# 3 Early Childhood Education and Care

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| Attachment tables are identified in references throughout this chapter by a ‘3A’ prefix (for example, table 3A.1) and are available from the website www.pc.gov.au/rogs/2018. |
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This chapter reports on the performance of early childhood education and care (ECEC) services, which comprise child care and preschool services.

Further information on the Report on Government Services including other reported service areas, the glossary and list of abbreviations is available at www.pc.gov.au/rogs/2018.

## 3.1 Profile of ECEC

### Service overview

The ECEC sector provides a range of services for children based on their age and education, care and development needs. ECEC services provide one or more of the following broad service types:

* *Child care services* — are provided to children aged 0–12 years including: long day care; family day care; outside school hours care (OSHC); occasional care; and other care (see section 3.4 for definitions).
* *Preschool services* — are services that deliver a preschool program. A ‘preschool program’ is a structured, play‑based learning program, delivered by a qualified teacher, aimed at children in the year or two before they commence full time schooling (table 3.1).

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| Table 3.1 Preschool programs in Australia, 2016‑17**a** |
| |  |  |  |  | | --- | --- | --- | --- | | State/Territory | Program name | Age of entry — preschool program | Age of entry — school | | NSW | Preschool | Generally aged 4 and 5 | 5 by 31 July | | Vic | Kindergarten | 4 by 30 April | 5 by 30 April | | Qld | Kindergarten | 4 by 30 June | 5 by 30 June | | WA | Kindergarten | 4 by 30 June | 5 by 30 June | | SA | Preschool | 4 by 1 May | 5 by 1 May | | Tas | Kindergarten | 4 by 1 January | 5 by 1 January | | ACT | Preschool | 4 by 30 April | 5 by 30 April | | NT | Preschool | 4 by 30 June | 5 by 30 June | |
| a See table 3A.1 for detailed footnotes and caveats. |
| *Source*: State and Territory governments (unpublished); table 3A.1. |
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An ECEC service may offer more than one service type, such as long day care and OSHC (both child care services) or long day care and preschool. The range of services offered differs across states and territories and between service providers. The most common type of integrated service is preschool delivered within a long day care centre.

ECEC services can also provide other non‑education services such as maternal and child health services and family support services. The services provided differ according to community need, with more extensive services often being provided in disadvantaged communities.

### Roles and responsibilities

The Australian, State and Territory governments have different but complementary roles in ECEC. The Australian Government’s main roles and responsibilities include:

* paying the Child Care Benefit (CCB) and the Child Care Rebate (CCR) to eligible families using approved child care services or registered carers (only CCB). The types of child care for which families receive subsidised care are in table 3.2
* providing funding to State and Territory governments to support the achievement of universal access to early childhood education (through the *National Partnership Agreement on Universal Access to Early Childhood Education* (NP UAECE) — 2016 and 2017
* providing funding to support the implementation of the National Quality Framework (NQF) (see section 3.4), through the *National Partnership Agreement on the National Quality Agenda for Early Childhood Education and Care* (NP NQAECEC) — 2015‑16 to 2017‑18
* providing operational and capital funding to some providers.

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| Table 3.2 Summary of ECEC service funding by Australian, State and Territory governments, 2016‑17 | | |
| |  |  |  |  |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | |  | NSW | Vic | Qld | WA | SA | Tasa | ACTb | NT | Aus Gov | | ***Funded child care services, for service types:*** | | | | | | | | | | | Long day care (LDC) | 🗸 |  |  | 🗸 | 🗸 |  |  | 🗸 | 🗸 | | Family day care |  |  |  | 🗸 |  |  |  | 🗸 | 🗸 | | OSHC | 🗸 |  | 🗸 | 🗸 |  |  |  |  | 🗸 | | Vacation care | 🗸 |  | 🗸 | 🗸 |  | 🗸 |  |  | 🗸 | | Occasional care | 🗸 | 🗸 | 🗸 | 🗸 | 🗸 | 🗸 |  |  | 🗸 | | 3 year old kindergarten services |  |  |  |  |  |  |  | 🗸 |  | | In home care |  |  |  |  |  |  |  |  | 🗸 | | Budget Based Funded |  |  | 🗸 |  | 🗸 |  |  |  | 🗸 | | ***Funded preschool services/programs, in:*** | | | | | | | | | | | Local government/community preschools | 🗸 | 🗸 | 🗸 | 🗸 |  |  |  | 🗸 |  | | For profit LDC | 🗸 | 🗸 | 🗸 |  |  |  |  | 🗸 |  | | Not‑for‑profit LDC | 🗸 | 🗸 | 🗸 |  | 🗸 |  |  | 🗸 |  | | Government school | 🗸 | 🗸 | 🗸 | 🗸 | 🗸 | 🗸 | 🗸 | 🗸 |  | | Non‑government school | 🗸 | 🗸 | 🗸 | 🗸 | 🗸 | 🗸 |  | 🗸 |  | | | |
|  | 🗸 | Government provides funding to at least one of these services |
|  |  | Government does not provide funding to any of these services |
| a In Tasmania, some child care services may receive funding under an annual, small capital grants (minor infrastructure) program. These services are not included in this table unless they also receive recurrent funding. b In the ACT, child care services and preschools outside the government sector may receive support through capital grants, rental subsidies, and funding through budget initiatives. These services are not included in this table unless they also receive recurrent funding. | | |
| *Source*: Australian, State and Territory governments (unpublished). | | |
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State and Territory governments’ roles and responsibilities vary across jurisdictions but mainly include:

* funding and/or providing preschool services and, in some cases, providing funding to child care services (including some that also receive Australian Government funding)
* providing funding to support the implementation of the NP UAECE and NP NQAECEC
* regulating approved services under the NQF and licensing and/or registering child care services not approved under the NQF
* implementing strategies to improve the quality of ECEC programs
* providing curriculum, information, support, advice, and training and development to ECEC providers.

Local governments also plan, fund and deliver ECEC, but due to data limitations, the only local government data included in this chapter are those involving Australian, State and Territory government funding and/or licensing.

### Funding

Total Australian, State and Territory government recurrent and capital expenditure on ECEC services was $9.4 billion in 2016‑17, compared with $9.2 billion in 2015‑16 (table 3A.5). Australian Government expenditure accounted for $7.7 billion (81.6 per cent) and State and Territory government expenditure accounted for $1.7 billion, with preschools accounting for 85.2 per cent of this expenditure (figure 3.1).

Australian Government expenditure of $418.0 million allocated to State and Territory governments in 2016‑17 through the NP UAECE, is included under State and Territory government expenditure (table 3A.8).

| Figure 3.1 Australian, State and Territory government real recurrent and capital expenditure on ECEC services (2016‑17 dollars)**a, b** |
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| | More details can be found within the text surrounding this image. | | --- | |
| a See tables 3A.6–7 for detailed footnotes and caveats. b Australian Government preschool expenditure is zero for each year. |
| *Source*: Australian, State and Territory governments (unpublished); tables 3A.6–7. |
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### Size and scope of ECEC

#### Services delivering ECEC

In 2017[[1]](#footnote-2), there were 18 318 Australian Government CCB approved child care services in Australia (table 3.3). All Australian Government expenditure is on CCB approved child care services or services funded under the Budget Based Funded Programme. Budget Based Funded services receive an Australian Government contribution to the operational costs of child care, early learning and school age services in approved locations (mostly regional, remote and Aboriginal and Torres Strait Islander communities where the market would otherwise fail to deliver services). In addition, some child care services do not receive Australian Government funding and are funded by State and Territory governments only or do not receive any government funding.

