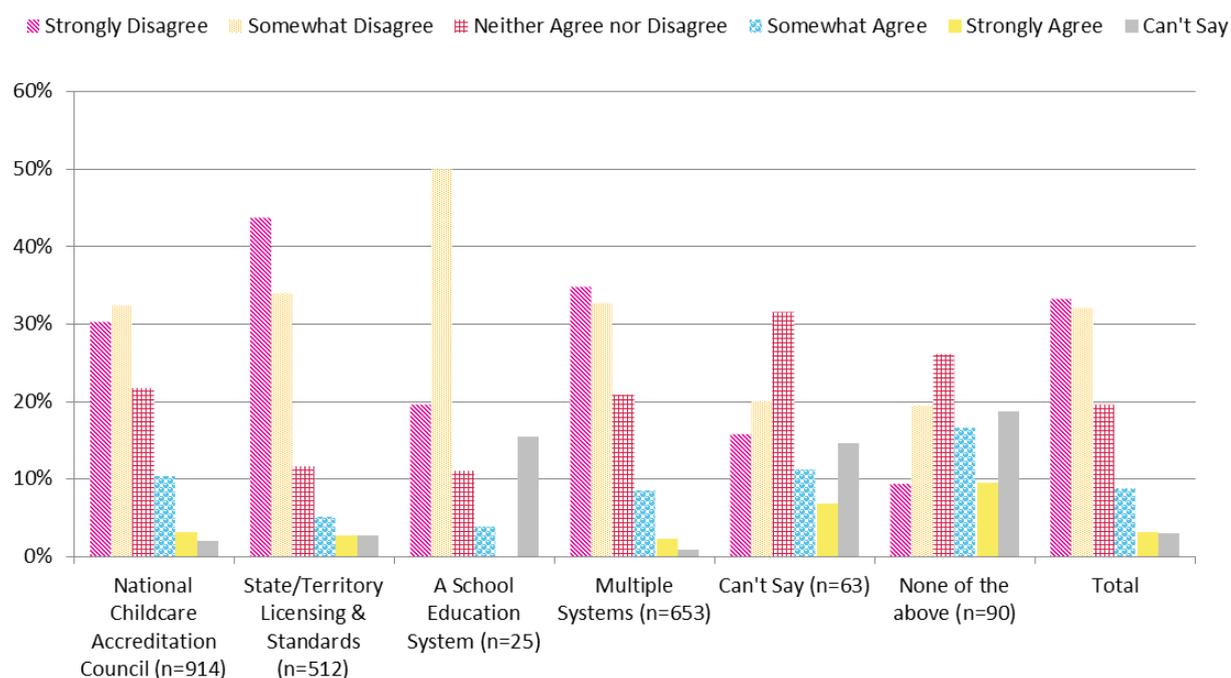


Q10A. Focussing on ongoing administrative requirements (rather than one-off activities), please tell us how strongly you agree or disagree with the following statetements? *Administrative burden has reduced since the introduction of the National Law and Regulations*
D5. Before the NQF was introduced did (your organisation/your service) operate under the following regulatory systems?　　　n = 2257

Providers whose service/s formerly operated under state/territory licensing and standards strongly disagree administrative burden has reduced since the introduction of the National Law and Regulations (z=5.99), compared with providers whose service/s formerly operated under other regulatory systems. They are also unlikely to somewhat agree administrative requirements are simpler than the previous licensing and accreditation systems (z= -2.51).

Providers that can't identify a former regulatory system are more likely to be neutral on whether administrative burden has reduced since the introduction of the National Law and Regulations (z=2.44).

Significant difference also emerged in the responses from providers whose service/s formerly operated under multiple regulatory systems. These providers somewhat disagree administrative requirements of the National Law and Regulations are simpler than previous licensing and accreditation systems (z=2.97).

*Figure 49: Provider responses to statement "The administrative requirements of the National Law and Regulations are simpler than the previous licensing and accreditation systems", by previous regulatory system*
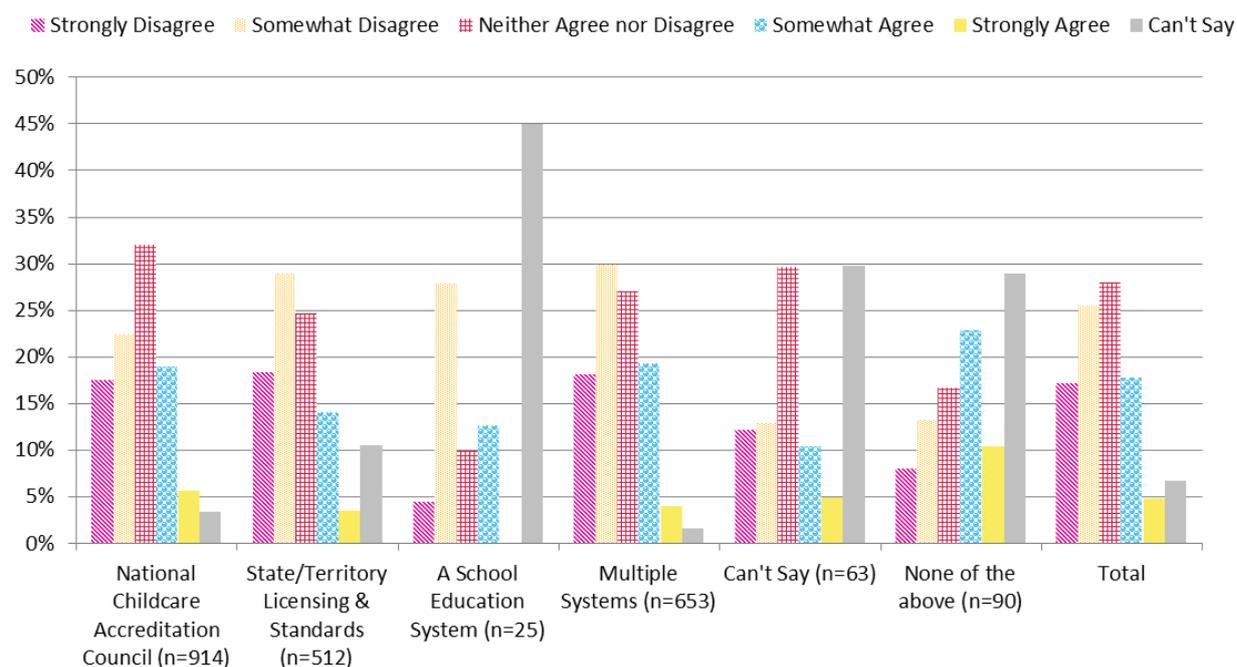


Q10E. Focussing on ongoing administrative requirements (rather than one-off activities), please tell us how strongly you agree or disagree with the following statements? *The administrative requirements of the National Law and Regulations are simpler than the previous licensing and accreditation systems.*
D5. Before the NQF was introduced did (your organisation/your service) operate under the following regulatory systems?

n = 2257

Analysis of responses based on former regulatory systems showed significant difference regarding those providers whose service/s were not regulated under any of the specified regulatory systems, or chose "can't say", compared with respondents who identified a former regulatory system.

Both Figure 48 and Figure 49 show a high proportion of responses in the "can't say and "none of the above" responses where providers cannot identify a former regulatory system. This is due to a range of factors, such as the high proportion of new providers. For example, those who can't identify a former regulatory system are more likely to also answer "can't say" when asked to indicate whether "The administrative requirements of the National Law and Regulations are simpler than the previous licensing and accreditation systems" (z=7.46). This is explained by further analysis which revealed that, of the 19 respondents, nine had only been in operation for one year. Similarly, providers who indicated their service/s had not operated under any of the specified regulatory systems were more likely to have answered "can't say" (z=8.62), than

The best possible start in life

providers who specified a former regulatory system or responded with "can't say". Of the 26 respondents, 19 had only been in operation for one year.

## 6.5 What requirements are most burdensome?

The perception survey questionnaire is designed to guide respondents through the following process:

1)   Identify the level of burden of different administrative requirements using the scale of 0 (not at all burdensome) to 5 (very burdensome)

2)   If more than one requirement is rated at levels 4 or 5 on the burdensome scale, they are asked to identify which one administrative requirement is most burdensome

3)   Following their choice of a single administrative requirement, they are asked to select the factors that make this requirement a burden.

Sections 6.5 and 6.6 follow this logic:

1)   Examine the areas of burden (section 6.5)

2)   Examine the administrative requirements identified as most burdensome (section 6.5)

3)   Of the administrative requirements identified as most burdensome, identify the causes ('drivers') of burden (section 6.6). Drivers of burden are not a reflection of the overall level of burden for the activities.

Findings from the SCM assessment are included throughout.

### Activities / requirements identified as "burdensome"

Providers and nominated supervisors were asked to rate the level of burden of general administrative activities. The respondents indicated the level of burden on a scale of 0 (not at all burdensome) to 5 (very burdensome). As outlined above, rankings (1) and (2) have been grouped as "somewhat burdensome" for the purposes of this analysis, while options (3) and (4) have been grouped as "quite burdensome".

In addition, the SCM assessment estimated cost impacts for:

- policies and procedures
- educational programs
- Quality Improvement Plans and assessment and rating
- staff, child and other records
- excursions
- approvals.

The best possible start in life

## Transitional burden (2012) – providers and services

The sample of providers and nominated supervisors were asked about the level of administrative burden as they made the transition into the NQF in 2012. They were then asked to compare this to the level of burden for the same activities in 2013. This question was included to delineate transitional burden (one-off costs) from ongoing burden, as recommended in the scoping study.

The majority of respondents indicated a perception of unchanged burden over 2012 compared to 2013. The dark grey rows in the below tables show the proportion of respondents who selected the same response when thinking about the level of burden for certain activities in 2012 compared to 2013.

For the remainder, the majority perceive a reduction in burden over the period. The responses in the light grey cells show an improvement or lessening of burden over 2012 to 2013 for each requirement. For example, 28 per cent (n=2257) of respondents who indicated that learning about the administrative requirements of the National Law and Regulations was "very burdensome" in 2012 rated the requirements (4) on a scale of not at all burdensome to very burdensome in 2013. Similarly, 32 per cent of respondents, who selected (4) for this requirement in 2012, selected (3) in 2013. Conversely, the proportion of respondents who are more dissatisfied with the level of burden in 2013 compared to 2012 was much lower across the spectrum (e.g. 7 per cent who selected (3) in 2012 selected (4) in 2013). This pattern, which was seen across all questions for all levels of burden, represents a positive improvement from the previous year.

Learning about the administrative requirements of the National Law and Regulations had the most improvement in perceptions of burden over 2012 to 2013, compared to the other two requirements. This is illustrated by a lower proportion of respondents who selected the same response for 2012 and 2013, and a higher proportion of respondents with improved perceptions of burden between the two years.

*Table 7: Transitional burden – learning about the administrative requirements of the National Law and Regulations*

| 2012 | | 2013 | | | | | | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| | | Not at all Burdensome | 1 | 2 | 3 | 4 | Very Burdensome | Can't say | Total |
| | Not at all burdensome | 78% | 17% | 2% | 1% | 2% | 0% | 1% | 100% |
| | 1 | 23% | 63% | 7% | 4% | 1% | 0% | 1% | 100% |
| | 2 | 8% | 34% | 45% | 12% | 1% | 0% | 1% | 100% |
| | 3 | 3% | 18% | 28% | 44% | 7% | 1% | 0% | 100% |
| | 4 | 1% | 6% | 18% | 32% | 39% | 4% | 0% | 100% |
| | Very burdensome | 1% | 2% | 7% | 17% | 28% | 45% | 0% | 100% |
| | Can't say | 2% | 7% | 29% | 21% | 0% | 4% | 37% | 100% |

*Table 8: Transitional burden – developing policies and procedures that comply with the National Law and Regulations*

| 2012 | | 2013 | | | | | | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| | | Not at all Burdensome | 1 | 2 | 3 | 4 | Very Burdensome | Can't say | Total |
| | Not at all burdensome | 85% | 12% | 2% | 0% | 0% | 1% | 0% | 100% |
| | 1 | 21% | 63% | 13% | 2% | 1% | 0% | 0% | 100% |
| | 2 | 11% | 33% | 44% | 8% | 2% | 1% | 0% | 100% |
| | 3 | 3% | 16% | 23% | 48% | 9% | 1% | 0% | 100% |
| | 4 | 1% | 8% | 17% | 28% | 42% | 4% | 0% | 100% |
| | Very burdensome | 2% | 3% | 6% | 17% | 25% | 48% | 0% | 100% |
| | Can't say | 6% | 28% | 4% | 12% | 0% | 4% | 45% | 100% |

The best possible start in life

*Table 9: Transitional burden – ensuring staff know about the changes*

| | | 2013 | | | | | | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| | | Not at all Burdensome | 1 | 2 | 3 | 4 | Very Burdensome | Can't say | Total |
| **2012** | Not at all burdensome | 86% | 8% | 5% | 1% | 0% | 0% | 1% | 100% |
| | 1 | 25% | 63% | 9% | 2% | 1% | 0% | 0% | 100% |
| | 2 | 7% | 32% | 46% | 11% | 2% | 1% | 1% | 100% |
| | 3 | 4% | 13% | 25% | 49% | 8% | 1% | 0% | 100% |
| | 4 | 1% | 5% | 14% | 30% | 47% | 3% | 0% | 100% |
| | Very burdensome | 0% | 2% | 4% | 16% | 28% | 49% | 0% | 100% |
| | Can't say | 3% | 8% | 10% | 14% | 7% | 5% | 53% | 100% |

The SCM assessment also found that a significant portion of burden was driven by the transition to the NQF. While some transitional costs were found to be significant, providers reported that the cost of compliance is reducing as educators become more familiar with the NQF. Costs for transitional NQF requirements (initial / once off costs) are shown in Appendix D, section 3.1.

The remaining findings are discussed in terms of current burden.

## Current burden

Following the questions about transitional burden, perception survey respondents were asked to identify which activity is currently most of a burden.

Most providers identified some level of burden with the administrative activities (listed in Table 10, below). Of the three options, respondents identified that "ensuring staff know about changes" (to the new National Law and Regulations) was the most burdensome, with a higher proportion of responses indicating "quite burdensome" (48 per cent) and "very burdensome" (15 per cent) compared to the other options. Meanwhile, a slightly lower level of burden was reported for developing policies and procedures that comply with the National Law and Regulations.

*Table 10: Current level of burden of administrative activities*

| Survey Type | Not at all burdensome | 'Somewhat' burdensome | 'Quite' burdensome | Very burdensome | Can't say | Total |
|---|---|---|---|---|---|---|
| Learning about the administrative requirements of the National Law and Regulations | 7% | 34% | 45% | 13% | 1% | 100% |
| Developing policies and procedures that comply with the National Law and Regulations | 9% | 33% | 43% | 14% | 1% | 100% |
| Ensuring staff know about the changes | 8% | 29% | 48% | 15% | 1% | 100% |

In keeping with findings from the scoping study, respondents were then asked to identify which (one) of the options is currently most of a burden. This question confirmed that providers perceive ensuring staff know about the changes to be most burdensome (36 per cent). Developing policies and procedures was identified as the next most burdensome activity (33 per cent), as shown in Figure 50, below.

*Figure 50: Providers' perception of most burdensome transitional administrative activities*



**Q5A. Which one would you say is currently most of a burden?**

n=2257

The best possible start in life
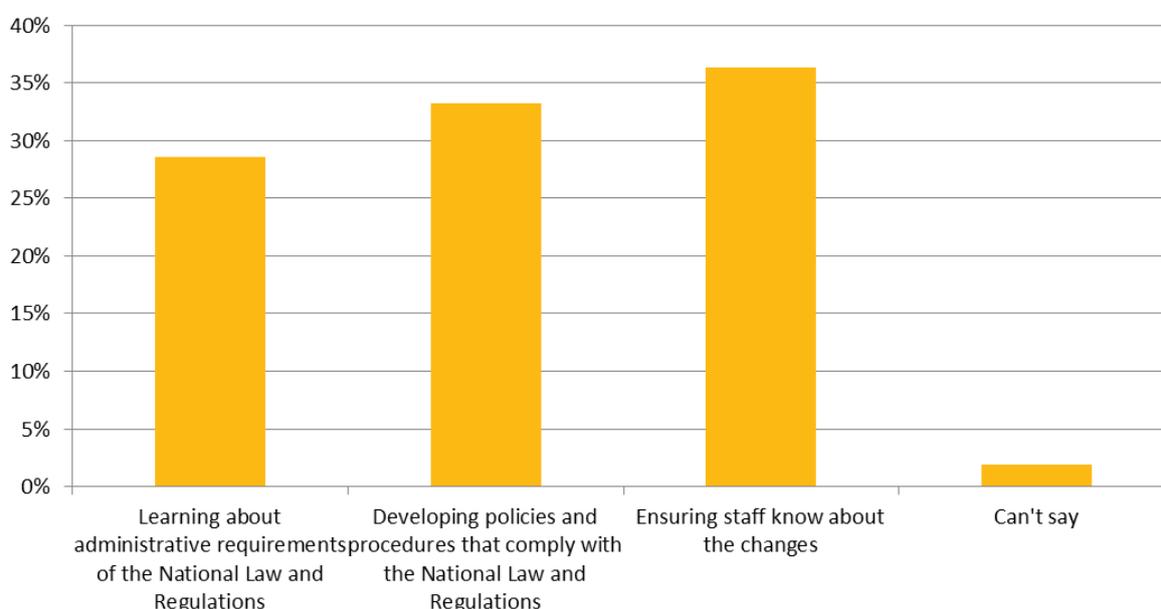
## Ongoing burden

After addressing transitional burden, perception survey respondents were guided through the same process for ongoing administrative requirements and activities by identifying areas of burden and narrowing their selection to a single requirement or activity.

Providers and nominated supervisors were guided by the following examples, which were shown as hover-over information:

*Table 11: Examples of administrative activities provided in perception survey*

| Administrative activity | Example / explanation provided in perception survey |
|---|---|
| Displaying information | Displaying information about the responsible person in charge, service approval information, etc. |
| Keeping records | Keeping attendance records, injury records, a record of educators working with children etc. |
| Provider and service approvals | Applying for a new service approval, applying for a transfer of service approval, etc. |
| Qualifications assessments | The process for individuals having their qualifications assessed for equivalence |
| Supervisor certificates | Managing certified supervisor and nominated supervisor approvals |
| Quality assessment and ratings visits | Preparing for and facilitating a visit, or responding to a report |
| Notifications | Notifying the regulatory authority of serious incidents or changes to a service |
| Quality Improvement Plans | Maintaining a Quality Improvement Plan, also known as a "QIP" |
| Documenting children's learning | Keeping records of children's learning assessments or evaluations |
| Maintaining policies and procedures | Maintaining policies and procedures, as opposed to initially developing them |
| Ensuring staff know about the National Law and Regulations | Ensuring staff know about the National Law and Regulations on an ongoing basis |

FDC educators were asked "what types of paperwork do you find challenging?" This survey used less complex language due to feedback from respondents in cognitive testing. FDC educators could select more than one response. Responses to the questions (for all respondents) are shown in the figures below. Further discussion of the findings is provided after the figures.

The best possible start in life

**Figure 51: Providers' perception of burden associated with specific ongoing administrative activities**



Legend: Not at all Burdensome | 1 | 2 | 3 | 4 | Very Burdensome | Can't say

Somewhat Burdensome (1, 2)
Quite Burdensome (3, 4)
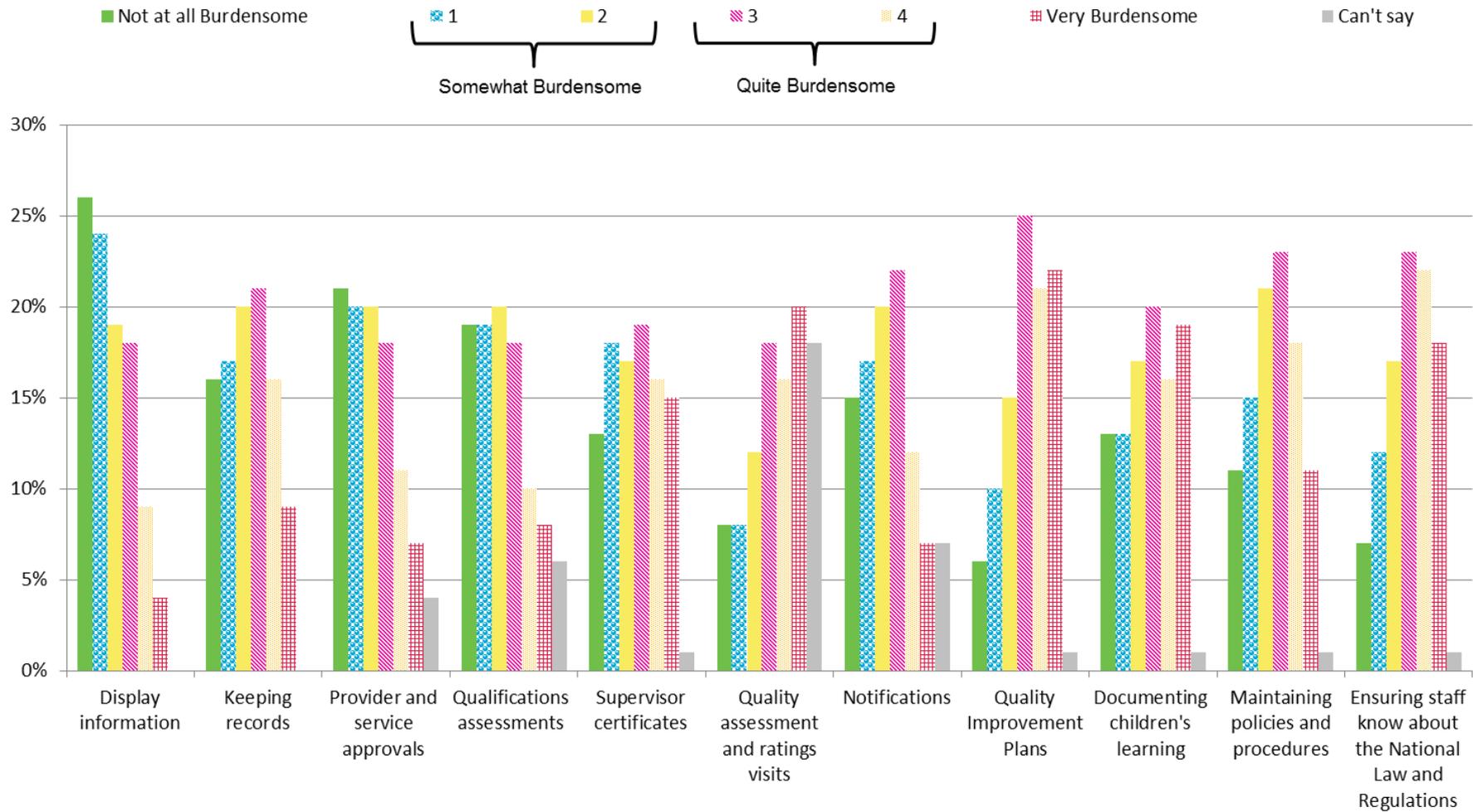
**Q6. How much of a burden, if at all, are the following ongoing requirements of the National Law and Regulations currently?**

n = 2257 each requirement

The best possible start in life

*Figure 52: Family day care educators' perception of which types of paperwork are most challenging*
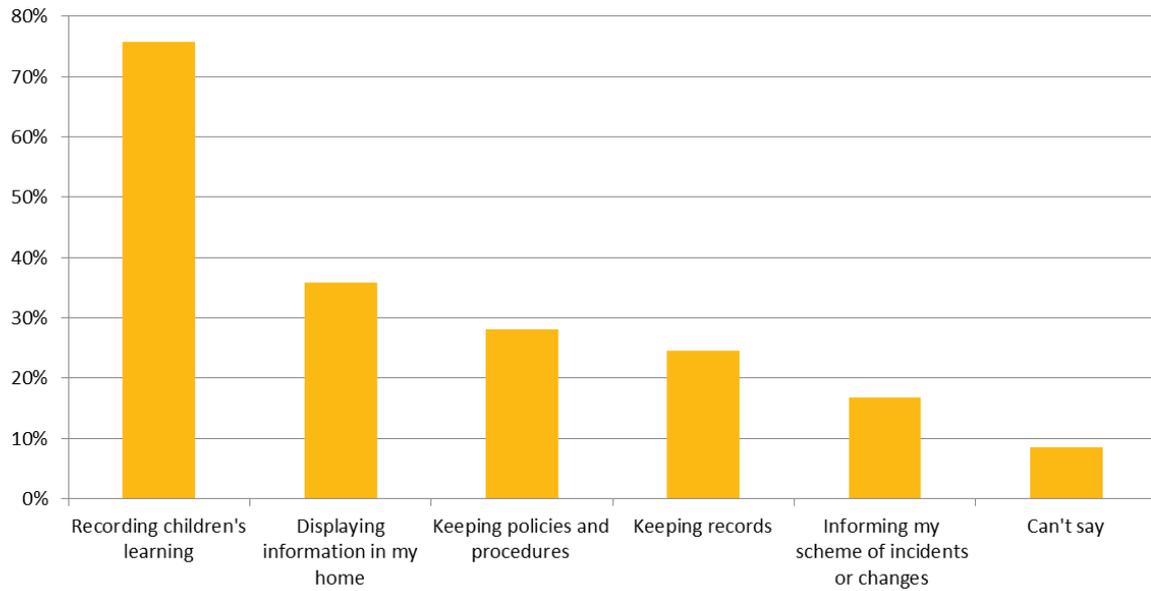


**Q5. What types of paperwork do you find challenging?**

n=1428

## Areas of burden

### *Quality Improvement Plans and quality assessment and ratings visits*

Respondents identified Quality Improvement Plans as one of the most burdensome options, with 46 per cent (n=2257) of respondents indicating "quite burdensome" and 22 per cent of respondents selecting "very burdensome". See Figure 51.

This finding is consistent with findings from the SCM assessment. The SCM report states that Quality Improvement Plans were the second highest single cost among ongoing administrative obligation for providers, and almost all this cost (average of 181 hours or $4,835 per service per annum) was attributable to the NQF.

The best possible start in life

*Table 12: Estimated average hours and cost per service spent on administration related to quality improvement plans, by service type and provider size – ongoing requirements*

| Stratification | Ongoing review and revision of Quality Improvement Plan (per annum) | |
| --- | --- | --- |
| | **Hours** | **$** |
| **Service type** | | |
| Centre-based | 206.6 | 5,532 |
| FDC | 128.6 | 3,440 |
| **Provider size** | | |
| Small | 183.7 | 4,917 |
| Medium | 132.5 | 3,546 |
| Large | 208.6 | 5,584 |
| **All services** | **180.6** | **4,835** |

Additional analysis revealed that providers who have not yet been quality rated perceive Quality Improvement Plans to be "very burdensome" (z=2.69). By contrast, those who have been quality rated perceive lower levels of burden for Quality Improvement Plans. This group was less likely to select "very burdensome" (z= -2.01) and were more likely to select 2 (a lower level of burden) on the scale of burden (z=2.41).

As reported earlier, while quality assessment has an overall positive effect on perception of burden, the actual visit, when compared to other requirements indicated high levels of burden. Thirty four (34) per cent indicated "quite burdensome" and 20 per cent selected "very burdensome" for this activity. A large proportion (18 per cent) of providers selected "can't say" when asked about quality assessment and ratings visits. This was likely due the large proportion of these respondents (88 per cent) that had not yet had an actual or planned quality assessment and ratings visit. Furthermore, 7 per cent had a visit planned but had not yet been notified of the date of the visit. It is likely that respondents in these categories did not consider this question applied.

### *Documenting children's learning*

High levels of perceived burden were found for documenting children's learning, with 19 per cent selecting "very burdensome" ( n=2257) while 36 per cent felt "quite burdensome" (of which 20 per cent was a rating of (3) and 16 per cent was a rating of (4)) (n=2257). See Figure 51.

The SCM assessment found that documenting educational programs and assessments of each child's development and learning to be the greatest cost drivers among the categories of administrative burden included in the study.

The SCM assessment indicated that on average, each service spent around 199 hours (per room per annum) documenting and designing the program, equating to an average cost across the sector of $6,198 per room per service. On average, this task was split 50/50 between directors and educators. The data suggest that the time spent on designing the program increased with provider size, and was higher for providers in Victoria (compared to Queensland) and for FDC services. The SCM assessment also considered the ongoing cost of documenting each child's learning, and identified an average cost of 22.1 hours ($690) per child per annum. The time a service spends on ongoing administrative requirements relating to educational programs was also found to be dependent on size. For example, the cost of individual child documentation was significantly greater per child for small providers than for large providers. The implication being that large providers have experienced higher transition costs, but seem likely to experience lower ongoing compliance costs.

*Table 13: Estimated average hours and cost for administration related to educational programs, by service type and provider size – ongoing requirements*

| Stratification | Documenting of program and reflections (per room, per annum) | | Documenting assessments of children's learning (per child, per annum) | |
| --- | --- | --- | --- | --- |
| | Hours | $ | Hours | $ |
| **Service type** | | | | |
| Centre-based | 230.9 | 7,205 | 16.2 | 506 |
| FDC | 134.1 | 4,184 | 33.9 | 1,057 |
| **Provider size** | | | | |
| Small | 221.1 | 6,897 | 34.5 | 1,078 |
| Medium | 139.8 | 4,360 | 20.4 | 636 |
| Large | 208.0 | 6,491 | 6.7 | 208 |
| **All services** | **198.6** | **6,198** | **22.1** | **690** |

For FDC educators, recording children's learning was the most frequently selected response, with 76 per cent of respondents (n=1428) identifying this activity as challenging (burdensome).

### *Supervisor certificates and provider and service approvals*

Provider responses were more evenly distributed across the scale of burden for supervisor certificates. The proportion of "somewhat burdensome" and "quite burdensome" responses was equal at 35 per cent (n=2257). Thirteen (13) per cent of providers selected "not at all burdensome", while 15 per cent selected "very burdensome". See Figure 51.

The SCM report indicated a relatively low cost of completion for supervisor certificate applications, as shown below.

The best possible start in life

*Table 14: Estimated average hours and cost spent on applications for supervisor certificates, by service type and provider size*

| Stratification | Applications for supervisor certificates (per certificate) | |
|---|---|---|
| | Hours | $ |
| **Service type** | | |
| Centre-based | 0.9 | 22 |
| FDC | 0.5 | 12 |
| **Provider size** | | |
| Small | 0.5 | 9 |
| Medium | 0.6 | 12 |
| Large | 1.3 | 36 |
| **All services** | **0.8** | **19** |

A low level of perceived burden was seen for provider and service approval obligations, with 21 per cent (n=2257) of respondents selecting "not at all burdensome" and 40 per cent indicating an opinion of "somewhat burdensome". Twenty-nine (29) per cent of providers indicated that this requirement is "somewhat burdensome" (see Figure 51). This was reflected in the SCM assessment findings, with most existing providers indicating that the rollover was smooth. The relatively low cost of this activity is shown in the table below.

*Table 15: Estimated average hours spent on initial approvals, by service type and provider size*

| Stratification | Provider approvals (per event) | | Service approvals (per event) | |
|---|---|---|---|---|
| | Hours | $ | Hours | $ |
| **Service type** | | | | |
| Centre-based | 2.1 | 64 | 1.7 | 54 |
| FDC | 1.8 | 60 | 0.6 | 16 |
| **Provider size** | | | | |
| Small | 1.7 | 52 | 1.4 | 42 |
| Medium | 2.1 | 66 | 2.5 | 78 |
| Large | 2.5 | 78 | 0.5 | 16 |
| **All services** | **2.0** | **63** | **1.3** | **41** |

The best possible start in life

### Maintaining policies and procedures and displaying information

Many providers indicated that displaying information is not burdensome, with 26 per cent (n=2257) of respondents selecting "not at all burdensome" and 43 per cent of respondents indicating "somewhat burdensome" by selecting a rating of (1) or (2) on the scale (see Figure 51).

Displaying information at home was the second most selected response for FDC educators (36 per cent, n=1428) after recording children's learning. The results for FDC educators are presented in Figure 52 (above).

Provider responses for maintaining policies and procedures were evenly distributed along the scale of burden. The proportion of providers who indicated "quite burdensome" for this activity was slightly higher (41 per cent, n=2257) compared to "somewhat burdensome" (36 per cent) (see Figure 51). The level of burden for this activity was also lower for FDC educators. Keeping policies and procedures was the third most burdensome activity for FDC educators (out of five possible options), with 28 per cent selecting this answer (n=1428) – see Figure 52.

The SCM assessment found that once established, the time spent on the annual review of policies (and thus the ongoing cost) was considered to revert to a level similar to that experienced prior to the introduction of the NQF. Where providers did report that the ongoing review would take longer, it was generally because their number of policies had increased.

Data obtained through the SCM research suggests that all administrative requirements relating to policies and procedures are more burdensome for FDC providers than for centre-based service providers. DAE suggest that a key explanation for this result is that many policies have to be tailored to the physical environment, which is unique for each FDC educator (their home), and then have to be printed, delivered and explained to each educator individually.

*Table 16: Estimated average hours and cost per service spent on administration related to policies and procedures, by service type and provider size – ongoing requirements*

| Stratification | Reviewing and updating policies and procedures (per annum) | |
|---|---|---|
| | Hours | $ |
| **Service type** | | |
| Centre-based | 68.1 | 1,912 |
| FDC | 86.4 | 2,420 |
| **Provider size** | | |
| Small | 75.9 | 2,130 |
| Medium | 51.4 | 1,440 |
| Large | 87.0 | 2,444 |
| **All services** | **74.2** | **2,081** |

## Notifications and keeping records

When asked about notifications, respondents' perceptions fell towards the lower to middle end of the scale of "not at all burdensome" to "very burdensome". Fifteen (15) per cent (n=2257) of respondents selected "not at all burdensome", while 37 per cent indicated "somewhat burdensome", compared to 34 per cent "quite burdensome" and 7 per cent "very burdensome" (see Figure 51, above). The largest proportion of responses were for (2) (20 per cent) and (3) (22 per cent) selections on the scale.

Perceptions for keeping records also fell towards the lower to middle end of the scale, with higher proportions of (2) and (3) selections (20 per cent and 21 per cent respectively) by providers. Sixteen (16) per cent selected "not at all burdensome" (see Figure 51). Similarly, keeping records was less burdensome for FDC educators. The activity was the second lowest activity selected by this group (out of five options) (25 per cent, n=1428) (see Figure 52). The SCM assessment found the majority of record keeping tasks were performed prior to the NQF, and that the hours allocated to this activity have not materially changed.

As keeping records and notifications have a second layer of administrative obligation under the National Law and Regulations, providers and nominated supervisors were asked to identify which specific obligations were burdensome, if they rated record keeping / notifications at (4) or (5) on the scale.

### Keeping records

Respondents were asked to select all records that they considered burdensome. The following options were provided in the survey:

- keeping attendance records
- keeping injury records
- keeping a record of educators working directly with children
- keeping a record of the responsible person in charge
- other (open-ended)
- can't say.

The initial analysis of the question found a high number of respondents with other types of records they considered burdensome. The coded responses suggested that two subjective categories could be created to accompany the original survey results. These categories were:

- recording children's learning / programming records
- the combination of all the records together / too many records.

Keeping a record of educators working directly with children is considered to be the most burdensome record keeping activity, with 24 per cent (n=132) selecting this option. This was driven by the rating of (4), which was selected by 65 per cent of the 132 respondents that identified this activity as burdensome. Keeping a record of the responsible person is considered to be the second most burdensome activity (19 per cent), followed by keeping injury records (16 per cent).

The best possible start in life

A higher proportion of respondents found keeping attendance records and keeping injury records "very burdensome" (44 per cent and 42 per cent respectively), compared to a rating of (4).

These results are presented in the figure below.

*Figure 53: Provider's perception of level of burden posed by record keeping*
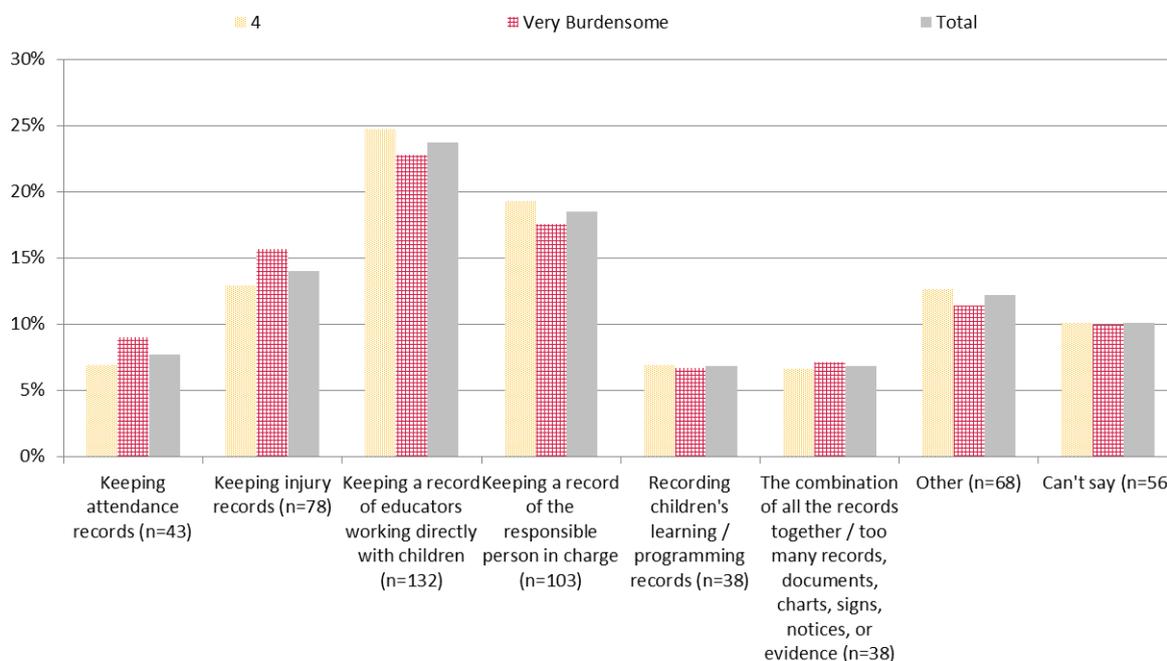


Q7. You said that keeping records is a burden. Which specific requirements are currently a burden?

n = 556

Note: data is presented as unweighted data.

*Table 17: Estimated average hours and cost spent on staff records, by service type and provider size – ongoing requirements*

| Stratification | Maintaining and updating (per service per annum) | | Written designation of Educational Leader (per event) | |
|---|---|---|---|---|
| | Hours | $ | Hours | $ |
| **Service type** | | | | |
| Centre-based | 5.2 | 160 | 0.5 | 16 |
| FDC | 7.3 | 228 | 0.2 | 8 |
| **Provider size** | | | | |
| Small | 5.3 | 165 | 0.4 | 15 |
| Medium | 6.7 | 210 | 0.4 | 12 |
| Large | 6.1 | 188 | 0.5 | 12 |

The best possible start in life

| Stratification | Maintaining and updating (per service per annum) | | Written designation of Educational Leader (per event) | |
|---|---|---|---|---|
| | Hours | $ | Hours | $ |
| **All services** | **5.9** | **183** | **0.4** | **13** |

The SCM assessment found reporting serious injuries to regulatory authorities ($59 per incident) to be the most costly record keeping obligation.

*Table 18: Estimated average hours and cost spent on various other records, by service type and provider size – ongoing requirements*

| Stratific-ation | Child enrolment records (per child) | | Incident records – general (per incident) | | Incident records – serious (per incident) | | Record of administration of medication (per event) | | Record of visitors (per annum) | | Documenting Emergency rehearsals (per annum) | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Hrs | $ | Hrs | $ | Hrs | $ | Hrs | $ | Hrs | $ | Hrs | $ |
| **Service type** | | | | | | | | | | | | |
| Centre-based | 0.8 | 24 | 0.3 | 6 | 2.1 | 56 | 1.1 | 26 | 2.9 | 77 | 2.7 | 70 |
| FDC | 1.8 | 60 | 0.4 | 12 | 2.4 | 64 | 0.1 | 0 | 3.2 | 88 | 1.3 | 36 |
| **Provider size** | | | | | | | | | | | | |
| Small | 0.7 | 24 | 0.2 | 3 | 3.0 | 81 | 0.1 | 0 | 3.3 | 90 | 2.1 | 54 |
| Medium | 0.7 | 24 | 0.2 | 6 | 1.2 | 36 | 3.0 | 78 | 3.7 | 96 | 3.8 | 102 |
| Large | 1.9 | 60 | 0.6 | 16 | 1.7 | 44 | 0.1 | 0 | 2.4 | 64 | 1.4 | 36 |
| **All services** | **1.1** | **36** | **0.3** | **8** | **2.2** | **59** | **0.7** | **17** | **3.0** | **81** | **2.2** | **59** |

### *Notifications*

Within notifications, notifying of complaints and other incidents are considered the most burdensome activity, with 25 per cent (n=382) selecting this option. See Figure 54. Notifying of serious incidents and notifying of changes to a service drew a similar proportion of selections (23 per cent and 21 per cent respectively). Similar to record keeping, these responses were driven by a higher proportion of (4) selections. The results of this question are presented below.

