

Early childhood education

Report 19: 2015–16



Queensland Audit Office

Location Level 14, 53 Albert Street, Brisbane Qld 4000

PO Box 15396, City East Qld 4002

Telephone (07) 3149 6000

Email qao@qao.qld.gov.au

Online www.qao.qld.gov.au

© The State of Queensland. Queensland Audit Office (2016)

Copyright protects this publication except for purposes permitted by the *Copyright Act 1968*. Reproduction by whatever means is prohibited without the prior written permission of the Auditor-General of Queensland. Reference to this document is permitted only with appropriate acknowledgement.



Front cover image is an edited photograph of Queensland Parliament, taken by QAO.

ISSN 1834-1128



Your ref:
Our ref: 2016-9145P

June 2016

The Honourable P Wellington MP
Speaker of the Legislative Assembly
Parliament House
BRISBANE QLD 4000

Dear Mr Speaker

Report to Parliament

This report is prepared under Part 3 Division 3 of the *Auditor-General Act 2009*, and is titled *Early childhood education* (Report 19: 2015-16).

In accordance with s.67 of the Act, would you please arrange for the report to be tabled in the Legislative Assembly.

Yours sincerely

Andrew Greaves
Auditor-General

Contents

Summary	1
Conclusions	2
Universal access to kindergarten	3
Quality requirements	5
Managing the subsidy scheme	6
Recommendations	7
Reference to comments	7
1. Context	9
The National Partnership Agreement	9
Kindergarten delivery models	9
Funding kindergarten services	10
Roles and responsibilities	11
Queensland Kindergarten Funding Scheme	13
Audit objective and cost	15
Entities subject to this audit	15
2. Quality early childhood education	17
Introduction	18
Conclusions	18
Approved learning program	18
Qualified teachers	20
Recommendation	22
3. Universal access to kindergarten	23
Introduction	24
Conclusions	24
Supply and demand	24
Participation rates	26
Affordable kindergarten programs	27
4. Managing the subsidies	29
Introduction	30
Conclusions	30
Managing claims	31
Service reviews	32
Target age of children	36
Appendix A — Comments	40
Appendix B — Audit methodology	44
Appendix C — Glossary	46

Summary

Children can benefit in many ways by participating in a quality kindergarten program before starting formal schooling. It aids their development, helps them to become capable learners, and assists in their transition to the school system. It also allows for the early identification of any specific learning needs.

In 2009, the Australian, state and territory governments recognised the importance of kindergarten and established a National Partnership Agreement on Early Childhood Education (NPA). The desired outcomes of the NPA are that:

- all children have access to affordable, quality early childhood education in the year before formal schooling
- all Indigenous four year olds in remote Indigenous communities will have access to a quality early childhood education program.

The Department of Education and Training (the department) is responsible for implementing the NPA in Queensland. From 2009–10 to 2014–15, Queensland received \$388 million in NPA funding to implement the reforms.

The department identified two strategies to achieve universal access to quality kindergarten programs. They are to:

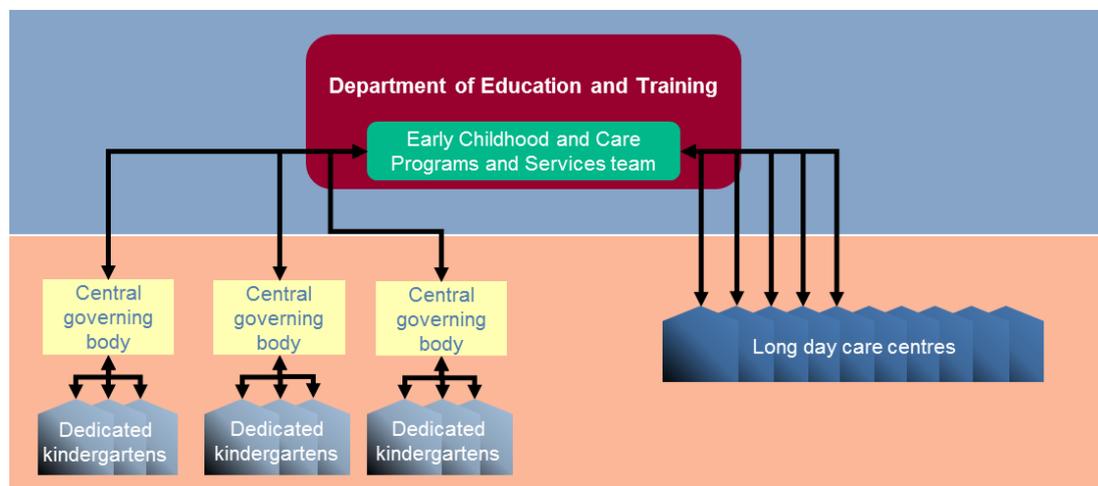
- build additional kindergartens across the state to ensure there are enough places for all Queensland children
- pay subsidies to approved kindergarten program providers (KPPs) to reduce the costs of delivering an approved kindergarten program.

The building program is now complete and the subsidies, paid through the Queensland Kindergarten Funding Scheme (QKFS), are ongoing. The department's Early Childhood and Care, Programs and Services team manages the QKFS, which is available to registered services that meet the eligibility criteria. In 2015, Queensland had 1 993 eligible organisations providing kindergarten services.

Figure A shows how the funding model works for the two types of kindergartens:

- sessional (or part-time) dedicated kindergarten services
- kindergarten programs delivered by long day care (LDC) centres.

Figure A
Funding kindergarten programs in dedicated kindergartens and long day care centres



Source: Queensland Audit Office

Dedicated kindergartens deliver sessional programs, mostly in school hours during school terms, often on a five-day fortnight basis. In 2015, 98.9 per cent of dedicated kindergartens were community-based, not-for-profit organisations.

LDC providers with kindergarten programs typically operate five days per week for up to ten hours per day for up to 50 weeks per year. In 2015, LDC kindergarten providers were a mix of government and non-government as follows:

- private for-profit organisations — 840 (62.8 per cent)
- private not-for-profit organisations — 453 (33.8 per cent)
- independent schools — 37 (2.8 per cent)
- local government providers — 31 (0.6 per cent).

To claim the subsidy KPPs must:

- employ a qualified early childhood teacher to teach an approved kindergarten learning program for at least 600 hours per year (typically 15 hours per week for 40 weeks)
- only claim for children who are four years old by 30 June
- have a fee structure that is not a barrier to access. The fee for attending the kindergarten program should not be more than the daily fee charged for children attending long day care.

In this audit, we examine how well the QKFS supports universal access to quality kindergarten services for Queensland children.

Conclusions

The department has met the objectives of the NPA by increasing access to approved early childhood education programs in Queensland. Queensland's overall participation rate has reached the national target. The increase in supply has been largely market led, which in turn has meant that the department did not need to build all of the new kindergartens it had planned.

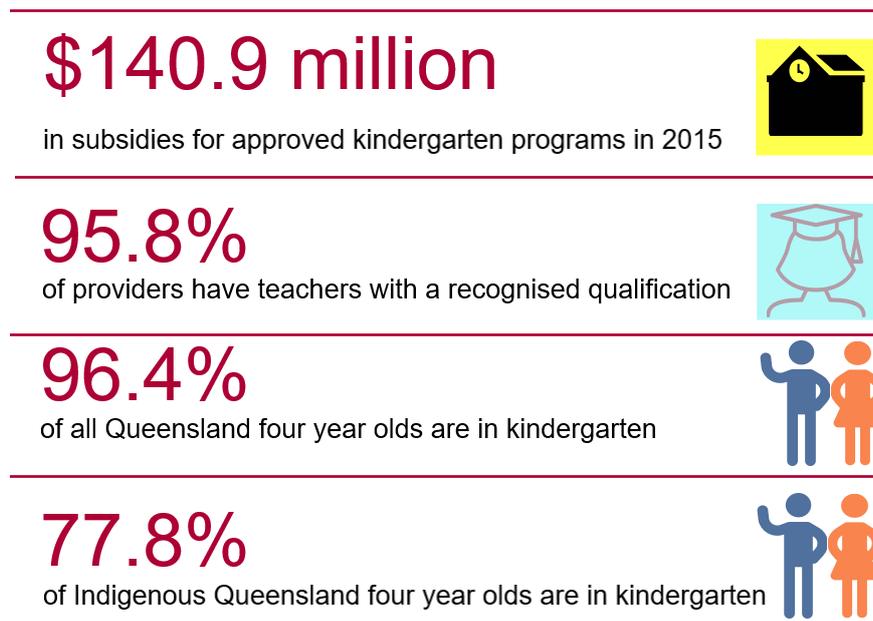
The government subsidies are helping to reduce fees and so make kindergarten accessible and more affordable. But some Queensland parents are paying too much, as some centres are not always passing on the subsidies correctly.

Now that it has achieved the overall access rates, the department needs to focus more on the quality of the services delivered to ensure the benefits of the reforms are realised. Inconsistencies in interpreting and delivering the universal access requirement of 15 hours per week (600 hours per year) could reduce the impact of the NPA in preparing children for transition to schooling and lifelong learning.

Some service providers are not always delivering the full 15 hours per week as intended. In some cases, the hours are not always being delivered by a qualified early childhood education teacher. Also, the learning programs differ between centres in terms of the amounts of time counted within the fifteen hours for activities such as travelling, eating, sleeping and playing. The program guidelines do not specify how much of each of these daily activities are allowed in an acceptable learning program.

The department could make its monitoring of service providers' compliance with the scheme requirements more efficient and effective by supplementing its face-to-face reviews with desktop audits and analysis. This would allow the department to cover more providers within existing resources and reduce the number of KPPs receiving more funding than they are eligible for. Our desktop analysis conducted as part of this audit identified 151 KPPs that potentially received overpayments due to claims for age-ineligible children.

Figure B
Overview of Queensland kindergarten programs for 2015



Source: Queensland Audit Office

Universal access to kindergarten

Universal access to a quality kindergarten program in the year before full-time school provides an opportunity for children to maximise their potential and make successful transitions to school.

Participation rates

The NPA sets the target at 95 per cent of age-eligible children enrolled in a kindergarten program. Queensland has achieved overall participation rates comparable to the other states and territories.