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| Table 3.3 Government funded child care services, 2017**a** |
| |  | Unit | NSW | Vic | Qld | WA | SA | Tas | ACT | NT | Aust |  | | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | | **CCB approved child care services, by service type** | | | | | | | | | | |  | | Long day care | % | 46.3 | 32.8 | 41.0 | 33.8 | 27.2 | 31.5 | 40.1 | 38.3 | 39.0 |  | | Family day care | % | 4.1 | 7.2 | 3.6 | 2.5 | 1.6 | 3.3 | 3.4 | 2.5 | 4.3 |  | | Vacation care | % | 13.4 | 11.4 | 17.4 | 16.4 | 20.1 | 19.4 | 15.0 | 19.4 | 14.8 |  | | OSHC | % | 35.4 | 47.1 | 37.2 | 46.4 | 50.7 | 44.2 | 40.6 | 39.3 | 41.0 |  | | Occasional care and In home care | % | 0.8 | 1.5 | 0.7 | 0.9 | 0.4 | 1.5 | 1.0 | 0.5 | 0.9 |  | | **Total** | **%** | **100.0** | **100.0** | **100.0** | **100.0** | **100.0** | **100.0** | **100.0** | **100.0** | **100.0** |  | |  | **no.** | **6 345** | **4 196** | **3 711** | **1 752** | **1 335** | **391** | **387** | **201** | **18 318** |  | | **Budget Based Funded Programme** | | | | | | | | | | |  | |  | no. | 35 | 14 | 64 | 25 | 37 | 6 | – | 105 | 286 |  | | **State and Territory government (only) funded** | | | | | | | | | | |  | |  | no. | na | 149 | 28 | 9 | 132 | 19 | .. | 2 | 339 |  | |
| a See tables 3A.9–10 for detailed footnotes and caveats. **na** Not available. .. Not applicable. – Nil or rounded to zero. |
| *Source*: Australian Government Department of Education and Training (unpublished); tables 3A.9–10. |
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In 2016, there were 11 070 ECEC services in Australia delivering preschool programs (table 3.4). Of these services, 6827 (61.7 per cent) were delivered from long day care centres and the remainder were delivered from stand‑alone preschools or preschools attached to a school.

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| Table 3.4 Number and proportion of preschool services, by service delivery setting and management type, 2016**a** |
| |  |  |  |  |  |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | |  | Unit | NSW | Vic | Qld | WA | SA | Tas | ACT | NT | Aust | | LDC with preschool |  |  |  |  |  |  |  |  |  |  | | Government | % | 6.5 | 3.8 | 0.8 | 2.0 | 8.2 | 3.7 | 0.4 | 1.0 | 4.0 | | Non‑government | % | 71.0 | 49.8 | 70.7 | 36.1 | 40.4 | 32.3 | 61.8 | 35.1 | 57.6 | | **Total LDC with preschool** | **%** | **77.5** | **53.6** | **71.5** | **38.0** | **48.7** | **36.0** | **62.2** | **36.1** | **61.7** | |  | **no.** | **2 812** | **1 317** | **1 455** | **557** | **349** | **118** | **145** | **74** | **6 827** | | Preschool not delivered in LDC |  |  |  |  |  |  |  |  |  |  | | Government | % | 4.4 | 9.4 | 6.0 | 44.4 | 47.4 | 46.6 | 36.1 | 60.0 | 16.8 | | Non‑government | % | 18.2 | 37.0 | 22.4 | 17.6 | 3.9 | 17.4 | 1.7 | 3.9 | 21.5 | | Community | % | 17.7 | 33.4 | 20.7 | – | 0.6 | – | – | – | 17.1 | | Private for profit | % | – | 0.2 | 0.2 | – | – | – | – | – | 0.1 | | Non‑government school | % | 0.5 | 3.4 | 1.5 | 17.6 | 3.3 | 17.4 | 1.7 | 3.9 | 4.4 | | **Preschool not delivered in LDC** | **%** | **22.5** | **46.4** | **28.5** | **62.0** | **51.3** | **64.0** | **37.8** | **63.9** | **38.3** | |  | **no.** | **818** | **1 142** | **579** | **907** | **368** | **210** | **88** | **131** | **4 243** | | **Total preschool services** | **no.** | **3 630** | **2 459** | **2 034** | **1 464** | **717** | **328** | **233** | **205** | **11 070** | |
| LDC = long day care. a See table 3A.11 for detailed footnotes and caveats. – Nil or rounded to zero. |
| *Source*: ABS (2017) *Preschool Education, Australia, 2016*, Cat. no. 4240.0; table 3A.11. |
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#### Children using ECEC

In 2017, 1 261 041 (about 31.3 per cent) of children aged 0–12 years attended Australian Government CCB approved child care services, an increase of 3.3 per cent from 2016 (table 3A.15).

In 2016, 514 028 children aged 3–5 years were enrolled in a preschool program, which includes children attending a 3‑year old preschool program (table 3A.19)[[2]](#footnote-3). Of these children, 288 369 were enrolled in a preschool program in the year before full time schooling (YBFS) (table 3A.18) (box 3.1). The total enrolment figure provides an estimate of service activity, whilst the state‑specific YBFS enrolment figure provides an estimate of the cohort for whom the year of preschool is in the year before they are anticipated to attend full time school.

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| Box 3.1 Recent developments affecting the count of children enrolled in a preschool program |
| Due to changes in coverage and methodologies affecting the National Early Childhood Education and Care Collection (NECECC), preschool program participation data included in this Report are not fully comparable with previous reports. Significant changes affecting the 2016 data include:   * the Australian Bureau of Statistics (ABS) has amended its data linkage approach to enhance the accuracy of child counts in NECECC, resulting in a lower count of children enrolled in a preschool program * an expanded child identification strategy in the Child Care Management System has increased the count of children enrolled in a preschool program, as all children at long day care centres (of the appropriate age) are now recorded as enrolled in a preschool program * the ABS has developed a new definition of the YBFS population (referred to as the state‑specific YBFS), which was included in its NECECC for the 2016 reference year. This state‑specific YBFS definition takes into account the preschool and school age entry provisions of the state or territory in which the child usually resides and the child’s date of birth (see table 3.1). This improves on previous definitions by accounting for the differences across Australia in the age at which children are to be enrolled in school. The state‑specific YBFS method will be reviewed and refined over time.   For more information on NECECC data quality, including collection methodologies and data limitations, see *Preschool Education, Australia* (Cat. no. 4240.0) (ABS 2017). |
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## 3.2 Framework of performance indicators

The performance indicator framework for ECEC services is based on common objectives for ECEC (box 3.2).

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| Box 3.2 Objectives for ECEC services |
| ECEC services aim to meet the education, care and development needs of children, and meet the needs of families including enabling increased workforce participation, by providing universal access to early childhood education services for eligible children and accessible child care services that:   * are high quality, affordable, flexible and can be implemented across a range of settings * are delivered in a safe, nurturing and inclusive environment * target improved access for, and participation by, Aboriginal and Torres Strait Islander, vulnerable and disadvantaged children.   Governments aim for ECEC services to meet these objectives in an equitable and efficient manner. |
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The performance indicator framework provides information on equity, efficiency, effectiveness, and distinguishes the outputs and outcomes of ECEC services (figure 3.2).

The framework also shows which data are complete and comparable in the 2018 Report. For data that are not considered directly comparable, text includes relevant caveats and supporting commentary. Chapter 1 discusses data comparability, data completeness and information on data quality from a Report wide perspective. In addition to section 3.1, the Report’s Statistical context chapter (chapter 2) contains data that may assist in interpreting the performance indicators presented in this chapter. Chapters 1 and 2 are available from the website at www.pc.gov.au/rogs/2018.

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| Figure 3.2 ECEC performance indicator framework |
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Improvements to performance reporting for ECEC services are ongoing and include identifying data sources to fill gaps in reporting for performance indicators and measures, and improving the comparability and completeness of data.

## 3.3 Key performance indicator results

### Outputs

Outputs are the services delivered (while outcomes are the impact of these services on the status of an individual or group) (see chapter 1). Output information is also critical for equitable, efficient and effective management of government services.