The SCM assessment also considered the costs of record keeping, and associated notification obligations. The assessed cost of each individual obligation was relatively small, although incident recording was among the items recording a high per event or cost.

The best possible start in life

*Figure 54: Providers' perception of burden posed by notifications*
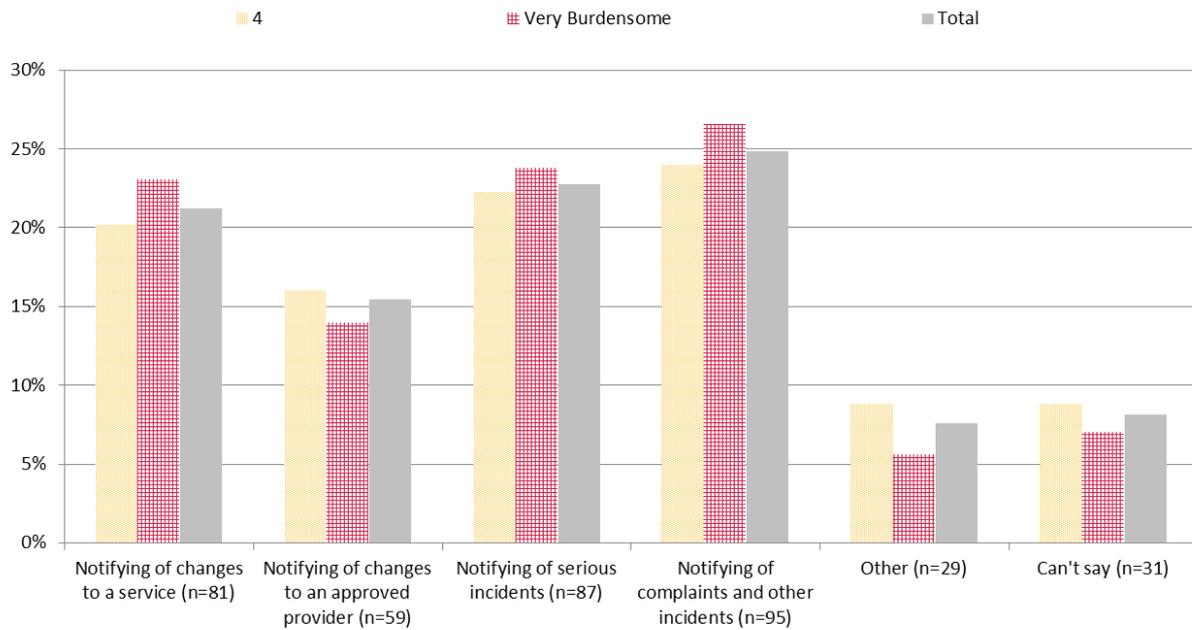


Q8. You said that notifications are a burden. Which specific requirements are currently a burden?

n = 382

Note: data is presented as unweighted data.

## Qualifications assessments

Providers' perceptions of burden fall towards the lower to middle end of the scale, with a higher proportion indicating that the activity is "somewhat burdensome" (39 per cent, n=2257), compared to "quite burdensome" (28 per cent) and "very burdensome" (8 per cent). Nineteen (19) per cent selected "not at all burdensome" for this activity, as shown in Figure 51.

## Ensuring staff know about the National Law and Regulations

Respondents indicate that ensuring staff know about the National Law and Regulations is a more burdensome activity, with more respondents indicating "quite burdensome" (45 per cent, n=2257) and "very burdensome (18 per cent).

## General

The SCM assessment found a wide range of costs, depending on how the obligations were interpreted by each provider. Significantly, the assessment found that where greater flexibility for how to comply was afforded by the legislation, administrative compliance costs were sometimes higher. The SCM report indicated that this type of cost impact could be reduced by clearer guidelines and support to the sector about how to comply.

## Most burdensome

Of the requirements rated (4) or (5) on the scale of burden in Figure 51, respondents were asked to single out the most burdensome requirements through a single answer question. Responses to this question were consistent with findings from the multiple response question for providers and nominated supervisors, with respondents rating Quality Improvement Plans (19 per cent,

The best possible start in life

n=1641), quality assessment and ratings visits (around 18 per cent), and documenting children's learning (18 per cent) as the most burdensome requirements. The results for this question are shown in Figure 55, below.

*Figure 55: Providers' perception of which ongoing administrative activities are most burdensome*
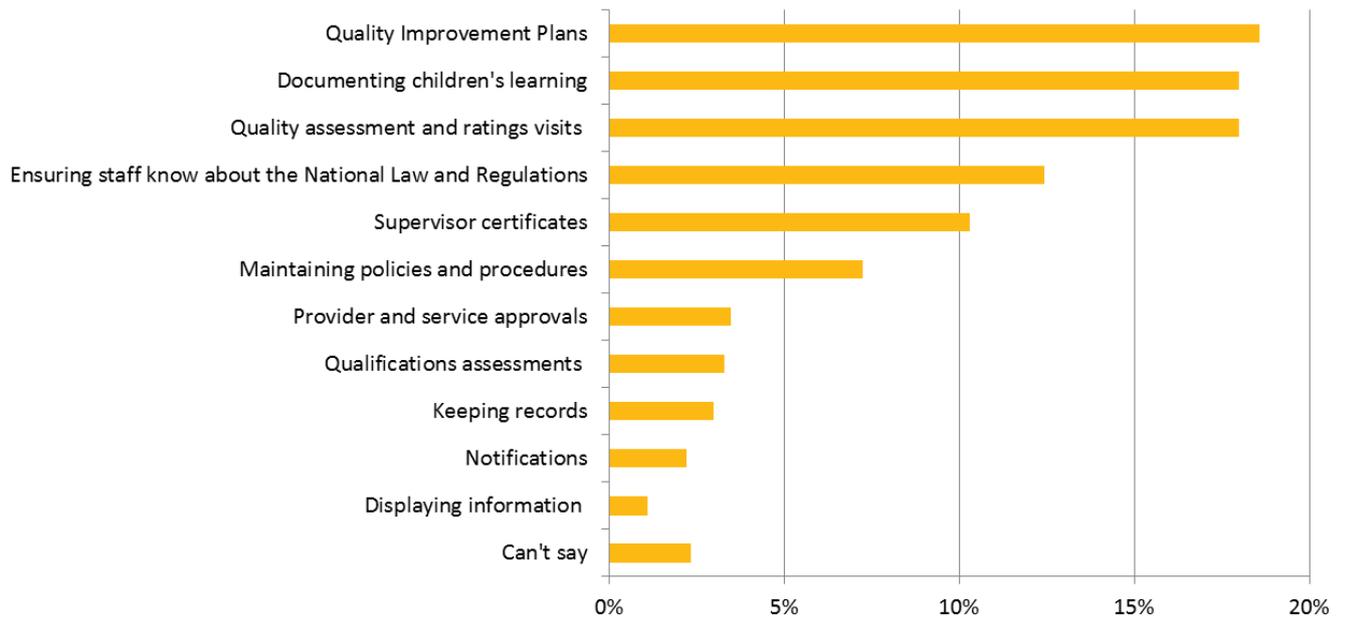


Q9A. Which one would you say is currently most of a burden?

n=1641

In keeping with answers to the multiple response question, FDC educators rate recording children's learning as the most burdensome activity, with 62 per cent (n=1428) selecting this option.

The best possible start in life

*Figure 56: Family day care educators' perception of which ongoing administrative activities are most burdensome*
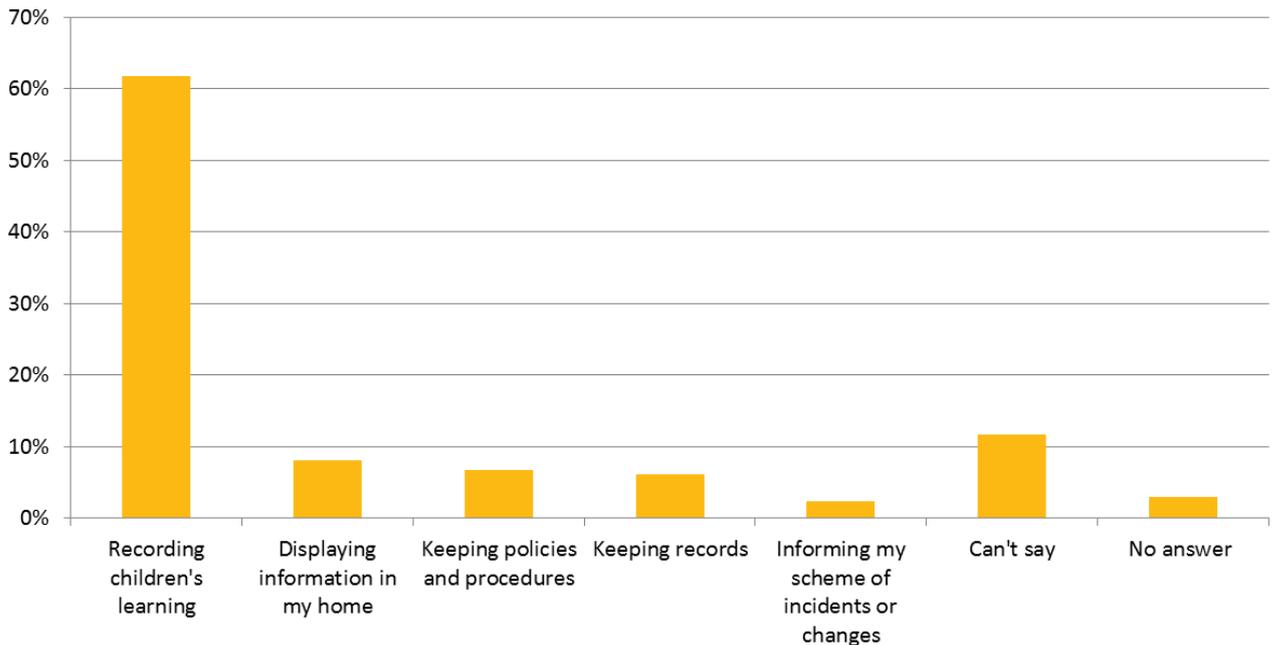


Q6. Which one is most challenging?

n=1428

## 6.6   Why are these requirements most burdensome?

### Providers and nominated supervisors

After identifying burdensome activities and requirements, all respondents were asked to identify the factors that make their selected option burdensome.

### Current activities

Drivers of burden for the three activities shown in Figure 50 (above) were gauged by asking providers and nominated supervisors which factors make their selected activity the most burdensome (see Figure 57). Providers indicate that staff hours / time is the key reason for the activities being burdensome, with 30 per cent selecting this answer (n=1071). This response was highest for all of the activities. Providers also indicate that the activities were burdensome because it diverts their attention from other activities (24 per cent, n=1071). This was particularly the case for developing compliant policies and procedures (27 per cent, n=363) and learning about the administrative requirements of the National Law and Regulations (26 per cent, n=313).

The best possible start in life

**Figure 57: Factors contributing to providers' perceptions of burden for current activities**



Legend: Staff hours/time · Financial costs · Difficulty understanding the requirements · Diverts attention from other activities · Frustration or stress · Other
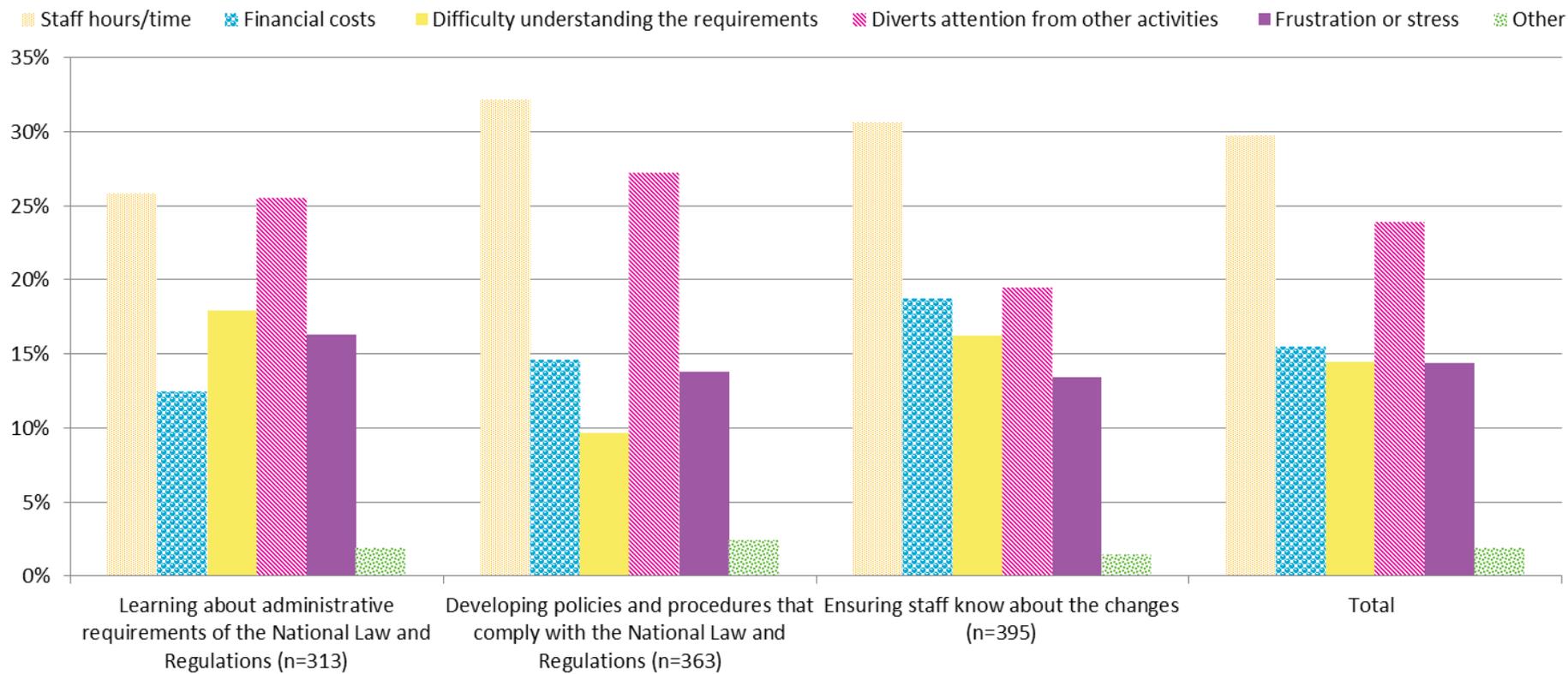
Q5A. Which one would you say is currently most of a burden?
Q5B. You rated (answer) as most burdensome. What factors currently make it a burden?

n = 1071

The best possible start in life

## Ongoing activities

Drivers of burden were examined for the activities identified as "most burdensome" (shown in Figure 55 (above). Figure 58 shows the drivers of burden for these activities.

Staff hours / time, was a key driver of perceptions of burden. This was seen across most activities, including key areas of burden identified in the previous section – such as Quality Improvement Plans (31 per cent, n=307) and documenting children's learning (34 per cent, n=292). A high proportion of respondents indicated staff hours / time was a driver of burden for notifications (32 per cent, n=38), maintaining policies and procedures (32 per cent, n=120) and keeping records (31 per cent, n=49).

Providers also indicated that diverting attention from other activities and frustration or stress were key drivers of burden. Diverting attention from other activities was particularly burdensome for displaying information (37 per cent, n=19) (though this was not found to be a burdensome activity), Quality Improvement Plans (28 per cent, n=307) and maintaining policies and procedures (26 per cent, n=120). Frustration or stress was highest for quality assessment and ratings (26 per cent, n=294). This could be due to uncertainty prior to receiving a rating. This was consistent with findings that perceptions of overall burden amongst providers decreased following a quality assessment and rating visit, compared with those providers whose service/s had not been visited, or had been visited but not received a rating.

Difficulty understanding the requirements and financial costs were mentioned less frequently overall. Difficulty understanding the requirements was highest for ensuring staff know about the National Law and Regulations (21 per cent, n=205) and qualifications assessments (18 per cent, n=55), respectively. Financial costs was listed most frequently for qualifications assessments (16 per cent, n=55) and provider and service approvals (15 per cent, n=55).

Of the 172 providers (10 per cent) who selected supervisor certificates as the most burdensome activity, a high proportion (46 per cent) attribute the burden to a reason other than the options listed by selecting "other". Of those that selected "other", 74 per cent mentioned that delays in processing and receiving approvals was a reason for the burden they felt.

Similarly, the SCM assessment found that while completing the forms was not burdensome, most services were concerned about the efficiency of how forms were processed by Regulatory Authorities. In addition to costs associated with delayed responses, which was observed to have caused strain on some services and staff, other process inefficiencies included:

- handling procedures – acknowledgement of receipt of applications
- inconsistencies – varied approaches between jurisdictions, e.g. timing of notification of supervisor numbers by regulatory authorities (before and after receipt of the physical certificate).

The best possible start in life

*Figure 58: Factors contributing to providers' perception of burden posed by specific ongoing administrative activities*
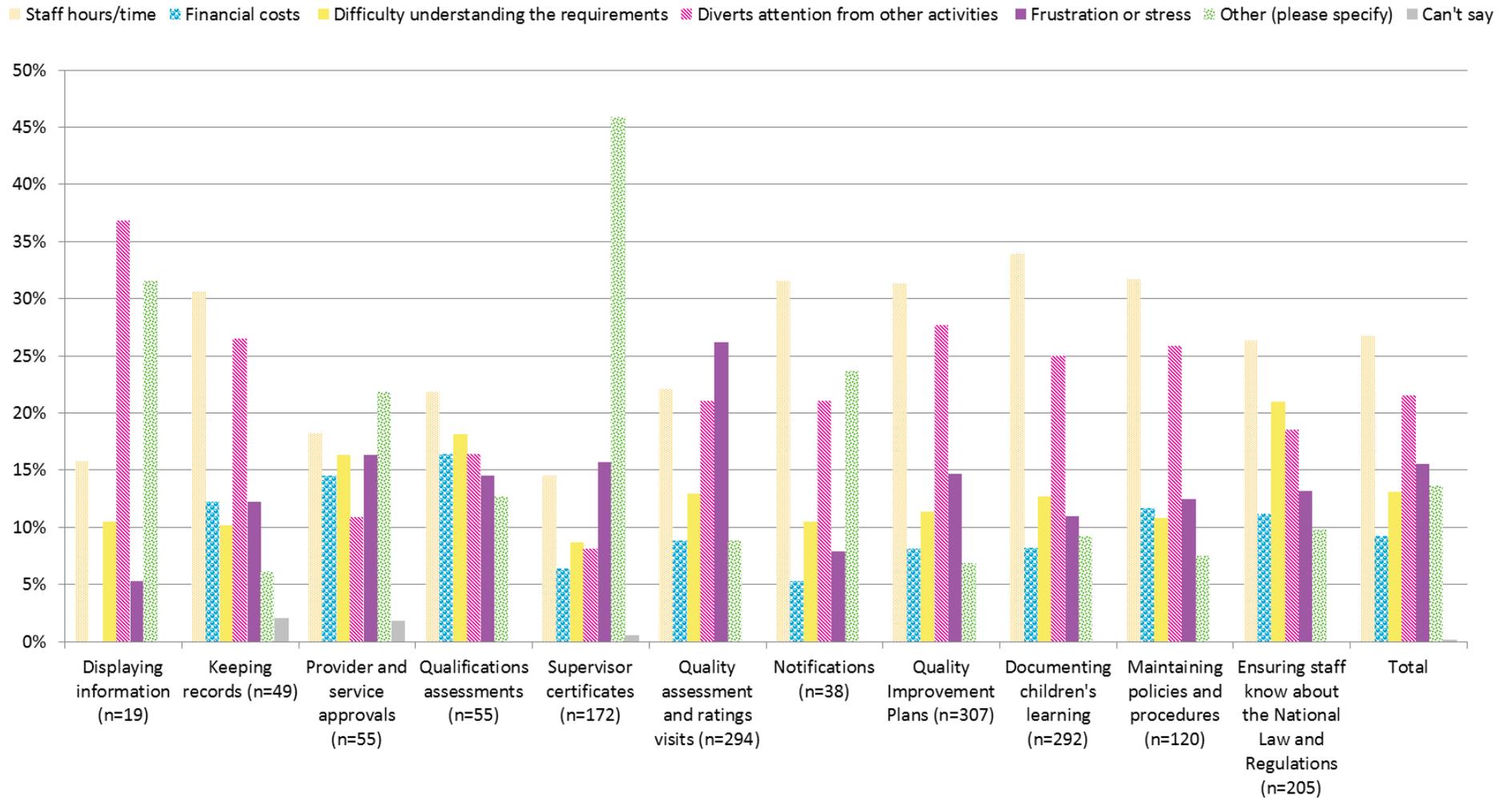
Q9A. Which one would you say is currently most of a burden?
Q9B. You rated (answer) as most burdensome. What factors currently make it a burden?

n = 1607

The best possible start in life

Providers and nominated supervisors were further asked how strongly they agreed or disagreed with statements about the ongoing administrative requirements of the National Law and Regulations. Respondents selected a rating for each question on a scale from "strongly disagree" to "strongly agree". The four statements focused on in the analysis below are:

- It is easy to find information about the administrative requirements of the National Law and Regulations.
- It is difficult to understand the administrative requirements of the National Law and Regulations.
- Administrations requirements across states and territories are consistent (asked of providers only).
- I feel I am doing more work than necessary to make sure that I meet the requirements of the National Law and Regulations.

Respondents feel more strongly about the first and last of the above questions. Of 2,257 providers, 69 per cent indicate that they are doing more work than necessary to make sure they meet the requirements by selecting "strongly agree" (36 per cent) or "somewhat agree" (33 per cent). For this question, further analysis was conducted to determine the impact of assessment and ratings visits on perception. It was found that those that had not yet been visited are more likely to agree that they are doing more work than necessary to comply by selecting "strongly agree" ($z=3.35$) or "somewhat agree" ($z=1.99$). By contrast, those that had been visited and had received their rating are less likely to agree with the statement by selecting "somewhat disagree" ($z=2.50$).

Fifty-three per cent indicate that it is easy to find information about the administrative requirements of the National Law and Regulations by selecting "somewhat agree" (38 per cent) or "strongly agree" (15 per cent).

Of the 1,815 providers asked about the consistency of requirements across states and territories, 19 per cent answered "can't say". This is likely due respondents being unfamiliar with the requirements of all or some other states and territories.

The results of this question are presented below.

*Figure 59: Providers' responses to statements about consistency of information across jurisdictions*



Legend: Strongly Disagree | Somewhat Disagree | Neither Agree nor Disagree | Somewhat Agree | Strongly Agree | Can't Say
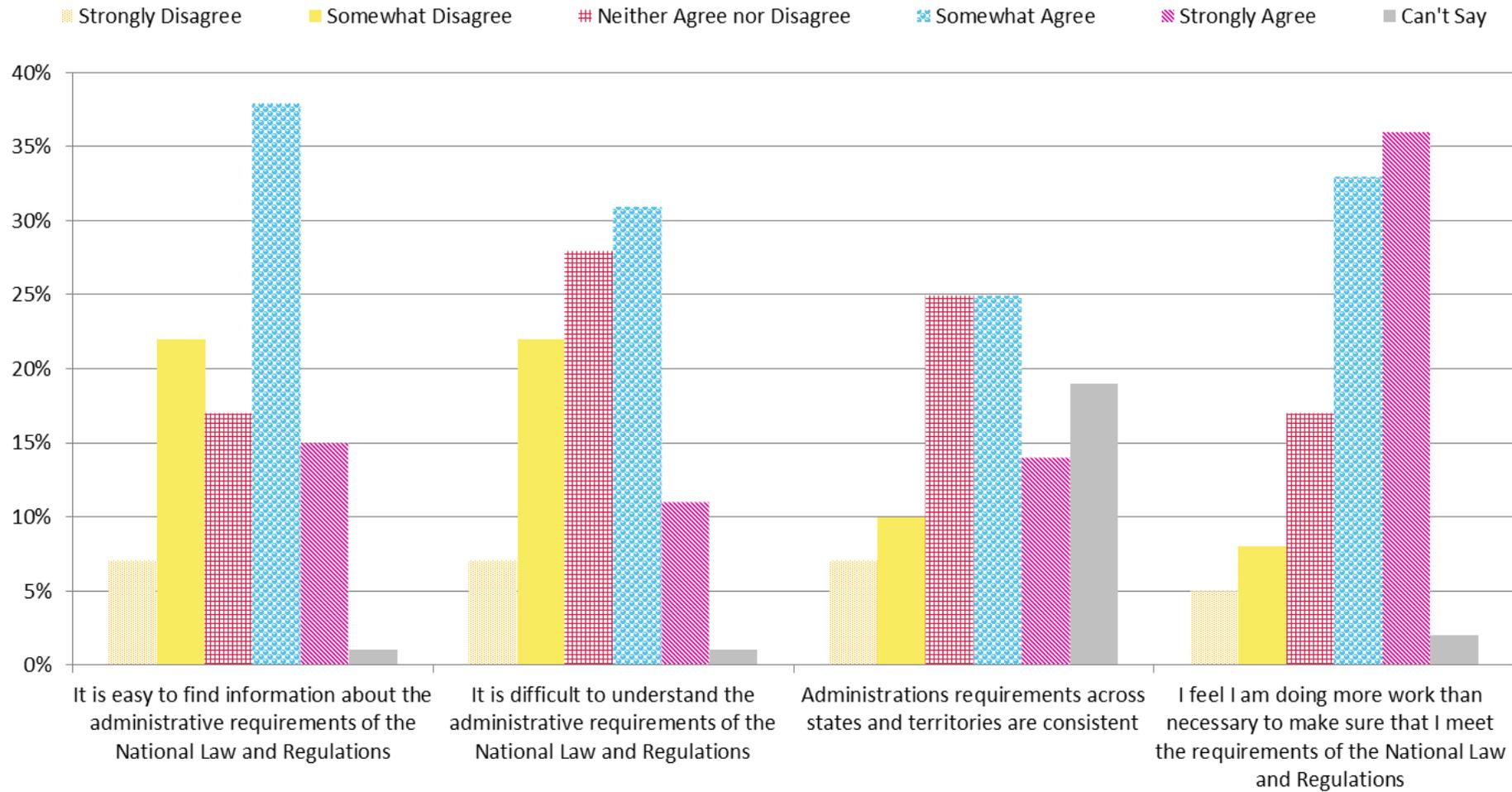
**Q10B,C,E,F. Focusing on ongoing administrative requirements (rather than one-off activities), please tell us how strongly you agree or disagree with the following statements?**

n = 2257 each requirement

To gauge whether use of the NQA ITS had any impact on perceptions of burden, respondents were asked whether their organisation / service had started using the system and if so, how it has affected their ability to meet the administrative requirements of the National Law and Regulations. Of the 2,257 providers, 16 per cent had used the NQA ITS, 64 per cent had not tried to use it, and 13 per cent had tried to use the system but were not able to. Of the 367 that have used the NQA ITS, 10 per cent indicate that it has made it more difficult to comply. Thirty-three per cent indicate that it makes it easier to comply, while 44 per cent indicate that it makes no difference to their compliance with the National Law and Regulations.

## Summary of drivers of overall burden

Further analysis of *overall* burden of the ongoing administrative requirements of the NQF (question 11) was performed to understand which requirements contribute to this most. Regression techniques were used to explore the relationship between responses to question 11 based on responses to question 6 (level of burden of administrative activities) and various service characteristics.

The analysis revealed that the following requirements within question 6 are the best predictors of a high level of perceived overall burden (question 11):

1. ensuring staff know about National Law and Regulations
2. Quality Improvement Plans
3. quality assessment and rating visits
4. keeping records
5. maintaining policies and procedures
6. documenting children's learning.

In addition, the following attributes are the best predictors of a lower level of overall burden identified at question 11:

1. the provider identified as having had an assessment and ratings visit and a quality rating
2. the provider identified as providing a FDC service, compared to all other service types.

*Figure 60: Summary of drivers of overall burden for providers*



## Family day care educators

FDC educators were also asked why their chosen selections were burdensome. Respondents indicate that for recording children's learning (the "most burdensome" activity as identified by 62 per cent of respondents (n = 1428) in Figure 56, above), time is the greatest contributor to burden, with 35 per cent (n=865) selecting this answer, and 27 per cent specifically indicating that time away from the children is the cause of burden for this activity). Difficulty understanding the requirements and stress are also contributing factors to the burden for this activity (13 per cent and 14 per cent respectively). See Figure 61 (below).

Time was rated the highest contributing factor to burden for most activities, as shown Figure 61. Similarly, time away from the children also ranks highly by respondents for a number of activities.

For displaying information at home, which was rated the most burdensome administrative requirement by 8 per cent of respondents, storage space (24 per cent), time (22 per cent) and 'other' (21 per cent) were considered the main drivers of burden (n=172). This is shown below. Two main themes identified through the open-ended feedback for 'other' included insufficient wall space to display information and FDC information overtaking the family home.

The best possible start in life

**Figure 61: Family day care educators' perception of factors contributing to burden posed by specific administrative activities**



Legend: Time · Financial costs · Difficulty understanding what I need to do · It means I have less time with the children · It is stressful · Storage space · Other
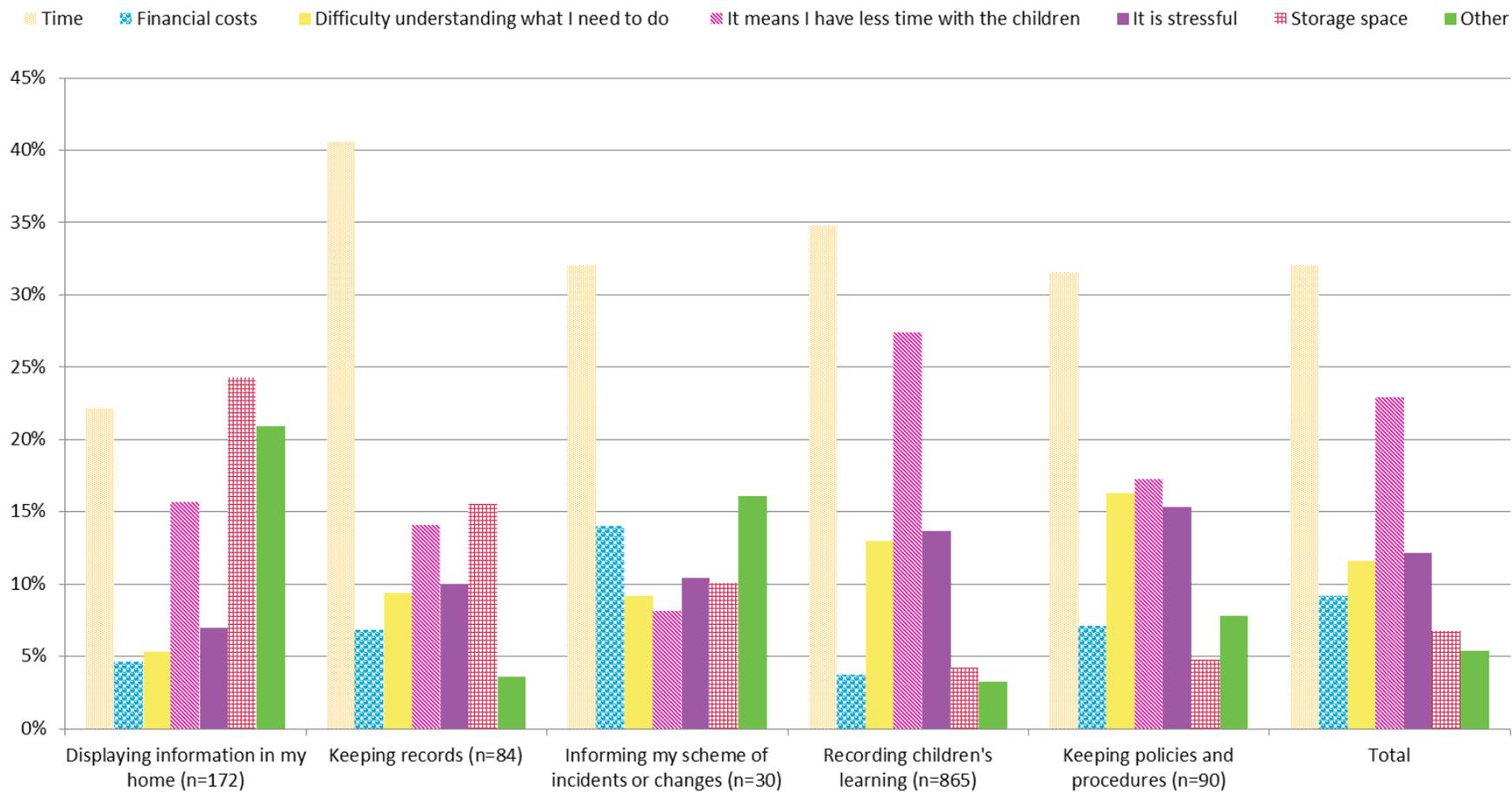
Q6. Which one is most challenging?
Q7. Why is that paperwork task the most challenging?

n = 1241

The best possible start in life

Language barriers could affect perceptions of burden for FDC educators, 38 per cent (n=1428) of whom speak a language other than English at home (see Figure 2, above). This was specifically identified this as an issue in the general open-ended question (1 per cent, n=932).

When asked if they had anything more to say about the paperwork they have to do as a FDC educator (open-ended question), time was again a common driver of burden. Eight (8) per cent of the 932 educators that provided open-ended responses stated that there is not enough time to meet the increased workload / do what's required. Furthermore, 5 per cent stated that they are using their own time to make up for the increased workload, including working unpaid hours. These respondents further stated that this affects their work-home life balance. Around 10 per cent of respondents stated that time is being taken away from the children or other activities relating to children. A number of respondents (18 per cent, n=932) stated that the amount of paperwork required is too much.

The SCM assessment identified similar patterns in that FDC providers noted the complexity of communicating across a service of multiple dispersed educators.

## 6.7 What do providers, nominated supervisors and family day care educators think should be done about administrative burden?

### Information, support and guidance

Having identified whether providers and nominated supervisors find it easy to find information about the National Law and Regulations, these respondents were asked about the usefulness of specific information sources, including resources provided by ACECQA and regulatory authorities. FDC educators were asked about the usefulness of the NQF Resource Kit provided by ACECQA.

The results highlighted that providers and nominated supervisors find social media resources the most useful. Eighty-nine (89) per cent (n=2257) of providers stated that the ACECQA Twitter Page is "very useful" and 75 per cent stated that the ACECQA Facebook page is "very useful". This was also reflected in the responses to information provided by regulatory authorities, with 81 per cent stating that their regulatory authority media presence is "very useful". This is shown in Figure 62 (below). Customer service hotlines and enquiry numbers were also found to be "very useful", with 49 per cent and 28 per cent of providers selecting this answer for ACECQA and regulatory authority resources respectively.

Stakeholder forums held by regulatory authorities are considered useful (56 per cent "very useful", n=2257). Newsletters and websites are considered less useful, indicated by higher proportions of "moderately useful" (39 per cent and 41 per cent respectively for the ACECQA Family Newsletter and ACECQA website, and 31 per cent and 33 per cent respectively for regulatory authority resources) and "not very useful" (27 per cent and 23 per cent respectively for the ACECQA Family Newsletter and ACECQA website, and 31 per cent and 32 per cent respectively for regulatory authority newsletters and websites).

The best possible start in life

## Figure 62: Usefulness of ACECQA and regulatory authority sources of information
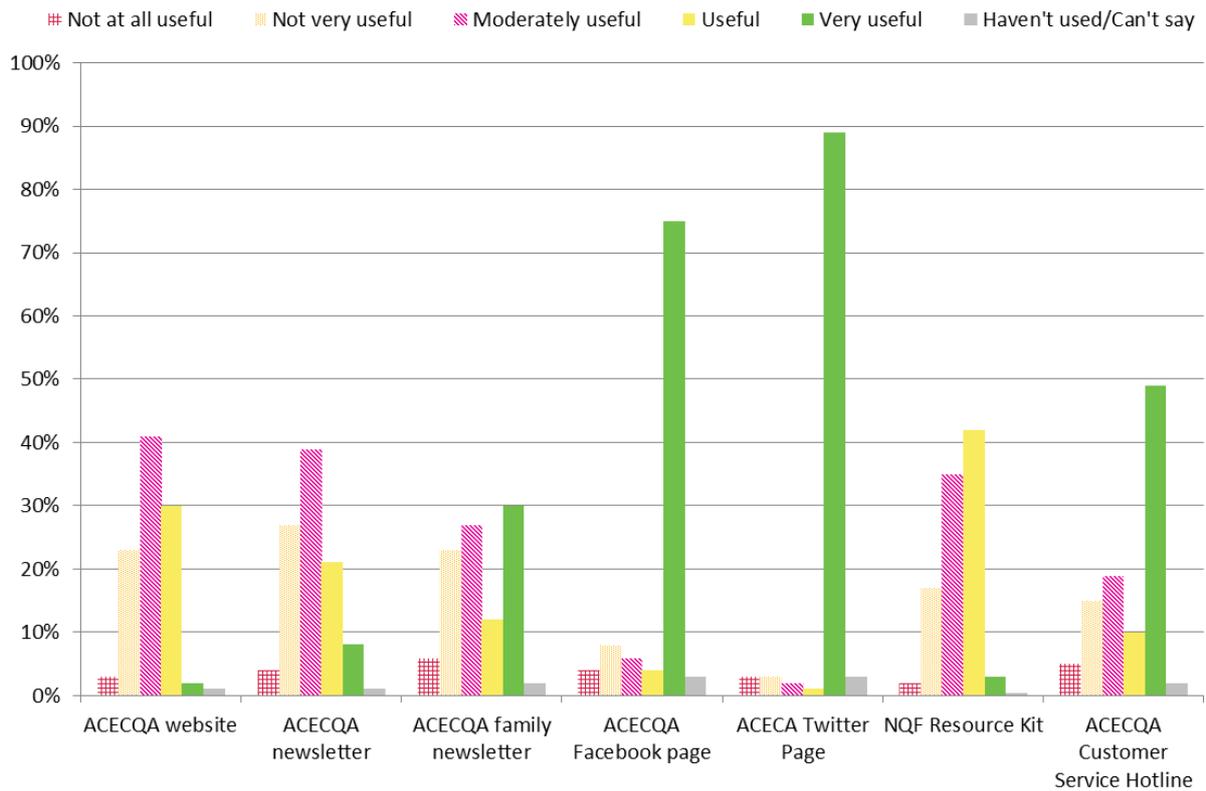


**Legend:** ⊞ Not at all useful  ▥ Not very useful  ▥ Moderately useful  ▩ Useful  ▩ Very useful  ▩ Haven't used/Can't say

**Q14. How useful are each of the following sources of information?**

n = 2257 each source of information



**Legend:** ⊞ Not at all useful  ▥ Not very useful  ▥ Moderately useful  ▩ Useful  ▩ Very useful  ▩ Haven't used/Can't say
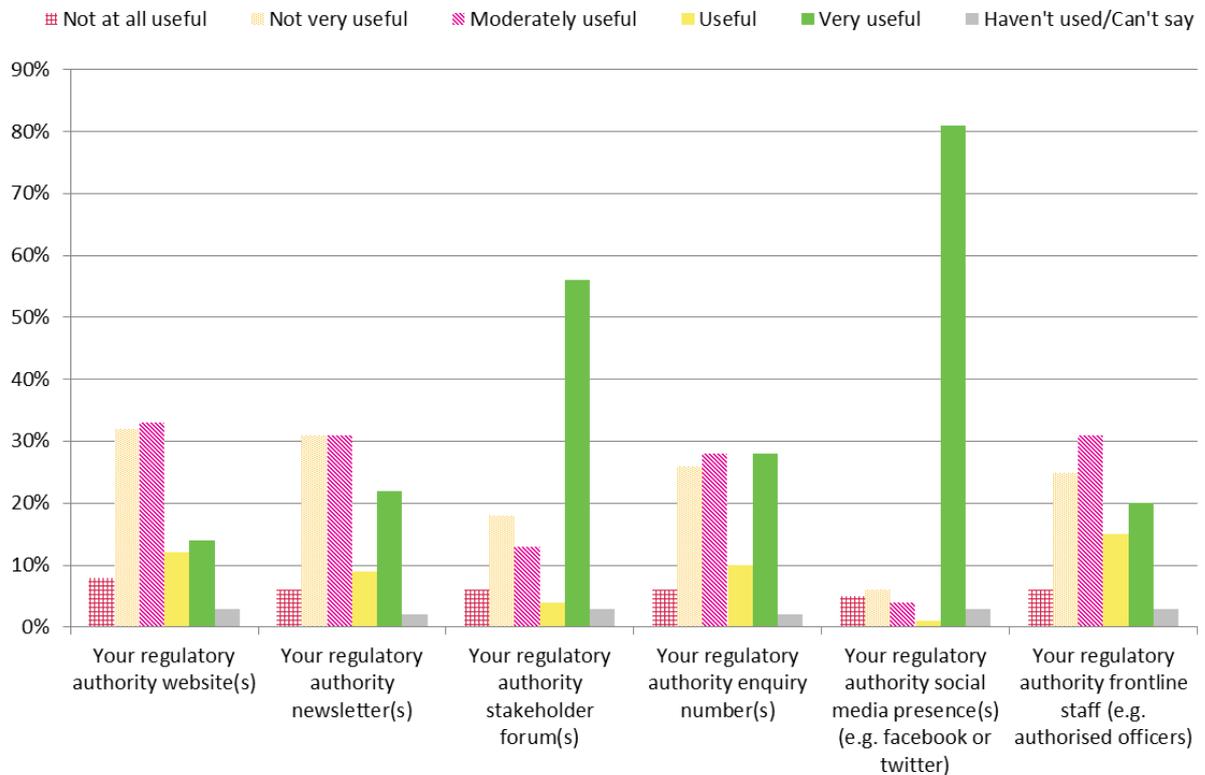
**Q15. Overall, how useful are each of the following sources of information?**

n = 2257 each source of information

Providers indicated that the NQF Resource Kit is "useful" with 42 per cent (n=2257) selecting this response compared to 17 per cent "not very useful". Responses from FDC educators are consistent with these responses, with 38 per cent of the 736 respondents with a copy of the resource selecting "useful" and 22 per cent selecting "very useful". Only a small proportion indicated that this resource is not useful (2 per cent "not at all useful" and 6 per cent "not very useful").