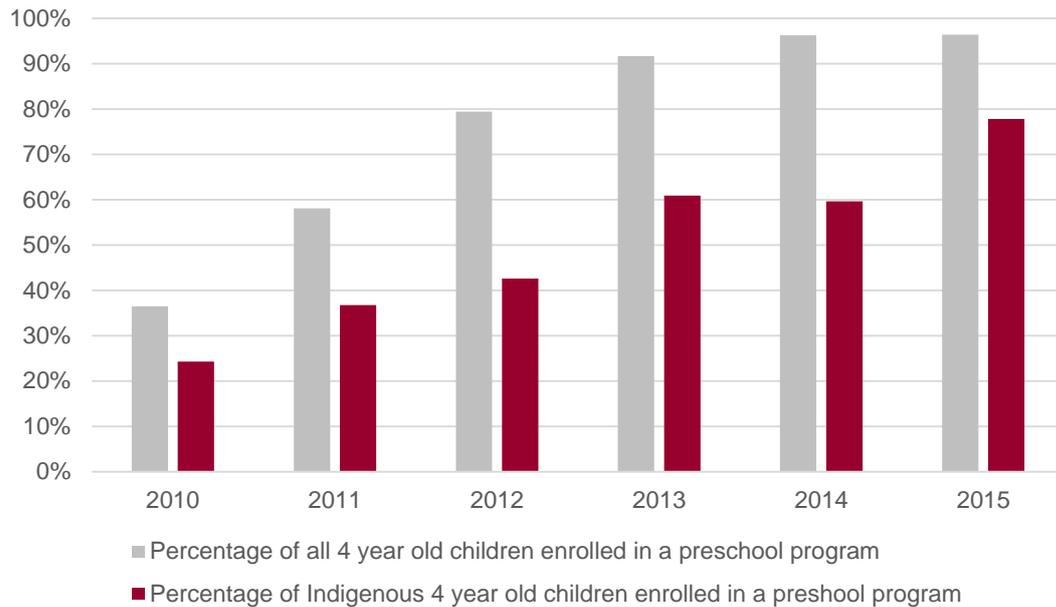
The Australian Bureau of Statistics (ABS) estimates the participation rate in Queensland in 2015 was 105.8 per cent. The national estimate is 107.7 per cent. The ABS counts five year olds and also counts some children twice (as some children attend more than one centre).

We excluded the five year olds and the double-counted children and estimate that in 2015, 96.4 per cent of four year olds were enrolled in a kindergarten program. Both the ABS and our counting methods show that Queensland has exceeded the target of 95 per cent.

The ABS calculation of the participation rate for Indigenous children in 2015 is 85.6 per cent. After we again exclude duplicate enrolments, we estimate that the proportion of four year old Indigenous children enrolled in kindergarten programs is 77.8 per cent. The NPA participation target for Indigenous children is also 95 per cent.

Figure C illustrates the growth achieved in the percentage of children enrolled in kindergarten programs over the last six years.

Figure C
Percentage of children enrolled in a kindergarten program



Note: 2010 to 2012 percentages are based on the episodes of kindergarten enrolments. An episode represents a single occurrence of a child enrolled in a kindergarten program. For 2013 to 2015, children enrolled in more than one provider type were excluded.

Source: Queensland Audit Office from information published by the Australian Bureau of Statistics.

The current strategies have increased the participation of Indigenous children from 24 per cent to 78 per cent, but they have not achieved the target of 95 per cent participation.

The rate of growth in participation has been similar overall and for Indigenous children. But because it started from a lower base, the improvement in Indigenous participation rates has been relatively more pronounced — there are 3.3 times more Indigenous children participating in 2015 than in 2010, compared to 2.7 more overall.

The Australian Government pays the states and territories based on performance. In 2014–15, Queensland's NPA allocation was \$74.9 million. The state received \$65 million — \$9.9 million less — as it did not achieve the Indigenous target.

Removing barriers to access

The department has successfully increased the supply of kindergarten places by:

- building an additional 148 kindergartens across the state
- supporting the existing dedicated kindergartens and LDCs in offering affordable kindergarten programs
- offering a Pre-Prep program in Indigenous communities.

The numbers of LDC centres providing approved kindergarten services across the state has increased 84.2 per cent, from 730 to 1 345, since the introduction of the QKFS.

The affordability of kindergarten programs varies considerably from centre to centre and by type of provider. In accordance with the QKFS requirements, all KPPs we visited charged daily fees the same or less than day care rates. In some low socio-economic areas there was no fee.

Out-of-pocket expense is a key barrier for families in sending children to kindergarten. The QKFS helps to lower the cost barrier for families.

KPPs can claim QKFS Plus Kindy Support subsidies for eligible families, for example, Aboriginal or Torres Strait Islanders, holders of a health care card, and those with multiple births. KPPs must use this subsidy to reduce out-of-pocket expenses for those eligible families. The department's 2015 service reviews covered 145 LDCs and identified 10 LDCs (7 per cent) not passing on the QKFS Plus Kindy Support subsidy. We also found one out of the 18 KPPs we visited (5.6 per cent) with a fee structure that did not reduce the out-of-pocket expenses to the eligible families.

The department has initiated information sessions to address the risk of KPPs not passing on the subsidies because they do not understand the QKFS guidelines.

However, the department has not addressed the risk that KPPs may understand the requirement and still choose not to pass on the subsidy to eligible families. This could constitute fraud. The department's Fraud and Corruption Control Framework requires potential fraud greater than \$500 to be reported and investigated. Currently, the service review framework does not outline how to apply the department's Fraud and Corruption Control Framework where reviews identify claim anomalies with the potential for fraud.

Quality requirements

Australia has a national framework to ensure early childhood education programs meet recognised quality requirements. The department regulates Queensland KPPs and approves, rates, monitors and enforces the National Quality Framework and the National Quality Standard.

Approved program hours and composition

One of the key requirements for kindergarten services is to deliver an approved learning program. All 18 centres we visited were delivering an approved learning program, thus meeting one aspect of the quality criteria.

At the centres we visited, there were different interpretations of the requirements of the activities that can be included in a quality kindergarten program.

We found a wide variation in the settings and type of activities for the children and the amount of time spent on each. There is no research or publicly available guidance to inform the delivery of the 600 hours of kindergarten.

As a result, the department cannot be certain if there are long-term advantages or disadvantages to children participating in programs that include:

- composite rooms with two, three and four year olds
- daily travel time on a bus
- time where the teacher is supervising kindergarten and long day care simultaneously
- different amounts of time for outdoor play, lunch and/or sleep.

Qualified teachers

Another key quality requirement relates to the qualifications of the teacher. All the centres we visited had qualified early childhood teachers (ECT), although two had gaps of up to six weeks in ECT employment periods.

In August 2015, 71 KPPs (4.2 per cent) claimed QKFS subsidies despite reporting that, on the day of the annual national census of early childhood education and care, a qualified ECT was not delivering the program. It is possible that the ECT was absent that week.

Managing the subsidy scheme

KPPs can only claim the subsidy for eligible age children enrolled for at least 600 hours per year, which is typically 15 hours per week for 40 weeks.

The department reviews LDC services for their compliance with the guidelines. The review process relies on site visits to a sample of LDCs to confirm their claims. The department's review team intends to visit 18 per cent of LDC services in 2015–16.¹ In the past, it's visited 8 per cent and 14 per cent.

The department does not review the kindergarten services claiming QKFS subsidies through a central governing body (CGB), because a 2013 departmental review indicated the CGBs had adequate internal controls.

Long day care

The department has satisfactory controls in the QGrants system (the whole-of-government online grants management system) to ensure an LDC service cannot claim QKFS subsidies unless it is an approved KPP.

The department found about half of the LDC services it reviewed in 2015 did not comply with the QKFS guidelines. Out of the 251 LDCs reviewed, department staff determined that 105 LDCs were not delivering the learning program for 600 hours per year.

We analysed a broad range of data and identified through a desktop audit that in 2015, 151 KPPs had claimed for a potential 315 ineligible three year old children. The department had not reviewed these centres and had not identified these over-claims.

Relying solely on site visits is expensive and time consuming, as it requires a lot of travel and time to complete the review at each centre. The department uses its own information and complaints to select LDC services for review. It does not work with or formally share information with the other bodies responsible for child care subsidies, such as the Australian Government. The current compliance program is not maximising coverage of KPPs because it relies on a limited range of data sources to inform the risk-based selection of its visits.

Dedicated kindergartens

To be eligible to claim QKFS subsidies, dedicated kindergartens must belong to an approved CGB.

It is the responsibility of the CGBs to establish policies and procedures for collecting and reporting information from its member kindergarten services to ensure subsidy claims are accurate, including:

- enrolments
- number of children attending as delayed entry or delayed exit
- demographic characteristics of children
- eligibility for additional subsidies
- fees.

We identified claim errors at four of the KPPs reporting to CGBs. This shows that the department requires a greater level of assurance from individual CGBs over the accuracy of their claims. Because the department does not conduct service reviews of KPPs reporting through CGBs, there is a risk that subsidy errors will not be identified.

Recommendations

We recommend that the Department of Education and Training:

1. provides evidence-based guidance in line with the National Quality Standard to approved kindergarten program providers on the experiences and activities that form part of an approved kindergarten program to help children successfully transition to school
2. uses a broad range of internally and externally available data sources to inform the risk-based selection of kindergarten program providers to review
3. supplements its existing service review framework to include:
 - desktop reviews of subsidy claims to improve coverage of its compliance program
 - clear guidance to the review officers on how to apply the department's Fraud and Corruption Control Framework
4. requests an annual assurance statement from the central governing bodies that their individual kindergarten services comply with the Queensland Kindergarten Funding Scheme guidelines.

Reference to comments

In accordance with s.64 of the *Auditor-General Act 2009*, a copy of this report was provided to the Department of Education and Training with a request for comments.

Their views have been considered in reaching our audit conclusions and are represented to the extent relevant and warranted in preparing this report.

The comments received are included in Appendix A of this report.

1. Context

In Australia, 'preschool' is the generic term used to describe the structured early learning program provided to children by a degree-qualified early childhood teacher in the year before formal schooling. Some states and territories, including Queensland, refer to this program as kindergarten, and we use this term throughout the report.

Refer to Appendix C for definitions of other key terms used throughout this report.

The National Partnership Agreement

The Australian, state and territory governments recognised that they could achieve substantial health, learning and behaviour benefits by investing in early education. In February 2009, the Council of Australian Governments established the National Partnership Agreement (NPA) on Early Childhood Education. This agreement ran from the beginning of 2009 until June 2013. Its desired outcomes are that:

- all children have access to affordable, quality early childhood education in the year before formal schooling
- all Indigenous four year olds in remote Indigenous communities will have access to a quality early childhood education program.

In June 2013, the NPA on Universal Access to Early Childhood Education replaced the NPA on Early Childhood Education.

The new agreement aimed to maintain service delivery to the end of 2014. It introduced performance-based funding and offered \$12.6 million less funding than the previous agreement. It allowed kindergarten program providers (KPPs) more flexibility in program delivery by expressing the required hours as 600 hours in the year before full-time school. It also brought teacher qualification requirements in line with the National Quality Framework.

In October 2014, the Australian Government committed a further \$406 million to ensuring continued access to 600 hours of kindergarten program per year in 2015. Funding under the extended agreement covered service delivery from 1 January to 31 December 2015.

In December 2015, the Queensland Government signed a new NPA with the Australian Government. This provides funding to continue universal access to kindergarten programs for 2016 and 2017 to the value of up to \$175.8 million for Queensland.

The NPAs since 2013 all require the Australian Government to make payments to the states and territories if satisfied that they have achieved the agreed milestones and performance benchmarks. The performance indicators under the NPA on Universal Access to Early Childhood Education relate to teacher qualifications, access to quality programs, availability of programs, and enrolment and attendance in kindergarten.