### Equity

#### Access — ECEC participation by special needs groups

‘ECEC participation by special needs groups’ is an indicator of governments’ objective to provide ECEC services in an equitable manner, and that there is access for, and participation of, Aboriginal and Torres Strait Islander, vulnerable and disadvantaged children (box 3.3).

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| Box 3.3 ECEC participation by special needs groups |
| ‘ECEC participation by special needs groups’ is defined by two measures:   * Children using child care, by special needs group — the proportion of children aged 0–5,  6–12 and 0–12 years attending Australian Government CCB approved child care services who are from targeted special needs groups, compared with the representation of these groups in the community.   Data reported for this measure are:   * comparable (subject to caveats) across jurisdictions and over time * complete (subject to caveats) for the current reporting period. All required 2016 and 2017 data are available for all jurisdictions. * Preschool program participation, by special needs groups: * the proportion of children aged 3–5 years enrolled in a preschool program who are from targeted special needs groups, compared with the representation of these groups in the community. State and territory data are based on the location of the child’s main service provider * the proportion of children enrolled in a preschool program in the YBFS who are disadvantaged, compared with the representation of children aged 4–5 years who are disadvantaged in the community. For Aboriginal and Torres Strait Islander children, children from regional and remote areas, and children who are disadvantaged, state and territory data are based on the location of the child’s residence. For children from non‑English‑speaking backgrounds (NESB) and children with disability, state and territory data are based on the location of the child’s main service provider. |
| (continued next page) |
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| Box 3.3 (continued) |
| Data reported for these measures are:   * comparable (subject to caveats) across jurisdictions for Aboriginal and Torres Strait Islander children, children from regional and remote areas, and children who are disadvantaged. Data are not comparable across jurisdictions for children from NESB and children with disability. Data are not directly comparable with previous years due to changes in coverage and methodologies affecting the NECECC, including the adoption of the state‑specific YBFS (see box 3.1 for details) * complete (subject to caveats) for the current reporting period for children who are disadvantaged and most special needs groups. All required 2016 data are available for all jurisdictions for children who are disadvantaged but incomplete for the current reporting period for NESB. All required NESB data are not available for WA and the NT.   Targeted special needs groups include children from NESB, Aboriginal and Torres Strait Islander children, children from low‑income families, children with disability, and children from regional and remote areas. Children who are disadvantaged are defined as residing in an area with a Socio‑Economic Indexes for Areas (SEIFA) Index of Relative Socioeconomic Disadvantage (IRSD) quintile of 1. Quintile of 1 is used as a proxy for the most disadvantaged and should be interpreted with care as it measures the disadvantage of the area where the child resides, rather than directly measuring the child’s level of disadvantage.  A high or increasing ECEC participation is desirable. If the representation of special needs groups among ECEC service users is broadly similar to their representation in the community, this suggests equitable access. |
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Nationally, the representation of children aged 0–5, 6–12 and 0–12 years from special needs groups in child care services was lower than their representation in the community, except for children from NESB and low‑income families (figure 3.3 and 3A.12).

The representation of 3–5 year old children from special needs groups enrolled in a preschool program was lower than their representation in the community for children from NESB, children with disability, Aboriginal and Torres Strait Islander children and children in remote areas. Representation of children is regional areas is similar to their representation in the community (figure 3.4).

For children enrolled in the YBFS, the representation of disadvantaged children (SEIFA IRSD quintile of 1) in preschool was lower than their representation in the community (table 3A.14).

| Figure 3.3 Proportion of children aged 0–12 years attending CCB approved child care services who are from special needs groups, 2017, compared with their representation in the community (per cent)**a, b, c** |
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| | Children from regional areas  More details can be found within the text surrounding this image.Children from remote areas  More details can be found within the text surrounding this image.NESB children  More details can be found within the text surrounding this image.Aborignal and Torres Strait Islander children   More details can be found within the text surrounding this image. Children with disability  More details can be found within the text surrounding this image.Children from low income families  More details can be found within the text surrounding this image.  Legend to Figure 3.3  Blue = Representation in the community Green = Representation in child care services  More details can be found within the text surrounding this image. | | --- | |
| a See box 3.3 and table 3A.12 for detailed definitions, footnotes and caveats. b Representation in the community relates to: 2013‑14 for children from low income families; 2015 for children with disability; 2016 for NESB, Aboriginal and Torres Strait Islander children, and children from regional areas and remote areas. c There are no remote areas in the ACT. |
| *Source*: Australian Government Department of Education and Training (unpublished) administrative data collection;ABS (unpublished) *2016 Census of Population and Housing*; ABS (unpublished) *Household Income and Income Distribution, Australia, 2013‑14,* Cat. no. 6523.0; ABS (unpublished) *Microdata: Disability, Ageing and Carers, Australia, 2015,* Cat. no. 4430.0.30.002; ABS (2014) *Estimates and Projections, Aboriginal and Torres Strait Islander Australians, 2001 to 2026* *(Series B),* Cat. no. 3238.0; ABS (2016) *Australian Demographic Statistics, Jun 2016,* Cat. no. 3101.0; ABS (unpublished) *Population by Age and Sex, Regions of Australia, 2016*, Cat. no. 3235.0; table 3A.12. |
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| Figure 3.4 Proportion of children aged 3–5 years enrolled in a preschool program who are from special needs groups, compared with their representation in the community, 2016 (per cent)**a, b, c, d** |
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| | **Children from regional areas  More details can be found within the text surrounding this imChildren from remote areas  More details can be found within the text surrounding this image.** **NESB children   More details can be found within the text surrounding this image.Aboriginal and Torres Strait Islander children   More details can be found within the text surrounding this image.** **Children with disability  More details can be found within the text surrounding this image.**  Legend to figure 3.4  Blue = Representation in the community Green = Representation in preschool  More details can be found within the text surrounding this image. | | --- | |
| a See box 3.3 and table 3A.13 for detailed definitions, footnotes and caveats. b Representation of children with disability in the community is for 2015. c There are no remote areas in the ACT. d NESB enrolment data are not available for WA and NT. The NESB total is the sum of the states and territories for which data are available, and should not be interpreted as national data. |
| *Source*: ABS (unpublished) *Microdata: Preschool Education, Australia, 2016*, Cat. no. 4240.0.55.003; ABS (unpublished) *2016 Census of Population and Housing*; ABS (unpublished) *Microdata: Disability, Ageing and Carers, Australia, 2015,* Cat. no. 4430.0.30.002; ABS (2014) *Estimates and Projections, Aboriginal and Torres Strait Islander Australians, 2001 to 2026* *(Series B),* Cat. no. 3238.0; ABS (unpublished) *Population by Age and Sex, Regions of Australia, 2016*, Cat. no. 3235.0; State and Territory governments unpublished; table 3A.13. |
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### Effectiveness

#### Access — ECEC participation

‘ECEC participation’ is an indicator of governments’ objective to ensure that ECEC services are accessible (box 3.4).

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| Box 3.4 ECEC participation |
| ‘ECEC participation’ is defined by two measures:   * Children using child care — the proportion of children who are attending Australian Government CCB approved child care services by age group (0–5, 6–12 and 0–12 years)   Data reported for this measure are:   * comparable (subject to caveats) across jurisdictions and over time * complete for the current reporting period (subject to caveats). All required 2017 data are available for all jurisdictions. * Preschool program participation — the proportion of children who are enrolled in a preschool program in the YBFS. To be considered as enrolled, the child must have attended the preschool program for at least one hour during the reference period, or be absent due to illness or extended holiday leave and expected to return. State and territory data are based on the location of the child’s residence.   Data reported for this measure are:   * comparable (subject to caveats) across jurisdictions. Data are not directly comparable with previous years due to changes in coverage and methodologies affecting the NECECC, including the adoption of the state‑specific YBFS (see box 3.1 for details) * complete (subject to caveats) for the current reporting period. All required 2016 data are available for all jurisdictions.   A higher or increasing proportion of children participating in ECEC services is desirable. However, this indicator can be difficult to interpret as this indicator does not provide information on parental preferences for using child care and preschool. |
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Nationally in 2017, 31.3 per cent of children aged 0–12 years attended Australian Government CCB approved child care, up from 31.0 per cent in 2016 and 21.7 per cent in 2008 (figure 3.5). The majority (64.5 per cent) of attendees are aged 0–5 years, over half (55.5 per cent) receive a long day care service and over a quarter (29.8 per cent) receive an OSHC service (table 3A.15–16).