## Suggested changes for reducing administrative burden

Providers and nominated supervisors were asked to select whether they agreed or disagreed that the following changes would help reduce administrative burden for their organisation / service under the National Law and Regulations. Responses were on a scale from "strongly disagree" to "strongly agree".

- increased useability of the NQA ITS applications, notifications etc.
- improved processing of applications, enquiries etc.
- more or improved written guidance materials
- more or improved face to face guidance or training
- more or improved online guidance.

The sample size was much lower for the first option (n=649, compared to n=2257 for the other options), as this was filtered by respondents who had indicated in previous questions that they had tried to use the NQA ITS.

Respondents are in favour of all of the options, with high proportions of "strongly agree" and "somewhat agree" selections and very low proportions of "strongly disagree" and "somewhat disagree" (see Figure 63, below). More providers agree that more or improved face-to-face guidance or training would help reduce administrative burden, with 81 per cent answering "strongly agree" (53 per cent) or "somewhat agree" (28 per cent). This option drew slightly more agreement from respondents than increase useability of the NQA ITS applications (46 per cent "strongly agree", 32 per cent "somewhat agree"), improved processing or applications and enquiries (49 per cent "strongly agree", 28 per cent "somewhat agree"), more improved written guidance materials (43 per cent "strongly agree", 35 per cent "somewhat agree") and more improved online guidance (39 per cent strongly agree", 36 per cent "somewhat agree"). A number of respondents could not express an opinion about consistency between the requirements of different states and territories, with 16 per cent selecting "can't say" for this question.

*Figure 63: Providers' support for possible changes to reduce administrative burden*
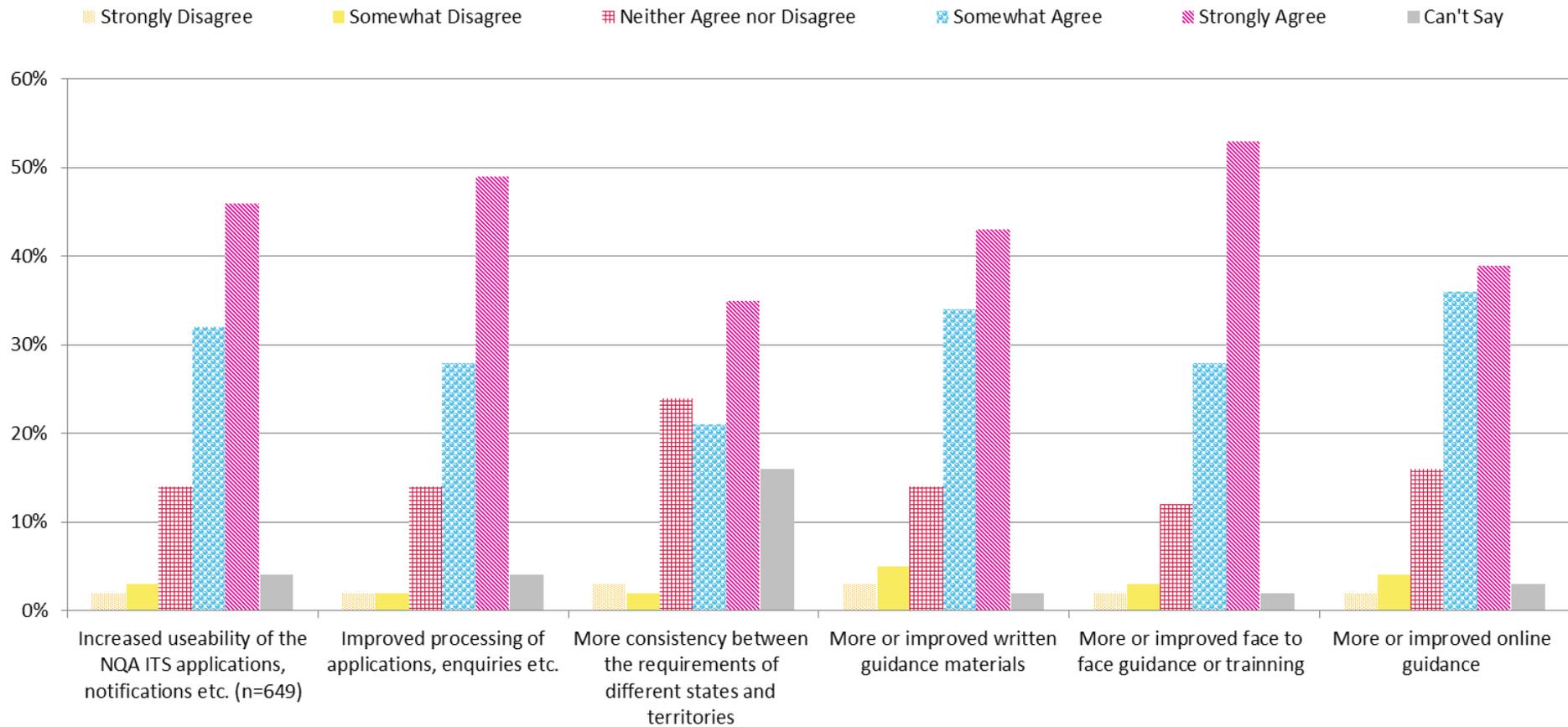
**Q16. How strongly do you agree or disagree that the following changes would help reduce administrative burden for your (organisation/service) under the National Law and Regulations?**

n = 2257 each type of change except 'increase useability of the NQA ITS applications, notifications etc.'

The best possible start in life

Providers and nominated supervisors were asked specifically whether they had any other suggestions for how to reduce administrative burden under the National Law and Regulations, without compromising the quality of education and care for children. Sixteen (16) per cent of the 970 providers that took the opportunity to answer the open-ended question suggested that simpler information about how to comply – for example through free of charge templates / check lists and more consistent information – would assist in reducing administrative burden. Reducing the administrative requirements and reducing documentation and duplication were also suggested (10 per cent of providers who gave an open-ended response).

FDC educators had similar responses when asked if they had anything to say about the paperwork they have to do under the National Law and Regulations. Educators that responded to the open-ended question in their survey noted that the requirements are too subjective and difficult to understand, and that more guidance and simplification is required (including simplified language) (9 per cent, n=932).

The survey's finding that providers desire simpler information about how to comply with administrative obligations was reflected in the findings of the SCM project. DAE reported that some providers know they are "overburdening themselves" and are "spending more time than necessary" on administrative tasks. DAE concluded that in part this was the result of the flexibility allowed by those parts of the regulation that contribute significantly to administrative cost, and that clearer information about how to comply could reduce costs for these types of providers.

## 6.8   General feedback

### Family day care educators

FDC educators were asked a "catch-all" question at the end of the survey. The question asked respondents if there was anything else they would like to say about the paperwork they have to do as an educator.

Some educators feel strongly about structured learning programs, stating that children should be allowed to be children. Furthermore, some educators feel children's learning should not be recorded because "children repeat the way they play" (5 per cent of educators that provided open-ended responses, n=932) and parents don't read the information and would rather they spend time with their children than taking notes (4 per cent, n=932). Eight (8) per cent do not agree that FDC services should be treated the same as centre-based services, stating that "family day care is being pushed towards mini-centres". Ten (10) per cent of educators that responded to the open-ended question provided favourable feedback on the objectives of the NQF.

### Other service types

Comments from some OSHC and similar service sub-types indicated that these respondents do not agree with structured programs for their service types. An example comment from one of these respondents was "why have an 'educational' program when [the children] are on holidays?"

The best possible start in life

Similar themes were identified in the SCM assessment, with OSHC providers less likely to see the benefits of the higher cost administrative obligations such as educational programs, and individual child learning records.

# 7 Areas for future analysis

Preliminary research questions identified for part of Part 2 of this research report are grouped by topic in the table below.

*Table 19: Research questions for further analysis*

| Topic | Questions |
|---|---|
| Areas of burden | Analysis of areas of burden by provider size |
| Educational programs | Further assistance to the sector on children's learning documentation obligations to reduce the costs of compliance |
| Information, support and guidance | Consideration of tailored language support to FDC educators<br>Further analysis of survey responses to prioritise areas for clearer guidance, or more guidance about information obligations |
| Other findings | Further analysis of open-ended responses by providers, nominated supervisors and FDC educators |
| Quality Improvement Plans | Further examination of the perception of burden associated with Quality Improvement Plans, while retaining their benefit to service quality improvement |
| Policies and procedures | Review requirements for policies and procedures |

The best possible start in life

# 8  References

ABS (2012). Sample Size Calculator. Retrieved January 24, 2013, from
http://www.nss.gov.au/nss/home.nsf/pages/Sample+size+calculator

ABS (2013). Language Spoken at Home. Retrieved July 1, 2013, from
http://www.abs.gov.au/ausstats/abs@.nsf/Lookup/2901.0Chapter6102011

COAG. (2007). COAG RIA Guidance Material. Retrieved 13 June, 2013, from
http://www.finance.gov.au/obpr/proposal/coag-guidance.html

COAG. (2009). Regulation Impact Statement for Early Childhood Quality Reforms.

Halcrow Group. (2010). Using the Standard Cost Model to Measure Administrative Burden: a
Pilot Using Scotland's Environmental and Rural Services (SEARS) as a Case Study.

MCEECDYA. (2011). Implementation Plan for the National Quality Agenda for Early Childhood
Education and Care.

National Audit Office (UK). (2007). Reducing the Cost of Complying with Regulations: The
Delivery of the Administrative Burdens Reduction Programme. London.

NSW Department of Premier and Cabinet. (2008). Measuring the Costs of Regulation (pp. 1-12).

OECD. (2012). Measuring Regulatory Performance: A Practitioner's Guide to Perception Surveys.
OECD Publishing. Retrieved from http://www.oecd-ilibrary.org/governance/measuring-
regulatory-performance_9789264167179-en

Regulation Taskforce. (2006). Rethinking Regulation: Report of the Taskforce on Reducing
Regulatory Burdens on Business. Canberra.

Riedel, H. (2009). International Methods for Measuring Regulatory Costs (Vol. 1, pp. 1-32).

SCM Network. (2005). International Standard Cost Model Manual. SCM Network.

SCM Network. (2012). http://www.administrative-burdens.com. Retrieved May 25, 2012, from
http://www.administrative-burdens.com

Victorian Department of Treasury and Finance. (2009). Victorian Regulatory Change
Measurement Manual. Victorian Department of Treasury and Finance.

The best possible start in life

# Appendix A: Methodology

## Contents

## Tables

# Choice of method

Various approaches for measuring administrative burden were identified in the literature. These included the International Standard Cost Model (SCM), the Victorian Regulatory Change Measurement (RCM), the Australian Government Business Cost Calculator (BCC) and a perception survey method. The advantages and limitations of these approaches are outlined in Table 1, below.

The SCM, RCM and BCC are objective, quantitative approaches for measuring the dollar value associated with regulatory requirements. However, estimates are based on small sample sizes and results neither provide an exact measurement nor are representative of the population in statistical terms (Halcrow Group, 2010; National Audit Office (UK), 2007).

The perception survey method allows for the design of a representative sample from which the results can be reliably extrapolated to the entire population. Importantly, the perception survey also allows for variables of interest to be disaggregated – such as service / provider type, size and jurisdiction. Furthermore, a perception survey can measure factors additional to regulatory burden, such as irritation and other factors, and may identify unintended consequences of regulatory reform not considered elsewhere. Finally, perception surveys are less resource-intensive than other methods, making this method suitable for longitudinal studies.[1] Given ACECQA's ongoing reporting obligation, methods that complimented longitudinal research were identified as appropriate for measuring administrative burden over time.

However, the OECD guide to measuring regulatory performance through perception surveys cautions against using perception surveys in isolation to evaluate regulatory burden reduction initiatives (OECD, 2012). The guide notes that perception surveys are more subjective, as perceptions are often influenced by a number of additional factors. Further, there are often discrepancies between the results of SCM measurement and perception surveys. The OECD guide therefore recommends that perception surveys are conducted in conjunction with other methods (OECD, 2012):

> *It is therefore advisable to collect other available data that will contribute to achieving the objective and will complement the information obtained from the perception surveys. For example, data based on the Standard Cost Model and on perception surveys provide information on reductions in administrative burdens from different angles.*

The SCM uses an internationally recognised method to provide a high level of detail at the activity level and identify specific areas of legislation that are most burdensome for services. While perception surveys may not identify specific areas of burdensome regulation as easily as a cost model approach might, they might identify other possibilities for reducing the perception of regulatory burden, such as implementing new communication or engagement strategies.

Based on the findings of the scoping study, the ACECQA Board agreed that a mixed method approach should be applied to measure regulatory burden, using a perception survey and the SCM evaluation methods. The perception survey and SCM approaches provide a thorough

---

[1] Longitudinal study: a study that captures responses over time through repeated observations of the same variables.

picture of the regulatory burden experienced by education and care services and complement and overcome the limitations of the other as shown in Table 1, below.

**Table 1: Summary of measurement approaches**

| Approach | Advantages | Limitations |
|---|---|---|
| Standard Cost Model | High level of detail – measures costs at the activity level | Based on small sample sizes, not representative |
| | Highly action-oriented | Only measures administrative costs, no consideration of irritation factors |
| | Internationally recognised | Does not measure one-off costs in ex-post measurements |
| | Suitable for ex-post measurement (as well as ex-ante) | Excludes businesses that are particularly efficient or inefficient |
| | Bottom-up approach | Cannot easily disaggregate results by multiple characteristics |
| Victorian Regulatory Change Measurement | Designed based on an understanding of the Standard Cost Model and the Business Cost Calculator | Based on small sample sizes, not representative |
| | High level of detail | Only measures compliance and delay costs, no consideration of irritation *factors* |
| | Highly action-oriented | Excludes businesses that are particularly efficient or inefficient |
| | | Cannot easily disaggregate results by multiple characteristics |
| Business Cost Calculator | Highly user-friendly | Only measures compliance costs, no consideration of irritation factors |
| | | Based on small sample sizes, not representative |
| | | Cannot easily disaggregate results by multiple characteristics |
| | | Primarily a calculation tool with little respect to data collection |

| Approach | Advantages | Limitations |
|---|---|---|
| Perception Survey | Can be representative of population | Subject to respondent biases |
| | Can easily disaggregate results by multiple characteristics | Lower level of detail than a cost model approach |
| | Less resource intensive following benchmarking stage – therefore more suitable for longitudinal research (measurement over time) | |

# Detailed methodology: perception survey

## Overview

A perception survey was used to measure the perceived level of administrative burden of the NQF. Two separate questionnaires were designed for the perception survey:

- survey of providers and nominated supervisors
- survey of FDC educators.

This method was designed to enable results from a series of surveys to measure trends over time, as specified in ACECQA's reporting obligations.

## Questionnaire design

The design of the perception survey questionnaire was informed by:

- a literature review
- a series of in-depth interviews with a cross-section of providers
- consultation with the Quality and Consistency Committee (QaCC) and the Early Childhood Development Working Group (ECDWG)
- a series of cognitive testing exercises.

## Literature review

The literature review highlighted that that results from many surveys, including the UK National Audit Office survey, show that businesses often have more negative perceptions of the level of regulatory burden than are identified through more objective methods such as the SCM (National Audit Office (UK), 2010; OECD, 2012).

The OECD guide to measuring regulatory performance through perception surveys includes the following factors that might bias businesses' perceptions of regulation (OECD, 2012). These factors, shown below, were addressed in the ACECQA survey design where practical.

*Table 2: Factors that could bias businesses' perceptions of regulation*

| Factor | Explanation | Implications for questionnaire design |
|---|---|---|
| Definition of regulation | If regulation is not defined clearly, participants may have different understandings of its meaning. In the UK Better Regulation Study, participants' understanding of 'regulations' differed between primary laws, agency rulemaking, self-regulation by businesses or obligations on citizens like speed limits. | ACECQA's perception survey was therefore designed to clearly define the regulations in question. |
| Negative connotations of 'regulation' | Respondents may be biased by the negative connotations of the word 'regulation' rather than answering about the specific regulations in question. In the US, Goddard (2003, as cited in OECD, 2012) identified the word 'regulation' to have a strong negative connotation across various sectors; and in the UK, Cosh and Wood (1998, as cited in OECD, 2012) found that businesses had significant concerns about the 'regulation' in general, despite not having serious concerns with the measures that make up regulation – legislation, legal rulemaking, norms, and taxation. | ACECQA's perception survey therefore included questions about benefits of the NQF and resources that support providers, rather than only burdens, so as to avoid biasing the survey. |
| Strategic responses and social desirability | Businesses may exaggerate burden so as to motivate government action. | N/A |
| Irritation | Irritation or annoyance with regulation may have a greater influence than cost of regulation. The 2009 Action Programme for Reducing Administrative Burdens in the EU found that irritation with an information obligation is often uncorrelated to the administrative burden imposed (European Commission, 2009, as cited in OECD, 2012). | N/A |

| Factor | Explanation | Implications for questionnaire design |
|---|---|---|
| Service quality | Service quality, such as experience with agency staff, can influence perceptions. | The ACECQA survey therefore included a question about whether the provider had experienced quality assessment as a proxy for experience with regulatory authority staff. |
| Regulatory language | For example, if regulations are written in very legalistic language this can be perceived as more of a burden. | N/A |
| Compliance costs | Businesses do not always distinguish between administrative costs and substantive costs. If a survey is focused on administrative costs only, and administrative costs have been reduced but substantive costs remain the same, perceptions may be based on a combination of all costs. | The ACECQA survey was designed to be clear that substantive costs should be excluded. |
| Frequency of reform | Reform in itself may influence perceptions, as change and uncertainty may cause irritation. | The ACECQA survey recognised how recently the NQF was introduced, and distinguished initial regulatory burden from ongoing burden once businesses become more familiar with the NQF. |
| Lack of awareness of benefits | Businesses that are unaware of the benefits of regulation may be more inclined to view the obligations as burdensome. | N/A |
| Issue salience and visibility | The well informed are more likely to be feel positively about regulation. | The ACECQA survey method included paper based surveys for those FDC educators who were known to typically not receive information electronically, and who therefore may be less well informed about the NQF changes. |

| Factor | Explanation | Implications for questionnaire design |
|---|---|---|
| Government and media communications | Particularly positive or negative communications about the regulation can influence perceptions. | N/A |
| Involvement in policy development | Involvement in the development of policy might lead to more positive perceptions and a sense of ownership. | N/A |
| Timing | Surveys should be conducted once people are aware of the reforms so that their perceptions are less likely to be based on previous experience. | The ACECQA perception survey occurred 16 months after the commencement of the national regulatory scheme, so that respondents would be sufficiently aware of the reforms. Respondents were also specifically asked about their previous experience of regulation so that associated bias could be measured. |

### *In-depth interviews*

In depth interviews were undertaken to explore the perceptions of service providers about their experience of regulatory burden under the NQF. Particular consideration was given to how the findings could contribute to the design of the perception survey instrument.

A cross-section of the 4,091 provider sample was selected based on type of education and care (LDC, preschool/kindergarten, FDC, OSHC), operating jurisdiction(s), provider size (number of services), management type (community/NFP, commercial or government), and catering for culturally and linguistically diverse (CaLD), Aboriginal or disability groups. Where providers had a head office and multiple services, interviews were conducted with employees at one or more different levels in the organisation (at head office, a regional office and/or a service). The interviews involved primarily open-ended questions to encourage participants to speak broadly about their views on regulatory burden and the NQF, especially administrative burden.

The findings of the in-depth interviews were used to draft the perception survey questionnaire. The interviews identified a number of administrative requirements, and groups of requirements, that were commonly considered burdensome:

- displaying information
- keeping records
- provider and service approvals
- qualifications assessments
- supervisor certificates
- notifications
- Quality Improvement Plans (QIPS)
- documenting children's learning
- developing / maintaining policies and procedures.

The main recommendations for questionnaire design resulting from the in-depth interviews are presented in Table 3.

*Table 3: Recommendations for questionnaire design*

| Recommendation | Reasoning |
|---|---|
| Identify which types of requirement are most burdensome | This information can be combined with evidence from the SCM component to prioritise where the National Law and Regulations could be streamlined to deliver most benefit and red tape reduction. |
| Ask respondents why certain requirements are particularly burdensome, using a set of broadly consistent response options based on the key drivers identified | Administrative burden is not perceived purely in terms of financial cost. Other factors, such as stress and impacts on workforce effectiveness, contribute to perceptions of burden. The questionnaire was therefore designed to measure a range of contributing factors. |

| Recommendation | Reasoning |
|---|---|
| Separate 'transitional burden' (one-off costs) from recurring burden | Perceptions of administrative burden are influenced by transitional burden, which would occur from any new legislation, and does not necessarily reflect burden caused by the National Law and Regulations. The questionnaire was therefore designed to delineate transitional burden from recurring burden. |
| Include questions to capture perceptions about communication and education solutions | Aside from legislative changes, participants felt burden could be reduced through improved communication and education solutions. A small number of questions on communication and education were included in the questionnaire to capture this |

## *Consultation with QaCC and the ECDWG*

ACECQA consulted with QaCC and the ECDWG in February 2013 to refine the questionnaire design. The committees were sent the questionnaire, a perception survey methodology paper and a summary of in-depth interviews obtained during the scoping study. Feedback obtained through the process was incorporated into questionnaire design. A copy of the survey is at Appendix C.

The following changes to the questionnaire were implemented following consultation with these stakeholders:

- A question was added to gauge the usefulness of communication from Regulatory Authorities, rather than ACECQA communication alone – this question was designed to enable feedback to regulatory authorities on this issue.
- A question on changes that could reduce ongoing administrative burden was amended following feedback that some options shouldn't be partnered up in this question. Rather than asking respondents to select their top three options, the question was changed to a rating scale format. This reduces the impression that the options are grouped together in any way, as they are assessed on an individual basis.
- A previous question that asked whether or not the provider/service/FDC educator catered for children from disadvantaged backgrounds was removed due to concern about the design of this question and doubts about its efficacy. Although cross-analysis cannot be performed on this response, SEIFA ratings were instead used to cross-analyse socio-demographic characteristics for respondents who were nominated supervisors at a service (and therefore had a geographic location that could be coded for SEIFA).
- A question was added to clarify which respondents had operated under previous regulatory systems.

### Cognitive testing exercises

Cognitive testing was conducted with providers and FDC educators. Key changes to the questionnaire resulting from the cognitive testing are outlined below:

- *FDC educators*: testing with FDC educators indicated that this group's ability to understand and respond to a complex survey was lower than anticipated. It is likely that this was due to the high proportion of educators for whom English is not their primary language. A greatly shortened and simplified version of the questionnaire was then designed based on the findings (see Appendix C).

- *Confidentiality*: in response to concerns raised about confidentiality, a new section, "Who is collecting this information?", was included in the introduction to emphasise ACECQA's independence. Concerns about responses being shared with regulatory authorities were the primary concerns regarding confidentiality.

- *Objectives of the NQF*: a previous question on the objectives of the NQF was deleted. This was due to the large variation in responses caused by different interpretations by respondents. In addition, some participants felt tested by the question, which impacted on their attitude towards answering the remaining questions.

- *Measuring burden of particular administrative requirements*: The 'strongly agree' to 'strongly disagree' scale was found to be counter-intuitive in relation to the burden of specific administrative requirements – i.e. "strongly agree" represented a negative response to these questions. For these questions, the question format was changed to measure burden on a scale of 0-5, with 0 being 'not at all burdensome' and 5 being 'vey burdensome'.

- *Reasons for requirements being burdensome (Q5B, 9B)*: The majority of participants selected some of the options provided but also used the 'other (please specify)' option to provide further detail. To simplify the question, lessen time spent reading the options, and minimise biasing responses by the options included, only the top level options that are known to be common drivers were retained. Participants were then encouraged to select 'other (please specify)' where the options presented didn't capture their reasoning.

- *Importance of burden reduction*: a question on the importance of burden reduction was removed due to the limited value of the findings from the question. Some participants found the question unnecessary, given their earlier answers would provide an indication of their opinion of importance.

- *Hours spent on administration requirements*: a question designed to gather this data was deleted. This was firstly due to indications that this data would be unreliable, because of different interpretations by respondents. Secondly, it was determined that the SCM component of the project was better suited to collecting this type of information.

## *Other design features*

The ACECQA logo was used in the online and paper surveys to emphasise the impartiality and legitimacy of the project. The ACECQA colours were used in all surveys where possible.

The logo and colours were also used in all pre-approach communication with the exception of the FDC educator survey. The Family Day Care Australia (FDCA) logo and colours were used for this survey to emphasise the connection between ACECQA and FDCA, and in doing so emphasise the legitimacy of the project for this audience.

## Sample design: selection of survey participants

### *Population and sample frame*

Three groups with responsibility for administrative activities under the National Law and Regulations were surveyed:

- providers of education and care services (approved providers and applicants for provider approval) – referred to in the report as "providers"
- nominated supervisors and, in their absence, a person at the service who best understood the nominated supervisor's role – referred to in the report as "nominated supervisors"
- family day care educators – referred to in the report as "FDC educators".

The sample frame for providers and services was drawn from the NQAITS. This is a robust source of information as providers are obligated to have their details and those of their services registered in the system.

The NQAITS does not hold information on the number of educators attached to each FDC service, or any contact details for these educators. The option of approaching educators via providers of FDC services was considered and dismissed for logistical reasons, and risk of response bias. Alternative methods of contacting educators were investigated, and the best available option was to draw a sample frame for FDC educators from a Family Day Care Australia (FDCA) list of educator members. The large majority of FDC educators are known to FDCA because of the widespread membership of the FDCA sourced insurance scheme. FDCA advised that their membership records covered some 16,275 educators, which for the purposes of the research, was determined to be a reasonable representation of the true population of FDC educators.

*Table 4: Population*

|  | Population | Date Obtained |
|---|---|---|
| Providers | 7,247 | 13/03/13 |
| Nominated supervisors | 14,152 | 13/03/13 |
| FDC educators | 16,275 | 18/03/13 |

## Sample size

A large, representative sample of providers, nominated supervisors and FDC educators was required in order to reliably extrapolate the responses to the entire population and to provide the option of longitudinal research.

## Providers and nominated supervisors

For the provider and nominated supervisor populations, optimal sample sizes were developed using the sample size calculator hosted by the National Statistical Service (ABS 2012), based on the following parameters:

*Table 5: Sample size calculations*

|  | Provider | Nominated Supervisor |
|---|---|---|
| Confidence Level | 95% | 95% |
| Population Size | 7,247 | 14,152 |
| Proportion | 0.5 | 0.5 |
| Confidence Interval | ±3.0 | ± 3.0 |
| Sample Size | 931 | 993 |

To ensure the representativeness of the samples, and to reliably extrapolate the responses to the entire population, the sample sizes recommended above were inflated to allow for:

- an anticipated high non-response rate[2]
- an anticipated high attrition rate assuming the survey is to be administered longitudinally.[3]

Non-response rates of 70 per cent and 75 per cent were assumed for providers and nominated supervisors respectively. An attrition rate of 33 per cent was then also assumed to ensure the sample size would be adequate for a second wave. The sample size was then rounded to the

---

[2] Non-response rate: the proportion of the sample that chose not to participate in the survey.
[3] Attrition rate: the proportion of respondents to the current survey who choose not to participate in later survey waves.

nearest thousand, giving a final sample size of 5,000 and 6,000 for providers and nominated supervisors respectively, as shown below.

*Table 6: Sample size calculations with attrition and non-response*

|  | Provider | Nominated supervisor |
|---|---|---|
| Recommended sample size | 931 | 993 |
| Before attrition (33%) | 1,396 | 1,489 |
| Before non-response (70%/75%) | 4,655 | 5,958 |
| Rounded (000's) | 5,000 | 6,000 |

## Family day care educators

The sample size was calculated based on the number of FDC educators on FDCA's database (population). The total number of educators on the database was 16,275 (18 March 2013). The sample size for the FDC educators was determined through stratification. This is discussed in the below section.

## Stratification

A probability based, disproportionate stratified random sampling technique was used to develop a representative sample of providers and services. This method involved "stratifying" or enforcing population proportions of some variable(s) upon the sample. For instance, in a sample of providers stratified by service type, if we know that the proportions of centre-based, FDC and both centre-based and FDC in the population were 93%, 5% and 2% respectively, we would ensure that these proportions were applied to the sample.

### Providers and nominated supervisors

Within the population of providers and nominated supervisors, several important strata were identified as likely to systematically influence survey responses, and be pertinent to ACECQA's reporting obligation. These were used to stratify the samples.

- *Managing jurisdiction:* because of the variation in previous regulatory schemes, and the range of saving and transitional provisions within the National Law and Regulations for individual jurisdictions, the jurisdiction the provider or service operates in may influence the extent of "regulatory burden" perceived.
- *Provider / service type:* the requirements of the National Law and Regulations affect different service types (e.g. centre-based care, FDC) differently, and may therefore influence the perception of "regulatory burden".
- *Provider size:* the number of services linked to each provider indicates the size of a provider. For example, one hypothesis was that "larger" providers have a greater capacity to absorb changes imposed by the implementation of the NQF, which in turn may influence the extent of regulatory burden perceived.

"Oversampling" was undertaken so that sufficient observations were available to make inferences about smaller sub-populations, such as smaller jurisdictions and large providers. Prior to analysis, these variables were re-weighted back to the population proportions. The following variables were over-sampled in the providers and services sample:

- jurisdiction: ACT, NT, TAS
- service type: FDC providers, providers of both centre-based and FDC
- provider size: providers operating more than nine services.

The distribution of the provider and service populations and service samples by each of the stratum, including relevant proportions, are shown below.

*Table 7: Sample proportions – providers by jurisdiction*

| Jurisdiction | Population | | Sample | |
| --- | --- | --- | --- | --- |
| | Number | Proportion | Number | Proportion |
| ACT | 80 | 1.1% | 80 | 1.6% |
| NSW | 2,940 | 40.6% | 2,019 | 40.4% |
| NT | 77 | 1.1% | 77 | 1.5% |
| QLD | 1,276 | 17.6% | 883 | 17.7% |
| SA | 453 | 6.3% | 319 | 6.4% |
| TAS | 83 | 1.1% | 83 | 1.7% |
| VIC | 1,846 | 25.5% | 1,201 | 24.0% |
| WA | 492 | 6.8% | 338 | 6.8% |
| Total | 7,247 | 100.0% | 5,000 | 100.0% |

*Table 8: Sample proportions – providers by service type provided*

| Service type | Population | | Sample | |
| --- | --- | --- | --- | --- |
| | Number | Proportion | Number | Proportion |
| Centre-based care | 6,708 | 92.6% | 4,629 | 92.6% |
| Family day care | 379 | 5.2% | 253 | 5.1% |
| Both | 160 | 2.2% | 118 | 2.4% |
| Total | 7,247 | 100.0% | 5,000 | 100.0% |

*Table 9: Sample proportions – providers by provider size*

| Number of services | Population | | Sample | |
|---|---|---|---|---|
| | Number | Proportion | Number | Proportion |
| 1 | 6,006 | 82.9% | 4,089 | 81.8% |
| 2-9 | 1,128 | 15.6% | 798 | 16.0% |
| More than 9 | 113 | 1.6% | 113 | 2.3% |
| Total | 7,247 | 100.0% | 5,000 | 100.0% |

*Table 10: Sample proportions – nominated supervisors by jurisdiction*

| Jurisdiction | Population | | Sample | |
|---|---|---|---|---|
| | Number | Proportion | Number | Proportion |
| ACT | 316 | 2.2% | 233 | 3.9% |
| NSW | 4,772 | 33.7% | 1,869 | 31.2% |
| NT | 219 | 1.5% | 218 | 3.6% |
| QLD | 2,650 | 18.7% | 1,033 | 17.2% |
| SA | 1,138 | 8.0% | 446 | 7.4% |
| TAS | 225 | 1.6% | 224 | 3.7% |
| VIC | 3,846 | 27.2% | 1,579 | 26.3% |
| WA | 986 | 7.0% | 398 | 6.6% |
| Total | 14,152 | 100.0% | 6,000 | 100.0% |

*Table 11: Sample proportions – nominated supervisors by service type*

| Service type | Population | | Sample | |
|---|---|---|---|---|
| | Number | Proportion | Number | Proportion |
| Centre-based care | 11,852 | 83.7% | 4,887 | 81.5% |
| Family Day Care | 386 | 2.7% | 289 | 4.8% |
| Both | 1,914 | 13.5% | 824 | 13.7% |
| Total | 14,152 | 100.0% | 6,000 | 100.0% |

*Table 12: Sample proportions – nominated supervisors by provider size*

| Number of services | Population | | Sample | |
| --- | --- | --- | --- | --- |
| | Number | Proportion | Number | Proportion |
| 1 | 6,014 | 42.5% | 2,580 | 43.0% |
| 2-9 | 3,278 | 23.2% | 1,400 | 23.3% |
| More than 9 | 4,860 | 34.3% | 2,020 | 33.7% |
| Total | 14,152 | 100.0% | 6,000 | 100.0% |

## Family day care educators

The FDC educator sample was stratified by jurisdiction only. Oversampling was undertaken for ACT and NT, with the result that all ACT and NT educators were asked to participate in the survey. The rationale for two different surveys (paper and email) is outlined in *Survey administration* (below).

*Table 13: Stratification of FDC sample*

| State / Territory | Email | | | | Paper | | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| | Population | | Sample | | Population | | Sample | |
| | Number | % | Number | % | Number | % | Number | % |
| ACT | 97 | 1.0% | 97 | 2.8% | 85 | 1.2% | 85 | 3.4% |
| NSW | 2,912 | 30.9% | 1,036 | 29.7% | 1,799 | 26.3% | 640 | 25.5% |
| NT | 109 | 1.2% | 109 | 3.1% | 32 | 0.5% | 32 | 1.3% |
| Qld | 2,337 | 24.8% | 832 | 23.8% | 1,112 | 16.3% | 396 | 15.8% |
| SA | 463 | 4.9% | 165 | 4.7% | 366 | 5.4% | 130 | 5.2% |
| Tas | 414 | 4.4% | 147 | 4.2% | 142 | 2.1% | 51 | 2.0% |
| Vic | 2,306 | 24.4% | 821 | 23.5% | 2,909 | 42.5% | 1,035 | 41.2% |
| WA | 796 | 8.4% | 283 | 8.1% | 396 | 5.8% | 141 | 5.6% |
| Total | 9,434 | 100.0% | 3,490 | 100.0% | 6,841 | 100.0% | 2,510 | 100.0% |

## Allocation of single service providers

1,780 of the original 5,000 and 6,000 provider and service samples were identified as single service providers / sole nominated supervisors in both the provider sample and nominated supervisor sample. To avoid these entities being sent the survey twice, as a provider and as a nominated supervisor, the entities were randomly allocated to either the provider or nominated

supervisor sample, but not both. Effectively, 890 (1,780/2) records were "removed" from each sample. Given the similarities between the questions posed in both surveys these responses were "duplicated" back across the provider and service samples during the analysis stage, where appropriate.

## *Modifications to samples*

A number of modifications were made to the provider and service samples because of updates resulting from pre-approach communication and some compositional errors. These changes are outlined below.

*Table 14: Modifications to samples*

| Modification to sample | Effect on Original Sample | |
| --- | --- | --- |
| | Providers | Nominated Supervisors |
| Removal of  potential respondents found to be subsequently inactive | -2 | -23 |
| Removal of potential respondents that opted to unsubscribe from the survey | -6 | -72 |
| Removal of potential respondents with invalid email addresses | -7 | -16 |
| Removal of potential respondents following notification that details were duplicated in the NQA ITS | -4 | N/A |
| Addition of potential respondents due to error made when merging the provider and service samples[4] | N/A | +234 |

Based on these modifications, and the removal of 890 single service records from both samples as part of the allocation of single service providers (detailed above), the final samples of providers and nominated supervisors were 4,091 and 5,233 respectively.

## *Survey administration*

### Delivery method

Providers and nominated supervisors were interviewed using computer assisted web interviewing (CAWI). FDC educators were interviewed using either CAWI or a self-completion paper questionnaire.

---

[4] Because of the way the provider data was drawn from the NQAITS, random, individual service records were also included in the provider data set. When the provider and service samples were merged a number of additional services were incorrectly included in the pre-approach communication list. Of these, 234 nominated supervisors were unable to be removed from the pre-approach list prior to the mail out and were therefore included in the services sample. The inclusion of these additional services did not adversely impact the shape of the sample.

*Table 15: Survey delivery methods*

| Target group | Delivery method | |
| --- | :---: | :---: |
| | CAWI | Paper-based |
| Providers | ✓ | |
| Nominated supervisors | ✓ | |
| FDC educators | ✓ | ✓ |

The CAWI methodology was selected as it was the most cost-effective option available for obtaining a large number of survey responses in a relatively short time period. It also had the advantage of allowing respondents to complete the survey online in their own time – a particular advantage for time-poor managers.

Given that regulatory authorities invoice providers and can contact nominated supervisors by email, the vast majority[5] of providers and nominated supervisors had an email address recorded in the NQA ITS. Therefore, conducting the survey online was unlikely to create a barrier to participation for these groups.

However, discussions with FDCA indicated that a large proportion of FDC educators would not have access to an email address or the internet[6]. Therefore, using only an online survey methodology could introduce sampling bias to this group, as only internet-savvy educators would be able to complete the survey.

Consequently, a mixed method was used for FDC educators, where those with email addresses were invited to participate online and those without email addresses were mailed a self-completion paper questionnaire.

### Set-up

The provider and nominated supervisor questionnaire design was reasonably complex, containing advanced question wording and routing that tailored questions to respondent type and previous responses. Given the complexity of the questionnaire, and time restrictions, an external data collection company was contracted to program and host the survey.

A unique survey link was generated for each provider and nominated supervisor selected to the sample, via the email address recorded in the NQA ITS for that provider or, in the case of nominated supervisor, that service. This enabled demographic information extracted from the NQA ITS to be linked to respondents answers, reducing the number of demographic questions than needed to be asked in the survey.

---

[5] Ninety-four per cent of nominated supervisors that were 'approved' or 'under assessment' and 100 per cent of providers that were 'approved' or 'under assessment' had an email address recorded in the NQA ITS at 13 March 2013.
[6] Forty-two per cent of Family Day Care Australia's members had not provided the organisation with an email address.

The FDC educator questionnaire was significantly less complex than the provider and nominated supervisor questionnaire. The online survey was set up internally by ACECQA using Survey Monkey. The FDC paper questionnaire was drafted by ACECQA and printed by an external mail-house.

## Pre-approach communication: introducing the survey to participants

Two to three weeks prior to fieldwork, pre-approach emails were sent to the providers of all those selected to take part. The emails explained the importance of the research and, in the case of the nominated supervisor and FDC educator samples, informing the provider that an email will be sent directly to the nominated supervisor.

Pre-approach telephone calls were made to large providers (with more nine services in the sample) to provide more flexible options of survey delivery. For example, survey invitations could be sent to head office to manage rather than directly to the service, if this was preferable.

Pre-approach emails were sent to the sample in the week beginning 25 March 2013 for providers and nominated supervisors, and the week beginning 8 April 2013 for FDC educators. Pre-approach letters were sent to FDC educators receiving the paper-based survey in the week beginning 8 April 2013.

Letters and emails to FDC educators were distributed by FDCA using their logo and graphic design. This was to promote the importance of the survey and explain the relationship between the FDCA and ACECQA.

## Distribution

A unique link was distributed to providers and nominated supervisors by the external data collection company in the week beginning 8 April 2013. Paper surveys were sent to relevant FDC educators in the week beginning 15 April 2013, and a generic link was distributed to the online sample of FDC educators the following week – both by the FDCA.