In 2008, the proportion of four year old children enrolled in kindergarten in Queensland was 29 per cent, the lowest nationally. By 2015, the participation rate had increased to around 96.4 per cent. This exceeds the target of 95 per cent of eligible age children enrolled in a kindergarten program. Queensland has not, however, met its target for Indigenous children.

Kindergarten delivery models

Across Australia, there are two main types of kindergarten delivery:

- sessional (or part-time) dedicated kindergarten services
- kindergarten programs delivered in a long day care (LDC) setting.

Dedicated kindergartens deliver sessional programs and in 2015 comprised 28.7 per cent of providers. They mostly operate in school hours during school terms, often on a five-day fortnight basis. Government and non-government organisations deliver dedicated kindergarten programs. Non-government services comprise non-state schools, community-based not-for-profit organisations and for-profit private organisations.

LDC providers made up 71.3 per cent of kindergartens in 2015. They typically operate five days per week for up to 10 hours per day for up to 50 weeks per year.

About half of Australian kindergarten children attend a dedicated kindergarten service with the other half in an LDC kindergarten program. Parents not in the workforce or with flexible work or child care arrangements (such as nannies, family day care and family members) are more likely to choose a dedicated kindergarten. Parents with less flexibility in work arrangements tend to choose an LDC provider setting for kindergarten services, due to the need for care outside of school hours.

In 2015, there were 10 475 organisations providing kindergarten services in Australia. Almost 40 per cent were dedicated kindergarten service providers and 60 per cent were LDC centres offering a kindergarten program. Figure 1A shows the number of kindergarten services, by type of provider, in all states and territories.

Figure 1A
Kindergarten services in Australia by provider type — 2015

Provider type	QLD	NSW	VIC	SA	WA	TAS	NT	ACT	AUST
Government	113	157	234	340	653	153	7	82	1 739
Non-government	458	676	914	27	249	56	3	7	2 390
Total dedicated kindergartens	571	833	1 148	367	902	209	10	89	4 129
Long day care with kindergarten	1 422	2 621	1 236	335	450	88	69	125	6 346
Total kindergartens	1 993	3 454	2 384	702	1 352	297	79	214	10 475

Source: Australian Bureau of Statistics

State and territory governments provide funding to approved KPPs (dedicated kindergartens and LDCs). Historically, each state and territory has a different service delivery profile. For example, New South Wales and Queensland predominantly have kindergarten programs in LDC centres, whereas in Western Australia and Tasmania, the government is the largest direct provider of kindergarten services, usually in dedicated facilities.

Funding kindergarten services

There are four key sources of funding for kindergarten services:

- Australian Government funding through the NPA on Universal Access to Early Childhood Education
- fee subsidies provided by the Australian Government — Child Care Benefit and Child Care Rebate — for eligible families accessing kindergarten programs in LDCs
- state and territory government funding
- parent fees for kindergarten services.

Figure 1B shows the Australian Government's financial contributions under both NPAs.

Figure 1B
Australian Government contributions to states and territories

Date	Agreement	Amount (\$ millions)
February 2009	NPA on Early Childhood Education	955.0
June 2013	NPA on Universal Access to Early Childhood Education	655.6
October 2014	Further allocation	404.5
April 2016	Allocation for 2016, 2017 and 2018	840.0
Total NPA funding		2 855.1

Source: Queensland Audit Office from National Partnership Agreements

The payments to the states and territories from 2009 to 2012 (inclusive) under the first NPA were set at a level designed to assist those jurisdictions further behind in delivery of kindergarten services to catch up. Under the second NPA, the Australian Government calculates the payments to the states and territories based on the proportion of the four year old population in each jurisdiction. Figure 1C shows the amount allocated to Queensland.

Figure 1C
Allocations to Queensland from the National Partnership Agreements

Year	Allocation (\$ millions)	Payments (\$ millions)
2009–10	34.6	34.6
2010–11	29.5	29.5
2011–12	90.3	90.3
2012–13	100.7	100.7
2013–14	85.0	67.9
2014–15	74.9	65.0
2015–16	86.1	
2016–17	87.5	
Total	588.6	388.0

Source: Department of Education and Training from National Partnership Agreements

The Australian Government reduced Queensland's payments in 2013–14 and 2014–15 as the state did not meet the performance targets for Indigenous children agreed in the NPA.

Roles and responsibilities

In December 2009, all Australian governments, through the Council of Australian Governments, agreed to establish a National Quality Framework for Early Childhood Education and Care. The National Quality Framework comprises the Education and Care Services National Law (the national law) and the Education and Care Services National Regulations (the regulations) that apply nationwide to kindergartens, family day care, before and after school care, and LDC services.

The National Quality Framework aims to raise quality and drive continuous improvement in education and care services through:

- the National Quality Standard for early childhood education and care and school age care
- a national quality assessment and rating process
- streamlined regulatory arrangements
- a new national body jointly governed by the Australian Government and state and territory governments — the Australian Children’s Education and Care Quality Authority (ACECQA) — to oversee the new system.

The primary role of the ACECQA is to guide the administration of the National Quality Framework to ensure consistent implementation across all states and territories. The Department of Education and Training (the department) is the regulatory authority for Queensland. As such, its role is to administer the National Quality Framework. It is responsible for:

- granting all approvals, including provider approval, service approval and supervisor certificates
- assessing and rating services against the National Quality Standard and the National Regulations
- monitoring and enforcing compliance with the national law and regulations, including receiving and investigating serious incidents and complaints
- working with the ACECQA to promote continuous quality improvement, and educating the sector and community about the National Quality Framework.

There are five service rating levels in the National Quality Standard:

- excellent rating, awarded by the ACECQA
- exceeding National Quality Standard
- meeting National Quality Standard
- working towards National Quality Standard
- significant improvement required.

The department is also responsible for managing the Queensland Kindergarten Funding Scheme (QKFS) which supports the state government’s commitment to providing children with access to high quality early childhood education programs.

Figure 1D shows the National Quality Standard ratings for the KPPs that claimed QKFS subsidies in 2015.

Figure 1D
National Quality Standard ratings in 2015

Overall rating	Number of KPPs claiming QKFS subsidies	Proportion of KPPs
Excellent	8	0.4%
Exceeding National Quality Standard	585	32.1%
Meeting National Quality Standard	562	30.9%
Working towards National Quality Standard	339	18.6%
Significant improvement required	0	0.0%
Not yet assessed	328	18.0%
Total	1 822	100.0%

Source: Queensland Audit Office

Queensland Kindergarten Funding Scheme

To meet the objectives of the NPA, the Queensland Government introduced a dual strategy of subsidising kindergarten programs and funding the delivery of additional kindergarten services.

The department established the Queensland Kindergarten Funding Scheme (QKFS) in January 2010. Under this scheme, providers of approved kindergarten programs receive subsidies to:

- offset the costs of implementing and operating a kindergarten program
- ensure cost is not a barrier to families accessing kindergarten programs.

To receive funding under the QKFS, a kindergarten service or LDC service must be an approved KPP and meet a set of criteria about the quality of, and access to, an approved kindergarten program.

The QKFS funding guidelines detail the eligibility requirements. The guidelines specify how the KPPs must use the QKFS subsidies. There are separate guidelines for LDC services and for central governing bodies (CGBs) and their member kindergarten services.

The five CGBs approved to provide kindergarten services in Queensland are:

- Crèche and Kindergarten Association Limited
- Independent Schools Queensland
- Lady Gowrie (Qld) Inc.
- Queensland Catholic Education Commission
- Queensland Lutheran Early Childhood Services.

The department allocates the QKFS subsidy to the CGBs in advance per semester as a block amount based on projected enrolments. This is reconciled to actual enrolments and adjusted accordingly.

Where actual enrolments exceed forecast, the department provides additional subsidies to CGBs. Where forecast enrolments exceed actuals, CGBs return the overpaid portion of the QKFS subsidies to the department. The CGBs are responsible for distributing the funding to their members, consistent with each service's enrolments.

The department distributes the QKFS subsidy quarterly in arrears to LDC services that deliver an approved kindergarten program, based on the actual number of eligible children enrolled.

The QKFS subsidises each eligible child enrolled in a kindergarten program, with additional funding for disadvantaged and remote service locations and for low-income families.

The QKFS funding consists of four subsidy payments:

- standard per child subsidy — paid for each eligible child
- remote area subsidy — provided to services to attract and retain qualified early childhood teachers in remote areas. It is a loading of 50 per cent of the standard subsidy rate
- low socio-economic subsidy (based on the Socio-Economic Indexes for Areas (SEIFA) from the Australian Bureau of Statistics) — provided to services to reduce out-of-pocket expenses for all families participating in the kindergarten program. It is a loading per eligible child of up to 45 per cent of the standard subsidy rate
- QKFS Plus Kindy Support — provided to services to reduce out-of-pocket expenses for eligible families, for example, Aboriginal or Torres Strait Islanders, holders of a health care card, and those with multiple births.

Legacy-funded kindergarten services may be eligible to receive a Real Funding Guarantee. It is a guaranteed minimum level of funding that recognises previous funding entitlements under the former funding scheme — the Department of Education Community Kindergarten Assistance Scheme.

Figure 1E outlines the different payment amounts.

Figure 1E
Payment types and amounts

Payment type	Service type	Subsidy amount per eligible child per annum	Total paid in 2015
Standard per child subsidy	Kindergarten services	\$2 670	\$53 087 136
	Long day care services	\$1 575	\$51 393 237
Remote area subsidy	Kindergarten and long day care services	Up to 50 per cent of standard subsidy rate	\$2 926 101
Low socio-economic subsidy	Kindergarten services	30 per cent of standard subsidy rate for SEIFA 3 and 4 areas	\$3 469 545
		45 per cent of standard subsidy rate for SEIFA 1 and 2 areas	\$3 093 503
	Long day care services	25 per cent of standard subsidy in SEIFA 1 and 2 areas	\$1 732 686
QKFS Plus Kindy Support	Kindergarten services	Up to \$2 954.60	\$13 829 503
	Long day care services	Up to \$1 186.15	\$7 989 298
Real Funding Guarantee	Kindergarten services	Portion of funding still exceeding QKFS	\$3 442 597
Total			\$140 963 606

Source: Queensland Audit Office from Queensland Government Business and Industry Portal

LDC services receive lower subsidies from the Queensland Government than dedicated kindergarten services. This is because families with children attending LDC services may be eligible for Australian Government child care subsidies such as the Child Care Benefit and Child Care Rebate to reduce out-of-pocket costs.

The department conducts service reviews of selected LDC services to monitor compliance with QKFS requirements. The department has agreements in place with the CGBs but does not conduct its own service reviews as it does not have a direct funding relationship with dedicated kindergartens. The service agreements between the department and the CGBs require the CGBs to provide financial and non-financial biannual reports.