The average hours of attendance in Australian Government CCB approved child care in 2017 varied considerably across jurisdictions for all service types (table 3A.17). Nationally, average attendance per child was above 25 hours per week for long day care, family day care, vacation care and in home care, but considerably less for OSHC and occasional care.

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| Figure 3.5 Proportion of children aged 0–12 years who are attending Australian Government CCB approved child care services**a** |
| |  | | --- | | More details can be found within the text surrounding this image. | |
| a See box 3.4 and table 3A.15 for detailed definitions, footnotes and caveats. |
| *Source*: Australian Government Department of Education and Training (unpublished); ABS (unpublished) *Australian Demographic Statistics, Dec 2016* (and previous editions), Cat. no. 3101.0; table 3A.15. |
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Nationally in 2016, 92.4 per cent of children were enrolled in a preschool program in the YBFS (figure 3.6).

Compared to all children, Aboriginal and Torres Strait Islander children had a lower preschool enrolment rate in the YBFS (90.4 per cent) (tables 3A.18 and 3A.21).

The majority of all children (94.4 per cent) and Aboriginal and Torres Strait Islander children (93.6 per cent) that were enrolled in a preschool program in the YBFS were enrolled for at least 15 hours per week (tables 3A.20 and 3A.22).

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| Figure 3.6 Proportion of children enrolled in a preschool program in the YBFS, by sector, 2016**a** |
| |  | | --- | | More details can be found within the text surrounding this image. | |
| a See box 3.4 and table 3A.18 for detailed definitions, footnotes and caveats. Multiple preschools or Both preschool and LDC is less than 1 per cent for Victoria, WA, SA, Tasmania, the NT, and Australia. |
| *Source*: Derived from ABS (2017) *Preschool Education, Australia, 2016*; table 3A.18. |
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#### Access — Parent costs for ECEC services

‘Parent costs for ECEC services’ is an indicator of governments’ objective to ensure that ECEC services are affordable (box 3.5).

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| Box 3.5 Parent costs for ECEC services |
| ‘Parent costs for ECEC services’ is defined by three measures:   * Child care service costs — the median weekly cost for 50 hours of Australian Government CCB approved long day care and family day care. Costs are before the reduction due to the CCB or CCR. * Child care costs as a proportion of weekly disposable income — the proportion of weekly disposable income that families spend on long day care and family day care before and after the payment of child care subsidies, for families with two income earners with a 60:40 income split and gross annual income of $35 000, $55 000, $75 000, $95 000, $115 000, $135 000, $155 000, $175 000, $195 000 and $215 000. This proportion is reported for families with one child attending long day care or family day care for 30 hours. * Preschool service costs — the median hourly cost of a preschool program (after subsidies), per child enrolled aged 4 and 5 years.   Median costs represent the middle value of the range of costs. |
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| Box 3.5 (continued) |
| Provided the service quality is held constant, lower median service costs are desirable. While a similar proportion of income across income groups suggests a more equitable outcome. Families who use more care per week are expected to face higher out‑of‑pocket costs.  Various factors influence ECEC costs and care needs to be exercised when interpreting results, as:   * fees are set independently by ECEC service providers and there is significant variation in the fees across services * costs are influenced by a number of factors including NQF approval requirements, award wages, and whether fees include charges for additional services such as nappies and meals, as well as localised issues such as, land values and rental costs, rates, and other localised costs of living) * median costs data may reflect particular scenarios of ECEC use and family income level, so do not reflect the out‑of‑pocket costs by families at varying levels of income or care usage * for preschool service costs, there are a mix of providers (community, private and government). Differences in charging practices can be due to commercial or cost recovery decisions made by individual services. Some preschool programs, particularly those offered at government preschools, have no tuition fees.   Data reported for this indicator are:   * comparable (subject to caveats) across jurisdictions and over time * complete (subject to caveats) for the current reporting period. All required 2016 data (preschool service costs) and 2017 data (child care service costs) are available for all jurisdictions. |
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##### Child care service costs

The median weekly cost for 50 hours of care in 2017 was higher for long day care ($443) than for family day care ($388) (figure 3.7). The median weekly cost increased from 2016 to 2017 in real terms by 2.8 per cent for long day care, but remained the same for family day care (table 3A.23). Median weekly costs differ across remoteness areas. In 2017, the median weekly cost of long day care in major cities and inner regional areas ($448) was higher than in outer regional and remote areas ($404) (table 3A.23).

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| Figure 3.7 Median cost of Australian Government CCB approved child care services, by selected service types, 2017**a** |
| |  | | --- | | More details can be found within the text surrounding this image. | |
| a See box 3.5 and table 3A.23 for detailed definitions, footnotes and caveats. |
| *Source*: Australian Government Department of Education and Training (unpublished); table 3A.23. |
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##### Child care costs as a proportion of weekly disposable income

Nationally in 2017, child care subsidies reduced the out‑of‑pocket costs for 30 hours of day care for all family income categories. However, the subsidies had a greater impact (as a proportion of family income) for lower income families, reducing the variation in the child care costs across income categories (table 3A.24).

Across jurisdictions in 2017, the out‑of‑pocket costs for 30 hours of child care, as a proportion of weekly disposable (after subsidies), were higher for long day care than family day care. Out‑of‑pocket costs for:

* long day care — were between 7.5 and 4.6 per cent for gross family incomes of $35 000 and $215 000, respectively (table 3A.24)
* family day care — were between 7.1 and 4.4 per cent for gross family incomes of $35 000 and $215 000, respectively (table 3A.24).

##### Preschool service costs

Nationally, the median cost per hour for a preschool program (after subsidies) per child was $2.61 in 2016, an increase from $2.34 in 2015 (2015‑16 dollars) (table 3A.25). The median cost is zero for WA, SA, Tasmania, the ACT and the NT — government preschool is free in these jurisdictions.

Median hourly costs differ across remoteness areas. In 2016, the median hourly cost of preschool (after subsidies) in major cities was $2.87, compared to $2.09 in regional areas and zero in remote areas (table 3A.26).

#### Appropriateness — Non‑standard hours of care in child care services

‘Non‑standard hours of care in child care services’ is an indicator of governments’ objective to ensure that government funded child care services are accessible and flexible (box 3.6).

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| Box 3.6 Non‑standard hours of care in child care services |
| ‘Non‑standard hours of care in child care services’ is defined as the proportion of Australian Government CCB approved child care services that provide non‑standard hours of care, by service type. Definitions of ‘standard hours’ and ‘non‑standard hours’ are provided in section 3.4.  A high or increasing proportion of services providing non‑standard hours of care can suggest greater flexibility of services to meet the needs of families. That said, this indicator does not provide information on demand for non‑standard hours of care or whether available non‑standard hours services meet the needs of users. |
| Provision of non‑standard hours of care can be influenced by a range of factors, such as costs to services and parents, demand for care, availability of carers, and compliance with legislative requirements.  Data reported for this measure are:   * comparable (subject to caveats) across jurisdictions and over time * complete (subject to caveats) for the current reporting period. All required 2017 data are available for all jurisdictions. |
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In March 2017, 26.5 per cent of CCB approved child care services provided non‑standard hours of care, an increase from 23.6 per cent in 2014 (figure 3.8). The proportion of services providing non‑standard hours of care varies by service type, ranging nationally from nil for occasional care services to 38.1 per cent of in‑home care services (table 3A.27).