## Reminders

Reminder emails were sent to the provider and nominated supervisor sample each week in the fortnight before the close of the survey. Reminder emails for FDC educators were sent one week prior to the close of the survey. Reminder post-cards for the paper-based surveys were designed and distributed two weeks before the close of the survey.

A summary of survey administration timeframes is provided in Table 16. The table includes timeframes for the reminder communication.

*Table 16: Survey administration timeframes: communication, distribution and reminders*

| Survey administration timeframes | Providers and nominated supervisors | | FDC educators |
|---|---|---|---|
| | CAWI | | Paper-based |
| Pre-approach emails / letters | 25/03/13 | 08/04/13 | 08/04/13 |
| Survey distribution | 08/04/13 | 15/04/13 | 15/04/13 |
| Reminder emails and letters | | | |
|     Reminder email 1 | 22/04/13 | 29/04/13 | N/A |
|     Reminder post-card | N/A | N/A | 22/04/13 |
|     Reminder email 2 | 29/04/13 | - | N/A |
| Survey close | 05/05/13* | 06/05/13* | 06/05/13[+] |

\* = exact date. All other dates are shown as week beginning and are not the exact date of release;
+ = an extension of one working week was allowed for paper responses to account for postage time.

## *Data production*

### Data entry and cleaning

Data entry for the paper survey occurred during the week beginning 6 May 2013. This data was cleaned for inconsistencies the following week, using the same data validation logic applied to the online survey. For example, if a respondent answered no to a question asking whether they had heard of the NQF, but then expressed an opinion about it, it was taken that they had heard of the NQF. The first answer was therefore changed to "yes". Invalid responses were excluded where relevant.

### Data coding

There were a number of open responses in both online and versions of the surveys. These answers were coded so that they could be included in the quantitative analysis. "Codeframes" or key themes were identified by the external data collection company and refined by ACECQA, particularly where answers were closely aligned to specific sections of the law or regulations. The coded data was then combined with the data from the closed ended questions.

### Weighting

Sampling weights were applied to the provider and nominated supervisor samples to adjust the weighted sample distribution for key variables of interest to align with the known population distribution. The sampling weights were calculated using managing jurisdiction, service type and provider size.

# Appendix B: Detailed findings and profile of perception survey research participants

## Providers and nominated supervisors

### SEIFA and ARIA ranking

*Table 1: Profile of nominated supervisors by SEIFA ranking*

| Stratification | | Population (N) | | Sample | | Returned Sample | | Response rate |
|---|---|---|---|---|---|---|---|---|
| | | Number | % Total | Number | % Total | Number | % Total | % |
| **SEIFA ranking** | | | | | | | | |
| Least disadvantaged | 10 | 1,134 | 8.0% | 451 | 7.5% | 231 | 8.7% | 51.2% |
| | 9 | 1,192 | 8.4% | 533 | 8.9% | 226 | 8.6% | 42.4% |
| | 8 | 1,241 | 8.8% | 520 | 8.7% | 230 | 8.7% | 44.2% |
| | 7 | 1,279 | 9.0% | 537 | 9.0% | 249 | 9.4% | 46.4% |
| | 6 | 1,308 | 9.2% | 521 | 8.7% | 255 | 9.7% | 48.9% |
| | 5 | 1,280 | 9.0% | 559 | 9.3% | 258 | 9.8% | 46.2% |
| | 4 | 1,452 | 10.3% | 627 | 10.5% | 278 | 10.5% | 44.3% |
| | 3 | 1,407 | 9.9% | 584 | 9.7% | 273 | 10.3% | 46.7% |
| | 2 | 1,623 | 11.5% | 690 | 11.5% | 315 | 11.9% | 45.7% |
| Most disadvantaged | 1 | 1,633 | 11.5% | 721 | 12.0% | 282 | 10.7% | 39.1% |
| Not coded | - | 603 | 4.3% | 257 | 4.3% | 44 | 1.7% | 17.1% |
| **Total** | **-** | **14,152** | **100%** | **6,000** | **100%** | **2,641** | **100.0%** | **44.0%** |

*Table 2: Profile of nominated supervisors by ARIA classification*

| Stratification | Population (N) | | Sample | | Returned Sample | | Response rate |
|---|---|---|---|---|---|---|---|
| | Number | % Total | Number | % Total | Number | % Total | % |
| **ARIA classification** | | | | | | | |
| Major Cities of Australia | 9,898 | 69.9% | 4,022 | 67.0% | 1,767 | 66.9% | 43.9% |
| Inner Regional Australia | 2,485 | 17.6% | 1,084 | 18.1% | 508 | 19.2% | 46.9% |
| Outer Regional Australia | 1,291 | 9.1% | 622 | 10.4% | 288 | 10.9% | 46.3% |
| Remote Australia | 220 | 1.6% | 118 | 2.0% | 40 | 1.5% | 33.9% |
| Very Remote Australia | 152 | 1.1% | 81 | 1.4% | 14 | 0.5% | 17.3% |
| Not coded | 106 | 0.7% | 73 | 1.2% | 24 | 0.9% | 32.9% |
| **Total** | **14,152** | **100%** | **6,000** | **100.0%** | **2,641** | **100%** | **44.0%** |

## Self-selection bias

Self-selection bias may be prevalent in any survey, and occurs when respondents have the opportunity to select themselves into (or, conversely remove themselves from) a sampling group. This then becomes a problem if the inclusion (or removal) of respondents affects the representativeness of the sample.

In the case of this research , in the nominated supervisor sample, 51 per cent of those invited to participate in the survey did so, while 96 per cent of participants indicated support for the NQF (In response to question 1: "Overall, how supportive are you of the NQF?").

Similarly, in the provider sample, 55 per cent of those invited to participate in the survey did so, while 95 per cent of participants indicated support for the NQF (In response to question 1: "Overall, how supportive are you of the NQF?").

This may be evidence that only respondents with positive perceptions of the NQF responded to the survey. Alternatively, it may be the case that in the entire population of providers and nominated supervisors, an overwhelming majority (9/10) support the NQF. Overall support for the NQF is discussed further in the *Findings* section of the main report.

# Family day care educators

## *Language*

*Table 3: Languages spoken by FDC educators*

| Language category / language | % of Language category | % Total language other than English |
|---|---|---|
| **African languages** | **142** | **26%** |
| Dinka | 35% | 9% |
| Somali | 14% | 4% |
| Swahili | 8% | 2% |
| Kirundi | 5% | 1% |
| Oromo | 5% | 1% |
| Nuer | 4% | 1% |
| Amharic | 3% | 1% |
| Bari | 3% | 1% |
| Acholi | 2% | 1% |
| Harari | 2% | 1% |
| Tigrinya | 2% | 1% |
| Afrikaans | 2% | 0% |
| Chollo | 1% | 0% |
| Kinyarwanda | 1% | 0% |
| Kissi | 1% | 0% |
| Fula | 1% | 0% |
| Soninke | 1% | 0% |
| Eritrea | 1% | 0% |
| Chizigua | 1% | 0% |
| Mandinka | 1% | 0% |
| Egyptian | 1% | 0% |
| Kiro | 1% | 0% |
| Denga | 1% | 0% |
| Other African language | 2% | 0% |
| **Southern Asian languages** | **117** | **22%** |
| Sinhalese | 26% | 6% |
| Hindi | 23% | 5% |
| Bengali | 22% | 5% |
| Tamil | 10% | 2% |
| Urdu | 6% | 1% |
| Punjabi | 5% | 1% |

| Language category / language | % of Language category | % Total language other than English |
|---|---|---|
| Malaylam | 3% | 1% |
| Telugu | 2% | 1% |
| Gujarati | 1% | 0% |
| Newari / Nepal Bhasa | 1% | 0% |
| Nepali | 1% | 0% |
| Marathi | 1% | 0% |
| **Southwest and Central Asian languages** | **113** | **21%** |
| Arabic | 86% | 18% |
| Persian / Farsi | 10% | 2% |
| Armenian | 2% | 0% |
| Hebrew | 2% | 0% |
| Turkish | 1% | 0% |
| Chaldean | 0% | 0% |
| **Southeast Asian languages** | **59** | **11%** |
| Indonesian | 13% | 1% |
| Vietnamese | 49% | 5% |
| Burmese | 4% | 0% |
| Tagalog / Filipino | 19% | 2% |
| Rohingya (Arakan / Burma) | 2% | 0% |
| Bisaya | 1% | 0% |
| Karen (Burma) | 5% | 1% |
| Thai | 2% | 0% |
| Bahasa | 1% | 0% |
| Zomi (Burma / Manupur / India) | 2% | 0% |
| Chin | 1% | 0% |
| Malay | 1% | 0% |
| **Southern European languages** | **55** | **10%** |
| Portuguese | 15% | 1% |
| Spanish | 22% | 2% |
| Italian | 18% | 2% |
| Greek | 14% | 1% |
| French | 27% | 3% |
| Maltese | 4% | 0% |
| **Eastern Asian languages** | **21** | **4%** |
| **Eastern European languages** | **17** | **3%** |

| Language category / language | % of Language category | % Total language other than English |
|---|---|---|
| **Northern European languages** | **7** | **1%** |
| **Other** | **7** | **1%** |
| **TOTAL** | **538** | **100%** |

# Appendix C: Survey Questionnaires

**Approved provider / nominated supervisor survey**

# Administrative burden perception survey

# Final questionnaire

**HOW TO READ THIS QUESTIONNAIRE**

There are two main sample groups:

- Approved providers (APs)
- Nominated supervisors (NSs)

Approved providers are further broken down into:

- Multi-service providers (providers with more than one service)
- Single-service providers

Each of the above groups will be identified in the sample file and the questionnaire will be programmed so that only the relevant questions are asked of each group.

Where the words [organisation/service] are presented, approved providers should see 'organisation' and nominated supervisors should see 'service'.

Page headings are written in **red bold** and question logic (routing) is written in BLUE CAPITALS.

**About this survey**

Thank you for agreeing to take part in this important survey. This survey is part of a study aiming to evaluate and understand the administrative cost experienced by services under the National Quality Framework (NQF).

The survey should take about 10 minutes to complete.

Any information you provide in the survey will be confidential and will be used for the purposes of this research only.

To help us measure any changes in your experiences and continue to improve the NQF, we would also like to <u>follow up with you again in 12 months</u>. At the end of the survey there will be an opportunity to provide your preferred email address for us to recontact you.

**Who is collecting this information?**

This survey is being undertaken by the Australian Children's Education and Care Quality Authority (ACECQA).

ACECQA is independent of state and territory regulatory authorities and the Australian Government. ACECQA <u>will not share your individual responses</u> with any other organisation. When we report on the findings, your answers will be combined with those of other respondents so that <u>no one could identify your answers.</u>

The survey is being managed by ACECQA's research and evaluation team. Members of the research and evaluation team are bound by the Commonwealth Privacy Act. Data from the survey will be de-identified for the analysis.

**What to do if you need help**

If you experience any technical difficulties, please email acecqa@researchnowsurveys.com.

If you have any other questions about this research please call ACECQA on 1300 4 ACECQA (1300 422 327) or email research@acecqa.gov.au

**Who should take part**

ALL APPROVED PROVIDERS:

This survey is for <u>approved providers</u> of education and care services.

Only one person from each approved provider should complete this survey. That person should be someone with a good understanding of the administrative practices of the organisation, and particularly those practices involved in complying with the *Education and Care Services National Law and Regulations*.

MULTI-SERVICE PROVIDERS:

For example, the most appropriate respondent might be a:

- Chief Executive Officer
- General Manager
- Director
- Coordinator
- Operations Manager
- Administration Manager
- Someone else with responsibility for administrative practices

SINGLE-SERVICE PROVIDERS:

For example, the most appropriate respondent might be a:

- Centre Director/Coordinator/Nominated Supervisor
- Owner
- Committee Chairperson
- Someone else with responsibility for administrative practices

NOMINATED SUPERVISORS:

This survey is for <u>nominated supervisors</u> of education and care services.

If the nominated supervisor is not available, the survey should be completed by the person at the service who best understands the nominated supervisor's role.

**About you and your [organisation/service]**

To ensure we hear from a good cross-section of [organisations/nominated supervisors], we need to first ask you some questions about you and your [organisation/service]

**D1. What type(s) of approved education and care service(s) do you provide or manage?**

*Please select all that apply*

| 1 | Long day care | CONTINUE |
|----|----------------------------------------|-----------|
| 2 | Preschool/kindergarten | CONTINUE |
| 3 | Outside school hours care | CONTINUE |
| 4 | Family day care | CONTINUE |
| 98 | Can't say [Single response] | TERMINATE |
| 99 | None of the above [Single response] | TERMINATE |

IF CODE 98 (CAN'T SAY) OR 99 (NONE OF THE ABOVE):

*Thank you for your time but we only need to speak to organisations that provide an approved education and care service under the Education and Care Services National Law.*

*If you think your organisation provides one of these services and you want to take part in the survey, please call ACECQA on 1300 4 ACECQA (1300 422 327).*

APPROVED PROVIDERS:

**D2A. Which of the following best describes your position at the organisation?**

*Please select one only*

| 1 | Chief Executive Officer | CONTINUE |
|----|--------------------------------------------------|-----------|
| 2 | General Manager | CONTINUE |
| 3 | Service Director/Coordinator/Nominated Supervisor | CONTINUE |
| 4 | Operations Manager | CONTINUE |
| 5 | Administration Manager | CONTINUE |
| 6 | Committee Chairperson | CONTINUE |
| 97 | Other (please specify) | CONTINUE |

**D2B. Are you the nominated supervisor?**

*Please select one only*

| 1 | Yes | CONTINUE |
|---|-----|----------|
| 2 | No | CONTINUE |

EVERYONE:

**D3. What is the postcode of the physical location of your [organisation/service]?**

*If your organisation has more than one postcode, please state the main postcode*

_____ [Numerical open-end]

EVERYONE:

**D4. How many years has your [organisation/service] been providing education and care?**

*Please type the nearest whole number into the box below*

*If your organisation has been providing education and care for less than one year, please enter '1'*

_____ [Numerical open-end]

EVERYONE:

**D5. Before the NQF was introduced, did your [organisation/ service] operate under the following regulatory systems?**

*Please select all that apply*

| 1 | The National Childcare Accreditation Council (NCAC) | CONTINUE |
|----|-----------------------------------------------------|----------|
| 2 | State/territory licensing and standards regulation | CONTINUE |
| 3 | A school education system | CONTINUE |
| 98 | Can't say [Single response] | CONTINUE |
| 99 | None of the above [Single response] | CONTINUE |

**Support for the NQF**

**Q1. Overall, how supportive are you of the NQF?**

*Please select one only*

| 1 | Very supportive | CONTINUE |
|----|----|----|
| 2 | Supportive | CONTINUE |
| 3 | Moderately supportive | CONTINUE |
| 4 | Not very supportive | CONTINUE |
| 5 | Not at all supportive | CONTINUE |
| 98 | Can't say | CONTINUE |

EVERYONE:

**Administrative requirements**

The rest of the questionnaire asks specifically about the administrative requirements of the *Education and Care Services National Law* and Regulations (the National Law and Regulations).

When we say "administrative requirements" we mean all of the activities involved in meeting the information requirements of the National Law and Regulations.

This includes things like:
- filling out and submitting applications for approvals, certificates or notification of changes
- organising paperwork to prepare for visits from your regulatory authority
- keeping records of attendance or incidents
- producing and maintaining policies and procedures
- maintaining quality improvement plans
- documenting assessments of children's learning

This does not include things like implementing educator to child ratios or requirements relating to the physical environment of a service.

Please only answer about administrative requirements of the National Law and Regulations. Please do not answer about administrative requirements of any other government legislation. For example, you should not answer about any of the administrative requirements involved in family assistance legislation, i.e. Child Care Benefit, or local government approvals.

**Adjusting to the National Law and Regulations**

To prepare for and implement the administrative requirements of the National Law and Regulations, your [organisation/service] may have had to complete many activities. Some of these activities will have been <u>temporary</u> adjustments, for example, rewriting existing policies and procedures, and learning about the changes.

The next few questions ask about those <u>temporary or one-off</u> activities that are caused by moving to the new system. You may have to think back to when the National Law and Regulations were first introduced at the beginning of 2012.

You will be asked about <u>ongoing</u> activities in a later section.

Please answer these questions as honestly as you can, regardless of your overall level of support for the National Law and Regulations.

**Q3. How much of a burden, if at all, were the following activities <u>in 2012</u>?**

*Please rate them on a scale of 0-5, where 0 is 'not at all burdensome' and 5 is 'very burdensome'*

[Single response per row]

|   |   | Not at all burden-some |   |   |   |   | Very burden-some | Can't say |
|---|---|---|---|---|---|---|---|---|
| A | Learning about the administrative requirements of the National Law and Regulations | 0 | 1 | 2 | 3 | 4 | 5 | 98 |
| B | <u>Developing</u> policies and procedures that comply with the National Law and Regulations | 0 | 1 | 2 | 3 | 4 | 5 | 98 |
| C | Ensuring staff know about the changes | 0 | 1 | 2 | 3 | 4 | 5 | 98 |

**Q4. How much of a burden, if at all, are those same activities <u>currently</u>?**

*Please rate them on a scale of 0-5, where 0 is 'not at all burdensome' and 5 is 'very burdensome'*

[Single response per row]

| | | Not at all burden-some | | | | | Very burden-some | Can't say |
|---|---|---|---|---|---|---|---|---|
| A | Learning about the administrative requirements of the National Law and Regulations | 0 | 1 | 2 | 3 | 4 | 5 | 98 |
| B | <u>Developing</u> policies and procedures that comply with the National Law and Regulations | 0 | 1 | 2 | 3 | 4 | 5 | 98 |
| C | Ensuring staff know about the changes | 0 | 1 | 2 | 3 | 4 | 5 | 98 |

**Q5A. Which <u>one</u> would you say is currently <u>most</u> of a burden**

*Please select one only*

DISPLAY ONLY THOSE RATED JOINT MOST BURDENSOME

| 1 | Learning about the administrative requirements of the National Law and Regulations | CONTINUE |
|---|---|---|
| 2 | Developing policies and procedures that comply with the National Law and Regulations | CONTINUE |
| 3 | Ensuring staff know about the changes | CONTINUE |
| 98 | Can't say | SKIP TO Q6 |

**Q5B. You rated [answer from Q4 or Q5A] as most burdensome. What factors currently make it a burden?**

*If there are other factors, please select 'other' and specify them*

*Please select all that apply*

| 1 | Staff hours/time | CONTINUE |
|----|-----------------------------------------|-----------|
| 2 | Financial costs | CONTINUE |
| 3 | Difficulty understanding the requirements | CONTINUE |
| 4 | Diverts attention from other activities | CONTINUE |
| 5 | Frustration or stress | CONTINUE |
| 97 | Other (please specify) | CONTINUE |
| 98 | Can't say [Single response] | CONTINUE |

**Ongoing administrative activities**

The next few questions ask about <u>ongoing</u> administrative requirements of the National Law and Regulations.

<u>Please think about your current experience of these requirements</u> rather than when the National Law and Regulations were first introduced.

**Q6. How much of a burden, if at all, are the following ongoing requirements of the National Law and Regulations currently?**

Please rate them on a scale of 0-5, where 0 is 'not at all burdensome' and 5 is 'very burdensome'.

[Single response per row]

| | | Not at all burden-some | | | | | Very burden-some | Can't say/ Not applicable |
|---|---|---|---|---|---|---|---|---|
| A | Displaying information | 0 | 1 | 2 | 3 | 4 | 5 | 98 |
| B | Keeping records | 0 | 1 | 2 | 3 | 4 | 5 | 98 |
| C | Provider and service approvals | 0 | 1 | 2 | 3 | 4 | 5 | 98 |
| D | Qualifications assessments | 0 | 1 | 2 | 3 | 4 | 5 | 98 |
| E | Supervisor certificates | 0 | 1 | 2 | 3 | 4 | 5 | 98 |
| F | Quality assessment and ratings visits | 0 | 1 | 2 | 3 | 4 | 5 | 98 |
| G | Notifications | 0 | 1 | 2 | 3 | 4 | 5 | 98 |
| H | Quality Improvement Plans | 0 | 1 | 2 | 3 | 4 | 5 | 98 |
| I | Documenting children's learning | 0 | 1 | 2 | 3 | 4 | 5 | 98 |
| J | <u>Maintaining</u> policies and procedures | 0 | 1 | 2 | 3 | 4 | 5 | 98 |
| K | Ensuring staff know about the National Law and Regulations | 0 | 1 | 2 | 3 | 4 | 5 | 98 |

A. **Displaying information** – e.g. displaying information about the responsible person in charge, service approval information, etc.
B. **Keeping records** - e.g. keeping attendance records, injury records, a record of educators working with children etc.
C. **Provider and service approvals** - e.g. applying for a new service approval, applying for a transfer of service approval, etc.
D. **Qualifications assessments** –the process for individuals having their qualifications assessed for equivalence
E. **Supervisor certificates** – e.g. managing certified supervisor and nominated supervisor approvals
F. **Quality assessment and ratings visits** – e.g. preparing for and facilitating a visit, or responding to a report
G. **Notifications** - e.g. notifying the regulatory authority of serious incidents or changes to a service
H. **Quality Improvement Plans -** maintaining a Quality Improvement Plan, also known as a "QIP"
I. **Documenting children's learning** - keeping records of children's learning assessments or evaluations
J. **Maintaining policies and procedures** – maintaining policies and procedures, as opposed to initially developing them
K. **Ensuring staff know about the National Law and Regulations** – ensuring staff know about the National Law and Regulations on an ongoing basis

IF RATED KEEPING RECORDS AS 4 OR OVER ON SCALE OF BURDEN (CODES 4-5 AT Q6 ROW B):

**Q7. You said that keeping records is a burden. Which specific requirements are currently a burden?**

*Please select all that apply*

| 1 | Keeping attendance records | CONTINUE |
|---|---|---|
| 2 | Keeping injury records | CONTINUE |
| 3 | Keeping a record of educators working directly with children | CONTINUE |
| 4 | Keeping a record of the responsible person in charge NOT INCLUDED FOR FAMILY DAY CARE RESPONDENTS (THOSE WHO SELECTED OPTION 4 ONLY AT QUESTION D1) | CONTINUE |
| 97 | Other (please specify) | CONTINUE |
| 98 | Can't say [Single response] | CONTINUE |

**Q8. You said that notifications are a burden. Which specific requirements are currently a burden?**

*Please select all that apply*

| 1 | Notifying of changes to a service | CONTINUE |
|---|---|---|
| 2 | Notifying of changes to an approved provider (INCLUDED FOR APPROVED PROVIDER SAMPLE ONLY) | CONTINUE |
| 3 | Notifying of serious incidents | CONTINUE |
| 4 | Notifying of complaints and other incidents | CONTINUE |
| 97 | Other (please specify) | CONTINUE |
| 98 | Can't say [Single response] | CONTINUE |

**Q9A. Which <u>one</u> would you say is currently <u>most</u> of a burden?**

*Please select one only*

| 1 | Displaying information | CONTINUE |
|---|---|---|
| 2 | Keeping records | CONTINUE |
| 3 | Provider and service approvals | CONTINUE |
| 4 | Qualifications assessments | CONTINUE |
| 5 | Supervisor certificates | CONTINUE |
| 6 | Quality assessment and ratings visits | CONTINUE |
| 7 | Notifications | CONTINUE |
| 8 | Quality Improvement Plans | CONTINUE |
| 9 | Documenting children's learning | CONTINUE |
| 10 | Maintaining policies and procedures | CONTINUE |
| 11 | Ensuring staff know about the National Law and Regulations | CONTINUE |
| 98 | Can't say  [Single response] | SKIP TO Q10 |

**Q9B. You rated [answer from Q6 or Q9A] as most burdensome. What factors currently make it a burden?**

*If there are other factors, please select 'other' and specify them*

*Please select all that apply*

| 1 | Staff hours/time | CONTINUE |
|----|-----------------------------------------|----------|
| 2 | Financial costs | CONTINUE |
| 3 | Difficulty understanding the requirements | CONTINUE |
| 5 | Diverts attention from other activities | CONTINUE |
| 6 | Frustration or stress | CONTINUE |
| 97 | Other (please specify) | CONTINUE |
| 98 | Can't say [Single response] | CONTINUE |

**Q10. Focusing on ongoing administrative requirements (rather than one-off activities), please tell us how strongly you agree or disagree with the following statements.**

*Please select one response per row*

| | | Strongly disagree | Somewhat disagree | Neither agree nor disagree | Somewhat agree | Strongly agree | Can't say/Not applicable |
|---|---|---|---|---|---|---|---|
| A | Administrative burden has reduced since the introduction of the National Law and Regulations | 1 | 2 | 3 | 4 | 5 | 98 |
| B | It is easy to find information about the administrative requirements of the National Law and Regulations | 1 | 2 | 3 | 4 | 5 | 98 |
| C | It is difficult to understand the administrative requirements of the National Law and Regulations | 1 | 2 | 3 | 4 | 5 | 98 |
| D | Administrative requirements across the states and territories are consistent (INCLUDED FOR APPROVED PROVIDERS ONLY) | 1 | 2 | 3 | 4 | 5 | 98 |
| E | The administrative requirements of the National Law and Regulations are simpler than the previous licensing and accreditation systems | 1 | 2 | 3 | 4 | 5 | 98 |
| F | I feel I am doing more work than necessary to make sure that I meet the requirements of the National Law and Regulations | 1 | 2 | 3 | 4 | 5 | 98 |

**Q11. Overall, how much of a burden are the ongoing administrative requirements of the National Law and Regulations?**

*Please rate them on a scale of 0-5, where 0 is 'not at all burdensome' and 5 is 'very burdensome'*

[Single response]

| | | |
|---|---|---|
| 0 | 0 – Not at all burdensome | CONTINUE |
| 1 | 1 | CONTINUE |
| 2 | 2 | CONTINUE |
| 3 | 3 | CONTINUE |
| 4 | 4 | CONTINUE |
| 5 | 5 – Very burdensome | CONTINUE |
| 98 | Can't say | CONTINUE |

**The National Quality Agenda IT System**

**Q12. Has your [organisation/service] started using the National Quality Agenda IT System (the NQA ITS)? For example, to submit an application or notification, or amend its details online?**

*Please select one only*

| 1 | Yes, we have used the NQA ITS | CONTINUE |
|---|---|---|
| 2 | We tried to use the NQA ITS but were unable to | SKIP TO Q14 |
| 3 | No, we have not tried to use the NQA ITS | SKIP TO Q14 |
| 98 | Can't say | SKIP TO Q14 |

**Q13. Since its introduction, how has the NQA ITS affected your ability to meet the administrative requirements of the National Law and Regulations?**

*Please select one only*

| 1 | It has made it easier to comply | CONTINUE |
|---|---|---|
| 2 | It has made no difference | CONTINUE |
| 3 | It has made it more difficult to comply | CONTINUE |
| 98 | Can't say | CONTINUE |

## Communication about the National Law and Regulations

**Q14. How useful are each of the following sources of information?**

*Please select one response per row*

| | | Haven't used/ can't say | Not at all useful | Not very useful | Moderately useful | Useful | Very useful |
|---|---|---|---|---|---|---|---|
| A | ACECQA website | 99 | 1 | 2 | 3 | 4 | 5 |
| B | ACECQA newsletter | 99 | 1 | 2 | 3 | 4 | 5 |
| C | ACECQA family newsletter | 99 | 1 | 2 | 3 | 4 | 5 |
| D | ACECQA Facebook page | 99 | 1 | 2 | 3 | 4 | 5 |
| E | ACECQA Twitter Page | 99 | 1 | 2 | 3 | 4 | 5 |
| F | NQF Resource Kit, including the Guide to the National Law and Regulations | 99 | 1 | 2 | 3 | 4 | 5 |
| G | ACECQA Customer Service Hotline (1300 4 ACECQA) | 99 | 1 | 2 | 3 | 4 | 5 |

**Q15. Overall, how useful are each of the following sources of information?**

*Please select one response per row*

| | | Haven't used/ can't say | Not at all useful | Not very useful | Moderately useful | Useful | Very useful |
|---|---|---|---|---|---|---|---|
| A | Your regulatory authority website(s) | 99 | 1 | 2 | 3 | 4 | 5 |
| B | Your regulatory authority newsletter(s) | 99 | 1 | 2 | 3 | 4 | 5 |
| C | Your regulatory authority stakeholder forum(s) | 99 | 1 | 2 | 3 | 4 | 5 |
| D | Your regulatory authority enquiry number(s) | 99 | 1 | 2 | 3 | 4 | 5 |
| E | Your regulatory authority social media presence(s) (e.g. Facebook or Twitter) | 99 | 1 | 2 | 3 | 4 | 5 |
| F | Your regulatory authority frontline staff (e.g. authorised officers) | 99 | 1 | 2 | 3 | 4 | 5 |

**Q16. How strongly do you agree or disagree that the following changes would help reduce administrative burden for your [organisation/ service] under the National Law and Regulations?**

*Please select one response per row*

| | | Strongly disagree | Somewhat disagree | Neither agree nor disagree | Somewhat agree | Strongly agree | Can't say |
|---|---|---|---|---|---|---|---|
| A | Increased useability of the NQA ITS applications, notifications etc. (INCLUDED ONLY FOR THOSE WHO HAVE TRIED TO USE THE NQA ITS: CODE 1 OR 2 at Q12) | 1 | 2 | 3 | 4 | 5 | 98 |
| B | Improved processing of applications, enquiries etc. | 1 | 2 | 3 | 4 | 5 | 98 |
| C | More consistency between the requirements of different states and territories | 1 | 2 | 3 | 4 | 5 | 98 |
| D | More or improved written guidance materials | 1 | 2 | 3 | 4 | 5 | 98 |
| E | More or improved face to face guidance or training | 1 | 2 | 3 | 4 | 5 | 98 |
| F | More or improved online guidance | 1 | 2 | 3 | 4 | 5 | 98 |

EVERYONE:

**Q17. Do you have any other suggestions for how to reduce administrative burden under the National Law and Regulations, without compromising the quality of education and care for children?**

_____ [open-end]

| 99 | I have no further suggestions | CONTINUE |
|---|---|---|

**Final questions about you and your [organisation/service]**

To ensure we interview a good cross-section of organisations, we need to ask some final questions about you and your [organisation/service].

**D6. Which of the following best describes your [organisation/service]?**

*Please select one only*

| 1  | Government  (state/territory/local)       | SKIP TO D8 |
|----|-------------------------------------------|------------|
| 2  | Privately managed                         | CONTINUE   |
| 3  | Community managed or not-for-profit       | SKIP TO D8 |
| 97 | Other (please specify)                    | SKIP TO D8 |
| 98 | Can't say                                 | SKIP TO D8 |

NOMINATED SUPERVISORS:

**D7. Are you the 'approved provider' of the service?**

*Please select one only*

| 1  | Yes       | CONTINUE |
|----|-----------|----------|
| 2  | No        | CONTINUE |
| 98 | Can't say | CONTINUE |

**D8A. Have any of your services had a quality assessment and ratings visit under the NQF?**

*Please select one only*

| 1 | Yes, one or more services have been visited and/or received their ratings | CONTINUE |
|---|---|---|
| 2 | Yes, one or more services have been visited but none have received their ratings | CONTINUE |
| 3 | No, but one or more services have been notified of the date of their visit | CONTINUE |
| 4 | No, and there are no visits planned | CONTINUE |
| 98 | Can't say | CONTINUE |

SINGLE-SERVICE PROVIDERS/NOMINATED SUPERVISORS:

**D8B. Has your service had a quality assessment and ratings visit under the NQF?**

*Please select one only*

| 1 | Yes, the service has been visited and received its rating | CONTINUE |
|---|---|---|
| 2 | Yes, the service has been visited but has not received its rating | CONTINUE |
| 3 | No, but the service has been notified of the date of its visit | CONTINUE |
| 4 | No, and there is no visit planned | CONTINUE |
| 98 | Can't say | CONTINUE |

**Thank you and next steps**

**Thank you for taking part in this important study.**

It is important that we are able to <u>follow up with you again in 12 months</u>. This will help us measure any changes in your experiences and continue to improve the NQF.

We recognise that this survey may not have been sent to the most appropriate email address for you. So that we can contact you directly, please provide your email address in the box below. We will only use this to contact you about this research and your participation will remain strictly confidential.

_____ [open-end]

If you have any questions about the research, please do not hesitate to contact ACECQA on 1300 4 ACECQA (1300 422 327) or research@acecqa.gov.au.

**Family day care educators survey**

# Family day care survey

Thank you for agreeing to take part in this important survey. This survey is part of a study to evaluate and understand the impact of the paperwork you have to do for the National Quality Framework.

The survey should take about **5 minutes** to complete.

Any information you provide in the survey will be **confidential** and will be used for the purposes of this research only.

## How to complete this survey

Please put a tick ☑ in the box next to the relevant answer.

If you see an instruction next to your answer, please follow it directly. In the example below, if you ticked 'Yes' you would go straight to Q4 and skip any questions after the one you just answered.

☑    Yes    → Skip to Q4

If you have any questions about how to answer this survey please call ACECQA on 1300 4 ACECQA (1300 422 327) or email research@acecqa.gov.au

## About you

**Q1. How many years have you been a family day care educator?**

If you have been a family day care educator for less than one year, please write '1'.

 _____

**Q2. Do you speak a language other than English at home?**

☐    No, English only

☐    Yes (please specify here)        _____

## The National Quality Framework

**Q3. Before today, had you heard of the National Quality Framework (NQF)?**

☐    Yes                → Please continue

☐    No                 → Please skip to Paperwork (before Q5)

☐    Can't say        → Please skip to Paperwork (before Q5)


## Support for the NQF

**Q4. Overall, how supportive are you of the National Quality Framework?**

☐    Very supportive

☐    Supportive

☐    Moderately supportive

☐    Not very supportive

☐    Not at all supportive

☐    Can't say


## Paperwork

We want to know about the paperwork you have to do as a family day care educator. When we say "paperwork", we mean things like:

- keeping records of attendance or incidents
- organising paperwork to prepare for visits from your regulatory authority
- recording children's learning


**Q5. What types of paperwork do you find challenging?**

You can select more than one option.

☐    Displaying information in my home

☐    Keeping records (for example, attendance records and injury records)

☐    Informing my scheme of incidents or changes

☐    Recording children's learning

☐    Keeping policies and procedures

☐    Can't say

**Q6. Which <u>one</u> is the <u>most</u> challenging?**

Please select only one option.

☐ Displaying information in my home

☐ Keeping records (for example, attendance records and injury records)

☐ Informing my scheme of incidents or changes

☐ Recording children's learning

☐ Keeping policies and procedures

☐ Can't say

**Q7. Why is that paperwork task the most challenging?**

You can select more than one option.

☐ Time

☐ Financial costs

☐ Difficulty understanding what I need to do

☐ It means I have less time with the children

☐ It is stressful

☐ Storage space

☐ Can't say

☐ Other (please give details below)

_____

## Communication about the NQF

**Q8. Before today, had you heard of the Australian Children's Education and Care Quality Authority, also known as ACECQA?**

☐ Yes

☐ No

☐ Can't say

**Q9. Do you have a copy of the NQF Resource Kit?** (A blue folder labelled 'National Quality Framework Resource Kit')

☐ Yes → Please continue

☐ No → Please skip to Q11

☐ Can't say → Please skip to Q11

**Q10. How useful is the NQF Resource Kit?**

☐ Not at all useful

☐ Not very useful

☐ Moderately useful

☐ Useful

☐ Very useful

☐ Haven't used/can't say

**Q11. How do you prefer to receive information?**

Please rank the options from 1 to 4 (1=most preferred, 4=least preferred).

_____ Online

_____ Telephone

_____ Face to face

_____ Mail

**Q12. Do you have anything else you would like to say about the paperwork you have to do as a family day care educator?**

_____

_____

_____

_____

## Thank you

Thank you for taking part in this important study.

# Appendix D: Standard Cost Model (SCM) Report

# Measuring the administrative burden of the NQF

Australian Children's Education and Care Quality Authority

June 2013

# Contents

# Tables

# Glossary

| | |
|---|---|
| ACECQA | Australian Children's Education and Care Quality Authority |
| ECEC | Early Childhood Education and Care |
| FDC | Family Day Care |
| LDC | Long Day Care |
| NCAC | National Childcare Accreditation Council |
| NQF | National Quality Framework |
| OSHC | Out of School Hours Care |
| PRE | Preschool/Kindergarten |
| SCM | Standard Cost Model |
| QIP | Quality Improvement Plan |

# Executive Summary

The primary objective of the National Quality Framework (NQF) for Early Childhood Education and Care (ECEC) is to improve the quality of education and care service delivery across Australia.  This new set of laws and regulations is replacing a mix of state, territory and Commonwealth Government regulation with a single streamlined national framework. While uplifting the quality of care and education provided is a key goal of the NQF, the streamlined framework is also geared toward reducing the administrative and compliance burden for education and care service providers in the long run.

The information collected as part of this study, particularly the anecdotal evidence, suggests that three years on from the introduction of the NQF and 18 months since its legislated obligations were required, the sector is still transitioning and acclimatising to the administrative requirements.  As such, the evidence indicates that the administrative burden experienced by the sector over the last 12 months has been higher than prior to the NQF's introduction.

However,  there is also evidence to suggest that the sector is moving towards achieving the primary objective of the NQF – an increase in the quality of service delivery – and, equally, that the administrative burden of the regulations will reduce over time.  On current indications, it seems unlikely, however, that the total level of administration will reduce to be less than prior to the NQF for all types of providers and services. Administrative obligations that have always been required in some form, such as completing injury, illness and incident forms, were generally said to have remained unchanged in terms of the resources required to meet them.  At the same time, the increase in documentation required in relation to educational programs and quality improvement plans is ongoing and entirely additional.  That said, there is scope for these tasks to become less costly over time as the sector becomes more familiar with them and accordingly more efficient in its compliance.

The data collected as part of this study indicates that documenting educational programs and assessments of children's learning is by far the largest, ongoing administrative cost associated with the NQF. Teachers and lead educators spend an average of around 4 hours per week  – almost 200 hours annually – on documenting educational programs. They also spend a further 22 hours annually per child on documenting assessments of children's learning – equating to an annual cost of around $690 per child.   However, the majority of interviewees, particularly among centre-based long day care (LDC) and preschool/kindergarten (PRE) services considered that this increase in time and cost generated at least an equivalent increase in the quality of service being delivered, and that the time and cost was reducing (and will continue to reduce) as the educators became more familiar with the framework and the processes.

Views were slightly less positive within the OSHC sector. This is largely because interviewees were more likely to perceive themselves as primarily offering 'care' rather than 'education' and to report that job roles are typically more part-time and casual.  As well, some children attend for only short periods of time each week.  These factors make the programming relatively more costly and the outcomes less beneficial for OSHC.  Given that educational programming accounts for a significant proportion of the administrative

costs, the application of this obligation across the different sectors should be reviewed to assess whether it should be applied differentially across different sectors.

Documenting Quality Improvement Plans (QIPs) was also found to be a high, ongoing administrative cost for the sector.  On average, services spend around 180 hours annually reviewing, revising and adding to their QIPs, which equates to a cost of around $4,835 per annum.  However, many of the services surveyed thought that QIPs  contribute significantly to the quality of the service. It is also expected that over time, the time taken to comply with this obligation will reduce.

A number of one-off costs associated with transitioning over to the NQF framework were indicated as being highly burdensome for the sector.  For example, establishing a set of NQF-compliant policies and procedures cost each service in the sector an average of $4,230.  However, given the lack of specific guidance in the Regulation as to what is required in relation to the policies, the output varied dramatically and this cost was estimated to be as high as $9,000 for some services and as low as $1,600 for others. It is important to note that a less-well-defined information obligation is not necessarily a bad thing in terms of the goals of the Regulation.  Indeed in many cases, it is the intention that the Regulation be flexible enough to ensure that services can apply them as is most appropriate under their individual circumstances.[1]   Nonetheless, providers generally indicated that once established, the administrative burden associated with maintaining, updating and reviewing NQF-compliant policies and procedures will be largely unchanged from prior to its introduction.

Although there was some evidence of trends among different population segments with respect to the level of administrative burden the Regulation imposed, variance was largely unsystematic.  For instance, while the data shows that there is some variation in the administrative burden calculated on a state basis, services did not identify any particular jurisdictional peculiarities which might explain this. The time spent on administrative tasks tended to appear more dependent on the service's individual attributes such as their overall commitment to achieving the quality standards and simply their individual approach, which is often guided by their stated philosophy.  Indeed, services that chose to operate in ways more reflective of the NQF framework and requirements even before its introduction certainly indicated a lower level of increase in burden since the NQF was introduced.

Particular difficulties were highlighted for services that employed or catered for groups with English as a second language and services in remote areas with difficulties around access to staff and training.

Importantly, the case study analysis suggests that, particularly for smaller services, a large part of the variance in the administrative burden imposed by the NQF likely relates to the transitional requirements. This suggests that, in time, the burden across the sector will likely become relatively comparable and streamlined.