Audit objective and cost

The objective of the audit was to determine if the QKFS supports universal access to quality kindergarten programs for eligible children.

The audit addressed the objective through the following sub-objectives:

- The QKFS assists in removing barriers to universal access to quality kindergarten programs.
- The Department of Education and Training effectively manages and monitors kindergarten program provider compliance with the QKFS guidelines.

The audit cost \$415 000.

Entities subject to this audit

The audit includes:

- the Department of Education and Training
- a sample of central governing bodies. (These administer funding for approved kindergarten providers not eligible for Australian Government funding. Kindergartens, mostly dedicated sessional centres, can't claim subsidies directly.)
- 18 kindergarten program providers across Queensland (of which nine were long day care services and nine were kindergarten service providers).

Report structure

Chapter	
Chapter 2	assesses the quality requirements of the QKFS.
Chapter 3	examines universal access to kindergarten.
Chapter 4	assesses the management of the QKFS.
Appendix A	contains responses received on this report.
Appendix B	outlines the audit methodology.
Appendix C	contains a glossary.

2. Quality early childhood education

In brief

Research indicates early childhood education has to be of a high quality to be effective in achieving the expected health, learning and behaviour benefits.

The National Quality Standard is a key aspect of the National Quality Framework introduced in 2012. It sets a national benchmark for early childhood education and care services in Australia.

The quality requirements of the Queensland Kindergarten Funding Scheme (QKFS) align with the National Quality Framework. There are several quality requirements for kindergarten program providers (KPPs). The key ones for claiming the QKFS include the:

- quality of the learning program being taught
- qualifications of the teacher
- amount of time delivered — 600 hours annually, which is typically 15 hours per week for 40 weeks.

Conclusions

The QKFS is supporting KPPs who are generally meeting the quality requirements. There is a high level of compliance with the requirement to have a qualified early childhood teacher (ECT) although some providers have had gaps in ECT employment periods.

Combined with an approved learning program, this provides a strong foundation for Queensland children to receive quality early education. However, inconsistencies in interpreting and delivering the universal access requirement of 15 hours per week (600 hours per year) could reduce the impact of the NPA in preparing children for transition to schooling and lifelong learning.

Findings

- All 18 centres we visited were delivering an approved learning program, thus meeting one aspect of the quality criteria.
- The centres we visited had different interpretations of the requirements about the amount and type of activities that can be included in the delivery of an approved kindergarten program, for example, play, sleep, travel and eating time. There is no guidance to KPPs specifying the activities that constitute an approved program.
- A qualified ECT is not always teaching the learning program; two centres we visited had gaps of up to six weeks in ECT employment periods.
- In August 2015, 71 KPPs (4.2 per cent) claimed QKFS subsidies despite reporting that, on the day of the national collection, a qualified ECT was not delivering the program. It is possible that the ECT was absent that week.

Recommendation

We recommend that the Department of Education and Training:

1. provides evidence-based guidance in line with the National Quality Standard to approved kindergarten program providers on the experiences and activities that form part of an approved kindergarten program to help children successfully transition to school.

Introduction

The Department of Education and Training (the department) is the regulatory authority in Queensland responsible for administering the National Quality Framework in the state.

To receive Queensland Kindergarten Funding Scheme (QKFS) funding, a kindergarten service or long day care (LDC) provider must be an approved kindergarten program provider (KPP) and meet the following quality criteria:

- It must hold a current service approval under the Education and Care Services National Law (Queensland) or service approval for a centre-based child care service, under the *Education and Care Services Act 2013* (or other applicable child care legislation).
- It must offer an approved learning program that is delivered by a qualified early childhood teacher (ECT).

KPPs refer to advice from the Australian Children's Education and Care Quality Authority (ACECQA) and the department to assess whether their teachers have the required qualifications when completing the annual national census of early childhood education and care.

The department has a program of service reviews for checking that selected LDCs meet the QKFS requirements.

This chapter assesses how the QKFS supports quality kindergarten programs. We examine whether approved KPPs provide programs that meet the eligibility criteria, including the requirement for an ECT-delivered program.

Conclusions

The department is effectively monitoring compliance of KPPs with QKFS learning program requirements. Kindergarten service providers are delivering approved learning programs that meet QKFS quality requirements. Queensland KPPs are also achieving a high level of compliance with the requirement to have a qualified ECT, although some providers have had gaps in ECT employment periods.

The lack of specificity about what activities constitute the learning program enables the KPPs to tailor the learning program to the needs of their community. It means that the children enrolled have different experiences of kindergarten programs and their content. These variations in interpreting and delivering at least 15 hours per week (600 hours per year) as required could affect children's readiness for school.

One of the QKFS subsidies, Accessibility/Remoteness Index of Australia (ARIA — based on information provided by the Australian Bureau of Statistics) funding, is also supporting KPPs in attracting teachers to remote areas to deliver quality kindergarten programs.

Approved learning program

To meet the QKFS eligibility criteria, KPPs must deliver an approved education program. This program must follow the Queensland kindergarten learning guideline (QKLG) or an alternative kindergarten curriculum accredited by the Queensland Curriculum and Assessment Authority.

The QKLG is based on the Early Years Learning Framework which was developed by the Council of Australian Governments. The framework describes the principles, practice and outcomes for supporting and enhancing young children's learning from birth to five years.

The Crèche and Kindergarten Association Limited (C&K) has developed its own kindergarten curriculum — Building Waterfalls — which the Queensland Curriculum and Assessment Authority has accredited.

The department checks that KPPs deliver an approved learning program. It does this when it rates the KPPs against the quality standard and also when it conducts service reviews. These controls are effective. All 18 centres we visited were delivering an approved learning program.

Program composition

KPPs can only claim the subsidy for children enrolled for at least 600 hours per year — typically 15 hours per week for 40 weeks. The department gives two examples of 15 hours a week programs:

- two days a week from 8.30 am to 4.00 pm each day
- three days a week from 9.00 am to 2.00 pm each day.

To meet the requirements of delivering the kindergarten program 15 hours per week, KPPs structure the day in a number of ways:

- Dedicated kindergartens typically provide programs for five six-hour days per fortnight. This averages to 15 hours per week as all children enrol for five days per fortnight.
- LDC services typically offer a kindergarten program seven and a half hours per day, five days a week.

LDC services can provide greater flexibility by combining day care and kindergarten. Services often manage the day care component through multi-age groups. Once the scheduled kindergarten program begins, the children move to the kindergarten room and the qualified ECT delivers the approved learning program.

Generally, a less qualified educator (on a lower hourly rate) supervises the long day care program before and after the kindergarten program.

The National Quality Framework does not give clear advice on what can be included in the daily routine of a quality kindergarten program to count towards an approved program.

The department advises that KPPs have flexibility in how they can deliver the kindergarten program for 15 hours a week and provides the following guidance:

'15 hours' refers to the hours [the] program operates and includes arrival, lunch, rest and departure routines, and the teacher's meal break when another educator will need to supervise the children.

Neither the department nor the National Quality Framework explain how to consider the time when kindergarten children mix with younger children, mostly during playtime. The department staff conducting service reviews of LDC services consider that, although a qualified ECT may be present during mixed-age playtime, they are not in a position to deliver the approved learning program to the kindergarten children. The LDC services we visited contended that mixed-aged playtime forms part of the learning program when a qualified ECT is present.

Figure 2A illustrates the various interpretations at three of the LDC services we visited. We acknowledge that individual centres and teachers plan the daily routine to meet the needs of their particular community. Centres one and two claimed for children attending two or more days per week. Centre three claimed for children attending three or more days per week.

At three LDC services we visited, the ECTs also supervise other children in day care programs during outdoor playtime.

At one centre, the education assistant (not a qualified ECT) accompanies the children on the bus home in the afternoons. The centre includes 30 minutes per day of this travel time as part of the program delivery time to make up the 15 hours per week.

Figure 2A
Daily kindergarten routines at three LDC centres

Time	Centre one	Centre two	Centre three
6:00 – 7:00 am			
7:00 – 8:00 am	Before kindy care	Before kindy care	
8:00 – 9:00 am			
9:00 – 10:00 am	Core learning time	Show and tell	Welcome time
10:00- 11:00 am	Morning tea	Morning tea	Morning tea
11:00 – 12:00 pm	Core learning time	Core learning time	Outdoor play with pre-kindergarten children
12:00 – 1:00 pm	Lunch	Clean up time	Core learning time
1:00 – 2:00 pm	Sleep/rest time	Lunch	Lunch
2:00 – 3:00 pm	Afternoon tea	Sleep/rest time	Sleep/rest time
3:00 – 4:00 pm	Core learning time	Core learning time	Core learning time
4:00 – 5:00 pm	Outdoor play with pre-kindergarten children	Afternoon tea	Outdoor play with pre-kindergarten children
5:00 – 6:00 pm	After kindy care	Outdoor play	
6:00 – 7:00 pm		After kindy care	
	7 hours and 30 mins per day	7 hours and 30 mins per day	6 hours per day

Note: the red rectangle denotes the time when the ECT is present.

Source: Queensland Audit Office

There is no research or publicly available evidence to inform the delivery of the 600 hours of kindergarten. It is not clear if there are long-term advantages or disadvantages to children participating in programs that include:

- composite rooms with two, three and four year olds
- travel time on the bus
- time when the teacher is supervising kindergarten and long day care simultaneously
- different amounts of time for outdoor play, lunch and/or sleep.

Inconsistencies in interpreting and delivering the universal access requirement of 15 hours per week (600 hours per year) could reduce the intended outcome of the NPA in preparing children for their transition to schooling and lifelong learning.

Qualified teachers

The ACECQA publishes a list of approved early childhood teaching qualifications based on the minimum qualification requirements in the National Quality Framework. It considers that, in certain circumstances, 'actively working towards' an early childhood teaching qualification can be counted towards qualification requirements.

The ACECQA requirements for 'actively working towards' an approved qualification are:

- being enrolled in a course for the qualification
- having commenced the course
- making satisfactory progress towards completion

- meeting the requirements to maintain enrolment
- holding an approved Certificate III qualification OR having completed the approved Certificate III units OR having completed 30 per cent of the units in an approved early childhood teacher qualification.

Additionally, until 1 January 2018, once an educator has completed 50 per cent of an approved ECT qualification or holds an approved diploma level qualification, they can be counted as an ECT.

After 1 January 2018, an ECT will need to have completed an approved early childhood teaching qualification to meet the ACECQA requirements.

KPPs refer to advice from the ACECQA and the department to assess whether their teachers have the required qualifications. In 2015, the majority (83.2 per cent) of KPPs claiming QKFS subsidies reported they employed fully qualified ECTs. A small proportion (12.6 per cent) of KPPs reported their ECTs were enrolled in approved courses and working towards their qualification.

The department staff validate each ECT's qualifications against the ACECQA list of approved qualifications during their service reviews of LDC centres.

At the 18 centres we visited, all the teachers were qualified ECTs with the necessary documentation. However, at two centres there were gaps of five and six weeks between when a teacher resigned and a new ECT started.