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| Figure 3.8 Australian Government CCB approved child care services providing non‑standard hours of care**a** |
| |  | | --- | | More details can be found within the text surrounding this image. | |
| a See box 3.6 and table 3A.27 for detailed definitions, footnotes and caveats. |
| *Source*: Australian Government Department of Education and Training (unpublished); table 3A.27. |
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#### Appropriateness — Demand for ECEC

‘Demand for ECEC’ is an indicator of governments’ objective to ensure that ECEC services are accessible (box 3.7).

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| Box 3.7 Demand for ECEC |
| ‘Demand for ECEC’ is defined as the proportion of children aged 0–12 years for whom additional formal child care or preschool services were currently required.  Additional care currently required refers to children who were already attending formal child care or preschool and parents wished for them to attend more, as well as children who did not attend any formal child care or preschool and parents wished for them to attend.  An increasing proportion of children with expressed need for additional ECEC may suggest that additional services are required. However, caution should be used when interpreting these data as they are not intended to represent the ‘unmet demand’ for formal child care or preschool services. The data do not identify the likelihood that a parent will take steps to access the care or preschool they require, or place their child in this care or preschool. Various factors including cost, location and the perceived suitability or quality of the service will have an influence on whether parents take these steps.  Data reported for this measure are:   * comparable (subject to caveats) across jurisdictions and over time * complete (subject to caveats) for the current reporting period. All required 2014 data are available for all jurisdictions. |
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In 2014, 10.0 per cent of 0–12 year olds required additional formal child care or preschool, up from 5.5 per cent in 2011 (figure 3.9). This comprised 5.6 per cent who had used formal child care or preschool in the past week, 2.3 per cent who had used only informal child care, and 3.1 per cent who had not used any child care or preschool (table 3A.28). However, of those that reported requiring additional services, only about half had applied for additional formal child care or preschool. In addition, almost 1 in 5 had reported requiring additional preschool services, but were already using 15 hours of preschool per week (table 3A.28).

When looking at the reasons why additional care was required, 3.6 per cent of 0–12 year old children currently required additional formal child care due mainly to a work related reason, compared to 2.7 per cent in 2011 (table 3A.28).

A higher proportion of children aged 0–5 years require additional child care (17.2 per cent) compared to all children aged 0–12 years (10 per cent) (tables 3A.28–29).

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| Figure 3.9 Proportion of children aged 0–12 years who currently required additional formal child care or preschool**a, b** |
| |  | | --- | | More details can be found within the text surrounding this image. | |
| a Error bars represent the 95 per cent confidence interval associated with each point estimate. b See box 3.7 and table 3A.28 for detailed definitions, footnotes and caveats. |
| *Source*: ABS (unpublished) *Microdata: Childhood Education and Care, Australia, June 2011 and 2014*,  Cat. no. 4402.0.55.001; table 3A.28. |
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#### Quality — Staff quality in ECEC

‘Staff quality in ECEC’ is an indicator of governments’ objective to ensure that ECEC services are high quality (box 3.8).

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| Box 3.8 Staff quality in ECEC |
| ‘Staff quality in ECEC’ is defined by two measures:   * The proportion of paid primary contact staff employed by Australian Government CCB approved child care services with a relevant formal qualification (at or above Certificate level III), or three or more years of relevant experience. * The proportion of teachers delivering preschool programs (across all services, not just CCB approved services) who are at least three year university trained and early childhood qualified. Teachers are defined using the following worker roles: principal/director/coordinator/teacher in charge and group leader/teacher. At least three‑year university trained includes: ‘Bachelor degree (3 years or equivalent)’, ‘Bachelor degree (4 years pass and honours)’, ‘Graduate diploma/certificate and above’.   Some studies and research (for example, Huntsman [2008], OECD [2006], and Warren and Haisken‑DeNew [2013]) have shown a link between education levels of ECEC staff and children’s learning outcomes, suggesting that a high or increasing proportion is desirable.  Data reported for these measures are:   * comparable (subject to caveats) across jurisdictions and over time for paid primary contact staff employed by Australian Government CCB approved child care services, but not for teachers delivering preschool programs * complete (subject to caveats) for the current reporting period. All required 2016 data for the first measure and 2014 data for the second measure are available for all jurisdictions. |
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##### Proportion of paid primary contact staff employed by Australian Government CCB approved child care services, by relevant formal qualifications, or three years or more relevant experience

In 2016, 81.5 per cent of the 129 884 paid primary contact staff employed by Australian Government CCB approved child care services had a relevant formal qualification or three or more years relevant experience, a decrease from 82.6 per cent in 2013 (figure 3.10). Of all paid primary contact staff, 31.5 per cent held Certificate III or IV, 31.9 per cent held a diploma or advanced diploma, and 12.8 per cent held a bachelor degree or above (table 3A.30).

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| Figure 3.10 Paid primary contact staff employed by Australian Government CCB approved child care services with relevant qualification or three or more years of experience**a** |
| |  | | --- | | More details can be found within the text surrounding this image. | |
| a See box 3.8 and table 3A.30 for detailed definitions, footnotes and caveats. |
| *Source*: Australian Government Department of Education and Training, *National Early Childhood Education and Care Workforce Census 2016*; table 3A.30. |
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##### Proportion of teachers delivering preschool programs who are at least three‑year university trained and early childhood qualified

In 2014, there were 18 993 teachers delivering preschool programs, of whom 88.2 per cent had teacher qualifications (that is, at least three‑year university trained in the field of early childhood) (table 3A.32). Table 3A.31 provides contextual data for more recent years on the number of primary contact staff that have undertaken relevant in‑service training in the previous 12‑months.

#### Quality — NQF quality and compliance

‘NQF quality and compliance’ is an indicator of governments’ objectives to ensure that ECEC services are high quality and are delivered in a safe, nurturing and inclusive environment (box 3.9).

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| Box 3.9 NQF quality and compliance |
| ‘NQF quality and compliance’ is defined by measures Achievement of National Quality Standard (NQS) and Confirmed breaches.  Achievement of NQS  The proportion of NQF approved services with a quality rating, whose overall rating is ‘Meeting NQS’, ‘Exceeding NQS’ or ‘Excellent’.  Services receive an overall rating of Meeting NQS if they are rated as Meeting NQS in all seven quality areas or have a mix of quality areas rated Meeting NQS and Exceeding NQS. Services receive an overall rating of Exceeding NQS if four or more quality areas are rated as Exceeding NQS, including two of the four following quality areas: Quality Area 1, Quality Area 5, Quality Area 6 and Quality Area 7. The Excellent rating can only be awarded by the Australian Children’s Education and Care Quality Authority (ACECQA), on application by the Approved Provider (ACECQA 2016) (see section 3.4 for further information on NQS achievement).  A high proportion of services that achieve the NQS suggests a high quality of service.  Data reported for this measure are:   * comparable (subject to caveats) across jurisdictions and over time * complete (subject to caveats) for the current reporting period. All required data as at 30 June 2017 are available for all jurisdictions.   Confirmed breaches  The number of confirmed breaches by NQF approved services divided by the number of NQF approved services, multiplied by 100.  A confirmed breach constitutes a failure by an ECEC service to abide by relevant legislation, regulations or conditions. Confirmed breaches have been investigated by the regulatory body and considered to have substance.  Breaches vary in circumstance and severity. Some breaches can have serious implications for the quality of care provided to children (such as requirements to undertake criminal record checks for staff and requirements to install smoke detectors). Other breaches do not necessarily directly affect the quality of care (such as requirements to display NQF approval information).  All else being equal, a low or decreasing rate of confirmed breaches can suggest a higher quality service. A high or increasing rate of confirmed breaches does not necessarily mean that a jurisdiction has lower service safety and quality, as it might mean it has a more effective reporting and monitoring regime.  Data reported for this measure are:   * not comparable across jurisdictions due to differences in administrative and reporting procedures. Confirmed breaches data are not available for prior years * complete (subject to caveats) for the current reporting period. All required data for 2016‑17 are available for all jurisdictions. |
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The majority of ECEC services are approved and regulated under the NQF, including child care services (long day care, family day care, vacation care and OSHC) and preschool services. As at 30 June 2017, there were 15 546 NQF approved ECEC services (table 3A.33). Some ECEC services are licensed and/or registered to operate by State and Territory governments, but are not approved under the NQF, including occasional care and mobile preschools (State and Territory governments, unpublished).