Although not examined in detail, several potential cost reduction opportunities have been identified through the course of the consultations. These include areas of potential regulatory refinement, additional guidance or support and areas of duplication between

---

[1] This characteristic does, however, create challenges to the application of the SCM methodology.

the Regulations and other legislation not related to the National Quality Framework. The potential areas for reform identified include:

- consistency and efficiency in supervisor certificates;
- the applicability of educational programming requirements to OSHC services;
- the number of quality areas and cumulative regulations;
- further guidance on policy requirements and assessment guidelines;
- requirement for architectural plans for new service approvals; and
- overlapping quality improvement requirements.

Overall, the pursuit of quality has come at a cost for service providers in the child care sector. However, it seems apparent from this study that as the sector adapts to the new framework and the quality increases, the overall burden will reduce. As always, there are pockets of inefficiencies that, if addressed, could vastly reduce the cost to the sector. Many of these relate to perceived administrative inefficiencies at the government level, such as unclear expectations around paperwork obligations and a perception that greater guidance is required. Ultimately, best practice compliance and regulatory burden minimisation will result from collaboration and a sector that is committed to overall quality improvement.

**Deloitte Access Economics**

# 1 Introduction

Deloitte Access Economics was engaged by the Australian Children's Education and Care Quality Authority (ACECQA) to design and conduct a Standard Cost Model (SCM) assessment of the administrative burden associated with the National Quality Framework (NQF) for Early Childhood Education and Care (ECEC).  The primary purpose of the study was to provide quantitative insight into the administrative costs of the NQF to inform ACECQA's report to the Ministerial Standing Council for School Education and Early Childhood (SCSEEC) on the experience of services under the NQF, with respect to the level of regulatory burden.

## 1.1 Background

Regulation plays an important role in the economy, especially in the critical areas of quality, safety and security. However, with regulatory requirements come costs of compliance and administration for businesses and costs of oversight and monitoring for government regulators. Both in aggregate and at an individual business level, these costs can be significant and governments have accordingly placed considerable emphasis on harmonising and streamlining regulatory processes in an attempt to reduce administrative burden across the economy.

In 2009, all Australian Governments agreed to a new National Quality Framework (NQF) for Early Childhood Education and Care (ECEC). The NQF introduced a range of measures geared toward improving the quality of education and care service delivery across the country.  These included both 'structural' quality improvements – in the form of higher educator to child ratios and higher educator qualification requirements – and 'process' quality improvements, as part of a broader suite of measures implemented under the banner of the National Quality Standard. Recognising that the objective of increasing quality, which needs to be monitored and assessed, works against the objective of reducing administrative burden, the NQF seeks to strike the right balance between the two.

At the same time, the NQF introduced a new regulatory model for the sector. Prior to the NQF, state and territory authorities regulated market entry and minimum standards, while the National Childcare Accreditation Council (NCAC) regulated quality via an assurance process.  This system gave rise to historical differences in regulatory (licencing) requirements across jurisdictions, as well as a degree of overlap between state and Commonwealth responsibilities.  This in turn resulted in duplicative compliance and administrative burden on services and other stakeholders within the sector. Accordingly, one of the key objectives of the NQF was to reduce the administrative burden for education and care service providers through a harmonised, streamlined system.

More than three years on – and more than 18 months since the introduction of the initial elements of the NQF on 1 January 2012 – ACECQA is undertaking an assessment of the extent to which the administrative burden has in fact been

reduced under the national reforms. This overall assessment includes a SCM assessment of the administrative burden – which is the subject of this report – as well as a perception survey, which ACECQA conducted in-house.

## 1.2    Standard cost models

The International SCM is a method for determining the administrative burdens for businesses imposed by regulations. There are various other similar methods for measuring administrative burden, each of which differ slightly in their approach and application. However, they are all quantitative approaches for measuring the dollar value associated with regulatory requirements, based on a broadly consistent conceptual framework.

The SCM methodology outlines three main phases:
- preparatory analysis;
- time and cost data capture and standardization; and
- calculation, data submission and reports.

Under this methodology, the components of each regulation are broken down in to smaller sub-components – information obligations, data requirements and administrative tasks – which can be measured consistently and systematically. This allows for comparison between tasks and organisations. The sector is then categorised in to segments according to characteristics which might affect the cost of compliance. This enables the model to identify whether the burden is more significant for particular parts of an industry.

Importantly, estimates derived from this approach are based on data from a sample of providers. Consequently, the conclusions that can be drawn from the results are limited by the quality and representativeness of the sample data. More specifically, the SCM approach does not allow for a precise quantification of the total, sector-wide compliance cost of the NQF as the sample is insufficient to reliably extrapolate to a whole-of-industry level (i.e. it is not representative of the population in statistical terms).

Accordingly, the focus of the approach is to identify where the most significant administrative burdens lie, determine the variation across selected population segments and derive an order-of-magnitude industry assessment of the total cost of the administrative requirements associated with the NQF.

## 1.3    Structure of this report

This report is structured as follows:
- Chapter 2 describes the overall methodology for the study, including a description of the costs that were measured, the sample and the data collection technique;

- Chapter 3 presents the results of the study with a mix of average time and cost data (section 3.1) and case studies (section 3.2), supplemented with qualitative discussion throughout; and
- Chapter 4 discusses the indicated cost reduction opportunities for the sector.

# 2 Methodology

The overall methodological approach to this study follows the SCM approach systematically, as pictured in Figure 2.1.

**Figure 2.1 Methodology**
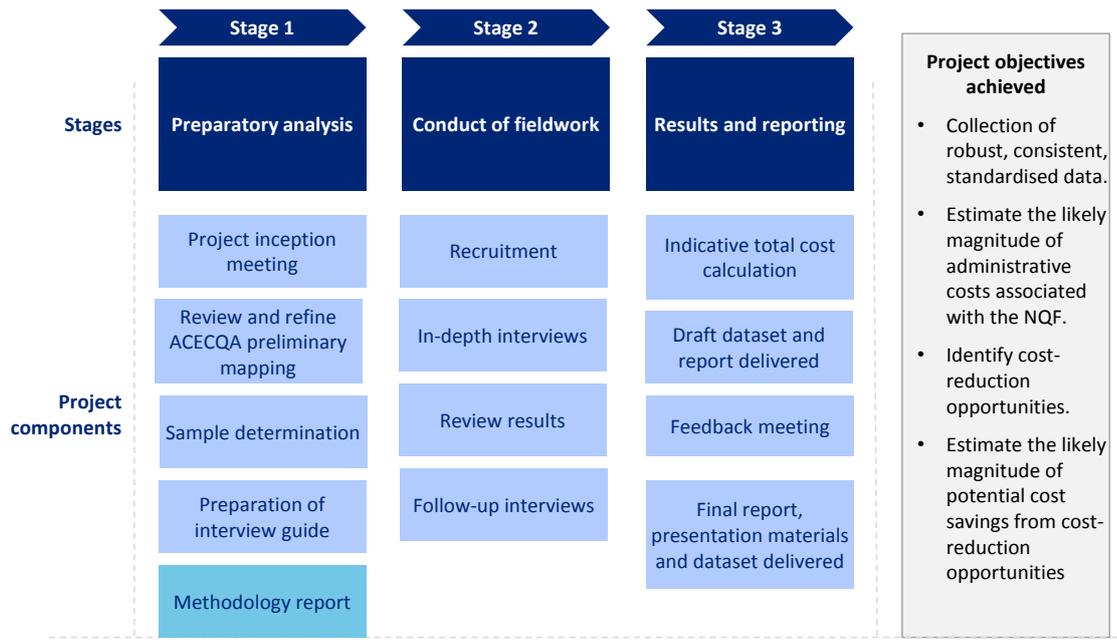


Key elements include:

- determining the costs to measure;
- selecting the sample;
- collecting the data; and
- analysing and reporting the results.

The key objectives of this SCM measurement are to:

- estimate the total cost, in Australian dollars, of selected elements of the NQF, nationally and for individual providers;
- estimate the cost, in Australian dollars, of each of the selected elements of the NQF, by population segments based on service type, provider size and jurisdiction; and

identify cost-reduction opportunities. The issues considered at each of these steps and the final methodological approach to each are discussed in the sections below.

## 2.1 Determining the costs to measure

The process for determining the costs to measure as part of this study included deciding which information obligations in the Law and Regulations data should be collected for, as well as determining the most appropriate way to collect this information. The key objective underpinning these considerations was to ensure that the information collected sufficiently captured the scope of the administrative burden without compromising the data collection by being too confusing, convoluted and onerous for services to reliably report on. For example, there were around 350 individual data requirements identified in the Regulation – which means that to complete every administrative task required to comply with the NQF, providers would have to complete around 350 individual requirements, and some of these need to be recorded frequently (such as documenting an assessment of a child's progress against the outcomes of the educational program). Taking 350 data requirements to the providers and asking them how long they spend on each one would be too onerous and would not achieve the desired result.

Accordingly, and in line with the recommendations of the SCM manual, selecting the right number and categories of administrative activities to measure was deemed to be a critical step in the preparatory phase of this analysis. The final data collection technique was focussed on ensuring that the information was collected consistently across services (that is, that all services are including the same Regulation information obligations in each of the administrative activities and that only the costs associated with the regulation are included).

In collaboration with ACECQA, Deloitte Access Economics identified all of the information obligations in the Law and Regulations, as well as the specific data that are required to meet these obligations. These information obligations and data requirements were inputted into an excel spread sheet, mapped clearly to the Law and Regulation they relate to. A summary of this mapping is provided in Appendix D.

To streamline the data collection and ensure that the information collected is robust and comparable across the sample, the information obligations were grouped into administrative categories. The final administrative categories are[2]:

- Policies and procedures
- Educational programs
- Quality Improvement Plans and Ratings assessments
- Staff, child and other records
- Excursions
- Initial approvals.

The interview discussion guide can be found in Appendix A.

---

[2] Notifications are captured within the area they relate to. For example, the regulatory requirement to notify parents of any changes to policies is an information obligation within the 'Policies and Procedures' category.

This grouping of the information obligations was finalised following a number of iterations. Initial groupings were pre-piloted with two services and, once they were refined and developed into an interview discussion guide, were piloted again with three services and providers.

The pilots were instrumental in forming the basis for this final data collection structure. Through the pilots, it quickly became apparent that there were a lot of information obligations in the Regulation that very rarely (or never) need to be performed. In addition, it was revealed that a lot of separate regulations and information obligations were being undertaken at the same time and, as a result, it was more logical to seek information on these obligations together. For example, different parts of the Regulation require services to *develop* policies and procedures, *display* policies and procedures, *review and update* policies and procedures and *notify parents* of policies and procedures.

The following approach was taken in relation to the considerations identified in the *Working Draft Methodology Paper*:

- **Administration performed at the head office:** in order to ensure that all of the time spent on the relevant administrative activities was captured, where necessary, both the approved provider and a representative from the service were asked to be present at the interviews. In addition, all participants were asked whether any tasks are outsourced or performed elsewhere.

- **Overheads:** to determine an appropriate overhead percentage to apply to the costs, interviewees were asked what proportion of total costs is accounted for by wages. Those who responded indicated a proportion in the order of 80%, meaning that things such as employee on-costs and capital costs would add an additional 20% to the cost of time.

- **One-off costs:** Interviewees were asked whether each information obligation was likely to be required to be performed again, enabling a clear analysis of one-off and transition costs.

- **Lower threshold limit:** The pilot interviews highlighted that a lot of information obligations either never or very rarely get performed, or they consume such an insignificant amount of time that they are negligible (such as displaying a sign on a wall). Despite this, information on all of the information obligations identified in the Law and Regulation was sought from participants as the pilots also highlighted that it was not costly to seek this information (in terms of time).

- **Information obligations to third parties:** an important aspect of the Law and Regulation is the provision of information to parents. As such, these information obligations were included in the measurement.

## 2.2   Selecting the sample

A key consideration for this project was the selection of the businesses to interview. Out of a population of almost 13,000 services (ACECQA, 2012), only 36 were to be interviewed. The SCM manual prescribes that at least three businesses in each segment should be interviewed to provide an adequate insight into the resource consumption of a normally efficient business. The population was segmented into 12 segments (see below), which equates to 36 individual businesses. While statistical

significance in the sampling size is not emphasised in standard cost analysis, it was nevertheless important to ensure that the sample identified the 'typical' size and nature of administrative costs of the regulation across segments.

The SCM framework prescribes that the 'typical' administrative burden be identified by sampling the 'normally efficient business' in each sample segment. That is, businesses within the target group that handle their administrative tasks in a normal manner.

Theoretically, there are numerous factors that might impact the resources consumed by a business to perform an administrative task, and each business will likely vary slightly. Variance might be related to certain characteristics of the service such as location, management type or remoteness, or the staff performing the tasks such as experience and aptitude.

Overlaying this, there will also be variance in the output itself. For example, the size, scope, detail and quality of the administrative reports might vary significantly. This might result in a higher cost initially, but might also result in reduced administrative burden in the long term.

In order to capture the most important factors behind differences in the administrative costs of businesses, the population was segmented according to three variables:

- Approved provider size:
    - Small (single service)
    - Medium (2-9 services)
    - Large (over 10 services)
- Service type:
    - Centre-based (including preschools/kindergartens, long day care and outside of school hours care);
    - Family day care
- Jurisdiction: (select two).

Given the complex nature of the questions and the need to collect data consistently, face-to-face interviews were more appropriate than telephone consultations. As such, given time and cost considerations, only two jurisdictions were surveyed. It was decided to only survey two jurisdictions given time and cost considerations.

After considering the characteristics of the sector and its variation across jurisdictions, Queensland and Victoria were selected to be surveyed. These jurisdictions offered a suitable cross-section of providers and service types, as well as being logistically feasible and relatively cost effective. While the three segmentation variables were the key drivers of the sample selection, the selection process also had regard to service type within centre-based services (LDC, OSHC, PRE) and service geography.

The final sample design for the study based on these segmentation variables, as well as the number of corresponding services in the sample frame provided by ACECQA, is shown in Table 2.1.

**Table 2.1: Sample segmentation and sample frame**

| Jurisdiction | Service type | Provider size | Number of services to select | Number of services in sample frame |
|---|---|---|---|---|
| VIC | Centre-based | Small (single service) | 4 | 1,407 |
| VIC | Centre-based | Medium (2-9 services) | 4 | 666 |
| VIC | Centre-based | Large (10+ services) | 4 | 1,484 |
| VIC | Family day care | Small (single service) | 3 | 123 |
| VIC | Family day care | Other (>1 service) | 3 | 51 |
| QLD | Centre-based | Small (single service) | 4 | 987 |
| QLD | Centre-based | Medium (2-9 services) | 4 | 419 |
| QLD | Centre-based | Large (10+ services) | 4 | 1,047 |
| QLD | Family day care | Small (single service) | 3 | 43 |
| QLD | Family day care | Other (>1 service) | 3 | 58 |
| **Total** | | | **36** | **6,285** |

Selecting the three or four particular services within each of these ten segments was done on a random basis – within the bounds of practicality – as this was deemed to be the most appropriate approach to meet the objectives for this study. Ultimately, the aim was to select the three or four example services in each of these segments to derive the cost for a typical (or average) service in each segment. Although the SCM manual recommends targeting normally efficient businesses to do this, for this study, it was determined that targeting the variation across the sector (through a targeted randomised approach, detailed below) and taking the average of their resource requirements would more likely reveal the costs of a 'typical' firm (given the lack of information upon which to base an assessment of administrative efficiency).

Given the project timeframes, the interviews were conducted over two weeks – one week in each jurisdiction. As a result, completing 18 interviews in five days required four interviews to be conducted on three days each week and three interviews to be conducted on the other two days. This tight consultation schedule required travel time between each interview to be limited to an hour. With these segmentation and logistical requirements in mind, the sample was selected in the following manner:

- ACECQA provided Deloitte Access Economics with the sample frame of services for Victoria and Queensland.
  - There were a total of 6,286 services in the sample, 3,731 from Victoria and 2,555 from Queensland.

- Five services from Victoria and four services from Queensland were randomly selected from the sample.
  - These services defined the Local Government Areas (LGAs) from which the sample would be selected. Deloitte Access Economics visited one LGA on each day, and interview 3-4 services within that LGA.
- In addition to the nine LGAs randomly selected as above, one rural service was also chosen in order to ensure that variation in costs resulting from rurality was captured.
  - Mount Isa was selected non-randomly as it is the only 'Rural Australia' location with a sufficient sample size (i.e. more than three services) that could be accessed within the logistical parameters of the study.
  - As part of the Mount Isa sample frame, one service from Cloncurry (1.25 hours' drive from Mount Isa) was sampled. This was done because although Mount Isa is remote, it is has a reasonably large population. Cloncurry was chosen to provide the perspective of a service with a smaller childcare workforce.
- Within each set of targets, services from the sample frame were randomly selected and asked if they were willing to be interviewed for this study. If so, they were asked if they would be available for a 1-1.5 hour interview on the day when the interview team would be located in their area.
- A significant risk to the success of this project was timely and effective recruitment. Given the tight timeframes and the relatively inflexible consultation schedule, it was pertinent to illustrate the benefit of participation. A considered script and a detailed consultation plan engaged stakeholders and enabled the interviews to be scheduled in a practical manner while still meeting all the sampling objectives.

## Recruitment

The final sample deviated slightly from the plan. This was partially due to difficulties recruiting appropriate services within the timeframe.

However, although the precise segmentation was slightly different from the plan, the general goals for the sample were nevertheless achieved. That is, all segments were covered and the desired representation across jurisdictions and sectors was achieved. Accordingly, the marginal variation in the final sample from what was originally scoped and targeted is not envisaged to have materially affected the results or the conclusions of the study. Details of the final sample can be found in Appendix B.

**Table 2.2: Sample of services intended to be selected and actually interviewed**

| Jurisdiction | Service type | Provider size | Number to select | Number actually interviewed | Discrepancy from plan |
|---|---|---|---|---|---|
| VIC | Centre-based | Small (single service) | 4 | 4 | 0 |
| VIC | Centre-based | Medium (2-9 services) | 4 | 5 | 1 |
| VIC | Centre-based | Large (10+ services) | 4 | 3 | -1 |
| VIC | Family day care | Small (single service) | 3 | 2 | -1 |
| VIC | Family day care | Other (>1 service) | 3 | 4 | 1 |
| QLD | Centre-based | Small (single service) | 4 | 5 | 1 |
| QLD | Centre-based | Medium (2-9 services) | 4 | 3 | -1 |
| QLD | Centre-based | Large (10+ services) | 4 | 6 | 2 |
| QLD | Family day care | Small (single service) | 3 | 2 | -1 |
| QLD | Family day care | Other (>1 service) | 3 | 1 | -2 |
| **Total** | | | **36** | **36** | **0** |

# 2.3  Collecting the data

While targeting an appropriate sample was an important consideration for this analysis, the data collection technique was integral to ensuring the quality of the information collected and therefore the robustness of the findings. The overall data collection technique included the development of data collection tools and supports such as an interview discussion guide and a purpose-built excel workbook to input the data into, as well as the structured, considered approach to the interviews.

## 2.3.1  Data collection tools

The participating providers were given the following materials prior to their interviews:

- A **pre-interview questionnaire** covering basic details about their service. This was used to tailor interviews to the service characteristics.
- An **interview discussion guide** that outlined the key issues to be discussed in the interview.

The interview discussion guide was sent to participants prior to their interview, clearly outlining the purpose, scope and structure of the upcoming interview. Sending it out prior to the interview ensured that the appropriate representatives attended the consultation and that the participants came sufficiently prepared to maximise the efficiency of the interviews.

The interview discussion guide can be found in Appendix A.

A purpose-built excel workbook was designed to input the data in while at the interviews, providing a systematic basis to data recording during the interviews. This workbook complemented the interview guide in fostering a structured and consistent approach to the data collection while also ensuring that the data was collected as efficiently and effectively as possible, minimising the risk of error and/or missing information.

## 2.3.2   The interviews

The interviews were face-to-face interviews that lasted between one and 1.5 hours. The interviews were conducted in a structured and consistent manner, with two representatives of Deloitte Access Economics present at every face-to-face consultation to ensure that the information was recorded thoroughly and consistently. Providers were asked to invite any individuals who participated in the administrative obligations of the NQF to attend the interview.

Where there were cancellations due to unforeseen circumstances, interviews were re-scheduled and conducted by phone. Four phone interviews were held.

# 3 Outputs and results

The SCM framework provided a suitable analytical framework when applied to administrative tasks where the required output has been well-defined by the Regulation. Well-defined information obligations resulted in relatively consistent outputs across the sample. For example, filling out a particular form or keeping a particular record was done in a largely consistent fashion across the sample and, as a result, the time and cost associated with meeting such information obligations was relatively comparable.

On the other hand, for administrative tasks where the output required has not been well-defined by the Regulation and the scope, size, quality etc. is left to the discretion of each service, the SCM framework was not as appropriate. Examples of these administrative tasks are (i) establishing a set of NQF-compliant policies and procedures and (ii) establishing and documenting ongoing quality improvement plans. The Law and Regulations do not stipulate how many policies the service should have or how comprehensive, specific and detailed they should be. Similarly, the Law and Regulations do not guide services on how detailed their quality improvement plans should be or how often they should address them.

In these cases, applying the SCM framework meant trying to compare the inputs required to produce fundamentally different outputs. Furthermore, the variance in the outputs did not appear to be systematic or dependent on any of the segmentation variables or other identifiable characteristics of the service[3]. Rather, it was wholly a function of how each provider interpreted their responsibilities under the Regulation and their desire to achieve a high standard.

It is important to note that a less-well-defined information obligation is not necessarily a bad thing in terms of the goals of the Regulation. Indeed in many cases, it is the intention that the Regulation be flexible enough to ensure that services can apply the obligations in the manner that best suits their circumstances. However, this flexibility presents challenges in the application of the SCM approach.

The other key complexity with the SCM outputs for this study is that the bases over which hours are measured vary across administrative tasks and also across the sample. For example, some services provided the hours they commit to documenting educational programs on a per child basis, while most others provided the hours on a per room/per program basis. When asked if they could consider the other base (in an attempt to gain consistency across the sample), the interviewees could often not re-base.

Where possible, the data have been standardised across the sample, but discrepancies in the bases across the administrative tasks remain. The main reason for this is that the information on frequencies that would be required to convert the

---

[3] Inputs might vary systematically with quality. However, quality was not assessed as part of this assignment.

data into a standard, say, per annum variable was often unattainable. For example, providers were unable to reliably estimate how many incidents, injuries, traumas or illnesses they have to report.

In an attempt to thoroughly illustrate these complexities, the average hours and costs associated with the NQF are first reported in Section 3.1. These outputs are supplemented with two illustrative case studies in Section 3.2, estimating the total cost for each of these hypothetical services.

# 3.1 Average hours and costs by administrative activity

This section provides detail on the average hours and associated costs of each administrative activity measured as part of the study, across each of the population segments.

The data was not collected on an incremental basis. Services were asked how long the administrative activity took, rather than how *much longer* it took. As such, the incremental change in costs resulting from the introduction to the NQF is likely to vary across jurisdictions. This will depend on the pre-existing administrative obligations that a given service in a given jurisdiction was required to comply with.

The data shows that there is some variation in the administrative burden calculated on a state basis. However, services did not identify any particular jurisdictional peculiarities which might explain this. Research also did not suggest any reasons that this might be the case. As such, it appears likely that these differences were driven by other factors, such as differences in the composition of services surveyed in the two states (see Appendix B), and the small sample size exaggerating differences primarily caused by individual service decisions.

## 3.1.1 Policies and procedures

As discussed above, given the variance in the size, scope and detail of the outputs relating to policies and procedures, there was a relatively large variance in the resources allocated to these tasks across the sample.

Variance was observed both in terms of the level of detail and scope in the policies and procedures and also in terms of how much consultation went into developing them. For example, some providers surveyed had 20 policies while others had as many as 60. Some had comprehensive, service-specific policies while others had generic policies based largely on templates. Some providers sought large amounts of input from staff, parents and the community when developing policies while others had the Director develop them in isolation[4].

---

[4] These inputs might reasonably influence the quality of the policies and procedures and therefore the quality of the service more broadly. However, quality was not assessed as part of this study and so cannot be concluded upon here.

Most of these factors did not appear to vary systematically across the segments. For example, it was not evident from the study whether FDC providers systematically have more policies and procedures than centre-based services.

On average, the survey data indicates that providers spent around 150 hours per service on initially establishing NQF-compliant policies and procedures, though as many as 400 hours were reported by an individual service (Table 3.1). This average of 150 hours equates to a cost of around $4,230.[5] This is a relatively high hours-to-cost conversion, since most of the time spent on policies and procedures is by the Director and/or Teacher in charge of the service.

On average, the time spent per service to develop policies and procedures decreased with provider size, reflecting economies of scale in this task. However, this was at least partially offset by the fact large providers reported that they allocate more time per service to reviewing and updating policies and procedures. That is, although larger providers benefited from economies of scale in that a single head office would develop the policies and procedures for a number of services, the resources required to disseminate the policies and train staff in any changes offset much of this benefit. Generally, this offset was larger the larger the provider, supported by the fact that medium providers tended to report the lowest hours for the ongoing administrative requirements relating to policies such as reviewing, updating and displaying.

The data suggest that all administrative requirements relating to policies and procedures were more burdensome for FDC providers than for centre-based service providers. One key explanation for this result is that many policies have to be tailored to the physical environment, which is unique for each FDC educator (their home), and then have to be printed, delivered and explained to each educator individually.

---

[5] Throughout the report, hours have been converted to cost based on average wage assumptions derived from the ABS' 'Employee Earnings and Hours' release and three job-roles: Director/Teacher in charge (average hourly wage = $26), Carer/Educator (average hourly wage = $18) and Administration Officer (average hourly wage = $21). An overhead percentage of 20% is then applied.

**Table 3.1: Estimated average hours and cost per service spent on administration related to policies and procedures, by jurisdiction, sector and provider size**

| | Initially establishing policies and procedures (once off) | | Reviewing and updating policies and procedures (per annum) | | Displaying and notifying parents of any changes to policies and procedures (per annum) | |
|---|---|---|---|---|---|---|
| | Hours | $ | Hours | $ | Hours | $ |
| **Jurisdiction** | | | | | | |
| QLD | 177.7 | 4,990 | 62.5 | 1,755 | 15.4 | 435 |
| VIC | 129.0 | 3,620 | 83.5 | 2,342 | 32.1 | 902 |
| **Sector** | | | | | | |
| CB | 124.2 | 3,490 | 68.1 | 1,912 | 13.0 | 366 |
| FDC | 203.6 | 5,720 | 86.4 | 2,420 | 48.1 | 1,352 |
| **Provider size** | | | | | | |
| Small | 189.3 | 5,320 | 75.9 | 2,130 | 31.9 | 897 |
| Medium | 130.6 | 3,670 | 51.4 | 1,440 | 10.2 | 288 |
| Large | 112.5 | 3,160 | 87.0 | 2,444 | 24.7 | 696 |
| | | | | | | |
| **All services** | **150.7** | **4,230** | **74.2** | **2,081** | **24.7** | **695** |

The time and cost to initially establish NQF-compliant policies and procedures, though high, was generally seen to be a one-off cost. Once established, the time spent on the annual review (and thus the ongoing cost) was considered to revert to a level similar to that experienced prior to the introduction of the NQF. Where providers did report that the ongoing review would take longer, it was generally because their number of policies had increased.

Views on the value of the additional time spent on policies and procedures were mixed. All services surveyed agreed that having well-defined policies and procedures was vital to operating a high quality service. However, some services felt that certain policies were excessive, either in the sense that they were not relevant to their service (such as the bush fires policy for metropolitan services), or that the information required was new and took a lot of research (such as the medical conditions policy).

## 3.1.2    Educational programs

Under section 168 of the Law, all approved providers of education and care services must deliver a program that is:

- based on an approved learning framework;
- is delivered in a manner that accords with that learning framework;

- is based on the developmental needs, interests and experiences of each child; and
- is designed to take into account the individual differences of each child.

Providers are required to document these programs and learning assessments to ensure that this obligation is being met.

As with initially establishing NQF-compliant policies and procedures, the time spent to initially design and document an NQF-compliant educational program varied significantly across services in the sample. Qualitative information collected throughout the consultations suggests that there was general uncertainty across the sector regarding what was required for the educational programs and that this resulted in a number of different approaches and final outputs. Moreover, a large amount of the time allocated to this initial design reflects time spent teaching educators the framework and familiarising them with the principles and techniques. This time allocation varied according to a number of factors, including what was being done prior to the NQF (i.e. how new and/or foreign the concepts were), the overall ability of the educators to pick it up (which might reflect factors like ESL and qualifications and experience) and the time the service wanted to dedicate to this area.

On average, the survey data indicate that services spent around 150 hours documenting and designing the program, equating to an average cost across the sector $3,990 per service (Table 3.2). On average, this task was split 50/50 between directors and educators. This is a one-off cost associated with initially documenting and designing the program.. The data suggest that the time spent on designing the program increased with provider size, and was higher for Victoria and for FDC services (Table 3.2).

Once the program is established, it is treated as a live document that is updated and added to on an ongoing basis. The time a service spends on ongoing administrative requirements relating to educational programs is very dependent on size – in particular, the number of separate groups of children at the service. Although it is not specifically required as part of the Regulation, most services had a unique educational program for each group (or room) of children. Children were generally allocated to groups/rooms based on age, but in some cases this was done based on some other indicator of developmental stage. This separation of children into groups and rooms naturally happened more for larger services. Within FDC, a single educator's home is akin to what is defined here as a 'group' of children. OSHC services generally only had one, large group and therefore one educational program. The majority of the educational programming and documenting of children's learning is done by the lead educators, with some assistance from assistant educators.

After allowing for the size of the service (in terms of the number of rooms), reported hours spent on ongoing documentation of the educational program and documenting assessments of children's learning are relatively consistent across the sample. This reflects the fact that most services allocate a set number of hours to these tasks per room. However, most educators reported that they spend additional hours out of their own time on these tasks, though this additional allocation was also relatively consistent across the sample on a per room basis.

On average, the survey data indicates that services spend around 200 hours per annum per room on documenting educational programs, including reflections and forward-looking plans. This equates to a cost of just over $5,244 per room per annum.

Given the activity associated with documenting assessments of children's learning is driven more closely by the number of children than the number of groups/rooms, per-child estimates were derived as the basis of standardisation (comparisons of alternative standardisation bases are provided at Appendix C). Overall, documenting assessments of children's learning was found to be quite time-consuming, with the survey data indicating that the sector spends, on average, 22 hours per child per annum on these administrative tasks. This costs the sector around $690 per child per annum.

**Table 3.2: Estimated average hours and cost for administration related to educational programs, by jurisdiction, sector and provider size**

|  | Initial design of NQF-compliant educational program (per service, once off) | | Documenting of program and reflections (Per room, per annum) | | Documenting assessments of children's learning (Per child, per annum) | |
| --- | --- | --- | --- | --- | --- | --- |
|  | Hours | $ | Hours | $ | Hours | $ |
| **Jurisdiction** |  |  |  |  |  |  |
| QLD | 110.9 | 2,931 | 155.5 | 4853 | 30.9 | 964 |
| VIC | 231.3 | 6,108 | 233.1 | 7274 | 15.1 | 471 |
| **Sector** |  |  |  |  |  |  |
| CB | 109.1 | 2,883 | 230.9 | 7205 | 16.2 | 506 |
| FDC | 235.0 | 6,204 | 134.1 | 4184 | 33.9 | 1,057 |
| **Provider size** |  |  |  |  |  |  |
| Small | 66.7 | 1,764 | 221.1 | 6897 | 34.5 | 1,078 |
| Medium | 91.2 | 2,412 | 139.8 | 4360 | 20.4 | 636 |
| Large | 307.5 | 8,118 | 208.0 | 6491 | 6.7 | 208 |
|  |  |  |  |  |  |  |
| **All services** | **151.0** | **3,990** | **198.6** | **6197.8** | **22.1** | **689.8** |

Prior to the NQF, very little documentation and formal administration around the educational program and child assessments was required. Some services reported that they did "something similar" even though they were not required to, but generally services agreed that the time spent on this had at least doubled. Most services indicated that administration in relation to educational programs was the biggest ongoing increase in administrative burden imposed by the NQF.

However, most associated the increase in time with at least an equivalent increase in quality of service being delivered. The vast majority of interviewees stated that the requirements had led to better educational programs and ultimately improved outcomes for children. Furthermore, most stated that the time taken to document the program and learning outcomes was reducing as the educators became more familiar with the framework and the processes. Despite these noted benefits, many educators reported that the vast increase in required documentation was detracting from time with children.

Views were slightly less positive within the OSHC sector, largely reflecting the fact that, according to the views of many interviewed, this sector generally perceives themselves as primarily offering 'care' rather than 'education', as the majority of children enrolled in these services are already at school.  In addition, interviewees from the OSHC sector noted that the dominance of part-time and casual roles in this subsector, with educators generally only working a couple of hours a day, means that they are often less able and willing to dedicate the required hours to this documentation. Moreover, higher turnover (given the casual nature of the roles) also means that efficiencies from familiarisation are not being achieved and the sub-sector is spending a lot of time repeatedly training new staff in the framework and requirements.  Likewise, if a child only comes to the service one day a week for a few hours, the documentation burden is relatively onerous given the benefit.

### 3.1.3 Quality Improvement Plans (QIPs) and ratings assessments

The Quality Improvement Plan (QIP) is another obligation which is not prescriptive in the Regulation, and is largely left to the discretion of the provider to design and manage.  As such, the approach to designing the initial QIP and the resultant QIPs themselves varied significantly across the survey sample.  Some providers spent a lot of time brainstorming with staff in meetings to develop the QIP, resulting in a high number of allocated hours and costs.  Other providers undertook it all at the Director/admin level, with very little formal input from staff.

On average, surveyed services each spent almost 130 hours designing and documenting the initial QIP, which equates to almost $3,500.  This is a once-off cost, as once documented, the QIP is a live document that continues to be updated but does not have to be 'designed' from scratch again. As noted, the variance around this average was relatively wide, with some individual services reporting that they spent as little as 70 hours designing the QIP and others reporting they spent as much as 500 hours on this task.  A higher number of staff tended to inflate the time allocation since it meant more staff were attending meetings around the QIP.  However, services at the high end of the spectrum tended to note particularly high levels of uncertainty around what was required for the QIP and were generally quite concerned about meeting the quality standards.  This perception and resultant behaviour was likely the biggest influence on the time taken to design the QIP.

The time spent on an ongoing basis to review, revise and continually develop the QIP was less variable.  On average, the survey data indicates that services are allocating around 181 hours per annum to this task, costing each service just over $4,835 per annum.

**Table 3.3: Estimated average hours and cost per service spent on administration related to quality improvement plans, by jurisdiction, sector and provider size**

| | Documenting and designing initial QIP (once off) | | Ongoing reviewing and revising QIP (per annum) | |
|---|---|---|---|---|
| | **Hours** | **$** | **Hours** | **$** |
| **Jurisdiction** | | | | |
| QLD | 137.8 | 3,687 | 163.8 | 4,386 |
| VIC | 118.1 | 3,158 | 194.1 | 5,194 |
| **Sector** | | | | |
| CB | 78.9 | 2,110 | 206.6 | 5,532 |
| FDC | 222.8 | 5,960 | 128.6 | 3,440 |
| **Provider size** | | | | |
| Small | 159.5 | 4,266 | 183.7 | 4,917 |
| Medium | 70.1 | 1,872 | 132.5 | 3,546 |
| Large | 121.3 | 3,244 | 208.6 | 5,584 |
| | | | | |
| **All services** | **126.9** | **3,393** | **180.6** | **4,835** |

In general, very minimal time was spent documenting quality plans prior to the introduction of the NQF, so virtually all of this time is additional and attributable to the NQF requirements.

Although QIPs have been time-consuming to establish, interviewees generally felt that they contributed significantly to the quality of the service. Moreover, they felt that as they become more familiar with the process the time taken to meet the requirements will reduce. Most saw QIPs as a means of ensuring that staff and management regularly consider their service. Of those interviewed, some said that the obligation to reflect was valuable, helping the service to identify strengths and areas for improvements. Other services felt that the requirements for documentation were excessive.

Of the services surveyed, only 10 had been through the ratings and assessment process. As such, it is difficult to draw conclusions about the burden associated with preparing for ratings and assessments. On average, these services spent approximately 90 hours on preparing for ratings and assessments. However this is biased by two outlying FDC services, who spent over 200 hours each. Excluding these services, the average time spent on preparation was 30 hours per service.

## 3.1.4    Excursions

Around 40% of the services interviewed do not take children on excursions, partially because of the burden associated with the child-to-staff ratios perceived to be required. There are no requirements for additional staff members for excursions under the NQF. However services may perceive additional requirements based on historical factors.

Some services noted the documentation of risk assessments as an additional deterrent. Many of these services have always applied this policy. However, a couple noted that this is purely due to the increased requirements of the NQF.

Among those who do conduct excursions, the average time taken to document the risk assessments and obtain parental authorisation was reported to be around one hour for each task each per excursion – with undertaking both tasks leading to an average cost of around $46 per excursion. This didn't vary much across the sample, reflecting the fact that the information obligation and the associated data requirements are quite standard and well-defined.

**Table 3.4: Estimated average hours spent on administration related to excursions, by jurisdiction, sector and provider size**

| | Documenting the risk assessment for excursions (per excursion) | | Obtaining and documenting parental authorisation (per excursion) | |
|---|---|---|---|---|
| | **Hours** | **$** | **Hours** | **$** |
| **Jurisdiction** | | | | |
| QLD | 0.7 | 15 | 1.7 | 33 |
| VIC | 1.1 | 26 | 0.7 | 19 |
| **Sector** | | | | |
| CB | 0.8 | 20 | 1.3 | 34 |
| FDC | 1.1 | 24 | 0.4 | 8 |
| **Provider size** | | | | |
| Small | 0.7 | 15 | 1.3 | 27 |
| Medium | 0.7 | 18 | 1.0 | 24 |
| Large | 1.3 | 32 | 0.8 | 24 |
| | | | | |
| **All services** | **0.9** | **21** | **1.1** | **25** |

## 3.1.5    General record keeping

The majority of these tasks were performed prior to the NQF and the allocated hours have not materially changed. They were also relatively standard across the sample, reflecting the defined nature of the information obligations. Complying with these information obligations was not generally seen to be a material burden of the NQF. The most costly obligations associated with general record keeping are the requirement to report serious incidents to their regulatory authority. This costs around $60 per incident, and there may be a number of incidents per year.

However, although completing the forms themselves was not burdensome, most services noted severe costs associated with inefficiencies and errors at the authority level, particularly with regard to supervisor certificates. These issues are discussed in more detail in Section 4.

No systematic variation across population segments was detected in the sample for these administrative tasks.

**Table 3.5: Estimated average hours and cost spent on staff records, by jurisdiction, sector and provider size**

| | Initial documentation (per staff member) | | Maintaining and updating (per service per annum) | | Written designation of Educational Leader (per event) | | Applications for supervisor certificates (per certificate) | |
|---|---|---|---|---|---|---|---|---|
| | Hours | $ | Hours | $ | Hours | $ | Hours | $ |
| **Jurisdiction** | | | | | | | | |
| QLD | 1.3 | 39 | 3.6 | 111 | 0.5 | 15 | 0.6 | 15 |
| VIC | 1.2 | 41 | 7.8 | 240 | 0.3 | 12 | 0.9 | 22 |
| **Sector** | | | | | | | | |
| CB | 1.2 | 36 | 5.2 | 160 | 0.5 | 16 | 0.9 | 22 |
| FDC | 1.5 | 48 | 7.3 | 228 | 0.2 | 8 | 0.5 | 12 |
| **Provider size** | | | | | | | | |
| Small | 1.4 | 45 | 5.3 | 165 | 0.4 | 15 | 0.5 | 9 |
| Medium | 1.2 | 36 | 6.7 | 210 | 0.4 | 12 | 0.6 | 12 |
| Large | 1.1 | 36 | 6.1 | 188 | 0.5 | 12 | 1.3 | 36 |
| | | | | | | | | |
| **All services** | **1.3** | **40** | **5.9** | **183** | **0.4** | **13** | **0.8** | **19** |

**Table 3.6: Estimated average hours and cost spent on various other records, by jurisdiction, sector and provider size**

| | Child enrolment records (per child) | | Incident records – general (per incident) | | Incident records – serious) (per incident) | | Record of administration of medication (per event) | | Record of visitors (per annum) | | Documenting Emergency rehearsals (per annum) | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Hours | $ | Hours | $ | Hours | $ | Hours | $ | Hours | $ | Hours | $ |
| **Jurisdiction** | | | | | | | | | | | | |
| QLD | 0.7 | 21 | 0.2 | 6 | 2.5 | 66 | 0.1 | 0 | 2.3 | 60 | 3.3 | 87 |
| VIC | 1.4 | 48 | 0.4 | 10 | 1.9 | 53 | 1.2 | 31 | 3.5 | 94 | 1.4 | 36 |
| **Sector** | | | | | | | | | | | | |
| CB | 0.8 | 24 | 0.3 | 6 | 2.1 | 56 | 1.1 | 26 | 2.9 | 77 | 2.7 | 70 |
| FDC | 1.8 | 60 | 0.4 | 12 | 2.4 | 64 | 0.1 | 0 | 3.2 | 88 | 1.3 | 36 |
| **Provider size** | | | | | | | | | | | | |
| Small | 0.7 | 24 | 0.2 | 3 | 3.0 | 81 | 0.1 | 0 | 3.3 | 90 | 2.1 | 54 |
| Medium | 0.7 | 24 | 0.2 | 6 | 1.2 | 36 | 3.0 | 78 | 3.7 | 96 | 3.8 | 102 |
| Large | 1.9 | 60 | 0.6 | 16 | 1.7 | 44 | 0.1 | 0 | 2.4 | 64 | 1.4 | 36 |
| **All services** | **1.1** | **36** | **0.3** | **8** | **2.2** | **59** | **0.7** | **17** | **3.0** | **81** | **2.2** | **59** |
| | | | | | | | | | | | | |

## 3.1.6    Initial approvals

Similarly, applications for initial approvals were not in themselves reported as burdensome. In fact, most existing providers said that the rollover was smooth. This is partially attributable to the transitional provisions which were tailored to each state and territory.