There may be situations where a KPP is unable to meet the staffing requirements for the kindergarten program. For example, a teacher may be ill or on unexpected leave. In this case, the KPP must make every effort to engage another qualified ECT and if this fails, it can engage a qualified educator. The KPP can still claim the QKFS subsidy if:

- the qualified ECT is on leave for 10 consecutive working days or less; and
- an educator delivers the kindergarten program.

In a remote community, finding a qualified ECT may be difficult and if a teacher leaves, finding a replacement may take time. In these situations, the KPP can apply to the department for a temporary waiver. The waiver allows an approved KPP to continue to deliver the kindergarten program for a specified time without a qualified ECT.

Under the QKFS guidelines, an approved KPP without a qualified ECT can receive QKFS funding provided it has a temporary waiver. As at 23 November 2015, a total of 60 KPPs had teacher waivers in place.

In 2015, 71 KPPs (4.2 per cent) claimed QKFS subsidies despite reporting in the national data that they were not employing a qualified ECT to deliver the program on the day they completed the annual national census of early childhood education and care. One of these centres had a teacher waiver in place.

It is not possible to determine from nationally collected data whether the other 70 KPPs met the QKFS requirements (of qualified ECTs being on leave for no more than 10 consecutive working days).

Because the department does not use the nationally collected data to assess compliance with the QKFS requirements, it has not identified that KPPs are claiming the subsidy despite having no ECT and no waiver in place on the day of the national collection.

Attracting qualified teachers in remote areas

The department provides a remote area subsidy to kindergartens to attract and retain qualified ECTs in remote areas.

The subsidy is a per-child loading on the standard subsidy for KPPs operating in areas classified as remote and very remote (using ARIA).

The profile of teacher qualifications and length of service in remote and very remote areas is similar to the rest of the state. This indicates that the QKFS ARIA funding is helping KPPs to attract teachers to remote areas. One remote centre we visited provided incentives such as reimbursement of moving expenses and subsidisation of accommodation for the ECT.

Recommendation

We recommend that the Department of Education and Training:

1. provides evidence-based guidance in line with the National Quality Standard to approved kindergarten program providers on the experiences and activities that form part of an approved kindergarten program to help children successfully transition to school.

3. Universal access to kindergarten

In brief

Universal access to a quality kindergarten program in the year before full-time school provides all children with the opportunity to maximise their potential and make successful transitions to school. The National Partnership Agreement (NPA), established by Australian, state and territory governments, sets the target at 95 per cent of age-eligible children enrolled in a kindergarten program.

To achieve universal access, the Queensland Department of Education and Training (the department) has to make sure there are enough kindergarten places and that they are in the right locations. It also has to ensure that children are able to access at least 600 hours per year of a kindergarten program at an affordable cost to parents.

Conclusions

The department is meeting the objectives of the NPA by increasing the supply of kindergarten places. It does this by supporting existing dedicated kindergartens and long day care centres in offering affordable kindergarten programs. Overall, Queensland participation rates exceed national targets.

The kindergarten program providers (KPPs) are using the Queensland Kindergarten Funding Scheme (QKFS) subsidies to reduce the cost of going to kindergarten. But some parents are paying more than they should as providers are not always passing on subsidies correctly.

Findings

- Queensland kindergarten participation rates for four year olds exceed national targets. While the participation rate for four year old Indigenous children has significantly increased from 29 per cent in 2008 to 78 per cent (excluding duplicates — those enrolled at more than one kindergarten) in 2015, it remains below the target of 95 per cent.
- In 2014–15, the Australian Government withheld \$9.9 million in funding as Queensland did not achieve the target of 95 per cent participation rate for Indigenous children.
- The affordability of kindergarten programs varies considerably from centre to centre and by type of provider. A number of factors can influence the daily fee. All KPPs we visited charged kindergarten daily fees the same or less than day care rates.
- KPPs can claim higher subsidies for eligible families. KPPs must use this subsidy to reduce out-of-pocket expenses of the eligible families. The department's 2015 service reviews identified 10 services of the 145 reviewed that were not passing on the subsidies to the eligible families.

Introduction

To support all Queensland children in accessing kindergarten, the Department of Education and Training (the department) has to reduce the barriers to access by:

- making sure there are enough kindergartens across the state in the right locations
- encouraging families to access at least 600 hours per year of kindergarten
- reducing the cost.

The department provides subsidies to assist with the costs of delivering an approved kindergarten program. There are additional subsidies to reduce costs for eligible families. The guidelines specify that the kindergarten program providers (KPPs) must use the Queensland Kindergarten Funding Scheme (QKFS) Plus Kindy Support subsidy to reduce out-of-pocket expenses for eligible families and provide access to low or no cost kindergarten programs. The guidelines also outline the requirements about the eligible age cohort.

This chapter examines how the QKFS has assisted in removing barriers to universal access to approved kindergarten programs. We look at whether the supply of kindergarten programs meets the demand and if the QKFS is subsidising kindergarten programs that meet the eligibility criteria of 600 hours of affordable kindergarten to four year olds.

Conclusions

The high percentage of Queensland children enrolled in kindergarten shows that the department is generally making kindergarten programs available where they are needed and at an acceptable price. Existing strategies have increased participation rates for Indigenous students but not to the same level as those for non-Indigenous children. The state risks not receiving future Australian Government payments if it does not achieve the target for Indigenous children.

The department has successfully increased the supply of kindergarten places in a cost-effective manner by supporting the existing dedicated kindergartens and long day care (LDC) centres in offering affordable kindergarten programs. To meet demand in remote areas and Indigenous communities, the department is also providing kindergarten programs where the market does not provide access, such as eKindy and composite classes in schools.

The KPPs are using the QKFS subsidies to reduce the cost barrier of access to kindergarten in most cases.

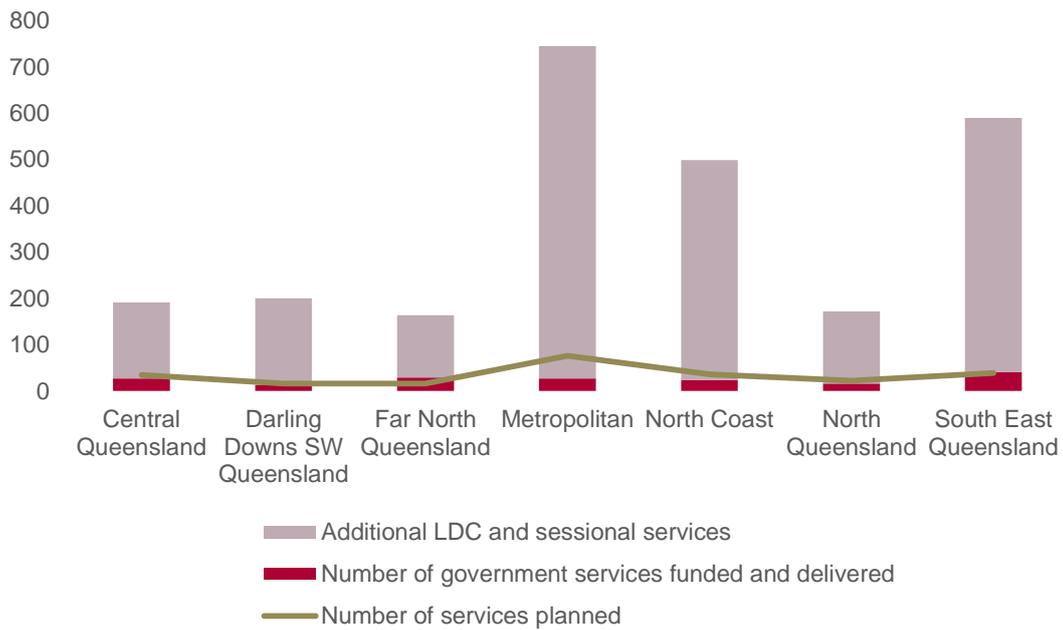
Supply and demand

Queensland supports a mixed market model for provision of early childhood education programs. The non-government sector is primarily responsible for the delivery of kindergarten programs across a range of settings, including stand-alone kindergartens, private and not-for-profit LDC services, and some non-state schools.

In 2009, the Bligh government committed to establishing 240 additional kindergarten services. By 2015, the department had delivered 148 of these new services across the state.

The department also began delivering a Pre-Prep program in Aboriginal and Torres Strait Islander communities. There are currently 30 Pre-Prep services. Figure 3A shows where the department planned and delivered the additional services, including the Pre-Prep program.

Figure 3A
Number of additional services planned and delivered



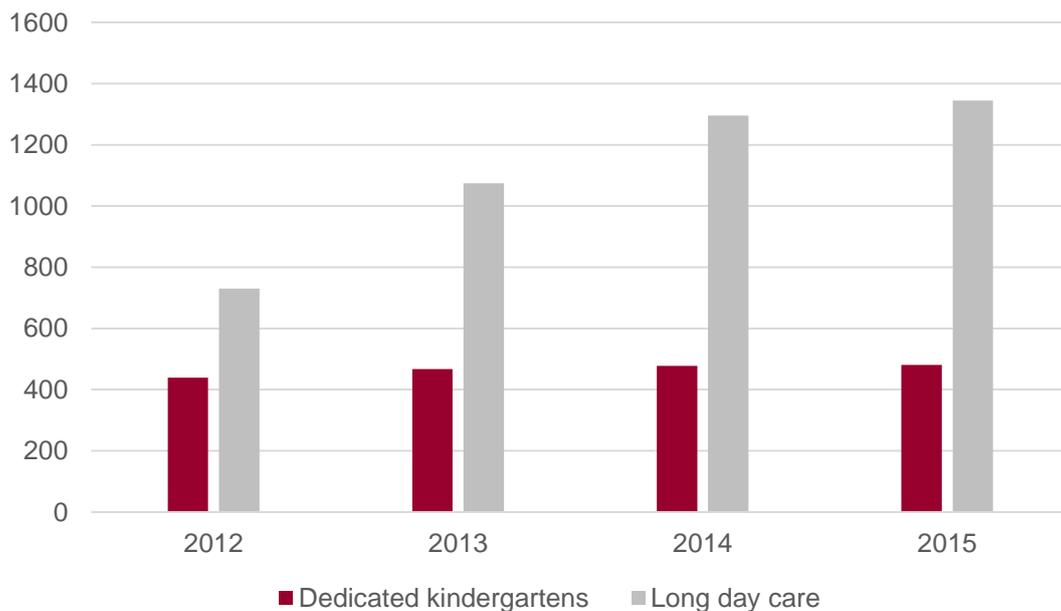
Note: KPPs can provide multiple services from a single centre. The number of additional services shows the increase in capacity for children.

Source: Queensland Audit Office from Department of Education and Training data

At the same time the state government was increasing kindergartens, the number of LDC centres offering a kindergarten program increased. This increase is the result of existing LDCs beginning to offer new kindergarten programs and of new centres opening.