##### Achievement of NQS

At 30 June 2017, 90.7 per cent of NQF approved services had received a quality rating (table 3A.33). A higher proportion of centre‑based care services received a quality rating than family day care services.

Of the services that had been rated, 73.4 per cent achieved the NQS (41.8 per cent met; 31.3 per cent exceeded, and 0.4 per cent were excellent) — up from 70.4 per cent at 30 June 2016 (figure 3.11 and table 3A.34).

The proportion of NQF approved services with a rating level that achieved the NQS was highest for quality areas 5 (relationships with children — 93.0 per cent), 4 (staffing arrangements — 92.4 per cent) and 6 (partnerships with families and communities — 90.3 per cent). The quality area with the lowest proportion of services that achieved the NQS was quality area 1 (educational program and practice — 79.8 per cent) (table 3A.35).

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| Figure 3.11 NQF approved services with a quality rating, by overall rating, 30 June 2017**a, b** |
| |  | | --- | | More details can be found within the text surrounding this image. | |
| a See box 3.9 and table 3A.34 for detailed definitions, footnotes and caveats. b Data for Significant Improvement Required are zero for WA, SA, Tas and the NT. |
| *Source*: ACECQA (2017) *NQF Snapshot Q2 2017*; table 3A.34. |
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##### Confirmed breaches

Nationally in 2016‑17, there were 97.9 confirmed breaches per 100 NQF approved services, with the highest rates for family day care (306.7 breaches per 100 services) and long day care (115.2 breaches per 100 services) (table 3.5).

Action was taken by regulatory authorities in response to 57.8 per cent of confirmed breaches (table 3A.36). Actions in response to a breach can range from administrative actions (such as a phone call or meeting with the service provider), to a requirement to comply within a specified time frame through to licensing action or prosecution.

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| Table 3.5 Confirmed breaches by NQF approved services per 100 NQF approved services, 2016‑17**a** |
| |  | NSW | Vic | Qld | WA | SA | Tas | ACT | NT | Aust |  | | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | | Breaches per 100 services | 71.0 | 142.3 | 142.7 | 92.9 | 18.1 | 3.9 | 14.1 | 8.5 | 97.9 |  | |
| a See box 3.9 and table 3A.36 for detailed definitions, footnotes and caveats. |
| *Source*: ACECQA and State and Territory governments unpublished, National Quality Agenda Information Technology System (NQA ITS); table 3A.36. |
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#### Quality — Serious incidents

‘Serious incidents’ is an indicator of governments’ objective to ensure that ECEC services are delivered in a safe environment (box 3.10).

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| Box 3.10 Serious incidents |
| ‘Serious incidents’ is defined as the number of serious incidents that have occurred at NQF approved services, per 100 NQF approved services. Serious incidents are incidents that seriously compromise the health, safety or wellbeing of children attending an ECEC service.  The scope of the serious incidents indicator is NQF approved services. Under regulation, an NQF approved service must notify the regulatory authority (within 24 hours) of any serious incident that involves a child that was being educated and cared for by an ECEC service.  Serious incidents includes any incidents: involving the death of a child; involving serious injury or trauma to, or illness of, a child; where the attendance of emergency services was sought (or ought reasonably to have been sought); and where a child has been locked in/out, removed from the premises in contravention of regulations, or is unaccounted for — see section 3.4.  A low or decreasing rate of serious incidents may suggest safer ECEC services. Caution should be used in interpreting results within and across jurisdictions as variations may be affected by differences in the number of children per service. Nationally comparable data are not currently available on the number of children enrolled in NQF approved services. |
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| Box 3.10 (continued) |
| Data reported for this measure are:   * comparable (subject to caveats) across jurisdictions. Serious incidents data are not available for prior years * complete (subject to caveats) for the current reporting period. All required 2016‑17 data are available for all jurisdictions. |
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Nationally in 2016‑17, there were 99.3 serious incidents per 100 NQF approved services (figure 3.12). The majority related to incidents involving the serious injury or trauma to, or illness of, a child (84.3 per cent of all serious incidents) followed by incidents where the attendance of emergency services was sought (or ought reasonably to have been sought) (9.0 per cent) (table 3A.37).

| Figure 3.12 Serious incidents per 100 NQF approved services, 2016‑17**a** |
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| | More details can be found within the text surrounding this image. | | --- | |
| a See box 3.10 and table 3A.37 for detailed definitions, footnotes and caveats. |
| *Source*: ACECQA and State and Territory governments unpublished, NQA ITS; table 3A.37. |
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### Efficiency

#### Inputs per output unit — government recurrent expenditure per child

‘Government recurrent expenditure per child’ is an indicator of governments’ objective for ECEC services to be efficient (box 3.11).

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| Box 3.11 Government recurrent expenditure per child |
| Government recurrent expenditure per child is defined by two measures:   * Total government recurrent expenditure on ECEC per child in the community — the combined Australian Government and State and Territory government recurrent expenditure on ECEC per child aged 0–12 years in the community.   Data reported for this measure are:   * comparable (subject to caveats) within jurisdictions over time but are not comparable across jurisdictions * complete (subject to caveats) for the current reporting period. All required 2016‑17 data are available for all jurisdictions. * Australian Government recurrent expenditure per child attending CCB approved child care — the Australian Government recurrent expenditure per child aged 0–12 years attending Australian Government CCB approved child care services.   Data reported for this measure are:   * comparable (subject to caveats) across jurisdictions and over time * complete (subject to caveats) for the current reporting period. All required 2016‑17 data are available for all jurisdictions.   Efficiency data should be interpreted with care because:   * changes in expenditure per child could represent changes in government funding policy. While high or increasing unit costs can reflect deteriorating efficiency, they can also reflect increases in the quality or quantity of service provided. Similarly, low or declining expenditure per child can reflect improving efficiency or lower quality or quantity. Provided the level and quality of, and access to, services remain unchanged, lower expenditure per child can indicate greater efficiency of government expenditure * differences in reported efficiency results across jurisdictions can reflect differences in definitions and counting and reporting rules.   All Australian Government recurrent expenditure reported for this indicator is provided for child care services, whereas State and Territory government recurrent expenditure covers both child care and preschool services. |
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##### Total government recurrent expenditure on ECEC per child in the community

In 2016‑17, combined Australian Government and State and Territory government real recurrent expenditure on ECEC per child in the community aged 0–12 years was $2311, an increase of $435 since 2012‑13. Australian Government recurrent expenditure accounted for $1898 of this expenditure, up from $1525 in 2012‑13, while State and Territory government expenditure accounted for $413 of this expenditure, up from $351 in 2012‑13 (figure 3.13).

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| Figure 3.13 Total government real recurrent expenditure on ECEC per child aged 0–12 years**a** |
| |  | | --- | | More details can be found within the text surrounding this image. | |
| a See box 3.11 and table 3A.38 for detailed definitions, footnotes and caveats. |
| *Source*: Australian Government Department of Education and Training (unpublished); State and Territory governments (unpublished); ABS (unpublished) *Australian Demographic Statistics, Dec 2015* (and previous editions), Cat. no. 3101.0; table 3A.38. |
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##### Australian Government recurrent expenditure per child attending CCB approved child care

Australian Government real recurrent expenditure per child attending CCB approved child care services was $6067 in 2016‑17, up from $5555 in 2012‑13 (table 3A.39).

### Outcomes

#### Family work‑related needs for child care

‘Family work‑related needs for child care’ is an indicator of governments’ objective for ECEC services to meet the needs of families, including enabling increased workforce participation (box 3.12).