The majority of the providers sampled had never had to complete any of the amendment forms. Of those who had, the time taken was in line with the initial applications. No systematic variation across population segments was detected in the sample for these administrative tasks.

**Table 3.7: Estimated average hours spent on initial approvals, by jurisdiction, sector and provider size**

|  | Provider approvals (per event) | | Service approvals (per event) | | Displaying approvals and other information (per annum) | |
|---|---|---|---|---|---|---|
|  | **Hours** | **$** | **Hours** | **$** | **Hours** | **$** |
| **Jurisdiction** |  |  |  |  |  |  |
| QLD | 2.6 | 81 | 1.7 | 54 | 2.8 | 75 |
| VIC | 1.2 | 40 | 1.0 | 31 | 2.3 | 60 |
| **Sector** |  |  |  |  |  |  |
| Centre-based | 2.1 | 64 | 1.7 | 54 | 3.1 | 82 |
| Family Day Care | 1.8 | 60 | 0.6 | 16 | 1.3 | 36 |
| **Provider size** |  |  |  |  |  |  |
| Small | 1.7 | 52 | 1.4 | 42 | 1.6 | 45 |
| Medium | 2.1 | 66 | 2.5 | 78 | 5.2 | 138 |
| Large | 2.5 | 78 | 0.5 | 16 | 1.9 | 48 |
|  |  |  |  |  |  |  |
| **All services** | **2.0** | **63** | **1.3** | **41** | **2.5** | **67** |

# 3.2   Case studies

Given the noted difficulties in extrapolating the findings of this study to the sector as a whole, as well as the fact that many of the costs reported in Section 3.1 are on a per event or "per something" basis that is not well-defined, it is difficult to establish an indication of the total cost of the administrative requirements of the NQF.

In an attempt to overcome this and illustrate an indicative total cost for a service, this section provides three detailed case studies. These case studies are hypothetical cases informed by the quantitative data collected and the various themes and issues identified throughout the interviews. The purpose of these case studies is to illustrate and highlight the grounds for variance across services – even services in the

same segment, and to provide an indication of the order of magnitude of the total cost of the NQF that a provider might face.

The detailed data show that different sizes, management and approaches to administrative tasks can result in quite significant differences in administrative burden over a year. Moreover, even when size is taken into account and the cost is benchmarked according to the number of employees, there is still scope for substantial variance.

# Case Study #1

## About this service

Smallville OSHC is one of three OSHC services provided by Smallville Council. Smallville Council purchased Smallville OSHC in 2012, but has owned and provided the other services for over 20 years.

Smallville is located in rural Victoria. The OSHC caters to primary school children before and after school, and also offers a Vacation program in school holidays. There are 45 approved places at the centre. However, Smallville's rural location makes it difficult to attract and maintain appropriately qualified staff. As such, in keeping with the staff-to-child ratio requirements imposed by Victorian savings provisions in the NQF, the service is currently only able to accommodate 30 enrolments. There is a 12-month waiting list for an enrolment at all OSHC services in Smallville.

There are five educators employed at Smallville OSHC – one of whom is a Lead Educator who is working towards a degree in EC Teaching. The other educators only work a couple of hours a week. There is also a service Director. The service Director is currently the only certified supervisor. A second application is pending approval by the regulatory authority. This has been a source of anxiety for the certified supervisor, who must be on the premises at all times, even if she is unwell.

Smallville OSHC was quality rated in December 2012 and, overall, it received a rating of "meeting" the National Quality Standard.

## Initial approvals

When Smallville Council purchased Smallville OSHC in 2012, they, as the receiving approved provider, had to undertake a transfer of service approval with the transferring service provider. This entailed:

- providing written notification to the Regulatory Authority of the intent of transfer, which took the Early Years Coordinator at Smallville Council around three hours to complete;
- providing written notification of the confirmation of transfer to the Regulatory Authority after the transaction was completed, which took the Early Years Coordinator at around 15 minutes to complete; and
- providing written notice to parents of the transfer of service, which took the Early Years Coordinator around half an hour to complete.

Since Smallville Council was already an approved provider when the NQF was introduced, the only had to confirm their details with ACECQA, which was done online and only took the EY Coordinator around an hour.

## Policies and Procedures

When Smallville Council purchased Smallville OSHC in 2011, they had not yet begun updating their policies and procedures to be NQF compliant. Once purchased, the Early Years Coordinator at Smallville Council spent the equivalent of a month's full time work writing up

the 20 policies and procedures required under the NQF for all three services. This was done over a 6-month time frame. During this time, the Early Years Coordinator had six one-hour meetings with the Directors from each of the three OSHC services to get their input and feedback in the policy development.

Once the set of policies were finalised, an Administration Coordinator at the Council printed, bound and delivered them to all three services. This took 5 hours.

Back at Smallville OSHC, once the policy folders were received, each educator spent about three hours familiarising themselves with them and the lead educator spent an additional hour emailing the policies to parents.

This initial phase was completed by the end of 2011. Last year, reviewing and updating the policies took the EY Coordinator at Smallville Council two hours per policy, followed by a one-hour meeting with the three service Directors to notify them of any changes. Changes were minimal, so the five educators at Smallville OSHC only needed to spend 30 minutes familiarising themselves with the changes and it only took the Director 30 minutes to notify all the parents of changes. All up, this review process took Smallville OSHC 18 hours (taking into account that the time spent at the Council is allocated across three services).

## Educational programs

By the time Smallville OSHC was purchased, the other two OSHC services that Smallville Council provides had already designed their educational programs in collaboration with the Early Years Coordinator. By leveraging off this previous work, the initial design of the educational program was relatively streamlined. A two-hour meeting was held with the staff at Smallville to introduce them to the program, after which, a 2 hour networking meeting with all the staff across all three OSHC services was held so that they could network and pass on ideas about the programming to the new educators at Smallville OSHC.

The networks and collaboration across the services meant that the new educators picked up the frameworks and techniques really quickly, and could complete the required documentation in the 1.5 hours per week that they have allocated.

However, documenting assessments of children's learning – such as learning stories and portfolios – is much more burdensome, largely because many children at the centre do not attend the service regularly, and staff are only casual so there is often a different staff member documenting the children. Each staff member spends approximately 30 minutes daily on these tasks. However, staff feel that they need more time than this to be satisfied with their documentation, but their additional time is not paid and many staff members are juggling other responsibilities such as study.

## Excursions

Four excursions are conducted each school holiday period as part of the vacation care program. Documenting risk assessments for each excursion takes the service Director approximately two hours. This includes the time taken to visit the site to check for hazards. Staff also spend an additional hour per excursion on obtaining and documenting parental authorisations. It costs the service around $1,340 per annum to complying with excursion-related administrative obligations.

## Quality Improvement Plans (QIPs)

The QIP was designed by the service staff at Smallville OSHC with no input from the Council. They used the ACECQA templates to guide them in designing their initial QIP. The QIP was established collaboratively – all five educators and the Director participated in a series of weekly, hour long meetings for three months to establish the QIP. Once established, one of the educators documented it formally, which took 4 hours. The total allocation of hours to design and document the QIP was therefore 76 hours, which cost the service around $1,760.

Staff now review one quality area a month at a one-hour staff meeting. The Director spends about an hour updating the document thereafter.

## Record keeping

The records required under the NQF are largely unchanged from previously. Minor revisions to the child enrolment forms were required, which took approximately one hour to complete. Serious incidents are now required to be reported to the Department, posing an additional administrative burden on the service of around two hours per incident. There was only one such incident last year. However, with all the excitable, school-aged children, standard incidents and injuries are common – around three a week on average – but the form only takes about 10 minutes to complete.

Other record keeping processes remain similar. Maintaining staff records takes approximately 30 minutes bi-annually, documenting enrolment records takes 15 minutes per child, and 10 minutes is spent weekly on timesheets to document the time educators spend working directly with children. Given that the centre is fairly small, it only takes 10 minutes annually to ensure that all the required documentation has been displayed correctly. Documenting monthly emergency evacuation rehearsals takes an additional 30 minutes and is done four times a year.

None of the children at Smallville OSHC are required to take medication while they are in their care.

## Total administrative burden

Smallville OSHC is an efficiently managed, high-quality service. They encounter some difficulties given their remoteness, but overcome most of this by collaborating effectively with the community and networking ideas. The fact that the Council runs three similar services creates efficiencies and economies of scale, reducing the overall cost of complying with the administrative obligations at a service level.

Complying with the NQF cost Smallville OSHC almost $34,000 in total. For comparative purposes only, this equates to around $5,600 per employee. However, over $5,000 of this relates to transitional costs that will not occur again. On an ongoing basis, compliance is estimated to cost Smallville OSHC approximately $28,000 per annum.

A detailed cost breakdown in provided in Table 3.8.

**Table 3.8: Breakdown of administrative costs associated with the NQF for Smallville OSHC**

| | Hours | Rate | # of staff/ children | Total Hours | Share of task performed by: | | | Total cost $ | Frequency[6] |
|---|---|---|---|---|---|---|---|---|---|
| | | | | | Director/ TIC | Educator | Admin | | |
| **Policies and procedures** | | | | | | | | | |
| Initial documentation at Provider level | 162.5 | 1 | 1 | 54 | 1 | 0 | 0 | 1,690 | once off |
| Meetings with service Directors | 1.0 | 6 | 4 | 8 | 1 | 0 | 0 | 250 | once off |
| Finalisation and delivery | 5.0 | 1 | 1 | 2 | 0 | 0 | 1 | 42 | once off |
| Educator familiarisation | 3.0 | 1 | 5 | 15 | 0 | 1 | 0 | 324 | once off |
| Notifying parents | 1.0 | 1 | 1 | 1 | 0 | 1 | 0 | 22 | once off |
| Annual review at Provider level | 40.0 | 1 | 1 | 13 | 1 | 0 | 0 | 416 | annual |
| Annual review - meetings with service Directors | 1.0 | 1 | 4 | 1 | 1 | 0 | 0 | 42 | annual |
| Educator familiarisation of changes | 0.5 | 1 | 5 | 3 | 0 | 1 | 0 | 54 | annual |
| Notifying parents of changes | 0.5 | 1 | 1 | 1 | 1 | 0 | 0 | 16 | annual |
| | | | | 98 | | | | 2,854 | 9% |
| **Educational programs** | | | | | | | | | |
| Initial design of the program | 2 | 1 | 7 | 14 | 0.3 | 0.7 | 0 | 341 | once off |
| Networking | 2 | 1 | 21 | 42 | 0.3 | 0.7 | 0 | 1,022 | once off |
| Ongoing documentation of program | 2 | 52 | 5 | 390 | 0 | 1 | 0 | 8,424 | annual |
| Documenting learning outcomes | 0.5 | 270 | 5 | 675 | 0 | 1 | 0 | 14,580 | annual |
| | | | | 1,121 | | | | 24,367 | 73% |
| **QIPs** | | | | | | | | | |
| Initial design | 1 | 12 | 6 | 72 | 0.2 | 0.8 | 0.0 | 1,670 | once off |
| Documentation | 4 | 1 | 1 | 4 | 0.0 | 1.0 | 0.0 | 86 | once off |

[6] "Annual" frequencies are used to standardize costs between tasks. This does not indicate that these tasks are done annually. It is used to denote the frequency at which the total cost is incurred.

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| Ongoing review | 1 | 12 | 6 | 72 | 0.1 | 0.9 | 0.0 | 1,637 | annual |
| Updating QIP | 0.5 | 12 | 1 | 6 | 1.0 | 0.0 | 0.0 | 187 | annual |
| | | | | **154** | | | | 3,581 | 11% |
| **Excursions** | | | | | | | | | |
| Risk assessments | 2 | 16 | 1 | 32 | 1 | 0 | 0 | 998 | annual |
| Parental authorisation | 1 | 16 | 1 | 16 | 0 | 1 | 0 | 346 | annual |
| | | | | **48** | | | | 1,344 | 4% |
| **Record keeping** | | | | | | | | | |
| Updating forms | 1 | 1 | 1 | 1 | 1 | 0 | 0 | 31 | annual |
| Child enrolment records | 0.3 | 1 | 30 | 8 | 1 | 0 | 0 | 234 | annual |
| Maintaining staff records | 0.5 | 2 | 1 | 1 | 1 | 0 | 0 | 31 | annual |
| Applications for Supervisor certificates | 1.0 | 1 | 2 | 2 | 0.5 | 0.5 | 0 | 53 | once off |
| Record of visitors | 0.0 | 270 | 1 | 5 | 0.5 | 0.5 | 0 | 119 | annual |
| Serious incident | 2.0 | 1 | 1 | 2 | 1 | 0 | 0 | 62 | annual |
| General incident and/or record of medication | 0.2 | 156 | 1 | 26 | 0.5 | 0.5 | 0 | 686 | annual |
| Documenting emergency rehearsals | 0.5 | 4 | 1 | 2.0 | 1 | 0 | 0 | 62 | annual |
| | | | | **45** | | | | 1,279 | 4% |
| **Initial approvals** | | | | | | | | | |
| Provider Rollover | 1.0 | 1 | 1 | 1.0 | 1 | 0 | 0 | 31 | once off |
| Service transfer | 3.8 | 1 | 1 | 3.8 | 1 | 0 | 0 | 117 | once off |
| Displaying the required information | 0.2 | 1 | 1 | 0.2 | 1 | 0 | 0 | 5 | annual |
| | | | | **1,470** | | | | **153** | 0% |
| **TOTAL** | | | | | | | | **33,579** | |
| **Recurring costs** | | | | | | | | **27,931** | **83%** |
| **Once-off costs** | | | | | | | | **5,648** | **17%** |

# Case Study #2

## About this service

Happy Days Early Leaning Centre is a single-service provider, private for-profit centre offering long day care. It does not offer an approved kindergarten/preschool program and it has not been quality rated. Happy Days has been in operation under the same provider for 10 years and therefore, applications for NQF provider and service approvals were not required. However, when the NQF was introduced, the provider had to update their approval details. This took a total of 20 minutes.

Happy Days is located in metropolitan Melbourne. It caters to children from six weeks old to school-age. It has 75 approved places and currently has 73 enrolments. The children are spread over five rooms, with each room corresponding to a group of children assessed to be at the same stage of development.

The centre employs 15 educators (five lead, degree-qualified educators and 10 non-degree qualified educators), a Director, an Associate Director, and a cook. The staff and children come from a variety of ethno-linguistic backgrounds, and some have English as a second language (ESL).

Happy Days runs a Montessori educational program and in line with this method, its philosophy is to foster children's love of learning and encourage independence by providing an environment of activities and materials that children use at their own pace, building self-confidence, inner discipline, a sense of self-worth and instilling positive social behaviour. Preserving this educational approach within the requirements of the NQF has been particularly time-consuming for Happy Days.

## Policies and Procedures

Prior to the NQF, the centre had a comprehensive set of 37 policies, as management always believed that comprehensive and extensive policies helped to ensure that the service was operating to a consistently high standard. The two directors each spent 2 hours to revise each existing policy to make sure that they were NQF-compliant and link them to various quality areas. They also had to develop 8 new policies – such as a water safety policy. Each new policy took approximately 10 hours to develop for each of the Director and the Associate Director. Some policies – such as the medical conditions policy and the staffing policy were particularly time-consuming. In total then, Happy Days now has 45 policies.

Happy Days used Centre Support templates as a reference point through this initial process, attracting an annual subscription cost of $1,200.

Once the policies and procedures were established and documented, the Associate Director displayed them in a folder in the foyer and distributed them electronically to parents. This took 2 hours in total. Staff were required to familiarise themselves with these new policies in their own time. It was estimated that each staff member spent an average of 10 hours on this task, adding to a total of 150 hours. This time reflects the additional difficulties that ESL staff faced in gaining a thorough understanding of the policies. This initial establishment of policies and procedures was completed on 12 April, 2012.

Happy Days now revises its policies annually or when particular issues arise. The standard annual review process takes about 2 hours per policy for both the Director and the Associate Director (180 hours per annum in total). This includes the time taken to notify parents of any changes. On a per-policy basis, the annual review has not changed significantly since the introduction of the NQF. However, the total cost has increased as a result of the additional policies.

## Educational programs

Happy Days have always documented their educational programming and children's development in line with Montessori methods. However, since the introduction of the NQF, educators are now required to complete additional documentation to comply with the NQF requirements while still maintaining the Montessori framework. Overall, the time spent on documenting educational programs (including documenting individual assessments of children's learning) has more than doubled from 7 hours per room per week to 16 hours per room per week. This is mostly done by the lead educator, but assistant educators account for around 20% of this time. Over a year, this adds up to 4,160 hours (16*5*52) and a cost of approximately $121,805 of which is additional time spent since the introduction of the NQF.

In addition to the additional time spent documenting, directors initially spent 40 hours training the 15 contact staff members in the new methods, equating to 680 staff hours (40*17). Again, this was particularly time-consuming because of the language and learning difficulties for staff with English as a second language (ESL).

## Excursions

Happy Days does not take children on excursions given safety risks and the cost of meeting the required staff ratios.

## Quality Improvement Plans (QIPs)

The Director and Associate Director spent approximately 217 hours (collectively) initially designing and documenting their QIP. They did not seek any staff input at this initial design phase. However, the process was relatively lengthy because it required them to develop a thorough understanding of the National Quality Framework and the Standards and link them back to Montessori objectives.

Prior to the NQF, Happy Days "audited" and monitored quality using NCAC checklists to ensure that standards were being met. However this was a "tick-and-flick" exercise, and required much less documentation and time.

Now that the QIP has been established, Happy Days has monthly staff meetings of two hours to discuss progress on the QIP and address any issues. This equates to 34 staff hours a month, and costs the service approximately $770 a month in resourcing time. The Associate Director spends about half an hour documenting the conclusions from these meetings.

## Record keeping

Record keeping procedures have not changed significantly for Happy Days since the introduction of the NQF. Documenting child enrolments takes approximately one hour per child per annum, while maintaining staff records takes approximately 4 hours annually. The service has five certified supervisors, and each application took approximately one hour. The centre has not had to document a serious incident under the new system. However general incident and administration of medication records take approximately 2 minutes per incident and an incident occurs on average twice per week. The Assistant Director spends around 20 minutes annually making sure that all required information is displayed at the service, and 10 minutes on a quarterly basis to document emergency evacuation rehearsals.

## Total administrative burden

The total administrative burden for Happy Days is $175,888. Around 20% of this cost represents once-off costs associated with transitioning to the new requirements. The annual, ongoing cost is estimated to be $140,607. For comparative purposes only, this equates to almost $9,500 per employee or just under $2,000 per child.

The vast majority (78%) of the total ongoing administrative burden is associated with Educational Programming, specifically – the time spent documenting the program and documenting assessments of children's learning.

A detailed breakdown of the costs, including the associated hours and who is performing the tasks, is provided in Table 3.9.

## Table 3.9: Breakdown of administrative costs associated with the NQF for Happy Days ELC

| | Hours | Rate | # of staff/ children | Total Hours | Share of task performed by: | | | Total cost $ | Frequency |
|---|---|---|---|---|---|---|---|---|---|
| | | | | | Director/ TIC | Educator | Admin | | |
| **Policies and procedures** | | | | | | | | | |
| Updating existing policies to align with the NQF | 2 | 37 | 2 | 148 | 1 | 0 | 0 | 4,618 | once off |
| Developing new policies | 10 | 8 | 2 | 160 | 1 | 0 | 0 | 4,992 | once off |
| Displaying policies at the centre | 2 | 1 | 1 | 2 | 1 | 0 | 0 | 62 | once off |
| Staff learning the policies | 10 | 1 | 15 | 150 | 0 | 1 | 0 | 3,240 | once off |
| Annual review | 2 | 45 | 2 | 180 | 1 | 0 | 0 | 5,616 | annual |
| | | | | **640** | | | | 18,528 | **11%** |
| **Educational programs** | | | | | | | | | |
| Ongoing documenting and learning assessments | 16 | 52 | 5 | 4,160 | 0.8 | 0.2 | 0 | 121,805 | annual |
| Initial design of the program | 40 | 1 | 17 | 680 | 0.1 | 0.9 | 0 | 15,456 | once off |
| | | | | **4,840** | | | | 137,261 | **78%** |
| **QIPs** | | | | | | | | | |
| Initial design | 109 | 1 | 2 | 217 | 1 | 0 | 0 | 6,770 | once off |
| Ongoing review | 2 | 12 | 17 | 408 | 0.1 | 0.9 | 0 | 9,274 | annual |
| Updating QIP | 1 | 12 | 1 | 6 | 1 | 0 | 0 | 187 | annual |
| | | | | **631** | | | | 16,231 | **9%** |
| **Record keeping** | | | | | | | | | |
| Child enrolment records | 1.0 | 1 | 73 | 73 | 1 | 0 | 0 | 2,278 | annual |
| Maintaining staff records | 4.0 | 1 | 1 | 4 | 1 | 0 | 0 | 125 | annual |
| Applications for Supervisor certificates | 1.0 | 1 | 5 | 5 | 0.5 | 0.5 | 0 | 132 | once off |
| General incident and/or record of medication | 0.0 | 104 | 1 | 3 | 0.5 | 0.5 | 0 | 92 | annual |
| Documenting emergency rehearsals | 0.2 | 4 | 1 | 1 | 1 | 0 | 0 | 21 | annual |
| | | | | **86** | | | | 2,647 | **2%** |
| **Initial approvals** | | | | | | | | | |
| Rollover | 0.3 | 1 | 1 | 0.3 | 1 | 0 | 0 | 10 | once off |
| Displaying the required information | 0.3 | 1 | 1 | 0.3 | 1 | 0 | 0 | 10 | annual |

| | | | | 0.7 | | | | 21 | 0% |
|---|---|---|---|---|---|---|---|---|---|
| **Subscriptions/external consultants** | | | | | | | | 1,200 | annual |
| Centre Support | | | | | | | | 4,618 | once off |
| **TOTAL** | | | | **6,198** | | | | **175,888** | |
| **Recurring costs** | | | | | | | | **140,607** | **80%** |
| **Once-off costs** | | | | | | | | **35,281** | **20%** |

# Case Study #3

## About this service

Family Matters is an independent family day care operating on Queensland's Sunshine Coast. It has been operating for over 30 years. Family Matters has 55 educators, with each educator effectively running their service through their own business. The service currently has 650 children enrolled from 600 families. The children range in age from birth to sixteen years.

Family Matters' service and educators are supported by 6 administrative staff members, who work in a central office. There is also a Director, who is the certified supervisor for the entire service and also works at the central office. These staff are heavily involved in completing the administrative obligations associated with the NQF. They also undertake regular "field visits" to assist educators and ensure that all paperwork is has been completed appropriately to ensure NQF compliance.

Most educators operate out of their own homes. They take pride in providing care in a home environment. While many educators have been in the industry for quite some time, most started in family day care as a means of making money while they cared for their own children.

As such, most of the educators at Family Matters did not have relevant child care qualifications when joining the industry. Following the introduction of the NQF, Family Matters began encouraging educators to pursue relevant childcare qualifications. Administrative staff have begun providing academic support during their field visits to help educators towards these goals. As a result of this additional investment, half of the educators now have, or are working towards, Diploma qualifications.

Family Matters was rated in February of 2013, and, overall, it received a rating of "meeting" the National Quality Standard.

## Initial approvals

Family Matters did not have to apply for provider and service approvals under the NQF. The administrative staff had to update their approval details, and this took approximately 20 minutes.

## Policies and Procedures

In 2011, the Director and one administrative staff member began the process of updating Family Matters' policies to ensure that they were NQF compliant. They each spent 2 days per week on this for a period of 12 months. In total, Family Matters now has 60 policies – 10 more than before the NQF.

As Family Matters operates a family day care service with a large number of educators, the Director felt that it was necessary to consult with educators on the contents and form of the policies and procedures. As such, she formed an "Educator Advisory Group", comprising of 5 educators. This group spent 30 minutes reviewing each policy, and suggesting revisions which might make them more practical and easy to apply for educators. In total, the five educators each spent 30 hours on this process.

Once these were developed and finalised, the administrative staff printed off a hard copy for every educator, and distributed them during field visits. They also briefly discussed the changes to policies with educators. This took a total of approximately 20 hours across the service. Each educator was then responsible for communicating these policies to parents. This took 5 minutes per family.

Educators have found the "child safe environment" policy particularly challenging to comply with, since most operate in their own homes. The Director was concerned that some of the provisions in the policy may not be being met by all educators. As such, the service now conducts home safety audits. Each audit takes 1.5 hours, and is done annually at every educator's home by a member of the administrative team.

As Family Matters has only recently finished updating all of their policies, they are yet to conduct any review. However, the Director estimates this process will take a comparable amount of time to previously.

## Educational programs

Following the introduction of the NQF, the Director spent 76 hours on developing programming templates and job aids for the educators. This was a comprehensive process, focused on repackaging the Early Years Learning Framework to be more concise and usable for educators. The educators have found these templates very useful. Each educator now spends approximately 1 hour per week documenting their educational program.

However, documenting assessment of children's learning is more burdensome, because most of the educators are not accustomed to this level, or form, of documentation. Educators now keep a portfolio for each child, in which they document learning stories and keep photos. This can be quite time consuming, and educators estimate that they spend one hour each day on this task.

Educational programming overall has been a challenging and significant area of regulatory burden for Family Matters. Many of the older workers have had difficulties with the increased level of documentation. They feel that these requirements are increasingly detracting from the amount of time that they have available to spend with children. Given that each educator effectively operates their own business, this time is unpaid, unless educators are able to recover the costs from parents. As such, these additional administrative burdens have led to some long-tenured educators resigning.

## Excursions

Each individual educator decides how many excursions to conduct in a year. Since the NQF was introduced, educators have become more anxious about taking children on excursions, as the new risk management process has made them more aware of potential hazards. On average, they now take children on 5 excursions a year, where before they would take 8.

The Director designed a new risk assessment template for educators to fill out which is compliant with the regulations. This took her two hours. It now takes educators approximately 1.5 hours to fill out the risk assessment form every time they go on an excursion. It costs the service around $9,900 per annum on an ongoing basis to comply with these obligations.

## Quality Improvement Plans (QIPs) and assessments

The initial QIP was designed by the Educator Advisory Group, representing all of the educators in the service. They met for two hours every fortnight for six months to discuss the QIP, and what elements should be included. Once they had finalised their thoughts, they communicated their findings to the Director. She then spent 16 working days, out of the office, to document the QIP, using ACECQA's template.

It is important to Family Matters that all educators be given an opportunity to contribute to the QIP. As such, the administrative staff send regular emails regarding progress on the QIP, and seek feedback from educators. This takes approximately 2 hours monthly. Each educator spends about 15 minutes replying to these emails monthly. The administrative staff spend a further hour consolidating these feedback and updating the QIP accordingly. In total, this equates to 16.75 hours per month.

Family Matters was advised of their ratings assessment in December 2012. They asked all educators to attend a meeting which explained the assessment and ratings process, and express its importance while allaying anxiety. The meeting was two hours long, and 75% of educators, as well as all the administrative staff, attended. After the assessor notified the service of which educators would be visited, each of these educators spent an additional 3 hours preparing for the visit. Summing this up, the service spent 112 hours preparing for the ratings and assessment process.

## Record keeping

Family Matters' other record keeping requirements have not changed substantially. When new educators join the service, it takes approximately 2 hours for administrative staff to process them. An administrative staff member spends 4 hours monthly on ensuring that all staff records are up to date. Their only supervisor certificate was obtained during the amnesty period, and the application was done online in 5 minutes.

If an educator has a new resident at their home, temporarily or permanently, they notify the head office. This is done by email and takes 5 minutes. During field visits, administrative staff spend 5 minutes on ensuring that visitor records are up to date.

Child enrolment records are kept both at the educator's premises as well as in the head office. Processing each enrolment takes administrative staff one hour, and educators 30 minutes. Recording minor incidents takes 15 minutes per incident – 5 minutes longer than previously, as the form is slightly longer. However, the time taken to document serious incidents and medication administered has not changed, at 20 minutes and 5 minutes respectively.

## Total administrative burden

Family Matters FDC is a relatively large family day care, with over 50 educators catering to a large number of children. Co-ordinating and communicating effectively in a service of this size can be difficult. However, by working collaboratively with the educators, the administrative team have been successful in managing the service's transition to the NQF.

 Complying with the NQF cost Family Matters FDC over $560,000 in annual terms. This is reflective of the size of the service. For comparative purposes only, this equates to around $870 per child or $10,000 per employee.

A detailed cost breakdown in provided in Table 3.10.

**Table 3.10: Breakdown of administrative costs associated with the NQF for Family Matters FDC**

| | Hours | Rate | # of staff/ children | Total Hours | Share of task performed by: | | | Total cost $ | Frequency |
|---|---|---|---|---|---|---|---|---|---|
| | | | | | Director/ TIC | Educator | Admin | | |
| **Policies and procedures** | | | | | | | | | |
| Initial policy design | 13.9 | 60 | 2 | 1,664 | 0.5 | 0 | 0.5 | 46,925 | once off |
| Input from Educator Advisory Group | 0.5 | 60 | 5 | 150 | 0 | 1 | 0 | 3,240 | once off |
| Distribution and discussion with educators | 0.4 | 55 | 1 | 20 | 0 | 0 | 1 | 504 | once off |
| Communication with parents | 0.1 | 1 | 600 | 50 | 0 | 1 | 0 | 1,080 | once off |
| Home safety audits | 1.5 | 9 | 6 | 83 | 0 | 0 | 1 | 2,079 | annual |
| | | | | 1,967 | | | | 53,828 | 10% |
| **Educational programs** | | | | | | | | | |
| Initial design of the program | 76 | 1 | 1 | 76 | 1 | 0 | 0 | 2,371 | once off |
| Ongoing documentation of program | 1 | 52 | 55 | 2,860 | 0 | 1 | 0 | 61,776 | annual |
| Documenting learning outcomes | 0.8 | 365 | 55 | 15,056 | 0 | 1 | 0 | 325,215 | annual |
| | | | | | | | | | 69% |
| | | | | 17,992 | | | | 389,362 | |
| **QIPs** | | | | | | | | | |
| Initial design meetings | 2 | 12 | 5 | 120 | 0.0 | 1.0 | 0.0 | 2,592 | once off |
| Documentation | 128 | 1 | 1 | 128 | 0.0 | 1.0 | 0.0 | 2,765 | once off |
| Ongoing review | 0.3 | 12 | 55 | 165 | 0.0 | 1.0 | 0.0 | 3,564 | annual |
| Updating QIP | 2.3 | 12 | 1 | 27 | 0.0 | 0.0 | 1.0 | 680 | annual |
| Discussion of ratings process | 2.0 | 1 | 48 | 97 | 0.0 | 0.0 | 1.0 | 2,432 | once off |
| Preparation for ratings visit | 3 | 1 | 5 | 15 | 0.0 | 0.0 | 1.0 | 378 | once off |
| | | | | 552 | | | | 12,411 | 2% |
| **Excursions** | | | | | | | | | |
| Risk assessments | 2 | 5 | 55 | 413 | 0 | 1 | 0 | 8,910 | annual |
| Parental authorisation | 0.2 | 5 | 55 | 46 | 0 | 1 | 0 | 990 | annual |
| | | | | 458 | | | | 9,900 | 2% |

| Record keeping | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| Child enrolment records | 1.5 | 1 | 650 | 975 | 0 | 0.3 | 0.7 | 23,400 | annual |
| New staff records | 2.0 | 1 | 1 | 2 | 0 | 0.0 | 1 | 50 | once off |
| Maintaining staff records | 4.0 | 12 | 55 | 2,640 | 0 | 0 | 1 | 66,528 | annual |
| Application for Supervisor certificate | 0.1 | 1 | 1 | 0.1 | 1 | 0 | 0 | 3 | once off |
| Notification of new resident at FDC premises | 0.1 | 1 | 1 | 0.1 | 1 | 0 | 0 | 3 | once off |
| Record of visitors | 0.1 | 4 | 55 | 18 | 0 | 0 | 1 | 462 | annual |
| Serious incident | 0.3 | 1 | 1 | 0 | 1 | 0 | 0 | 10 | annual |
| General incident | 0.2 | 25 | 55 | 229 | 0.5 | 0.5 | 0 | 6,050 | annual |
| Record of medication | 0.1 | 25 | 55 | 115 | 0.5 | 0.5 | 0 | 3,025 | annual |
| Documenting emergency rehearsals | 0.3 | 4 | 55 | 55.0 | 0 | 1 | 0 | 1,188 | annual |
| | | | | **4,035** | | | | **100,719** | **18%** |
| **Initial approvals** | | | | | | | | | |
| Provider Rollover | 0.3 | 1 | 1 | 0.3 | 1 | 0 | 0 | 10 | once off |
| Displaying the required information | 2.0 | 1 | 1 | 2.0 | 0 | 0 | 1 | 50 | annual |
| | | | | **2.3** | | | | **61** | **0%** |
| **TOTAL** | | | | **25,006** | | | | **566,281** | |
| **Recurring costs** | | | | | | | | **503,928** | **89%** |
| **Once-off costs** | | | | | | | | **62,353** | **11%** |

# 4 Cost reduction opportunities

The consultation process also identified some recurring sources of inefficiency and some avenues through which cost savings could potentially be achieved. Addressing these issues could lead to reductions in the impact of the administrative burden on services.

Many inefficiencies were concentrated in the transitional phase, as services familiarised themselves with the requirements of the NQF and adapted their processes accordingly. As such, some of the cost reduction opportunities identified – such as those relating to initially establishing policies and procedures – are likely to have passed, working their way through the system as services' familiarity with the regulations increases. However, other cost reduction opportunities identified might still be attainable for a large number of services. One example is cost reduction opportunities associated with the ratings and assessment process, given that majority of services have not yet been required to submit their QIPs or go through the ratings and assessment process (ACECQA, 2012) . Overall, as services become further familiar with the new regulations, it is likely that the time taken to comply will continue to decrease organically.

Beyond this, a range of areas were identified where scope for cost reduction existed. Some of the issues identified refer to specific regulatory changes, while others cover broader areas of concern and anxiety in the sector, which might be addressed by further guidance. Potential areas of duplication are also identified.

## 4.1 Regulatory changes

As noted in Appendix A, services were asked, for every information obligation, whether they thought it could be simplified. Most services thought that while compliance was time consuming, it led to improvements in quality and that the scope for simplification was limited. However, this finding should be taken in the context of the perspective that services bring. While services are well placed to discuss their experiences in complying with the Regulations, few would be in a position to comment in an informed way on the scope for regulatory simplification.  That said, a range of areas where identified that raised concern among the sector and where scope for efficiency improvements appeared apparent.

### Supervisor Certificates

The process of applying for supervisor certificates was one of the most commonly cited areas of difficulty. While any educator meeting given criteria may apply for certification, services reported that the approval process at present is slow, inefficient and inconsistent.

Most of the services interviewed found that, on an individual level, the application form itself was not burdensome. However, following the initial "amnesty", the regulatory authorities in the jurisdictions examined have been unable to process

these applications in a sufficiently timely manner. Some of the services interviewed reported waiting over a year for individual certificates to be issued. Given that services are required to have at least one certified supervisor on the premises at all times, these delays have put significant strain on some services and staff. In one of the regional services surveyed, following the resignation of two supervisors, one director was forced to remain in the service for 11 hours daily while she waited for other educator applications to be approved.

Other process inefficiencies identified included:

- **Handling procedures** – regulatory authorities do not acknowledge the receipt of applications. This leads to confusion and difficulties determining accountability.

- **Inconsistencies** – the approach taken by regulatory authorities appeared to vary from case to case. For instance, some applicants received their supervisor numbers before the certificate was issued, while others were told that they had to wait until the physical certificate arrived.

This was seen as a high cost regulation by most services surveyed. Future review should consider whether this regulation is worthwhile, and, if so, how the process might be managed more efficiently.

## Educational programming

As detailed in Section 3.1.2, while educational programming and documentation requirements were overall seen to be quality improving, some services in the OSHC sector thought that they were not appropriate to the specific characteristics of OSHC.

Some of these services thought that the costs of documenting educational programming and assessments of children's learning were not commensurate with the benefits. As such, a review of the regulation should consider the relative benefit of requiring OSHC services to comply with educational programming requirements in the same way as other providers.

## Quality areas

Some elements of the regulation – notably policies, educational programming and QIPs – require services to link their operations and documentation back to the National Quality Standards. These are relatively lengthy, with 18 standards and 58 elements. As such, linking policies, procedures, educational programming and QIPs to these can be a time-consuming undertaking.

Fewer elements in a less complex framework would necessarily reduce the time taken to establish these linkages. This is a potential source of cost-reduction, and should be explored as an option in any future regulatory review.

## Cumulative number of regulations

Overall, the process of mapping each of the information obligations associated with each individual regulation identified over 350 requirements, as summarised in Appendix D. Each individual obligation – including details such as the provider or

service name – might take a very small amount of time to comply with. However, when aggregated, these small tasks can amount to a fairly substantial burden.

A regulatory review might consider whether a reduction in the overall number of information obligation requirements is worthwhile, and, if so, which requirements should be simplified or removed.

# 4.2 Further guidance

There are some areas where services felt they would have benefited from additional guidance from ACECQA. However, in some cases, this was observed to be due to uncertainty and anxiety rather than a genuine need for additional information.

## 4.2.1 "Need to have"

Of the services who decided to design their own policies and procedures, many expressed difficulties with understanding what was required or expected under each of the policies and procedures listed under the regulations. For instance, one service was unsure whether a "child safe environment policy" referred to the physical environment of the centre, or ensuring that children were kept safe from predators.

Further clarity on what is required under each policy would save services significant amounts of time in initially establishing compliant policies and procedures. ACECQA may wish to consider providing such guidance.

Given that majority of services have already adapted their policies to be NQF compliant, it is likely that most services will not experience significant cost savings as a result of further advice. However, it would reduce costs for new services.

## 4.2.2 "Nice to know"

This section details extra information which services suggested might be useful to them and decrease their administrative burden. Whilst it is not strictly necessary, it may go some way to reducing levels of anxiety and providing clarity.

**"How long is a piece of string"?**

A lack of precise guidance on the frequency, form and extent of documentation expected was identified as a difficulty causing increases to administrative costs for some services. While the regulations identify where documentation is necessary, the details are largely left to the discretion of services, for instance:

- how often assessments of children's learning and the educational program should be documented, and how extensive this documentation should be; and
- how often QIPs should be revised, and how much documentation and evidence is required.

Given that assessments are often informed by this documentation, some services felt that they were overburdening themselves, spending more time than necessary on these tasks, in order to attain high ratings.

It is likely that these costs will decrease naturally over time, as more services go through the ratings and assessment process. However, it appeared that there was a lack of consistency in the amount of feedback provided by assessors. Services who received detailed feedback tended to be more comfortable with the process, and feel less anxious about NQF compliance going forward. However, some services reported receiving little to no feedback on what they had been doing well and what they could do in order to attain a higher rating. These services felt that guidance on the level of documentation required to attain each rating would alleviate this problem.

### Other issues

As noted throughout the report, educators and families who have English as a Second Language may find understanding the regulations and implementing them appropriately difficult.

ACECQA might consider developing additional, plain-English materials which could be used to make familiarisation and compliance easier for educators, as well as increasing understanding and awareness for families.

## 4.3  Areas of duplication

### Service approvals

Some of the few operators that had established a new service since the introduction of the NQF expressed difficulties with the process of applying for a new service approval. While most of the application process was perceived to be straight-forward, some found the requirement for architectural plans of the proposed service location challenging and time consuming.

This was of particular issue for OSHC services operating in multiple premises, generally on school grounds. Services explained that older schools often did not have ready access to architectural plans. In some cases, providers were forced to get new plans drawn in order to establish the service. This was perceived as a costly exercise.