By 2012, there were 730 LDC centres claiming the QKFS subsidy. This figure continued to increase and in 2015, there were 1 345 LDC centres, as illustrated in Figure 3B.

Figure 3B
Growth in kindergarten program providers in Queensland



Source: Queensland Audit Office from QGrants claim data

The department estimated that, together, LDCs, dedicated kindergartens and Pre-Prep provided enough capacity to meet demand. The department's forecasts indicated that if it continued to build new centres there would be an oversupply of kindergarten places. This could have affected the viability of existing centres. As a result, the department decided not to build the remaining 92 kindergarten services of the 240 that were originally planned.

The department has developed a range of options for children in remote areas to participate in kindergarten programs. This includes government operated kindergartens, eKindy, and composite classes in schools for kindergarten-aged children joining Prep classes in remote and rural areas where the market is not opening centres.

The department offers the eKindy program through the school of distance education. It is an 'at home' kindergarten program for children in the year before Prep. The program is supported by a qualified early childhood teacher and covers 15 hours of kindergarten for 40 weeks a year (school terms only).

Participation rates

The National Partnership Agreement (NPA) uses a proxy measure, as nationally comparable data is not available. The proxy measure for universal access is the proportion of children enrolled, in the year before full-time school, in a quality early childhood education program. The Australian Government calculates the funding for the NPA based on the proportion of four year olds in each state and territory. Payments to the states and territories have been performance based since 2013.

To calculate the rate, the Australian Bureau of Statistics (ABS) divides the number of all children aged four and five years enrolled in kindergartens by the estimated number of four year olds (based on ABS forecasts). Using this method gives Queensland a result of 105.8 per cent in 2015. The national result is 107.7 per cent. This is the method used to calculate the figures the department publishes in its annual report. This calculation includes:

- five year olds repeating kindergarten
- children enrolled at multiple centres.

We recalculated the rates just for four year olds and excluded the duplicate enrolments (children enrolled in more than one location). Based on the ABS estimates of the Queensland resident population for 2015 and the national census of early childhood education and care, the proportion of four year olds enrolled in a kindergarten program in Queensland is 96.4 per cent. This exceeds the national target of 95 per cent.

The ABS calculates the participation rates for Indigenous children at 85.6 per cent. We removed the duplicate enrolments and estimate that the proportion of four year old Indigenous children enrolled in a kindergarten program in Queensland is 77.8 per cent.

The department has achieved a significant growth in the participation rates for Indigenous children. In 2009, the department estimated the participation rate for Indigenous children was as low as 29 per cent. Providing a higher rate of subsidy for Indigenous families and delivering kindergarten through the Pre-Prep program in Indigenous communities has helped the Indigenous participation rate grow by an average of 11 per cent per year since 2010.

In 2014–15, Queensland's NPA allocation was \$74.9 million. The state received \$65 million — \$9.9 million less. This was because, while the current strategies to increase participation rates for Indigenous children have had some success, Queensland did not achieve the target of 95 per cent participation rate for Indigenous children.

In all states and territories, most children enrolled for 15 hours or more per week. The highest proportions of children enrolled for 15 hours or more per week in 2015 are in Western Australia (96.2 per cent) and Queensland (95.4 per cent).

Affordable kindergarten programs

The Queensland Government supports families in accessing affordable programs through the QKFS subsidies paid to approved KPPs. The department expects that the QKFS standard per-child subsidy reduces fees for the children enrolled in an approved kindergarten program. The department's guidelines state that an LDC:

... will have a fee structure that is not a barrier to access. For instance, it is expected that the fee for attending a kindergarten program at an LDC service should not be more than the daily fee charged for 3 to 5 year old children who access long day care.

All nine LDCs we visited complied with this requirement.

The fees for kindergarten programs vary considerably from centre to centre and by type of provider. The standard daily fee depends on whether the KPP receives the remote area (drawn from the Accessibility/Remoteness Index of Australia — ARIA) subsidy and/or the low socio-economic (drawn from the Socio-Economic Indexes for Areas — SEIFA) subsidy, based on its location.

SEIFA uses a broad definition of relative socio-economic disadvantage in terms of people's access to material and social resources and their ability to participate in society. This may not reflect the average wage of the users of the kindergarten program. Therefore, some families can be disadvantaged if they live in high socio-economic areas where the kindergarten does not receive the SEIFA subsidy.

Other factors that can affect the daily fee for individual children include:

- number of days enrolled — providers sometimes offer a discount for children enrolled for two or more days
- siblings enrolled — providers sometimes offer a discount when two or more children from the same family are enrolled at that centre
- eligibility for the QKFS Plus subsidy — for Indigenous children, multiple births and families with a health care card.

Passing on fee subsidies

The QKFS guidelines clearly require KPPs to use the QKFS Plus subsidy to reduce out-of-pocket expenses for eligible families before they can retain any balance and apply it towards the cost of delivering the kindergarten program.

In 2015, the department's service reviews identified 10 services (of 145 service reviews) that were not applying the QKFS Plus subsidy to reduce the out-of-pocket expenses of eligible families. At one centre we visited, the fee structure did not pass on the subsidy to the families who were entitled to it. This would meet the definition of fraud as outlined in the department's Fraud and Corruption Control Framework.

The framework lists fraud as any deliberate deceitful conduct or omission designed to gain an advantage to which a person or entity is not entitled. It is the intentional use of false representations or deception to avoid an obligation or gain unjust advantage, which, in the context of public administration, is commonly referred to as 'orting the system'.

The standard fees range from \$0 to \$117 per day. For QKFS Plus eligible families, they range from \$0 to \$86 per day.

4. Managing the subsidies

In brief

The Department of Education and Training (the department) operates the Queensland Kindergarten Funding Scheme (QKFS). Approved service providers can claim subsidies for eligible kindergarten services for eligible children.

The department manages the claims and payments to the kindergarten program providers (KPPs) — quarterly to long day care (LDC) services and each semester to dedicated kindergartens. It also conducts service reviews at LDC centres to ensure they are only claiming for eligible services and children. The department does not conduct reviews at the dedicated kindergarten services belonging to a central governing body (CGB).

Conclusions

The department could manage the subsidy payments to KPPs under the QKFS scheme more efficiently and effectively.

The department checks the payments to the CGBs are correct in terms of rate per claim type. But it receives limited assurance from the CGBs on the level of compliance with the QKFS guidelines for their individual services.

Although the department is identifying overpayments, it is not managing reviews of LDC centres as efficiently as it could. The current compliance program is not maximising coverage of KPPs because it relies on a limited range of data sources to inform the risk-based selection of visits.

Findings

- The department performs a range of manual controls on the claims from both the LDC services and the CGBs and verifies the rates used to calculate the subsidy payment.
- The department relies largely on information from internal sources or complaints when selecting LDC services for review. It does not make use of a broad range of information sources to identify potential over-claiming.
- The department found noncompliance with the QKFS guidelines at about half the LDC services it has reviewed since 2013. Out of the 251 LDCs reviewed, the department determined that 105 LDCs were not delivering the learning program for 600 hours per year.
- KPPs can only claim QKFS funding for children in the target age cohort — children who are at least four years old by 30 June in the year they participate in the kindergarten program. Our data analysis identified 151 KPPs that had potentially claimed for children not in the eligible age cohort.
- The department's service review framework does not outline how to apply the department's Fraud and Corruption Control Framework when the service reviews identify over-claims with the subsidies.
- We identified claim errors such as missing documentation or claiming for ineligible children, at four of the nine dedicated kindergarten services we visited. This shows that the department requires a greater level of assurance from the individual CGBs.

Recommendations

We recommend that the Department of Education and Training:

2. uses a broad range of internally and externally available data sources to inform the risk-based selection of kindergarten program providers to review
3. supplements its existing service review framework to include:
 - desktop reviews of kindergarten subsidy claims to improve coverage of its compliance program
 - clear guidance to the review officers on how to apply the department's Fraud and Corruption Control Framework
4. requests an annual assurance statement from the central governing bodies that their individual kindergarten services comply with the Queensland Kindergarten Funding Scheme guidelines.

Introduction

The Department of Education and Training (the department) provides subsidies to approved kindergarten program providers (KPPs) through the Queensland Kindergarten Funding Scheme (QKFS). The department designed the QKFS to help KPPs cover the cost of implementing and delivering an approved kindergarten program, thus supporting universal access to approved early childhood education programs.

The department has developed guidelines about the QKFS and its application. These include:

- *Program Delivery Guidelines for Approved Kindergarten Program Providers*
- *Funding Guidelines for Long Day Care Services*
- *Funding Guidelines for Central Governing Bodies and Member Kindergarten Services*

The department's guidelines specify the eligibility criteria for claiming the QKFS. The program is:

- provided for children in the year prior to Prep (children who are at least four years old by 30 June in the year they are enrolled in a kindergarten program)
- operated for at least 600 hours per year, typically for 15 hours per week and 40 weeks per year. Any other model must be agreed to by the department
- based on the Queensland kindergarten learning guideline or an alternative kindergarten learning guideline accredited by the Queensland Curriculum and Assessment Authority
- delivered by a qualified early childhood teacher (ECT).

The department has a program of risk-based service reviews for long day care (LDC) services to test whether the providers are complying with the requirements of the QKFS. There are no similar reviews of the kindergarten services claiming QKFS subsidies through a central governing body (CGB) because the department made an assessment that CGBs had adequate internal controls.

The review program provides an opportunity to obtain feedback from KPPs about potential barriers to the effective delivery of an approved kindergarten program. It also provides opportunities to reduce red tape and to give input to policy and guideline review.

When, through the service reviews, the department identifies that an LDC service has over-claimed the QKFS subsidy, it seeks to recoup the funds. Any over-claim is offset against future entitlements in QKFS.

This section examines how well the department manages and monitors KPPs' compliance with the QKFS guidelines.

Conclusions

The department could monitor compliance with the QKFS guidelines by LDC centres more efficiently and effectively.

Controls in QGrants (the whole-of-government online grants management system) are effective in preventing LDC services from claiming QKFS subsidies unless they are approved KPPs. The department's documented procedures for processing QKFS claims from LDC services include manual checks to test completeness and reasonableness of payments.

The department tests if the payments to the CGBs are accurate. But it receives limited assurance from the CGBs that their individual services' claims are accurate and consistent with QKFS guidelines. The department does not know what checks and review processes the individual CGBs are conducting on the claims.

The department is recouping overpayments to LDC centres. However, the current compliance program is not maximising coverage of kindergartens because it relies on a limited range of data sources to inform the risk-based selection of visits. The department needs to increase coverage of its reviews to reduce the current high level of claim errors.

The department's service review framework does not provide guidance on how to apply the department's Fraud and Corruption Control Framework when service review staff identify claim anomalies.

Managing claims

The department manages subsidies to LDC services and CGBs differently:

- LDC providers submit individual quarterly claims in arrears through the QGrants online portal.
- CGBs apply for subsidies on behalf of their members every six months through a forecast calculation spreadsheet (developed by the department).