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| Box 3.12 Family work‑related needs for child care |
| ‘Family work‑related needs for child care’ is defined as the proportion of people aged 15 years and over not in the labour force due to caring for children, who report the main reason for not being in the labour force as child care service‑related.  A relatively small or decreasing proportion of people not in the labour force due to caring for children who report the main reason for not being in the labour force as child care service‑related may indicate that services are meeting the needs of families. However, there are a number of factors which affect the labour force participation decisions of people responsible for caring for children, of which child care service‑related reasons are a subset. Also, due to the subjective nature of self‑reporting, care should be taken when interpreting the data, particularly for child care service‑related reasons.  Data reported for this measure are:   * comparable (subject to caveats) across jurisdictions and over time * complete (subject to caveats) for the current reporting period. All required 2015 data are available for all jurisdictions. |
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In 2015, 281 800 people aged 15 years and over reported that they were not in the labour force due to caring for children (table 3A.40). Of these people, over 40 per cent reported not being in the labour force for a child care service‑related reason, with the most common reason given being cost of child care (34.0 per cent). The most common non‑service‑related reason was a preference to look after children (at 27.5 per cent) (table 3A.40).

#### ECEC outcomes

‘ECEC outcomes’ is an indicator of governments’ objective to provide ECEC services that meet the education, care, and development needs of children (box 3.13).

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| Box 3.13 ECEC outcomes |
| ‘ECEC outcomes’ is defined as the proportion of children with ECEC experience who are developmentally vulnerable on one or more domains of the Australian Early Development Census (AEDC). The AEDC collects data from teachers on the early childhood development of children when they are in their first year of full time schooling. Children are considered developmentally vulnerable in a domain if they score below the 10th percentile. The domains are: language and cognitive skills; physical health and wellbeing; social competence; emotional maturity; and communications skills and general knowledge. |
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| Box 3.13 (continued) |
| A low proportion of children who received ECEC reported as developmentally vulnerable is desirable, and a lower proportion of children who received some ECEC reported as developmentally vulnerable compared to children who did not receive any ECEC could indicate that receiving ECEC leads to better development outcomes. However, results should be interpreted with caution as:   * these data report on the correlation between ECEC experience and development outcomes. The causal impact of ECEC experience on development outcomes cannot be determined from these data * ECEC experience is just one factor contributing to development. A range of other factors also influence development outcomes, including parental and family circumstances and other services such as health and parenting support * ECEC experience is reported by the teacher, and therefore, dependent on the teacher’s knowledge of the child’s previous experience * the data do not include how much ECEC (for example, hours per week) children received * not all children in the dataset have a complete response for whether or not they attended ECEC.   Data reported for this measure are:   * comparable (subject to caveats) across jurisdictions and over time * complete (subject to caveats) for the current reporting period. All required 2012 and 2015 data are available for all jurisdictions. |
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In 2015, 22.0 per cent of children in their first year of full time schooling were developmentally vulnerable on one or more domains — unchanged from 2012 (table 3A.41). Children who received some ECEC were less likely to be developmentally vulnerable on one or more domains (19.9 per cent), compared to children who did not receive any ECEC (38.5 per cent).