Services appreciated the need to ensure that premises were safe and suitable for children. However, where they were operating on grounds already used for educational purposes, this requirement was seen as excessive and discouraged expansion.

This is another area of regulation which is associated with comparatively high costs. It is also somewhat duplicative, particularly when referring to existing school premises. State Governments each have their own processes around ensuring that these areas are fit and proper for children.  As such, the merits of the existence and operation of this legislation could be reviewed.

### Other quality improvement processes

Some services are also required to comply with other legislations aimed at improving quality of the sector and these were identified as further areas of potential duplication. For example, in Victoria, some kindergarten services are under

Kindergarten Cluster Management (KCM) arrangements, where they are centrally managed and required to comply with the KCM Policy Framework. Under this Framework, services must complete an annual Kindergarten Cluster Management Service Improvement Plan (SIP). This plan outlines the actions the service or Cluster Manager (equivalent to approved provider) has undertaken to make quality improvements within the service. There is distinct overlap between the NQF's requirements for QIPs and the Victorian KCM's requirements for SIPs. A legislative review may wish to consider whether similar overlaps exist in other jurisdictions, and whether it would be appropriate to consolidate or align these regulations. Given ACECQA's role of guiding a nationally consistent regulatory approach, the onus should general fall on other regulatory bodies – be they state or local government – to recognise and align with NQF. However, it is recognised that this might not be universally practical – for example, in cases where preschool/kindergarten is delivered within school education regulatory systems.

# Appendix A: Interview discussion guide

## Purpose

The purpose of this interview is to collect information on the time and resources used to comply with the administrative requirements of the Education and Care Services National Law and Regulations (the National Law and Regulations).

The information collected in this interview will be used to construct estimates of the cost of selected elements of the NQF, which will be presented to ACECQA in a report. The estimates will be broken down by jurisdiction, provider size and service type. All reported estimates will be aggregates and de-identified. No individual service-level data will be reported.

## Scope

The NQF includes a range of regulatory requirements, such as the requirement to meet staff-to-child ratios and staff qualification levels; financial requirements such as fees and charges; as well as administrative requirements such as documenting and reporting.  **We are only concerned with the administrative requirements.**

Administrative requirements arise to meet information obligations in the Regulation (i.e. an obligation to provide, report, store or display information). Administrative requirements of the NQF include things like:

- filling out and submitting applications for approvals, certificates or notification of changes;
- organising paperwork to prepare for visits from your regulatory authority;
- keeping records of attendance or incidents;
- producing and maintaining policies and procedures;
- maintaining quality improvement plans; and
- documenting assessments of children's learning.

It does not include things like implementing educator to child ratios.

In many cases, the definition of an administrative requirement is not always clear.  To illustrate (and hopefully make clearer), consider educational programming and child assessments.  The time taken to actually *PROVIDE* an educational program to a child that is compliant with the requirements is *NOT* an administrative requirement, but the time taken to document the program, including assessments of learning and progress *IS*.

Finally, this study is only concerned with the administrative requirements of the National Law and Regulations.  It is not concerned with the administrative

requirements of any other government legislation, such as family assistance legislation (i.e. Child Care Benefits) or local government approvals.

## Approach

ACECQA has contracted two consultants from Deloitte Access Economics will be meeting with you to collect the information sought. The meeting will be a structured interview, where each information obligation under the NQF will be considered at a time. An example of an information obligation is the obligation to document child assessments or evaluations for delivery of educational program (reg. 74). The administrative requirements that you perform to meet these obligations might include producing and maintaining a portfolio or learning journal.

The data collection is being approached in this manner – i.e. with a structured, face-to-face interview – in order to ensure that the data collected is consistent across the sample and therefore reliable and comparable. It is important that the correct scope of administrative tasks is included in your time estimate. The presence of two Deloitte Access Economics analysts will enable you to ask any questions and seek confirmation about the information that is being sought.

To approach the data collection in a structured and streamlined way, we will ask you to consider the information obligations relating to each of these categories of regulatory requirements:

- Policies and procedures
- Educational programs
- Staff, child and other records
- Quality Improvement Plans and Ratings assessments
- Excursions
- Initial approvals and other information

For example, under policies and procedures, we will ask you to consider the time taken to develop and document, review and update, display in the centre and provide to parents, each of the policies and procedures required under section 168 of the Regulation, i.e.:

- Health and safety policy
- Incident, injury, trauma and illness policy
- Dealing with infectious diseases policy
- Dealing with medical conditions in children policy
- Emergency and evacuation procedures
- Policy regard delivery of children to and from the service
- Excursions policy
- Providing a child-safe environment policy
- Staffing policy, including code of conduct, determining the responsible person present, the participation of volunteers and students
- Policy regarding interactions with children
- Enrolment and orientation policy

- Governance, management and confidentiality policy
- Authorisation policy
- Fees policy
- Complaints policy.

There are around 90 information obligations that we will ask you to consider. However, depending on your circumstances, many may not apply to you.

## For each information obligation, we will ask the following questions:

1.  Whether or not the information obligation has been completed.

    *If no: Why not? (Is it performed at head office; is it outsourced; is it something that you have not needed to perform; do you think you will need to perform it? If it is outsourced, how much does it cost?)*

    *If yes:*

2.  The time taken to complete the task.

3.  The frequency with which the task is/needs to be completed.

4.  Who completes/completed the task.

5.  Whether this task (or something similar) was required prior to the NQF.

    *If yes: is it now more/less/equally burdensome?*

6.  Whether any specialist software is used to meet this obligation.

    *If yes: was it purchased specifically; how much did it cost?*

7.  Whether you would perform this task if the NQF did not require you to.

    *If yes: would you perform it to the same level of detail than what is required by the NQF?*

8.  In your opinion, could this requirement be simplified?

    *If yes: how?*

9.  Do you think the time taken to perform this task will decrease as you become more familiar with the Regulation?

## We will also ask some broader questions about the NQF:

10. Do you outsource any administrative tasks associated with the NQF?

11. (For medium and large providers) Are any administrative tasks associated with the NQF done at your provider's head office?

12. Now that you have made adjustments to the new NQF system, overall, are the administrative requirements of the NQF more or less burdensome than previously?

13. What proportion of your total expenses is spent on wages?

    *(this question will be used to inform the overhead percentage)*

If there is anything else you feel you would like to discuss, please feel free to do so.

# Appendix B: Sample details

| Service type | Provider size | Management type | Remoteness indicator | Number of children |
|---|---|---|---|---|
| PRE | Large | Community | Major cities | 72 |
| OSHC | Small | Community | Major cities | 130 |
| LDC | Medium | Private | Major cities | |
| FDC | Small | Private | Major cities | 300 |
| LDC | Medium | Government | Major cities | 71 |
| LDC/PRE | Small | Private | Major cities | 73 |
| PRE | Large | Community | Major cities | 56 |
| PRE | Large | Community | Major cities | 4000 |
| FDC | Medium | Government | Major cities | 57 |
| OSHC | Medium | Community | Major cities | 50 |
| LDC/PRE | Large | Government | Major cities | 156 |
| FDC | Small | Private | Major cities | >700 |
| LDC | Medium | Private | Major cities | 28 |
| PRE | Medium | Government | Inner regional | 660 |

| OSHC | Small | Community | Inner regional | 35 |
|------|-------|-----------|----------------|-----|
| LDC | Small | Private | Inner regional | 22 |
| FDC | Small | Community | Major cities | 473 |
| FDC | Other | Government | Major cities | 315 |
| LDC | Small | Private | Major cities | 75 |
| LDC/PRE | Small | Private | Major cities | 28 |
| LDC | Large | Private | Major cities | 80 |
| LDC/PRE | Medium | Private | Major cities | 56 |
| LDC/PRE | Medium | Private | Major cities | 81 |
| LDC | Medium | Private | Major cities | 105 |
| LDC/PRE | Large | Private | Major cities | 156 |
| LDC | Small | Private | Remote | 20 |
| LDC | Small | Community | Remote | 58 |
| FDC | Small | Private | Remote | 100 |
| LDC/PRE | Large | Private | Major cities | 75 |
| FDC | Small | Private | Major cities | |
| OSHC | Large | Private | Major cities | 60 |

| LDC | Large | Community | Major cities | 20 |
| FDC | Small | Private | Major cities | 650 |
| PRE | Medium | Community | Major cities | 88 |
| LDC | Small | Government | Remote | 58 |

# Appendix C: Relevant benchmark metrics

The survey data identified inconsistencies with how services thought about, or divided, administrative burdens associated with documenting the program and documenting assessments of children's learning. This reflects different approaches taken by each service.

Majority of services reported these figures on a "per room" or "per group" basis. This is particularly reflective of long day care and preschool models. Children are divided in to "groups" – often on the basis of age – with a given number of educators assigned to overseeing each group. Each of these groups is referred to as one "room", as often – though not always – they are physically separated. The educators will then divide the tasks associated with documenting the program and learning among themselves.

Out of School Hours Care and Vacation Care programs tended to think about the service holistically, as groups of children were rarely separated on the basis of age or other metrics. In Family Day Care services, given that educators work in different geographical locations (typically their homes), each educator is generally responsible for one group of children. As such each educator essentially operates one "room".

Table C.1and Table C.2 below show the results of disaggregating the total costs to services of educational programs on a per room, per educator and per child basis. In determining which metric is most instructive for the purposes of reporting this data in a standardised form, several potential issues were considered:

- "per room" metrics are appropriate where the costs associated with the regulatory obligation are influenced by the number of groups in the service. For example, where the educational program is tailored on a group by group basis.
- "per teacher" metrics might reflect service choices on the level of staffing, rather than the actual burden, although it is noted that some regulatory obligations are directly related to the number of educators; and
- "per child" metrics were not generally used by services, and did not inform their approach, however they nevertheless provide a suitable basis for standardisation where the regulatory compliance effort is influenced by the number of children in the service.

**Table C.1: Documenting the program and reflections – hours per annum**

|  | Per room | Per teacher | Per child |
|---|---|---|---|
| QLD | 155.5 | 50.5 | 12.8 |
| VIC | 233.1 | 66.6 | 14.9 |
| **Sector** |  |  |  |
| CB | 230.9 | 66.4 | 15.1 |
| FDC | 134.1 | 45.7 | 11.2 |
| **Size** |  |  |  |
| S | 221.1 | 94.4 | 28.5 |
| M | 139.8 | 18.8 | 5.7 |
| L | 208.0 | 40.1 | 5.3 |
|  |  |  |  |
| **All services** | **198.6** | **59.5** | **14.1** |

**Table C.2: Documenting assessments of children's learning – hours per annum**

|  | Per room | Per teacher | Per child |
|---|---|---|---|
| QLD | 267.9 | 150.4 | 30.9 |
| VIC | 254.8 | 178.5 | 15.1 |
| **Sector** |  |  |  |
| CB | 231.9 | 162.9 | 16.2 |
| FDC | 318.1 | 172.3 | 33.9 |
| **Size** |  |  |  |
| S | 306.6 | 179.4 | 34.5 |
| M | 319.7 | 322.6 | 20.4 |
| L | 159.9 | 43.8 | 6.7 |
|  |  |  |  |
| **All services** | **260.6** | **166.0** | **22.1** |

# Appendix D: Mapping the Regulations

In order to identify the regulatory areas associated with comparatively high regulatory burdens, DAE mapped all the information obligations identified in the Regulations to the Legislation. Key categories of burden were then identified by examining the Regulations and through the pre-pilot interviews. A summary of the initial regulatory mapping is provided in Table D.1 below.

**Table D.1: Initial mapping**

| Regulation | Law section | Information obligation | Mapped to |
|---|---|---|---|
| 17 | 22 | Application for amendment of provider approval | Initial approvals |
| 19 | 37 | Application for voluntary suspension of provider approval | Initial approvals |
| 26 | 43 | Application for service approval - family day care | Initial approvals |
| 34 | 54 | Application to amend service approval | Initial approvals |
| 35 | 56 | Notice to RA of change to nominated supervisor | Initial approvals |
| 40 | 85 | Application to RA for voluntary suspension of service approval | Initial approvals |
| 42 | 87, 88 | Application for service waiver | Initial approvals |
| 45 | 94, 95 | Application for temporary waiver | Initial approvals |
| 46 | 106 | Application for supervisor certificate | Record keeping |
| 51 | 119 | Application for amendment of supervisor certificate | Record keeping |
| 53 | 129 | Application for voluntary suspension of supervisor certificate | Record keeping |
| 54 | 162(1)(c), 164(1)(c) | Acceptance of day to day charge by certified supervisor | Record keeping |
| 66 | 139 | Application for reassessment of rating | QIPs & assessments |
| 68 | 141 | Application for review of rating | QIPs & assessments |
| 69 | 144, 145 | Application for further review by Ratings Review Panel | QIPs & assessments |
| 71 | 152, 159 | Application or re-application for the highest rating | QIPs & assessments |
| 74 | 134 | Documenting of child assessments or evaluations for delivery of education program | Educational programs |
| 75 | | Keeping available information about educational program | Educational programs |
| 76 | | Provision of information about educational program to parents | Educational programs |
| 80 | | Display of weekly food and drink menu | Record keeping |
| 86 | | Notice to parents of incident, injury, trauma and illness | Record keeping |
| 87 | | Recording of incident, injury, trauma and illness | Record keeping |

| | | | |
|---|---|---|---|
| 88 | | Notice to parents of infectious disease | Record keeping |
| 90 | | Documentation of medical conditions policy | Policies and procedures |
| 91 | | Provision of medical conditions policy to parents | Policies and procedures |
| 92 | | Documentation of medication record | Record keeping |
| 93 | | Notice to parents of administration of medication | Record keeping |
| 94 | | Notice to parents of anaphylaxis or asthma emergency | Policies and procedures |
| 97 | | Documentation of emergency and evacuation procedures | Record keeping |
| 102 | | Collecting authorisation for excursion from parent or named person | Record keeping |
| 107 | | Application to include veranda as indoor space as part of service approval | Initial approvals |
| 108 | | Application to include indoor space as outdoor space as part of service approval | Initial approvals |
| 116 | | Approved provider assessments of family day care residences and approved family day care venues | Initial approvals |
| 116 | | Notice to AP of certain changes to family day care | Initial approvals |
| 118 | | Written designation of educational leader | Record keeping |
| 151 | 175 | Documentation of record of educators working directly with children | Record keeping |
| 152 | 175 | Recording of access to early childhood teachers | Record keeping |
| 153 | 175 | Registration of family day care educators | Record keeping |
| 154 | 175 | Record of staff (Family day care) | Record keeping |
| 160 | 175 | Documentation of child enrolment records (including health records and obtaining the required authorisations) | Record keeping |
| 163 | 167 | Assessment of residents at family day care residence | Record keeping |
| 164 | | Notice to AP of new person at family day care residence | Record keeping |
| 165 | | Record of visitors | Record keeping |
| 167 | | Record of service's compliance | Record keeping |
| 168 | | Documentation of health and safety policies and procedures | Policies and procedures |
| 168 | | Documentation of incident, injury, trauma and illness procedures | Policies and procedures |
| 168 | | Documentation of policies for dealing with infectious diseases | Policies and procedures |
| 168 | | Documentation of policies for dealing with medical conditions | Policies and procedures |
| 168 | | Documentation of emergency and evacuation procedures | Policies and procedures |

| | | | |
|---|---|---|---|
| 168 | | Documentation of policy regarding delivery of children to and from the service | Policies and procedures |
| 168 | | Documentation of policies and procedures regarding excursions | Policies and procedures |
| 168 | | Documentation of policies and procedures regarding providing a child-safe environment. | Policies and procedures |
| 168 | | Documentation of policies and procedures regarding staffing, including (i) a code of conduct for staff members; (ii) determining the responsible person present at the service; and (iii) the participation of volunteers and students on practicum placements; | Policies and procedures |
| 168 | | Documentation of policies and procedures regarding interactions with children | Policies and procedures |
| 168 | | Documentation of policies and procedures regarding enrolment and orientation | Policies and procedures |
| 168 | | Documentation of policies and procedures regarding governance and management of the service, including confidentiality of records | Policies and procedures |
| 168 | | Documentation of policies and procedures regarding the acceptance and refusal of authorisations | Policies and procedures |
| 168 | | Documentation of policies and procedures regarding payment of fees and provision of a statement of fees charged by the education and care service | Policies and procedures |
| 168 | | Documentation of policies and procedures regarding dealing with complaints. | Policies and procedures |
| 169 | | Documentation of additional policies and procedures for family day care services | Policies and procedures |
| 172 | | Notice to parents of change to policies | Policies and procedures |
| 173 | 172 | Displaying of prescribed information in relation to the provider approval | Record keeping |
| 173 | 172 | Displaying of prescribed information in relation to the service approval | Record keeping |
| 173 | 172 | Displaying of prescribed information in relation to the nominated supervisor or the prescribed class of persons to which the nominated supervisor belongs | Record keeping |
| 173 | 172 | Displaying of prescribed information in relation to the rating of the service | Record keeping |
| 173 | 172 | Displaying of prescribed information in relation to any service waivers or temporary waivers held by the service | Record keeping |
| 173 | 172 | Displaying of prescribed information in relation to the ongoing operation of the service | Record keeping |
| 175 | 174 | Notification of circumstances to regulatory authority | Initial approvals |
| 180 | 51 | Obtaining and keeping evidence of prescribed insurance - public liability | Record keeping |
| 185 | | Displaying Law and Regulations | Record keeping |
| 186 | 191 | Application for internal review of decision | Initial approvals |
| 189 | 186 | Application to cancel prohibition notice | Initial approvals |

| | | | |
|---|---|---|---|
| 257 | Transitional | Application for removal of exemption | Initial approvals |
| - | 69 | Notice to parents of transfer of service approval | Initial approvals |
| - | 130 | Notice to RA of intent to surrender supervisor certificate | Initial approvals |
| - | 173 | Notification of certain circumstances to Regulatory Authority | Initial approvals |
| - | 26,32 | Written response to proposed suspension or cancellation of provider approval | Initial approvals |
| - | 36 | Notice to parents of suspension or cancellation of provider approval | Initial approvals |
| - | 37 | Notice to parents of intention to apply for a voluntary suspension of provider approval | Initial approvals |
| - | 37 | Application to revoke voluntary suspension of provider approval | Initial approvals |
| - | 38 | Notice to RA of surrender of provider approval | Initial approvals |
| - | 38 | Notice to parents of intention to surrender provider approval | Initial approvals |
| - | 39 | Notice to RA of approved provider's death | Initial approvals |
| - | 68 | Notice to RA of confirmation of transfer | Initial approvals |
| - | 71 | Written response to proposed suspension or cancellation of service approval | Initial approvals |
| - | 85 | Notice to parents of intention to apply for a voluntary suspension of service approval | Initial approvals |
| - | 124 | Written response to RA regarding proposed suspension or cancellation | Initial approvals |
| 100, 101 | | Documentation of a risk assessment for an excursion | Excursions |
| 139-143 | | Application for determination of equivalent qualification | Initial approvals |
| 14,15 | 10 | Application for provider approval | Initial approvals |
| 145-150 | 175 | Documentation of staff records | Record keeping |
| 158-159 | | Documentation of child attendance records | Record keeping |
| 180, 29-30 | 51 | Obtaining and keeping evidence of prescribed insurance | Record keeping |
| 20,21 | 39(5) | Application by executor for provider approval | Initial approvals |
| 22,23 | 40 | Application for provider approval on incapacity of approved provider | Initial approvals |
| 24,25 | 43 | Application for service approval - centre-based | Initial approvals |
| 36, 37 | 59 | Notice to RA of transfer of service approval | Initial approvals |
| 55, 55, 56 [+31] | 51(5) | Review and revision of quality improvement plans | QIPs & assessments |
| 63(1)(b) | 133 | Preparation for assessment visit from RA | QIPs & assessments |

# Limitation of our work

## General use restriction

This report is prepared solely for the internal use of ACECQA. This report is not intended to and should not be used or relied upon by anyone else and we accept no duty of care to any other person or entity. The report has been prepared for the purpose of ACECQA. You should not refer to or use our name or the advice for any other purpose.

## Contact us

Deloitte Access Economics
ACN: 149 633 116

Level 1
9 Sydney Avenue
Barton  ACT  2600
PO Box 6334
Kingston  ACT  2604 Australia

Tel: +61 2 6175 2000
Fax: +61 2 6175 2001

www.deloitteaccesseconomics.com.au

# Appendix E: Supplementary Findings

| *Note:  This appendix was added subsequent to the original report* |
|---|

## Contents

## List of Tables

## List of Figures

# Overview

In response to feedback from jurisdictions in July 2013, additional analysis was conducted to examine service characteristics, areas of burden and their drivers in more detail.

The below table outlines the analysis performed. The findings follow the same structure as the Part I Report.

*Table 1: Additional analysis performed*

| Topic | Data | | Analysis performed |
|---|---|---|---|
| | **Provider / nominated supervisor survey** | **FDC educator survey** | |
| Profile of research participants | - | Question 1 | Number of years as a family day care educator |
| Areas of burden | Question 6, NQAITS data | - | Analysis of areas of burden by provider size |
| Areas of burden | Questions D1, 6 | - | Analysis of areas of burden by sub-service type |
| Areas of burden | Question 6, NQAITS data | - | Analysis of areas of burden by jurisdiction |
| Areas of burden | Questions D5, 6 | - | Analysis of areas of burden by previous regulatory system |
| Areas of burden | Question 6, NQAITS data | - | Analysis of areas of burden for nominated supervisors |
| Areas of burden | Question 9A, NQAITS data | | Analysis of most burdensome activity for nominated supervisors |
| Drivers of burden | Questions 6, 11, NQAITS data | - | Analysis of drivers of areas of burden –nominated supervisors |
| Drivers of burden | Questions 6(H), 9B, NQAITS data | - | Analysis of drivers of burden – Quality Improvement Plans (QIPs), providers |

# Profile of research participants

## *Family day care educators*

Almost a quarter of respondents (24 per cent) have been family day care (FDC) educators for one year or less (n=1,428), while around 23 per cent have been in the role for between two and five years.

*Figure 1: Years of operation, family day care educators*
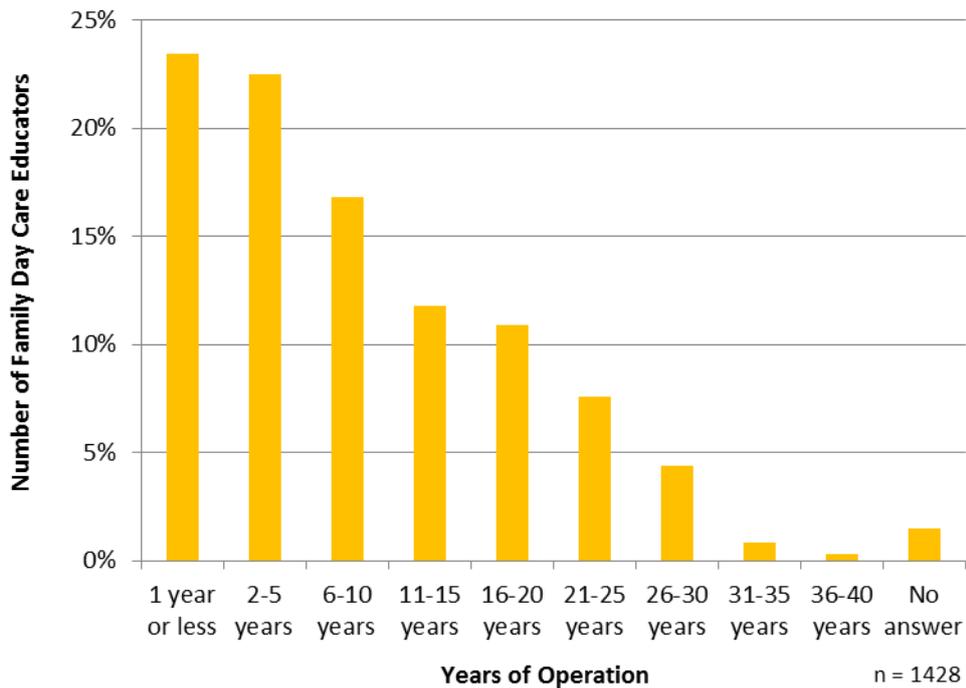


The relatively high proportion of new entrants to the sector could be a reflection of the response by businesses to government start-up incentives for FDC services. Expansion in FDC service provision over September quarter 2009 to September quarter 2012 was largest in Victoria. The number of children in FDC and in-home care in this jurisdiction grew by around 15 per cent on average annually, compared to around 6 per cent in Australia and 3 per cent in both New South Wales and Queensland over the period (DEEWR, 2013, p 22).

## Areas of ongoing burden

The following analysis is supplementary to section 6.5 (*Ongoing Burden*) (p 85-97 – perception survey analysis) of the Part I report, which examines areas of ongoing burden for providers and FDC educators.

> The analysis is based on responses to question 6 ("How much of a burden are the following requirements of the National Law and Regulations?") For this question, respondents were asked to rate each requirement on a scale of 'not at all burdensome' (0) to 'very burdensome' (5).
>
> An explanation of technical terms used in the below analysis is outlined on pages 29-30 of this Part I Report.

Respondents were asked to indicate the level of burden for the following administrative requirements:

    A. Displaying information
    B. Keeping records
    C. Provider and service approvals
    D. Qualifications assessments
    E. Supervisor certificates

F. Quality assessment and ratings visits
G. Notifications
H. Quality Improvement Plans (QIPs)
I. Documenting children's learning
J. Maintaining policies and procedures
K. Ensuring staff know about the National Law and Regulations.

## *Providers*

The supplementary analysis for providers examines areas of ongoing burden (question 6) for providers, according to:

- previous regulatory system
- sub-service type
- jurisdiction
- provider size.

## Previous regulatory system

Respondents were asked about their previous regulatory system at question D5 of the survey ("Before the NQF was introduced, did your [organisation / service] operate under the following regulatory systems?") Respondents could select more than one of the following options:

- The National Childcare Accreditation Council (NCAC)
- State/territory licensing and standards regulation
- A school education system.

Respondents could alternatively select 'can't say' or 'none of the above'.

Statistical tests, which compare the perceptions of burden for each regulatory system operating prior to the NQF versus the perceptions of burden of all other previously operating regulatory systems, were undertaken for each administrative requirement.

## *Previously operating under the NCAC*

Providers who operated under the NCAC are more likely to select 'not at all burdensome' (0 on the scale of burden) for keeping records and maintaining policies and procedures (z = 3.12 and 3.82, n = 914). These providers were also more likely to report documenting children's learning, and notifications as 'not at all burdensome' (0) (z = 3.73 and 3.05). They were less likely to select 'very burdensome' (5 on the scale) when asked about quality assessment and ratings visits (z = -3.37).

Providers previously regulated by the NCAC perceive qualifications assessments as more burdensome, compared to providers previously operating under other regulatory systems. They are more likely to select (4) on the scale of burden (z = 2.21).

### *Previously operating under a State/territory licensing and standards regulation*

Providers previously operating under a State/territory licensing and standards system perceive the following requirements as burdensome, indicated by a selection of 'very burdensome' (5) (n = 512):

- Keeping records ($z = 2.91$)
- Quality assessment and ratings visits ($z = 4.16$)
- Quality improvement plans ($z = 3.13$)
- Maintaining policies and procedures ($z = 2.25$).

Providers previously operating under a State/territory licensing and standards system were more likely to select 'not at all burdensome' (0) when asked about qualifications assessments ($z = 2.46$) and supervisor certificates ($z = 2.15$).

### *Previously operating under multiple education systems*

Providers previously operating under multiple regulatory systems perceive supervisor certificates and notifications as more burdensome than other providers. They are more likely to select 'very burdensome' (5) for these requirements ($z = 2.24$ and $2.60$ respectively, n = 653).

### *None of the above*

Providers who responded "none of the above" to question 6 are no more burdened than providers by any requirement, however they are significantly more likely to report 8 of the 11 requirements as 'not at all burdensome' (0). Further analysis into this pattern shows that 77 per cent of respondents in this category identify themselves as only having been in operation for one year.

### Sub-service type

Respondents were asked about their type of education and care service at question D1 of the survey ("What type(s) of education and care service(s) do you provide or manage?") Respondents could select more than one of the following options:

- Long day care
- Preschool / kindergarten
- Outside school hours care
- Family day care.

Respondents could alternatively select 'can't say' or 'none of the above'.

Statistical tests, which compare the perceptions of burden for each sub-service type versus the perceptions of burden of all other sub-service types, were undertaken for each administrative requirement.

### Long day care

Long day care providers perceive ensuring staff know about the National Law and Regulations and supervisor certificates to be more burdensome compared to providers from other sub-service types, shown by a selection of 'very burdensome' (5) (z = 3.40 and 2.74 respectively, n= 885).

Alongside family day care providers, long day care providers are more likely to select 'not at all burdensome' (0) for keeping records (z = 2.77), provider and service approvals (z = 3.75) and maintaining policies and procedures (z = 2.56), compared to providers from other sub-service types. They are not as burdened by documenting children's learning compared to providers from other sub-service types by selecting 'not at all burdensome' (0) (z = 5.51). Long day care providers are also not as burdened by quality assessment and ratings visits; they are more likely to select (1) on the scale of burden for this requirement (z = 2.55).

Long day care providers are less likely to choose the option 'can't say' (z = -2.83), compared to providers from other sub-service types.

### Family day care

Family day care providers are significantly more likely to select 'not at all burdensome' (0) for all requirements other than quality assessment and ratings visits, compared to providers from other service types. FDC providers were more likely to select (2) on the scale of burden for quality assessment and ratings visits (z = 4.08, n = 105).

### Preschool / kindergarten

Pre-school/kindergarten providers perceive QIPs, quality assessment and rating visits and maintaining policies and procedures to be more burdensome than providers from other service types, shown by a selection of (5) 'very burdensome' (z = 2.74, 3.75 and 2.29). They are more likely to select 'can't say' when asked about quality assessment and ratings visits (z = 2.70).

In comparison to providers from other sub-service types, these providers perceive notifications as more burdensome and were significantly less likely to select 'not at all burdensome' (0) (z = -2.24) (n= 475).

Pre-school/kindergarten providers are not as burdened by qualifications assessments (z = 3.36) compared to providers from other service types by selecting (1) on the scale. They are also more likely to select (1) for supervisor certificates (z = 3.41).

### Outside school hours care

Outside School Hours Care (OSHC) providers consider provider and service approvals, qualifications assessments and documenting children's learning as more burdensome compared to providers from other service types.

This group perceives the following requirements as more burdensome (n = 405):

- Provider and service approvals, by selecting 'very burdensome' (5) (z = 3.91) on the scale of burden
- Qualifications assessments, by selecting (4) (z = 4.89) on the scale

- Documenting children's learning, by selecting 'very burdensome' (5) (z = 9.53) on the scale.

Documenting children's learning was rated 'very burdensome' (5) by around 35 per cent of OSHC providers (n = 405). This was the most burdensome administrative requirement for OSHC providers, the second most burdensome being QIPs (24 per cent).

OSHC providers are more likely to select (4) on the scale for supervisor certificates, compared to providers from other sub-service types (z = 2.24).

They are not as burdened by quality assessment and ratings compared to providers from other service types. They are significantly less likely to select 'very burdensome' (5) for this requirement (z = -3.63).

## Provider size

Question 6 was also analysed by provider size, according to the following groupings:

- Small providers (single service)
- Medium providers (2-9 services)
- Large providers (10 or more services).

Statistical tests, which compare the perceptions of burden for provider size (using the NQA ITS data) versus the perceptions of burden of all other provider sizes, were undertaken for each administrative requirement.

Medium and large providers perceive supervisor certificates as more burdensome, compared to small providers. Medium and large providers are more likely to select 'very burdensome' (5) for this requirement (z = 2.62 and 3.48, respectively). Small providers are more likely than other providers to select (1) on the scale of burden for this requirement (z = 281).

In addition to supervisor certificates, small providers are less burdened by qualification assessments, indicated by a selection of 'not at all burdensome' (0) (z = 2.45). They are also less burdened by notifications, by selecting (1) (z = 2.03), and provider and service approvals (significantly less likely to select (4) on the scale (z = -1.98)).

Due to the small number of large providers (53), and the difficulty comparing the results for large providers to the results for other provider sizes, the statistical analysis was supplemented with a comparison of responses to each requirement (percentages). This compares the perceptions of burden for each requirement versus perceptions of burden for all other requirements. It does not compare the perceptions of burden across the provider sizes.

Large providers perceive supervisor certificates as the most burdensome administrative requirement, with 32 per cent selecting 'very burdensome' (5) on the scale of burden and 33 per cent selecting (4) (n = 53). Similarly to medium and small providers large providers do not consider displaying information as burdensome. Twenty per cent of large providers selected 'not at all burdensome' (0) and 23 per cent selected (1) on the scale of burden for this requirement.

### Jurisdiction

Statistical tests, which compare the perceptions of burden for a jurisdiction (using the NQA ITS data) versus the perceptions of burden of all other jurisdictions, were undertaken for each administrative requirement.

New South Wales providers are more burdened by quality assessment and ratings visits, supervisor certificates and QIPs than providers in other jurisdictions. These providers are more likely to select 'very burdensome' (5) for the first two requirements (z = 4.46 and 2.54 respectively, n = 927) and (4) for QIPs (z = 2.00). Providers in NSW are less likely to select (1) for provider and service approvals (z = -2.69) and qualifications assessments (z = -2.09), compared to providers in other jurisdictions.

Providers in Queensland are not as burdened by keeping records, provider and service approvals and qualifications assessments, compared to providers in other jurisdictions. They are more likely to select (2) on the scale for keeping records (z = 2.38, n = 400), and (1) for the other two requirements (z = 2.64 and 2.05 respectively).

Providers in Tasmania were less burdened by displaying information compared to providers in other jurisdictions. They are more likely to select 'not at all burdensome' (0) for this requirement (z= 2.24, n = 36).

Providers in Victoria perceive provider and service approvals, documenting children's learning and maintaining policies and procedures as more burdensome compared to providers in other jurisdictions by selecting (4), (z = 3.10, 2.91 and 2.39), respectively n = 554). They are less burdened by ensuring staff know about the National Law and Regulations than providers from other jurisdictions, as they are less likely to select 'very burdensome' (5) for this requirement (z = -2.70). They are also less likely to select 'can't say' for quality assessment and ratings visits.

WA providers are more likely to select 'not at all burdensome' (0) for supervisor certificates and (1) for displaying information (z = 1.98 and 2.41, respectively, n = 158), compared to providers in other jurisdictions. Providers from this jurisdiction are more likely to select 'can't say' for quality assessment and ratings visits (z = 3.90).

## Nominated supervisors

The same analysis was conducted for nominated supervisors as for providers during the Part I report (p 85-97 – perception survey analysis), based on nominated supervisor responses to question 6 ("How much of a burden are the following requirements of the National Law and Regulations?") For this question, respondents were asked to rate each requirement on a scale of 'not at all burdensome' (0) to 'very burdensome' (5).

### Areas of burden – overall

The distribution of responses was similar for nominated supervisors and providers. Slight differences were seen where responsibilities differ between the two roles. For example, a higher proportion of nominated supervisors selected that documenting children's learning was 'very burdensome' (5 on the scale of burden) (19 per cent) compared to providers (15 per cent). The rating for each administrative activity given by nominated supervisors is shown in Figure 2.

As for providers, respondents identified QIPs as one of the most burdensome options, with 49 per cent indicating quite burdensome (3 or 4 on the scale of (0) 'not at all burdensome' to (5) 'very burdensome') and 20 per cent selecting 'very burdensome' (5). Other more burdensome requirements for nominated supervisors (see Figure 2) include:

- ensuring staff know about the National Law and Regulations
- quality assessment and ratings visits
- documenting children's learning.

Less burdensome requirements for nominated supervisors include:

- displaying information
- provider and service approvals
- qualifications assessments
- keeping records.

A large proportion (18 per cent) of nominated supervisors selected 'can't say' when asked about the level of burden for quality assessment and ratings visits. This proportion was the same for providers, and was likely due the large proportion of these respondents that had not yet had an actual or planned quality assessment and ratings visit.

Due to similarities in results between providers (shown in the Part I report) and nominated supervisors, the detailed analysis (by previous regulatory system, sub-service type, jurisdiction and provider size) was not conducted for the latter group of respondents.

*Figure 2: Nominated supervisors' perception of burden associated with specific ongoing administrative activities*
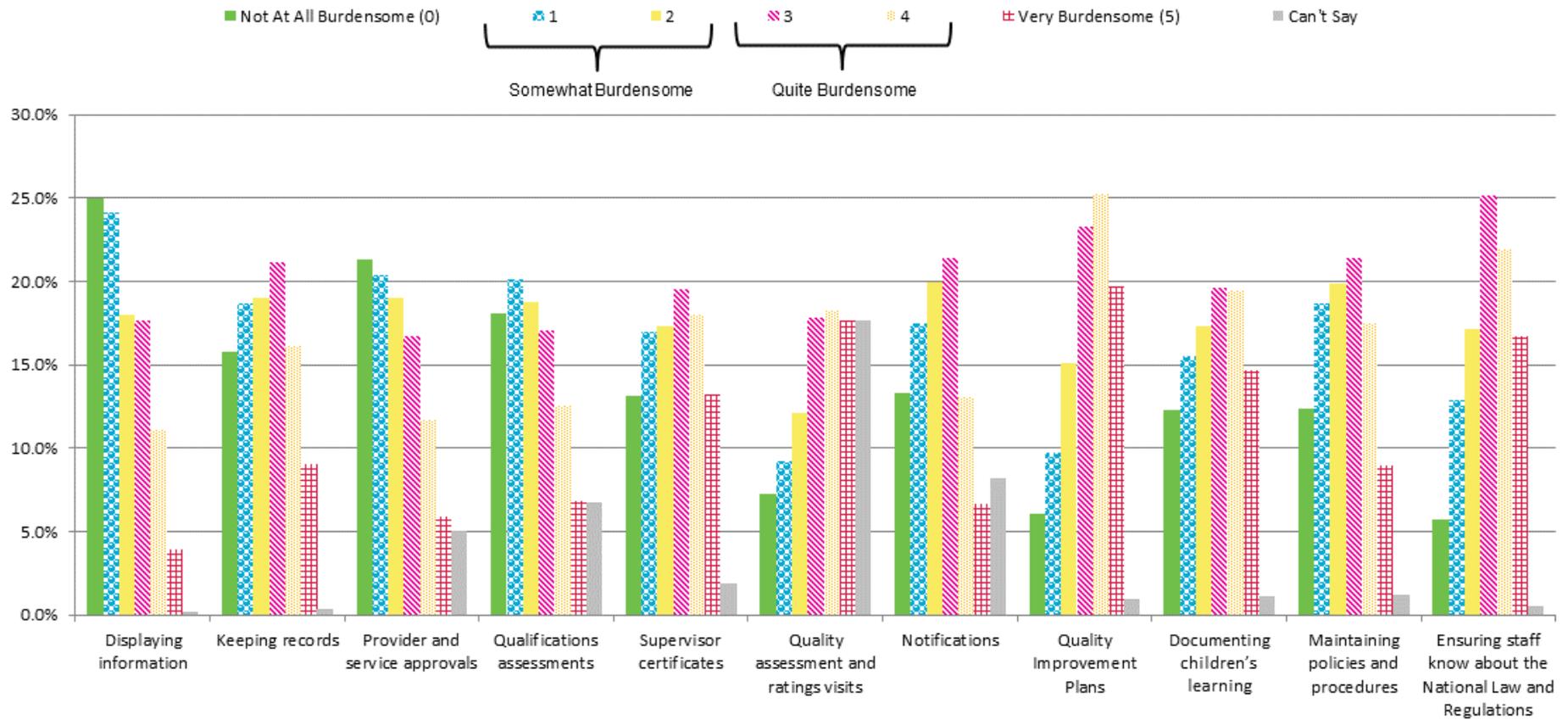
Q6. How much of a burden, if at all, are the following ongoing requirements of the National Law and Regulations currently?

n = 2641 each requirement

### Areas of burden perceived as 'most burdensome'

Administrative requirements identified by nominated supervisors as most burdensome (rated (4) or 'very burdensome' (5) on the scale of burden) are presented below. The results for providers (presented in this Part I report, pp 96-97) are also shown for comparison.

The proportion of nominated supervisors who rated Quality Improvement Plans as (4) or (5) was higher (21 per cent) than for providers (19 per cent). A higher proportion of nominated supervisors also gave a rating of (4) or (5) to following requirements, compared to providers:

- Disseminating information to staff (15 per cent of nominated supervisors compared to 12 per cent of providers)
- Supervisor certificates (13 per cent of nominated supervisors compared to 10 per cent of providers).