Long day care services

The department uses QGrants to collect information and pay grants and subsidies, including the QKFS.

Before being able to lodge a claim through QGrants, KPPs need to apply for an account. The department ensures the KPPs meet the national and state requirements before granting access to the QGrants portal.

When assessing the application for access, the department performs a number of checks on each KPP's:

- learning guidelines
- program hours
- fee structure
- teacher details (including qualifications)
- insurance certificates.

Controls in the QGrants system are effective in preventing LDC services from claiming QKFS subsidies unless they are approved KPPs.

The department has documented procedures for processing QKFS claims from LDC services. This includes manual checks of completeness and reasonableness prior to payment. Where the department identifies errors that could affect the subsidy, it contacts the provider for clarification. The department checks whether:

- claim dates are within the service agreement dates
- rates for additional subsidies for remoteness and disadvantage are confirmed
- numbers of programs claimed for are approved
- claims are within enrolment tolerances
- claimed weeks do not exceed the maximum of 40 weeks.

Through these checks, the department reduces the number of over or under payments which would then require manual adjustments.

Central governing bodies

The department introduced the model of bulk funding to CGBs to assist kindergarten services in transitioning from the former Community Kindergarten Assistance Scheme to the QKFS.

The department allocates the QKFS subsidy to the CGBs in advance per semester as a block amount based on projected enrolments. At the end of the semester, the CGBs reconcile the projected enrolments with the actual numbers.

At this time:

- the department will pay the difference if a CGB has been underpaid for that semester
- the department raises an invoice for the CGB to repay the excess funding if the reconciliation indicates they have overpaid a CGB for that semester. If the CGB does not pay prior to processing the next CGB payment, the department will automatically deduct the outstanding amount from the next payment.

Department claims officers use a checklist to test the projected enrolments for consistency across the semesters and previous years, and assess variations, trends, and risks prior to paying the claims.

The CGB actual enrolments for 2014 and 2015 were within six per cent of the forecasts.

Service reviews

The department reviews LDC services to test compliance with the guidelines. It does not review the kindergarten services claiming QKFS subsidies through a CGB because a 2013 departmental review indicated the CGBs had adequate internal controls.

Service reviews of LDC services commenced in mid-2013 as a pilot program. Initially, the department aimed to visit eight per cent of services per year. In 2014–15, the department visited 14 per cent of LDC services as part of the review program. It intends to visit 18 per cent of LDC services in 2015–16.

The objectives of the reviews are to:

- gather insights into how services deliver the kindergarten program
- discuss kindergarten program delivery with funded services (including barriers to access) or address questions or issues service staff and providers may have in regards to the delivery of a kindergarten program
- enable and empower service staff and providers to understand program delivery and funding and its correlation to individual children's enrolment, the QKFS and claiming eligibility
- confirm that QKFS subsidies paid to funded services are applied correctly in accordance with their service agreement and/or the requirements of the QKFS funding for day care providers.

Long day care services

Selection of centres for review

The department uses a risk-based approach, relying heavily on internal data and complaints to select the LDC services for review. This is to target the services more likely to be noncompliant and maximise the potential recoupment of overpayments.

When selecting LDC services for review, the department assesses the risk of noncompliance for most services through:

- information gathered during consultations about organisations with 10 or more LDC services
- significant claim variances
- intelligence from the department's Regulation, Assessment and Service Quality division or through the Kindy Hotline.

- outcomes from previous reviews where the department identified significant anomalies.

We analysed the department's approach to selecting the services to review in order to determine how successfully they were targeting services that were more likely to have anomalies.

Figure 4A shows the results of the service reviews by the service risk rating. The department found anomalies at 62 per cent of LDC services rated medium risk and at 74 per cent of LDC services rated high risk in 2015. As the department also found anomalies at nearly all (88 per cent) LDC services that had no risk rating, this brings into question the validity of the current risk-based approach. The review team did not assess the risks for all services before they reviewed them.

Figure 4A
Results of finalised service reviews by risk rating, 2015

Year	Finalised service reviews	LDC services with recoupments				Amount recouped \$
		Low risk	Medium risk	High risk	No risk rating	
2015	119	52%	62%	74%	88%	440 818

Note: the recoupment of over-claims for 2015 were not yet finalised as at February 2016. Follow-up reviews or services reviewed twice were excluded from the table above.

Source: Queensland Audit Office from Queensland Kindergarten Service Review Data

The department's current risk ratings are helping to target services more likely to be at risk of over-claiming. Services rated as high risk are 22 per cent more likely to be over-claiming compared with services rated as low risk. However, the department's reviews in 2015 found that 52 per cent of services rated as low, and 88 per cent of services not rated, were over-claiming. This indicates that the low risk ratings are not good predictors of not over-claiming.

The department is not making use of data from other sources to inform its sample selection for visits, for example, that collected by or on behalf of the Australian Government. The Australian Government collects data as the basis of payments such as the Child Care Benefit and Child Care Rebate. If made available, this data could also inform the risk assessments, as it includes unique customer reference numbers that could identify patterns of over-claiming.

Service visits

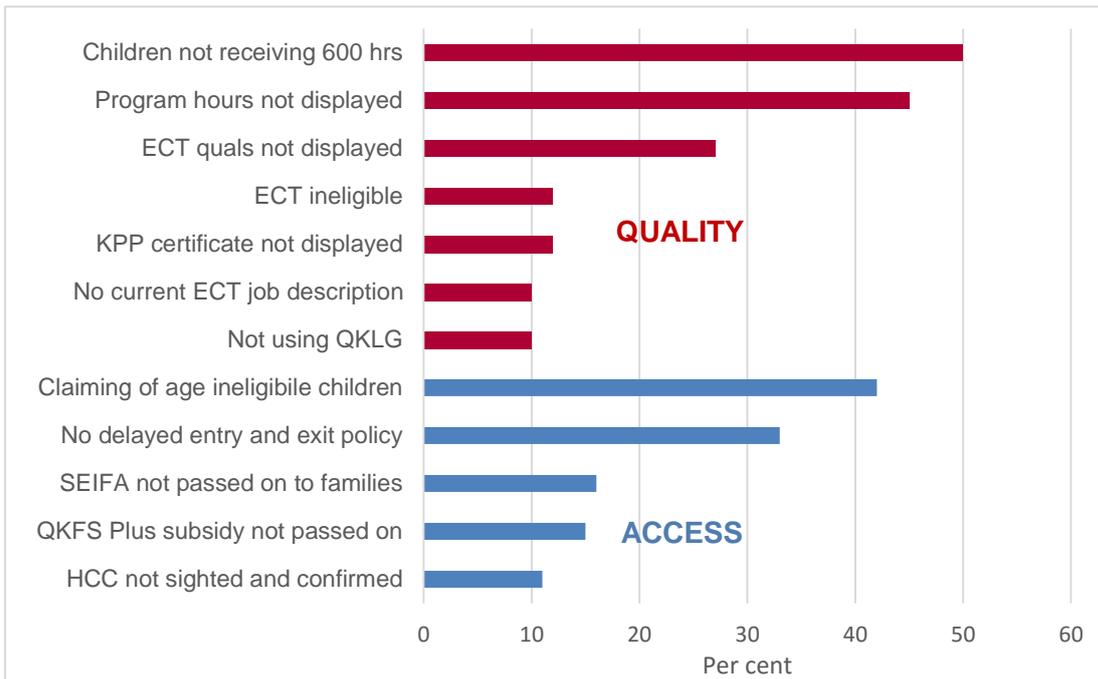
The department's review process relies on confirming claims at site visits to a sample of LDCs. The department's review team makes face-to-face visits to approximately 18 per cent of LDCs annually. The department does not have a program of desktop audits of a larger number of LDCs. Relying solely on site visits is expensive and time consuming as it involves a lot of travel and accommodation costs.

To date, the department has conducted 283 service reviews at 251 of the 1 345 LDC services (it reviewed some services more than once). It detected a high level (about 50 per cent) of noncompliance at the centres it visited.

Figure 4B provides a breakdown of the issues the department's review teams identified in the 2015 service reviews. It shows the proportion of services that had claim anomalies by quality and access errors. The 2015 completed service reviews found the higher proportion of anomalies were with the quality requirements of the services (62 per cent). At the 18 KPPs we visited we found 11 anomalies with quality requirements of the services and nine with the access requirements.

While the department still needs to maintain the focus on universal access to kindergarten it needs to increase the focus on the quality of the services delivered.

Figure 4B
The proportion of services with claim anomalies by quality and access — 2015



Note: the service reviews and recoupment of over-claims for 2015 were not yet finalised as at February 2016.

Source: Queensland Audit Office from departmental data

Claim anomalies occurred mainly due to varying understanding of the QKFS funding guidelines and eligibility criteria, in particular about delivering the kindergarten program for a minimum of 600 hours per year.

The department staff conducting service reviews of LDC services consider that, although a qualified early childhood teacher (ECT) may be present during mixed-age playtime, they are not in a position to deliver the approved learning program. For 105 service reviews, the department staff determined that the LDCs were not delivering the learning program for 600 hours per year.

We also found that a lack of clarity about how to interpret the guidelines is contributing to over-claiming. KPPs were not clear how to calculate whether children are receiving 15 hours per week of learning program.

The department requires KPPs to keep a record of the decision to delay a child's exit from kindergarten until such time as the child has progressed to the Prep year. A total of 24 per cent of the 145 services the department reviewed in 2015 did not have delayed entry or exit documentation. Similarly, six KPPs we visited did not have documentation to support delayed entry or exit.

These anomalies mean that LDC services may have claimed, and received, more funding than they were eligible to, thus potentially committing fraud. The department's QKFS service review framework for 2015 covers processes to recoup over-claimed subsidies from KPPs but not how to apply the department's Fraud and Corruption Control Framework.

In the initial visits to March 2014, the department did not seek reimbursement of the portion of subsidy over-claimed. This is because the visits focused on information sharing and collaborative learning.

Figure 4C shows the number of service reviews, their results and the amount recouped as a result of the reviews.

Figure 4C
Number and results of service reviews November 2013 – December 2015

Year	Number of service reviews	Number of service reviews that identified anomalies	Percent of services with adjustments	Amount recouped \$
2013	13	8	62%	0
2014	125	58	46%	154 544
2015	145	75	52%	440 818
Total	283	141	50%	595 362

Note: The department reviewed some services more than once.

Source: Queensland Audit Office from QKFS Service Review data and Service Review Annual Report

As a result of the high level of noncompliance identified through the service reviews, the department initiated an information campaign in January 2016 to inform the KPPs of the QKFS requirements. At 31 March 2016, the department has run 42 information sessions across the state to assist providers, management staff and service staff to understand and apply the QKFS funding guidelines.

Central governing bodies

In 2013, the department conducted on-site service consultations with each CGB to gain an understanding of the CGB's:

- governance structure and operation
- conformance to the QKFS guidelines
- compliance with service delivery obligations.