## 3.4 Definitions of key terms

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| Capital expenditure | Expenditure on the acquisition or enhancement of fixed assets, less trade‑in values and/or receipts from the sale of replaced or otherwise disposed of items. Capital expenditure does not include expenditure on fixed assets which fall below threshold capitalisation levels, depreciation or costs associated with maintaining, renting or leasing equipment. |
| Children from low‑income families | Children in families with gross income (excluding Family Tax Benefit) of less than the annual income threshold for receiving the maximum rate of CCB. |
| Children from non‑English‑speaking backgrounds | Children living in situations where the main language spoken at home is not English. |
| Children with disability | A child that has a need for additional assistance in any of the following areas (learning and applying knowledge, education; communication; mobility; self‑care; interpersonal interactions and relationships; other‑ including general tasks, domestic life, community and social life) compared to children of a similar age, that is related to underlying long term health condition or disability (long term is longer than six months). |
| Comparability | Data are considered comparable if (subject to caveats) they can be used to inform an assessment of comparative performance. Typically, data are considered comparable when they are collected in the same way and in accordance with the same definitions. For comparable indicators or measures, significant differences in reported results allow an assessment of differences in performance, rather than being the result of anomalies in the data. |
| Completeness | Data are considered complete if all required data are available for all jurisdictions that provide the service. |
| Family day care | Services providing small group early childhood education and care for children in the home environment of a registered carer. Family day care is primarily aimed at 0–5 year olds, but primary school children may also receive the service before and after school, and during school holidays. Staff work in partnership with scheme management and coordination unit staff. |
| Formal child care | Organised education and care provided by a person other than the child’s parent or guardian, usually outside of the child’s home — includes, long day care, family day care, OSHC, vacation care, occasional care (excluding babysitting), other care and in home care. |
| Formal qualifications | Early childhood‑related teaching degree (three or four years), a child care certificate or associate diploma (two years) and/or other relevant qualifications (for example, a diploma or degree in child care [three years], primary teaching, other teaching, nursing [including mothercraft nursing], psychology and social work). |
| In home care | Education and care service provided by an approved carer in the child’s home. Families eligible for in home care include those where the parent(s) or child has an illness/disability, those in regional or remote areas, those where the parents are working shift work or non‑standard hours, those with multiple births (more than two) and/or more than two children under school age, and those with a breastfeeding mother working from home. |
| In‑service training | Formal training only (that is, structured training sessions that can be conducted in‑house or externally), including training in work or own time but not training towards qualifications included in obtaining formal qualifications. It includes:   * management or financial training * training for additional needs children (such as children with disability, Aboriginal or Torres Strait Islander children and children from a culturally diverse background) * other child care‑related training * other relevant courses (such as a first aid certificate). |
| Long day care | Services aimed primarily at 0–5 year olds that are provided in a centre, usually by a mix of qualified and other staff. Educational, care and recreational programs are provided based on the developmental needs, interests and experience of each child. In some jurisdictions, primary school children may also receive care before and after school, and during school vacations. Some long day care centres may also provide preschool and kindergarten services (i.e. a preschool program) and OSHC (see relevant definitions). Long day care services may operate from stand‑alone or shared premises, including on school grounds. |
| National Quality Framework (NQF) | The NQF came into effect from 1 January 2012 and is a national system jointly governed by the Australian Government and State and Territory governments. It aims to raise quality and enable continuous improvement in ECEC through:   * an applied law system, comprising the *Education and Care Services National Law* and the Education and Care Services National Regulations * the NQS — which sets a national benchmark for the quality of services in seven key quality areas (ACECQA 2016). |
| NQF approved services | Under the NQF, an approved provider must apply for and be granted a service approval for each education and care service it wants to operate. There are two types of approved services under the NQF:   * Centre‑based care service: an education and care service other than a family day care service. This includes most long day care, preschool and OSHC services that are delivered at a centre. * Family day care service: an education and care service delivered through the use of two or more educators to provide education and care for children in residences, whether or not the service also provides education and care to children at a place other than the residence. |
| National Quality Standard (NQS) achievement | NQF approved services are rated against the NQS. To determine a rating for each quality area within a service, prior to 1 February 2018, 58 elements, located across the 18 standards, were assessed as being met or not met. If all elements in a standard were met, the standard would be rated as Meeting NQS or Exceeding NQS. Each quality area was then rated by calculating the rating of all of the standards within that quality area.  If all standards were met, the quality area would be rated as Meeting NQS. If at least two of the standards were rated Exceeding NQS and all other standards were met, the quality area would be rated Exceeding NQS.  Services received an overall rating of Exceeding NQS if four or more quality areas were rated as Exceeding NQS, including two of the four following quality areas: Quality Area 1, Quality Area 5, Quality Area 6 and Quality Area 7. Services with an overall rating of Exceeding NQS could apply to ACECQA to be awarded an Excellent rating. Services with an overall rating of Excellent are included in data for services with an Exceeding NQS rating.  The Excellent rating can only be awarded by ACECQA, on application by the Approved Provider.  A revised version of the NQS commenced in all State and Territory jurisdictions on 1 February 2018. |
| Non‑standard hours of care | Defined by service type as:   * long day care — service operates before 7 am or after 6.30 pm on any day Monday to Friday or on weekends (to be considered a service offering non‑standard hours of care only need to meet 1 of these 3 criteria) * family day care — service operates before 7 am, or after 6.30 pm on any day Monday to Friday or overnight or on weekends (to be considered a service offering non‑standard hours of care only need to meet 1 of these 4 criteria) * vacation care — service operates before 7 am or after 6.30 pm on any day Monday to Friday (to be considered a service offering non‑standard hours of care only need to meet 1 of these 2 criteria) * OSHC — service operates before 7 am (before school) or after 6.30 pm (after school) on any day Monday to Friday (to be considered a service offering non‑standard hours of care only need to meet 1 of these 2 criteria) * occasional care — service operates before 7 am or after 6.30 pm on any day Monday to Friday or on weekends (to be considered a service offering non‑standard hours of care only need to meet 1 of these 3 criteria) * other — service operates before 7 am or after 6.30 pm on any day Monday to Friday or on weekends (to be considered a service offering non‑standard hours of care only need to meet 1 of these 3 criteria). |
| Occasional care | Services usually provided at a centre on an hourly or sessional basis for short periods or at irregular intervals for parents who need time to attend appointments, take care of personal matters, undertake casual and part time employment, study or have temporary respite from full time parenting. These services provide developmental education and care activities for children, and are primarily aimed at 0–5 year olds. Centres providing these services usually employ a mix of qualified and other staff. |
| Other care | A child care service type in this Report that does not meet any of the other child care service type definitions. It may include services which support children with additional needs or in particular situations (including Aboriginal and Torres Strait Islander children, children from NESB, children with disability or of parents with disability, and children living in regional and remote areas). Other care services may include 3 year old preschool (or kindergarten) services (which do not meet the preschool service definition because they are not delivered by a qualified teacher), mobile services, playschools and nannies. Usage of other care services is reported only for State and Territory government funded services (i.e. non‑CCB approved services). |
| Outside school hours care (OSHC) | Services that provide care for school aged children before school, after school, during school holidays, and on pupil free days. OSHC may use stand‑alone facilities, share school buildings and grounds and/or share facilities such as community halls. |
| Preschool program | A preschool program is a structured, play‑based learning program, delivered by a qualified teacher, aimed at children in the year or two before they commence full time schooling. This definition of a preschool program is the same for all types of institutions that provide it, for all service settings and includes both government funded and privately provided preschool programs. Although various delivery models of preschool programs exist across jurisdictions, the YBFS is the term used to describe the ‘preschool’ program cohort.  Preschool programs delivered to children in the year before full time schooling are intended to be available for a minimum of 600 hours per calendar year (or 15 hours per week for 40 weeks) (as per the NP UAECE). Children aged 3 to 6 years may be enrolled in a preschool program in the YBFS although the programs are typically delivered to 4 and 5 year olds. |
| Preschool services | Services which deliver a preschool program. The preschool service type can be delivered from a range of service settings. Service settings include stand‑alone preschools or kindergartens, preschools attached to a school and other service centres, such as long day care centres. |
| Primary contact staff | Staff whose primary function is to provide child care and/or preschool services to children. |
| Real expenditure | Actual expenditure adjusted for changes in prices. Adjustments were made using the General Government Final Consumption Expenditure price deflator and expressed in terms of final year prices. |
| Recurrent expenditure | Expenditure that does not result in the creation or acquisition of fixed assets (new or second hand). It consists mainly of expenditure on wages, salaries and supplements, purchases of goods and services, and the consumption of fixed capital (depreciation). |
| Regional and remote areas | Regional and remote areas refer to remoteness areas based on the ABS’ Australian Statistical Geography Standard. The criteria for remoteness areas are based on the Accessibility/Remoteness Index of Australia, which measures the remoteness of a point based on the physical road distance to the nearest urban centre in each of five size classes. Regional areas includes ‘inner regional’ and ‘outer regional’ areas. Remote areas includes ‘remote’ and ‘very remote’ areas. |
| Serious incidents | For the purposes of *Education and Care Services National Law*, the following are prescribed as serious incidents:   1. the death of a child:  * while being educated and cared for by an education and care service * following an incident while being educated and cared for by an education and care service  1. any incident involving serious injury or trauma to, or illness of, a child while being educated and cared for by an education and care service:  * which a reasonable person would consider required urgent medical attention from a registered medical practitioner [Examples Whooping cough, broken limb, anaphylaxis reaction] * for which the child attended, or ought reasonably to have attended, a hospital  1. any incident where the attendance of emergency services at the education and care service premises was sought, or ought reasonably to have been sought 2. any circumstance where a child being educated and cared for by an education and care service:  * appears to be missing or cannot be accounted for * appears to have been taken or removed from the education and care service premises in a manner that contravenes these Regulations * is mistakenly locked in or locked out of the education and care service premises or any part of the premises. |
| Service | A service refers to an individual location or establishment providing an ECEC service or services. One service (i.e. location or establishment) may provide more than one ECEC service type, i.e. provide a long day care service and preschool service, or two child care service types. |
| Service type | Refers to the following categories of ECEC services: long day care; family day care; OSHC; before/after school care; vacation care; occasional care; in home care, and; other care preschool services.  All service type categories are considered child care services, except for preschool services. |
| Special needs group | An identifiable group within the general population who can have special difficulty accessing services. Special needs groups for which data are reported in this chapter include: children from NESB; Aboriginal and Torres Strait Islander children; children from low‑income families (CCB approved child care services only); children with disability; and children from regional or remote areas. |
| Standard hours of care | Defined by service type as:   * long day care — service opens at 7 am or later and closes at 6.30 pm or earlier every day Monday to Friday (does not operate on weekends) * family day care — service operates at 7 am or later and no later than 6.30 pm every day Monday to Friday (does not operate on weekends or overnight) * vacation care — service operates at 7 am or later and no later than 6.30 pm every day Monday to Friday * OSHC — service opens at 7 am or later (before school) and closes at 6.30 pm or earlier (after school) every day Monday to Friday * occasional care — service operates at 7 am or later and no later than 6.30 pm every day Monday to Friday (does not operate on weekends) * in home care — service operates at 7 am or later and no later than 6.30 pm every day Monday to Friday (does not operate on weekends).   Also see non‑standard hours of care definition. |
| State and Territory government (only) funded | State and Territory government financed services — in particular, services that only receive State and Territory government contributions towards providing a specified service (i.e. excluding services which receive Australian Government funding). |
| Vacation care | Services provided for children enrolled in schools (4–12 year olds) during the school holidays. |

## 3.5 References

ABS (Australian Bureau of Statistics) 2017, *Preschool Education, Australia, 2016*, Cat. no. 4240.0, Canberra.

ACECQA (Australian Children’s Education and Care Quality Authority) 2016, *Explaining the National Quality Framework*, viewed 24 August 2017, *<*www.acecqa.gov.au/ national-quality-framework/explaining-the-national-quality-framework>.

Huntsman, L. 2008, *Determinants of Quality Child Care: A Review of the Research Evidence*, NSW Department of Community Service, Sydney.

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Warren, D. and Haisken-DeNew, J.P. 2013, *Early Bird Catches the Worm: The Causal Impact of Pre-school Participation and Teacher Qualifications in Year 3 NAPLAN Cognitive Tests*, Melbourne Institute, University of Melbourne.

1. Data for 2017 related to Australian Government CCB approved child care services are for the March quarter, unless specified otherwise. [↑](#footnote-ref-2)
2. Data reported for 3 year olds enrolled in a preschool program may be incomplete due to different reporting arrangements in each jurisdiction. [↑](#footnote-ref-3)