*Figure 3: Nominated supervisors' perception of which ongoing administrative activities are most burdensome*
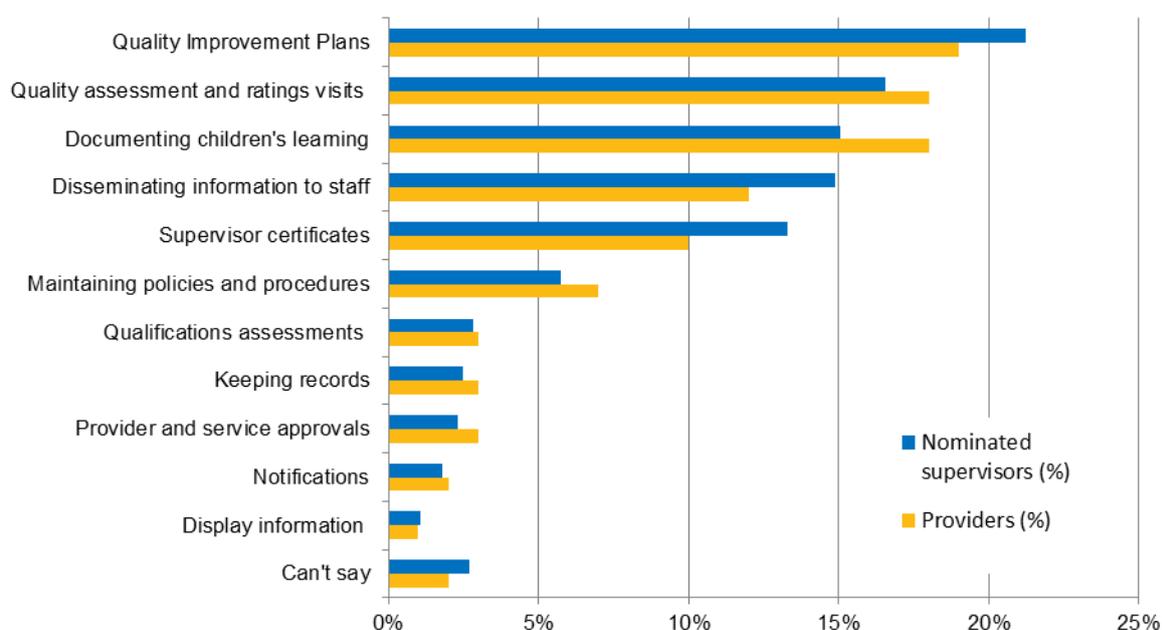


Q9A. Which one would you say is currently most of a burden?

n=1641 (Providers)
n=1842 (Nominated Supervisors)

## Driving factors of burden

### *Providers*

#### Quality Improvement Plans (QIPs)

Jurisdictions were surprised to learn that QIPs were perceived as one of the top three most burdensome activities for providers, given the high level of sector support for this requirement. An analysis of responses to question 6H, where participants rated the level of burden presented by Quality Improvement Plans, was performed to better understand the nature of this burden. Regression techniques were used to explore the relationship between responses to question 6H based on responses to question 9B (factors that make administrative requirements

burdensome) and various provider characteristics, such as sub-service type of service(s) provided, managing jurisdiction and whether any service(s) provided had had an assessment and rating visit.

The analysis revealed that the following factors (in order) best explain a high level of burden identified at Q6H:

- Diverts attention from other activities
- Staff hours/time
- Difficulty understanding the requirements.

Other factors offered in Q6H of the survey were not found to be statistically significant.

*Figure 4: Drivers of burden for Quality Improvement Plans, nominated supervisors*
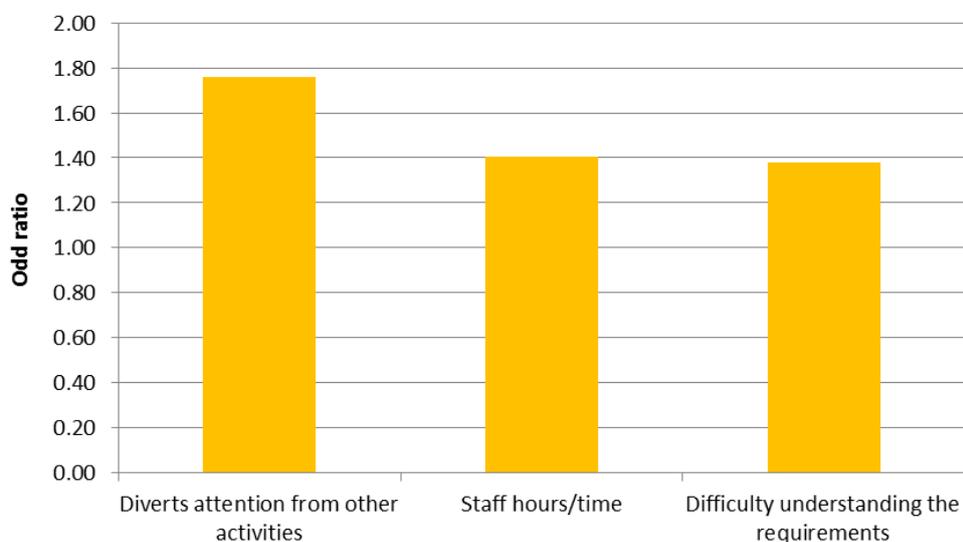


\* Odds ratio refers to the likelihood of selecting very burdensome at Q11 for selecting 3,4 or 5 on the burdensome scale at Q6.

In addition, the following attributes (responses to D8A[1]) best explain a low level of burden identified at Q6H:

- Yes, one or more services have been visited but  none have received their ratings
- Yes, one or more services have been visited and/or received their ratings.

## *Nominated supervisors*

### Overall drivers of burden for key ongoing activities

As for providers, further analysis of question 11 (overall burden of the ongoing administrative requirements of the NQF) was performed to better understand the drivers of overall perceptions of burden for nominated supervisors. Regression techniques were used to explore

---

[1] Question D8A – have any of your services had a quality assessment and rating visit under the NQF?

the relationship between responses to question 11 based on responses to question 6 (level of burden of administrative activities) and various service characteristics.

The analysis revealed that the following requirements within question 6 are the best predictors of a high level of burden identified at question 11:

1.  ensuring staff know about National Law and Regulations
2.  quality assessment and rating visits
3.  Quality Improvement Plans
4.  keeping records
5.  maintaining policies and procedures
6.  documenting children's learning.

*Figure 5: Drivers of burden for key ongoing activities, nominated supervisors*



* Odds ratio refers to the likelihood of selecting very burdensome at Q11 for selecting 3,4 or 5 on the burdensome scale at Q6.

## References

DEEWR (2013). Child Care in Australia. Retrieved 10 September, 2013, from http://www.mychild.gov.au/documents/docs/Child_Care_In_Australia.pdf

*The best possible start in life*

# Report on the National Quality Framework & Regulatory Burden

# Part 2: Recommendations

November 2013

# Contents

# Glossary

| | |
|---|---|
| ACECQA | Australian Children's Education and Care Quality Authority |
| CaLD | Culturally and Linguistically Diverse |
| CCB | Childcare Benefit |
| CCR | Childcare Rebate |
| COAG | Council of Australian Governments |
| ECDWG | Early Childhood Development Working Group |
| EYLF | Belonging, Being and Becoming – The Early Years Learning Framework for Australia |
| FDC | Family day care |
| IPSU | Indigenous Professional Support Unit |
| ISA | Inclusion Support Agency |
| MTOP | My Time Our Place – Framework for School Age Care in Australia |
| National Law | Education and Care Services National Law |
| National Regulations | Education and Care Services National Regulations 2011 |
| NCAC | National Childcare Accreditation Council |
| NPA | National Partnership Agreement on the National Quality Agenda for Early Childhood Education and Care |
| NQF | National Quality Framework |
| NQS | National Quality Standard |
| OSHC | Outside School Hours Care |
| PSC | Professional Support Coordinator |
| QaCC | Quality and Consistency Committee |
| QIP | Quality Improvement Plan |
| SCM | Standard Cost Model |
| SCSEEC | Standing Council for School Education and Early Childhood |

# Executive Summary

This report forms the second part of the first stage of ACECQA's longitudinal research on the level of administrative burden experienced by services under the National Quality Framework (NQF).

The first part presented high level findings on the administrative burden experienced by services. The Part II Report reviews these findings and recommends strategies to reduce administrative burden. These strategies were developed in consultation with regulatory authorities and the Australian Government. The two reports establish a benchmark to longitudinally examine whether administrative burden is reducing, and which strategies best contribute to this goal.

The Part II Report is structured according to four themes based on the findings of the Part I Report:

- Theme 1: Opportunities to simplify the National Quality Standard
- Theme 2: Opportunities to reduce the number of administrative requirements
- Theme 3: Opportunities to set clearer expectations and improve communication about administrative requirements
- Theme 4: Opportunities to remove operational impediments.

ACECQA supports reducing administrative burden but considers it imperative that in any attempt to reduce paperwork, the NQF's benefit to children and its focus on improving service quality are maintained. In recommending strategies to reduce administrative burden, ACECQA has been guided by this objective and the principles outlined in the National Partnership Agreement on the National Quality Agenda for Early Childhood Education and Care (NPA).

The following section lists the current actions and recommendations for further action detailed in the body of the report.

# Actions and Recommendations

Responses outlined in the body of the report are categorised into current and recommended actions below.

## Theme 1: Opportunities to simplify the National Quality Standard

### Current actions

1. In response to these findings, reviews of the NQS should adopt the broad objective of maintaining its benefit to children and families, and to service quality, while reducing its complexity so as to reduce paperwork and compliance costs for both providers and governments.

    1.1 ACECQA has commenced an initial review of quality ratings involving:
    
    a. statistical analysis of quality ratings to:
    
        i. determine significance of each element and standard for the quality rating result at the quality area and final rating level
        
        ii. identify opportunities for simplification of the NQS that have the least possible or no impact on quality results over time
    
    b. a review of which elements and potentially standards that directly equate to minimum standards in the Regulations could be considered separate to the quality assessment instrument.

    ACECQA will have the findings of this review available in early 2014.

### Recommendations

1.2 ACECQA to conduct an operational and policy review, based on the findings from recommendation 1.1, to identify:

a. which elements and standards are most beneficial to children and families – according to desktop research and consultation with regulatory authorities and the sector

b. which elements and standards are most valued by providers and regulatory authorities

c. whether there are any elements and standards that could be more simply administered and whether they could be removed or modified without compromising the instrument's benefit to children and families

ACECQA to progress the review in consultation with governments and to inform the 2014 COAG Review.

## Theme 2: Opportunities to reduce the number of administrative requirements

### Recommendations

2. The Australian Government identify and report on opportunities to remove any areas of duplication between the NQF and Family Assistance / CCB requirements.

3. State and territory governments to identify and where practical remove duplication between the NQF and their funding programs for education and care.
4. ACECQA, in consultation with the ECDWG, to identify administrative requirements that could be simplified or removed. This exercise would be guided by principles of earned autonomy and risk, and without compromising quality outcomes for children.

## Theme 3: Opportunities to set clearer expectations and improve communication about administrative requirements

### Current actions

5. ACECQA to continue to provide guidance to the sector, including in the areas outlined in item 8, through revisions to the NQF Resource Kit, website and fact sheets and other sources.
6. ACECQA to continue to work with regulatory authorities and the Australian Government to provide additional guidance to assist in understanding ambiguous legislative terms where this can reduce costs without reducing flexibility for providers.
7. ACECQA to publish an online self-assessment tool that allows educators to check their qualification against an approved list of qualifications and compare this to the former laws.

### Recommendations

8. ACECQA to work with state and territory regulatory authorities and the Australian Government to publish clearer guidance on:
    a. documenting child assessments or evaluations for delivery of the educational program
    b. developing and maintaining policies and procedures
    c. developing and maintaining QIPs
    d. expectations for quality assessment and ratings visits
    e. displaying information (FDC educators).
9. The Australian Government, in consultation with regulatory authorities and ACECQA, to:
    9.1 collaborate with sector support agencies such as the PSC Alliance to prioritise training on the areas highlighted by ACECQA's research
    9.2 ensure training and other professional development delivered through the PSC network and other training organisations is nationally coherent.
10. ACECQA to communicate the positive regulatory burden research findings on assessment and rating to the sector.
11. The Australian Government, in consultation with regulatory authorities and ACECQA, to work with the PSC Alliance to deliver workshops and training resources to staff in rural and remote areas; or consider other mechanisms to improve training support to staff in rural and remote services.
12. ACECQA to work with the Australian Government, regulatory authorities and peak bodies to improve communication to FDC educators in the interest of children and families, and educator's compliance with the Regulations.

## Theme 4: Opportunities to remove operational impediments

### Current actions

13. ACECQA to continue to contribute to the ECDWG's development of a package of NQF legislative reforms that will remove operational impediments to the effective operation of the NQF for education and care providers.

# Introduction

The Implementation Plan for the NPA requires ACECQA to report to the Standing Council on School Education and Early Childhood (SCSEEC) six-monthly until January 2016 on the 'experience of services under the NQF, with respect to the level of regulatory burden' (MCEECDYA, 2011, p. 10).

Ministers considered Part I Report on the National Quality Framework and Regulatory Burden on 30 July 2013. The Part I Report was based on information gathered through surveys and meetings with over 6,300 people from across the education and care sector. The objective of the report was to measure the level of regulatory burden experienced by education and care services under the NQF. The report provided the results from the first ("baseline") stage of research and gave a high level account of research findings, including perceptions of administrative burden and relative cost impacts of core administrative requirements under the NQF.

At the SCSEEC meeting, Ministers noted the Part I Report and that ACECQA would provide the Part II Report in November 2013. Part II includes proposals to streamline the administrative requirements of the NQF without compromising the objectives of the National Quality Agenda. This part has been developed in consultation with state and territory regulatory authorities and the Australian Government, and is based on the findings set out in Part I.

This Part II Report is structured according to four themes:

- Theme 1: Opportunities to simplify the National Quality Standard
- Theme 2: Opportunities to reduce the number of administrative requirements
- Theme 3: Opportunities to set clearer expectations and improve communication about administrative requirements
- Theme 4: Opportunities to remove operational impediments – other operational issues not arising from the Part I Report are outlined in the NQAIP Report.

For each of these themes, the following structure is followed:

- Overview
- Summary of Part I findings and related evidence
- Benefits of addressing the theme
- Relevant administrative requirements
- Responses, including actions already occurring and recommendations for further action.

# Themes

## Theme 1: Opportunities to simplify the National Quality Standard

### Overview

Along with more and better qualified educators, the National Quality Standard is the NQF's main lever for improving quality in education and care for children and families.

The NQS has 18 standards underpinned by 58 elements. It is the benchmark by which services, families and governments can understand how each service is performing and whether quality across the sector is improving.

For these reasons the NQS is linked to each of the NQF's major features, including:

- the quality improvement and compliance requirements of providers
- the quality assessment work of governments
- the professional development and training activities of sector support agencies.

### Summary of Part I findings and related evidence

Part I of the Report on the National Quality Framework and Regulatory Burden identified several areas where the NQS is seen to contribute to administrative burden. Providers identified Quality Improvement Plans (QIPs), documenting children's learning and quality assessment and ratings visits as the most burdensome ongoing administrative activities. All three require reflection and documentation against the NQS. Providers and FDC educators perceive that the burden associated with several ongoing administrative requirements is caused by the time spent in complying. These requirements are cornerstones of the quality improvement objectives of the NQF, and are therefore linked closely to the NQS. To the extent that the NQS can be simplified, the administrative burden of the activities is likely to reduce.

There is also evidence about the complexity of the NQS. In December 2012, an independent evaluation of the NQS instrument and process found it to be valid and reliable. However, the report noted that more support would be required for regulatory authorities to consistently apply the instrument and provide useful feedback to providers. In part, this was because some standards and elements were more difficult for authorised officers to assess and rate.

Further, in May 2013, ACECQA's NQAIP report pointed to the significant costs incurred by state and territory governments to implement the quality rating system (including diversion from other regulatory activity) and the likelihood that the quality rating cycle cannot be implemented nationally over three years as originally intended.

The regulatory burden research, combined with these existing factors, highlights the potential benefit to the sector and to governments of simplifying the NQS.

## Benefits of simplifying the NQS

Simplifying the NQS would have a direct measureable benefit to providers, educators and to state and territory governments in reduced paperwork, compliance costs and administration overheads.

For example, reducing the number of standards and elements in the NQF legislation that make up the NQS could:

1. reduce the time and effort involved in preparing and maintaining QIPs
2. reduce the time and complexity of preparing for quality assessment visits
3. reduce the number of times service policy and procedure must link to the quality standards, to reduce the volume of paperwork
4. increase the focus of providers and educators and time spent on those standards that contribute most benefit to children
5. reduce the volume and complexity of professional development, training and guidance materials for providers, educators and the state and territory regulatory staff
6. reduce the regulatory authority resources required to conduct each quality assessment rating cycle.

ACECQA contends that NQS simplification must and can maintain the benefit to children, and the NQF's focus on improving service quality while reducing paperwork. For example, statistical analysis of the quality rating components could determine the significance of each element and standard for the quality area and overall rating result. This method could be used to identify where it is feasible to reduce the number of elements and or standards without compromising the integrity of the quality rating instrument.

Similarly, a practice review could complement this exercise by identifying elements and standards that could be more simply administered. Feedback from regulatory authorities is that some features of the NQS could be removed or modified without compromising the instrument's benefit to children and families.

Regulatory authorities have also pointed to the benefits of making the assessment and rating process more flexible, within the existing legislative parameters. For example, the length of the 12 week notice period for quality assessment may be unnecessarily adding to provider and educator effort and stress associated with assessment and rating.

ACECQA recommends a review be conducted so as to identify streamlining options that enable ongoing comparison between services rated under the current NQS, and those rated in future using a streamlined version. ACECQA is conscious that the sector has already adapted to the current NQS. Any changes to the NQS as a result of the review would be implemented gradually to avoid reform fatigue.

## Relevant administrative requirements

Existing administrative requirements on providers (that can have flow-on benefits to governments) among those highlighted by the Part I Report that could be reduced by this proposal include:

1. preparation of QIP
2. review and revision of QIP
3. quality rating reports

4. applications for reassessment
5. first and second tier review of rating levels
6. quality standards that duplicate administrative requirements
7. ensuring staff know about the National Law and Regulations, by reducing the amount of information they are required to learn.

## Responses to findings

### *Current actions*

1. In response to these findings, reviews of the NQS should adopt the broad objective of maintaining its benefit to children and families, and to service quality, while reducing its complexity so as to reduce paperwork and compliance costs for both providers and governments.

    1.1 ACECQA has commenced an initial review of quality ratings involving:
        a. statistical analysis of quality ratings to:
            i. determine significance of each element and standard for the quality rating result at the quality area and final rating level
            ii. identify opportunities for simplification of the NQS that have the least possible or no impact on quality results over time
        b. a review of which elements and potentially standards that directly equate to minimum standards in the Regulations could be considered separate to the quality assessment instrument.

    ACECQA will have the findings of this review available in early 2014.

### *Recommendations*

    1.2 ACECQA to conduct an operational and policy review, based on the findings from recommendation 1.1, to identify:
        a. which elements and standards are most beneficial to children and families – according to desktop research and consultation with regulatory authorities and the sector
        b. which elements and standards are most valued by providers and regulatory authorities
        c. whether there are any elements and standards that could be more simply administered and whether they could be removed or modified without compromising the instrument's benefit to children and families.

    ACECQA to progress the review in consultation with governments and to inform the 2014 COAG Review.

## Theme 2: Opportunities to reduce the number of administrative requirements

### Overview

Prior to the start of the National Quality Framework (NQF), state and territory regulatory authorities administered unique regulatory schemes for licensing and minimum standards, while the Australian Government's National Childcare Accreditation Council (NCAC) regulated for quality assurance. Duplication and inconsistency between these nine regulatory schemes resulted in an increased and duplicative burden on services.

Consequently, a strategic objective of the NQF was to reduce burden for education and care providers through a nationally streamlined system of regulation that would meet COAG's *Principles of Best Practice Regulation* (COAG, 2007).

The NQF and associated regulatory system is enacted through an applied Law scheme establishing the national system. The Education and Care Services National Regulations support the National Law and detail more than 350 administrative requirements for education and care providers, some of which also contribute to the costs to government of administering the system.

### Summary of Part I findings and related evidence

Part I of the Report on the National Quality Framework and Regulatory Burden found that the volume of administrative requirements, in aggregate, was contributing to administrative burden. Further, the Report found examples of unnecessary duplications between administrative requirements under the NQF and other legislative requirements.

### *High number of rules in aggregate*

Part I of the regulatory burden research identified over 350 individual data requirements. Although some of these administrative requirements take a small amount of time to comply with, they were found to be burdensome in aggregate.

The perception survey identified a number of administrative requirements as burdensome, for example:

- keeping a record of educators working directly with children (regulation 177(1)(h))
- keeping a record of the responsible person in charge (regulation 177(1)(g)).

Also, the Standard Cost Model (SCM) assessment identified the requirement to accompany service approvals with plans prepared by a building practitioner (regulation 25(b)) as challenging and time consuming, particularly for Outside School Hours Care (OSHC) services where premises are already used for educational purposes. An amendment to the regulation in September 2013 gave regulatory authorities discretion to accept an application for a centre-based service approval without certain information about the proposed premises. This change also applies to providers that are seeking approval to locate a service on a school site.[1]

---

[1] This change does not affect providers seeking approval for services in WA, as the WA Regulatory Authority already has discretion to accept applications that do not include certain information.

The perception survey indicated that providers of OSHC services more commonly view overall administrative requirements as very burdensome or quite burdensome. Further analysis indicates that OSHC services find documenting children's learning particularly burdensome, with around 55% selecting (4) or (5) on a scale of not at all burdensome (0) to very burdensome (5).

The SCM assessment also indicated that some OSHC providers thought that educational programming and documentation requirements were not appropriate to the specific characteristics of OSHC. Their view was that the costs of documenting educational programming and assessments of children's learning is not commensurate with the benefits. This finding was also supported by open-ended feedback obtained through the perception survey, which indicated a perception that documenting children's learning is impractical due to the large numbers of children enrolled at the services for relatively short periods of time, and the high turnover of staff in the sector.

### *Duplications*

The SCM assessment identified duplications between NQF requirements and requirements for funding contracts, such as the Victorian Kindergarten Cluster Management (KCM) system.

> Under the [KCM Policy Framework], services must complete an annual Kindergarten Cluster Management Service Implementation Plan (SIP). This plan outlines the actions the service or Cluster Manager (equivalent to approved provider) has undertaken to make quality improvements within the service. There is distinct overlap between the NQF's requirements for QIPs and the Victorian KCM's requirements for SIPs.

This suggests that there may be similar and potentially more widespread areas of duplication occurring between the NQF and some of the requirements under the Family Assistance Law (FAL) for the administration of Childcare Benefit (CCB) and Childcare Rebate (CCR) requirements. This second area of duplication, Australian Government subsidy paperwork requirements, should be considered as it is likely to deliver more benefit in reducing administrative burden. State and territory funded education and care systems are a lower priority as they are smaller in scope and generally involve fewer administrative requirements.

Other potential areas of duplication between NQF requirements and requirements for funding contracts may include keeping attendance records, obtaining service approvals and notifications about changes to services. To streamline areas of duplication between Australian Governmnent FAL or state and territory funding contracts and the NQF, greater information sharing would be required. This would involve legislative change to the relevant jurisdiction's legislation and the National Law.

### Benefits of reducing the number of administrative requirements

Reducing the aggregate number of administrative requirements would reduce paperwork, compliance costs, and administration overheads for providers and state and territory governments.

Reducing the number of administrative requirements can:

- improve efficiency by reducing duplication between government processes
- reduce administration overheads for providers and state and territory governments
- reduce the perception of burden towards the NQF as a whole.

## Mechanisms for reducing the number of administrative requirements

ACECQA considers it feasible to reduce administrative requirements that are:

- burdensome with little or no benefit to children and families
- duplicative (as outlined above)
- of diminishing value at higher levels of quality.

### *Burdensome with little or no benefit to children and families*

The focus of the NQF is to provide better educational, developmental, health and wellbeing outcomes for children using education and care services. The priority for reducing administrative requirements should therefore be where an obligation provides little or no direct benefit to children and families.

Burdensome

Burdensome with
little or no benefit to
children and families

No benefit to
children and
families

Benefit to
Children
and families

Not burdensome
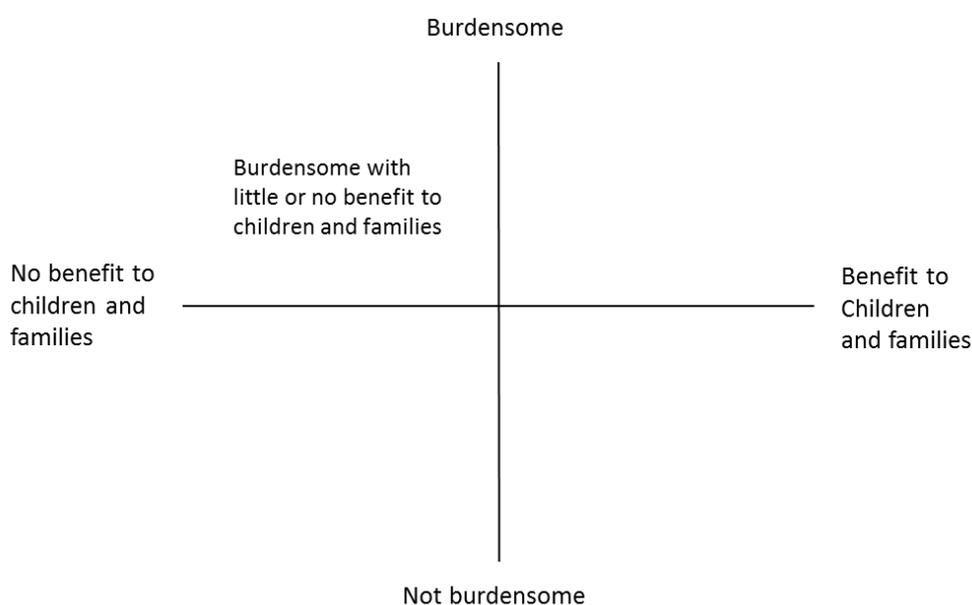
ACECQA is preparing to conduct research into the level of understanding among families of the quality rating system, and it may be feasible to include in this research some gauge of families' views about the benefit of administrative requirements.

### *Diminishing value at higher levels of quality*

The NQF regulatory scheme recognises the interplay between service quality, risk and the principle of earned autonomy. Several of these features of the NQF were spelled out in the National Partnership Agreement including, for example, that more highly rated services will be quality assessed less often than lower rated services. This could involve legislative change.

It may be possible to apply the principle of earned autonomy to some administrative requirements. If practical, this approach would work so that providers with higher quality services (meeting NQS and above) were relieved of certain paperwork requirements.

Feedback from regulatory authorities supports the view that the need for paperwork to assure compliance diminishes with improved service quality. While more detailed analysis is required, this option has the potential to both reduce administrative burden, and be a further driver to quality for children.

## *Test for simplifying or reducing administrative requirements*

The following test could be used to identify administrative requirements that can be simplified or removed, without compromising quality outcomes for children:

- Does the requirement have a clear purpose?

- To what extent does the requirement provide a benefit to children and families?

- Is there an existing alternative method that would achieve the same purpose?

- If there is little or no benefit to children and families:

  - What is the level of burden for the sector and regulatory authorities?

  - Is there an existing alternative method that could be used to achieve the objective? For example, other legislation

  - How does the requirement correlate with the NQS?

  - Should the requirement be simplified, removed or applied according to the principle of earned autonomy?

    - The principle of earned autonomy should be applied where quality improvement leads to a reduced risk associated with the requirement.

## Relevant administrative requirements

Examples of duplications

- Displaying information
- Keeping records
- Provider and service approvals
- Notifications
- QIPs
- Developing and maintaining policies and procedures.

## *High number of rules in aggregate*

- All administrative requirements.

## Responses to findings

## *Recommendations*

2. The Australian Government identify and report on opportunities to remove any areas of duplication between the NQF and Family Assistance / CCB requirements.
3. State and territory governments to identify and where practical remove duplication between the NQF and their funding programs for education and care.
4. ACECQA, in consultation with the ECDWG, to identify administrative requirements that could be simplified or removed. This exercise would be guided by principles of earned autonomy and risk, and without compromising quality outcomes for children.

# Theme 3: Opportunities to set clearer expectations and improve communication about administrative requirements

## Overview

### *Setting clearer expectations*

In some instances, administrative requirements of the National Law and Regulations are expressed in broad terms, such as 'policies and procedures are required in relation to providing a child safe environment' (regulation 168(2)(h)). Broad administrative requirements are helpful because they give providers flexibility in compliance. They support an outcomes-focused approach, and can be more effective in accommodating differences between service operating environments than more detailed administrative requirements.

However, the SCM assessment and perception survey identified that providers find some administrative requirements difficult to understand, particularly where requirements are expressed in general terms. In the SCM assessment, this was illustrated through widely divergent costs reported by providers.

Providers who operated under the former NCAC regulatory system were required to provide high levels of documentation for quality assurance. Consultation with regulatory authorities suggests that because these providers were used to heavy documentation requirements, they may be more inclined to assume that a similar amount of documentation is required under the NQF. This view is supported by the perception survey findings, which demonstrate that providers who were regulated under the NCAC perceive a reduction in burden.

Although these administrative requirements were deliberately expressed in broad terms to ensure scope for compliance in a way that suited individual business, ACECQA considers the burden associated with these responsibilities could be reduced by regulatory authorities and ACECQA setting clearer expectations, informed by advice from practitioner experts where necessary.

Opportunities exist for ACECQA, regulatory authorities and the Australian Government to collaborate to provide clearer expectations to the sector. An appropriate detailed approach can be developed through a scoping exercise. It may also be possible that some administrative requirements could be clarified by legislative amendment.

### *Improving communication*

ACECQA and regulatory authorities have a role in providing guidance and support to the sector to increase understanding and confidence about the NQF and enhance the capacity of the sector to improve the quality of services.

The body which provides this support to the majority of the sector is the Australian Government funded Professional Support Coordinator (PSC) Alliance. The PSC Alliance includes the PSC in each state and territory. PSCs deliver support to eligible education and care services under the Inclusion and Professional Support Program (IPSP). Other related agencies include Indigenous Professional Support Units (IPSUs). PSCs and IPSUs are supported by Inclusion Support Agencies (ISAs), which work with eligible services to remove barriers to participation for disadvantaged children.

Service types that are not approved for Australian Government CCB/CCR subsidies, such as preschools, are typically funded by State and territory funded support agencies.

Examples of education and guidance currently provided by these groups include:

- NQF Resource Kit (ACECQA)
- templates
- professional development, training and support activities
- literature and resources
- bicultural support
- facilitated networks.

PSCs and IPSUs are supported by Inclusion Support Agencies (ISAs), which work with eligible services to remove barriers to participation for disadvantaged children. The support provided by ISAs may also help reduce administrative burden. For example ISA support may help to reduce the amount of documentation education and care services provide as evidence of inclusive practices in assessment. When a service works with an ISA they usually develop a Service Support Plan (SSP) which aligns to the various inclusion elements in the NQS. The SSP could provide a valuable supplement to a service's QIP and could be shown as evidence to assessors when rating a service where the service elects to do this. ISAs have received positive feedback from both services and assessors who have taken this approach.

ACECQA currently provides information and support to the sector through resources such as fact sheets, templates, an enquiries hotline and the NQF Resource Kit. ACECQA is reviewing the NQF Resource Kit, in consultation with the sector, to improve information delivery based on the research findings. This review includes consideration of alternative presentation of material specific to service sub-types (long day care, family day care etc.)

There are positive examples across the sector of regulatory authorities and PSCs working together to align their support with the National Law and Regulations and tailor assistance to the needs of the sector. For example, in the ACT, PSCs and the Children's Policy and Regulation Unit (CPRU) are collaborating to tailor support to low performing services, including action plans for quality improvement. Regulatory authorities that work with PSCs to align their advice to the National Law and Regulations have identified clear benefits in improved coherence of advice to services and a positive response from the sector.

The findings of the Part I research, and these examples suggest scope for more targeted support to the sector through collaboration between ACECQA, regulatory authorities, the Australian Government and organisations such as the PSCs, based on the research findings.

## Summary of Part I findings

### *Broadly defined administrative requirements*
The perception survey and SCM assessment identified time as the main cost driver for broadly defined administrative requirements, with many providers 'overburdening' themselves in efforts to ensure compliance. The research found providers were particularly unclear about what they needed to do to satisfy the following requirements:

1. documenting child assessments or evaluations for delivery of the educational program (providers and FDC educators)
2. developing and maintaining policies and procedures
3. developing and maintaining QIPs
4. preparing for quality assessment and ratings visits (frustration / stress was considered the major driver for this activity)
5. displaying information (FDC educators).

Providers indicated through the perception survey that the time spent on complying with these administrative requirements detracted from time available to spend with children. Similarly, the SCM assessment found that uncertainty in the Regulations on the level of detail required for compliance with the breadth of administrative activities adds cost for some providers.

Despite the frustration and stress driving the perception of burden around quality assessment and ratings visits, providers whose services have been quality rated are among the groups most supportive of the NQF. These providers also perceive a much lower level of administrative burden, suggesting that as regulatory authorities engage more with providers about quality improvement and quality rate more services, support for the NQF will grow and the perceived level of administrative burden may reduce.

The perception survey, through the open-ended responses, identified uncertainty about what is required for the obligation to display information. "Displaying information in my home" was listed by 8 per cent of family day care (FDC) educators as the most burdensome requirement, with storage space, and hours / time and 'other' considered the main drivers. Two main themes in the open-ended feedback for 'other' included insufficient wall space to display information and FDC information overtaking the family home. These responses indicate confusion in the sector about how to comply with this administrative obligation.

Provision of more targeted communication to the sector is likely to reduce burden by reducing confusion and minimising the potential for requirements to be misconstrued. To achieve this ourcome, communications will be tested with sector peaks where appropriate.

### *Ambiguous legislative terms and complexity*
The SCM assessment identified examples of confusion about the meaning of terms in the regulations. This again resulted in services taking a cautionary approach to ensure compliance.

> Of the services who decided to design their own policies and procedures, many expressed difficulties with understanding what was required or expected under each of the policies and procedures listed under the regulations. For instance, one service was unsure whether a 'child safe environment policy' referred to the physical environment of the centre, or ensuring that children were kept safe from predators.

Administrative burden could be reduced through targeted guidance on the meaning of ambiguous legislative terms. Where appropriate, this guidance can be developed in consultation with sector groups.

The main drivers of burden associated with qualifications assessments (lower level of burden according to the perception survey) were staff hours / time and difficulty understanding the

requirements. ACECQA is producing an online self-assessment tool that allows educators to check their qualification against an approved list of qualifications and compare this to the former laws.

The perception survey and SCM assessment found that a significant portion of burden was driven by the transition to the NQF, suggesting that a decrease in administrative burden, perceived and experienced, can be expected at the next stage of the research.

### *Accessibility*

A large proportion (38 per cent) of FDC educators speak a language other than English at home. Anecdotal evidence obtained through the SCM interviews found that educators and families who have English as a second language find understanding and implementing the regulations more difficult. The SCM report recommended that ACECQA consider developing additional, plain-English materials which could be used to make familiarisation and compliance easier for educators, as well as increasing understanding and awareness for families.

The SCM assessment found that access to training was an issue in remote services. In the perception survey, twelve per cent of providers selected "ensuring staff know about the changes" as the "most burdensome" activity. Staff hours / time, difficulty understanding the requirements and distraction from other activities were the key drivers of burden for this obligation.

## Benefits of setting clearer expectations and improving communication about administrative requirements

Setting clearer expectations and improving communication about administrative requirements can:

- reduce frustration in the sector by increasing certainty
- reduce compliance costs by reducing staff hours / time spent understanding and complying with administrative requirements
- reduce administrative costs for regulatory authorities
- reduce the time, complexity and frustration associated with preparing for quality assessment visits – this will reduce costs for new services and reduce burden for existing services during the assessment and ratings process
- enable educators to spend more time with children by reducing time spent on documentation
- reduce stress in the sector by reducing the administrative workload
- improve understanding of the NQF among FDC educators from Culturally and Linguistically Diverse (CaLD) backgrounds.

## Relevant administrative requirements

- Documenting child assessments or evaluations
- Developing and maintaining policies and procedures
- QIPs
- Quality assessment and rating preparation
- Qualifications assessments
- Ensuring staff know about the National Law and Regulations
- Displaying information.

## Responses to findings

### *Current actions*

5. ACECQA to continue to provide guidance to the sector, including in the areas outlined in item 8, through revisions to the NQF Resource Kit, website and fact sheets and other sources.
6. ACECQA to continue to work with regulatory authorities and the Australian Government to provide additional guidance to assist in understanding ambiguous legislative terms where this can reduce costs without reducing flexibility for providers.
7. ACECQA to publish an online self-assessment tool that allows educators to check their qualification against an approved list of qualifications and compare this to the former laws.

### *Recommendations*

8. ACECQA to work with state and territory regulatory authorities and the Australian Government to publish clearer guidance on:
   a. documenting child assessments or evaluations for delivery of the educational program
   b. developing and maintaining policies and procedures
   c. developing and maintaining QIPs
   d. expectations for quality assessment and ratings visits
   e. displaying information (FDC educators).
9. The Australian Government, in consultation with regulatory authorities and ACECQA, to:
   9.1 collaborate with sector support agencies such as the PSC Alliance to prioritise training on the areas highlighted by ACECQA's research
   9.2 ensure training and other professional development delivered through the PSC network and other training organisations is nationally coherent.
10. ACECQA to communicate the positive regulatory burden research findings on assessment and rating to the sector.
11. The Australian Government, in consultation with regulatory authorities and ACECQA, to work with the PSC Alliance to deliver workshops and training resources to staff in rural and remote areas; or consider other mechanisms to improve training support to staff in rural and remote services.
12. ACECQA to work with the Australian Government, regulatory authorities and peak bodies to improve communication to FDC educators in the interest of children and families, and educator's compliance with the Regulations.

# Theme 4: Opportunities to remove operational impediments

## Overview

The implementation of new regulatory systems can give rise to unintended consequences for providers as they adapt to the changes.

Delays in an application or approval process or the roll out of systems can be frustrating for service providers. Particularly in the case of supervisor certificates and qualifications assessments, delays can also have an impact on staffing arrangements and ultimately impact on workforce effectiveness and monetary costs. Uncertainty associated with new processes, such as the quality assessment and ratings process, can also lead to unnecessary stress and frustration.

ACECQA's work with regulatory authorities has identified similar but lower order operational issues that are giving rise to unintended consequences for the sector. ACECQA has referred these issues to the ECDWG and is assisting with the development of policy and / or legislative solutions. In September 2013, the ECDWG, regulatory authorities and ACECQA held a joint workshop to discuss operational issues identified by jurisdictions for possible inclusion in a package of changes to be fast-tracked in parallel with the 2014 Review. These issues are detailed in the accompanying NQAIP report.

## Summary of Part I findings

Part I of the Report on the National Quality Framework and Regulatory Burden found quality assessment and ratings visits to be a burdensome administrative requirement, with frustration / stress and staff hours / time the main drivers of burden for this activity. Providers whose services have been quality rated are among the groups most supportive of the NQF, and also perceive a lower level of administrative burden. This indicates that as regulatory authorities rate more services and engage more with providers about quality improvement, support for the NQF will grow and the perceived level of administrative burden may reduce. The finding also indicates that it is in the interests of the NQF that momentum be maintained / increased, without compromising quality outcomes for children.

Supervisor certificates were selected in the perception survey as "most burdensome" by 10 per cent of providers. Delays in processing and receiving approvals was commonly given as a reason for the burden (34 per cent). The SCM assessment found the process of applying for supervisor certificates to be one of the most commonly cited areas of difficulty, with related concerns arising from paperwork delays and inconsistent treatment of applications. These findings were reported in the June 2013 NQAIP report, which discussed practical difficulties for regulatory authorities in assessing the requirements for a supervisor certificate, and staffing implications for the sector.

ACECQA, in consultation with regulatory authorities and jurisdictions, has developed a proposal to streamline supervisor certificate requirements. Ministers were advised of the proposal on 30 July 2013 and agreed that the ECDWG would work with ACECQA to further develop the proposal and provide advice on its implementation.

While not perceived to be highly burdensome, qualifications assessments was linked to concerns about staff hours / time and difficulty understanding the requirements. ACECQA is similarly working

with ECDWG on proposals to streamline ACECQA's qualifications assessment and approvals functions. This is also detailed in the November NQAIP report.

## Benefits of removing operational impediments

- Reduce compliance and delay costs associated with supervisor certificates
- Reduce frustration associated with supervisor certificates
- Reduce administration overheads associated with the assessment and ratings process for providers and state and territory governments
- Reduce uncertainty, frustration and stress associated with the ratings and assessment process
- Increase support for the NQF through increasing the number of rated services.

## Relevant administrative requirements

- Qualifications assessments
- Supervisor certificates
- Quality assessment and rating preparation.

## Responses to findings

### Current actions

13. ACECQA to continue to contribute to the ECDWG's development of a package of NQF legislative reforms that will remove operational impediments to the effective operation of the NQF for education and care providers.

# References

MCEECDYA. (2011). Implementation Plan for the National Quality Agenda for Early Childhood Education and Care.