The department concluded that the CGBs had sound governance processes and a strong commitment to the core objectives of the QKFS. It found that each CGB had appropriate internal control structures and systems to account for the QKFS subsidy.

The department does not have a formal process in place to obtain an assurance from the CGBs on the internal controls the CGB has in place to ensure that the claims are accurate and reliable. The department does not know what checks and reviews the individual CGBs perform on the claims.

We visited nine kindergarten services belonging to two different CGBs and found the following:

- all nine services had qualified teachers
- all nine services were delivering an approved learning program
- two services were claiming for children not receiving the necessary 600 hours per year
- all nine services were reducing the fees for eligible families under the QKFS Plus scheme
- one service did not have complete copies of current health care cards on file
- two services did not have documented evidence of parental consent for delayed exit/entry children (five year olds).

We identified anomalies at four of the nine kindergarten services we visited. This shows that the manual checks of the projected enrolments and reconciliation are not sufficient to ensure the subsidy is only paid for eligible children. The department needs to seek a greater level of assurance from the individual CGBs on the checks they complete to improve compliance with the QKFS requirements.

Target age of children

Most children start kindergarten in the year in which they turn four. Across Australia, kindergarten enrolment is optional. However, the vast majority of children aged four to five years attend kindergarten.

KPPs can only claim QKFS funding for children in the target age cohort. The eligible age cohort for QKFS funding is children who are at least four years old by 30 June in the year they participate in the kindergarten program.

If the parent/s consider/s that their child is not yet ready for school, they can choose to delay entry to school. The department provides guidance on managing delayed entry to, and/or exit from, kindergarten including the responsibilities of both the parent/s and the KPP.

When a child is delayed entry to school, or delayed exit from a kindergarten program, the KPP is eligible to claim the relevant subsidy for this child. Delayed entries and/or exits amounted to 4.1 per cent of enrolments in 2015.

Younger children may participate in the kindergarten program, but the KPPs cannot claim the QKFS subsidy for them. Figure 4D shows the number of children enrolled in kindergarten programs per age cohort for the last three years.

Figure 4D
Children enrolled in kindergarten programs per age cohort as at 30 June each year

Age	2013	Proportion	2014	Proportion	2015	Proportion
3 year olds	3 017	6.0%	2 931	5.3%	5 120	8.7%
4 year olds	45 317	89.4%	50 774	90.9%	51 627	87.2%
5 and 6 year olds	2 367	4.6%	2 136	3.8%	2 432	4.1%
All	50 701	100.0%	55 841	100.0%	59 179	100.0%

Source: National Early Childhood Education and Care Collection

Through its service reviews, the department found that 31 per cent of the centres reviewed claimed for children not in the eligible age cohort. We analysed a broad range of data and identified that in 2015, 151 KPPs had claimed for 315 three year old children. The department had not reviewed these centres and had not identified these over-claims.

Recommendations

We recommend that the Department of Education and Training:

2. uses a broad range of internally and externally available data sources to inform the risk-based selection of kindergarten program providers to review
3. supplements its existing service review framework to include:
 - desktop reviews of kindergarten subsidy claims to improve coverage of its compliance program
 - clear guidance to the review officers on how to apply the department's Fraud and Corruption Control Framework
4. requests an annual assurance statement from the central governing bodies that their individual kindergarten services comply with the Queensland Kindergarten Funding Scheme guidelines.

Appendices

Appendix A — Comments	40
Comments received from Director-General, Department of Education and Training	41
Appendix B — Audit methodology	44
Audit objective and scope	44
Reason for the audit.....	44
Performance audit approach.....	44
Appendix C — Glossary	46

Appendix A — Comments

In accordance with s.64 of the *Auditor-General Act 2009*, a copy of this report was provided to the Department of Education and Training with a request for comment.

Responsibility for the accuracy, fairness and balance of the comments rests with the head of this agency.

Comments received from Director-General, Department of Education and Training



Office of the
Director-General

Department of
Education and Training

27 MAY 2016

Mr Andrew Greaves
Auditor-General
Queensland Audit Office
PO Box 15396
CITY EAST QLD 4002

Dear Mr Greaves

Thank you for your letter dated 9 May 2016 concerning the proposed final report on Quality Early Childhood Education and for the opportunity to respond to the recommendations made by the Queensland Audit Office (QAO).

I am pleased to note that the report highlights the significant increase in participation in kindergarten in Queensland from a low base of 29% in 2008 to 105.8% in 2015, and the contribution of the Queensland Kindergarten Funding Scheme (QKFS) to the achievement of this result.

I also note reference to the service review program that underpins the assessment and payment of QKFS subsidies in QGrants, and the roll out of information sessions in 2016 to better inform the sector of the key eligibility requirements under QKFS.

This combination of systems and measures has been successful to date and the recommendations in the report provide an opportunity to further enhance these measures and strengthen their effectiveness.

The Department of Education and Training accepts the four recommendations and will work to implement them as soon as practicable. Please find attached the completed table confirming the Department's acceptance of the recommendations and details of how each recommendation will be implemented.

Should your officers wish to discuss this further, I invite them to contact Ms Gabrielle Sinclair, Deputy Director General, Early Childhood and Community Engagement, on telephone 3034 5976 or by email at gabrielle.sinclair@dete.qld.gov.au.

I would like to take this opportunity to thank your officers for their professionalism and the opportunity provided to officers of the Department to contribute during the audit process.

Yours sincerely

DR JIM WATTERSTON
Director-General

Ref: 16/224349
Your ref: 2016-P9145

Education House
30 Mary Street Brisbane
Queensland 4000 Australia
PO Box 15033 City East
Queensland 4002 Australia
Telephone +61 7 3034 4754
Facsimile +61 7 3034 4769
Website www.dete.qld.gov.au
ABN 76 337 613 647

Responses to recommendations



Recommendation	Agree / Disagree	Timeframe for Implementation (Quarter and Year)	Additional Comments
1. Provides evidence-based guidance in line with the National Quality Standard to approved kindergarten program providers on the experiences and activities that form part of an approved kindergarten program to help children successfully transition to school.	Agree	December 2016	DET will liaise with the Australian Children's Education and Care Quality Authority (ACECQA) to develop appropriate guidance materials for use by services in the year prior to school. The development of guidance materials by ACECQA will also benefit other jurisdictions given the role of ACECQA as national authority.
2. Uses a broad range of internally and externally-available data sources to inform the risk-based selection of kindergarten program providers to review.	Agree	September 2016	The current long day care (LDC) service review program utilises internally available information and data. DET will explore the use of other available internal information and relevant data and investigate the use of external information and data held by the Australian Bureau of Statistics (ABS) and other Australian Government agencies as identified in the report. However, the ability of DET to access external information and data is conditional upon agencies granting access to the requested information and data.
3. Supplements its existing service review framework to include: <ul style="list-style-type: none"> desktop reviews of subsidy claims to improve coverage of its compliance program clear guidance to the review officers on how to apply the department's Fraud and Corruption Control Framework. 	Agree	December 2016	DET will broaden the current LDC service review framework to include the conduct of desktop reviews of Queensland Kindergarten Funding Scheme (QKFS) subsidies claimed as input to the process of identifying potential services for review. The conduct of desktop reviews will complement the conduct of service visits rather than replace service visits given the proven benefits of the LDC service review program to both DET and the sector. DET will amend the existing LDC service review framework to make specific reference to the DET Fraud and Corruption Control Framework. DET will arrange training and instruction for officers involved in delivering the LDC service review program



Recommendation	Agree / Disagree	Timeframes for Implementation (Quarter and Year)	Additional Comments
4. Requests an annual assurance statement from the central governing bodies that their individual kindergarten services comply with the Queensland Kindergarten Funding Scheme guidelines.	Agree	December 2016	Central Governing Bodies are currently required to provide DET with a signed statement of assurance at the time they submit their actual enrolment data at the end of each semester. The statement attests to the accuracy of enrolment numbers and the distribution of QKFS funds by the Central Governing Body (CGB) to their member services and the disclosure and application of any interest income earned to support the delivery of the kindergarten program. DET will amend the existing assurance statement to incorporate the additional assurance requirements as outlined in the report. DET will introduce this change as part of the next round of negotiated service agreements to take effect on 1 January 2017.

Appendix B — Audit methodology

Audit objective and scope

The objective of the audit is to determine if the Queensland Kindergarten Funding Scheme (QKFS) supports universal access to quality kindergarten programs for eligible children.

The audit will address the objective through the sub-objectives and lines of inquiry outlined below:

Figure B1
Audit program

Sub-objectives		Lines of inquiry	
1	The QKFS assists in removing barriers to universal access to quality kindergarten programs.	1.1	The QKFS subsidises quality kindergarten programs that meet the eligibility standards.
		1.2	Supply of quality kindergarten programs matches demand.
2	The Department of Education and Training effectively manages and monitors kindergarten program provider compliance with the QKFS guidelines.	2.1	The QKFS subsidies claimed are accurate and in line with QKFS guidelines.
		2.2	DET manages well-coordinated service reviews.
		2.3	DET monitors the claims for subsidy and recoups overpayments effectively.

Source: Queensland Audit Office

Reason for the audit

Research shows that early childhood is a critical time in human development. Children's experiences in the early years of life can have lifelong impacts on health, learning and behaviour.

In 2009, Australian, state and territory governments established a National Partnership Agreement (NPA) to improve the supply and integration of early childhood services, through the delivery of universal access to quality early childhood education. To date, the Australian Government has allocated approximately \$2 billion for NPAs for early childhood education. Of this, Queensland has been allocated approximately \$588.6 million.

To achieve universal access to kindergarten, the Queensland Department of Education and Training needed more providers in more places across the state to offer kindergarten programs. They also needed the providers to be delivering approved programs with qualified teachers. As kindergarten is non-compulsory, it also had to be affordable for families.

Performance audit approach

The Queensland Audit Office (QAO) conducted the audit in accordance with the Auditor-General of Queensland Auditing Standards – September 2012, which incorporate the requirements of standards issued by the Australian Auditing and Assurance Standards Board.

QAO conducted the audit between November 2015 and April 2016. The entities included in this audit are:

- the Department of Education and Training (the department)
- a sample of two central governing bodies (CGBs)
- a sample of 18 kindergarten program providers (KPPs).

The audit included:

- interviews with a selection of officers from the department and the selected CGBs and KPPs visited
- analyses of available department data sets and data published by the Australian Bureau of Statistics
- reviews of a selection of QKFS claims made by a sample of KPPs visited
- scrutiny of publicly available information and information obtained as part of the audit.

Appendix C — Glossary

Figure C1
Glossary

Term	Definition
Approved early childhood teaching qualification	This is a qualification for the education and care of children generally or children of a specified age that is approved by the National Authority and included in the list of approved early childhood teaching qualifications published under the National Regulations.
Approved kindergarten program	An approved kindergarten program is: <ul style="list-style-type: none"> ▪ an early learning program based on the Queensland kindergarten learning guideline or an alternative kindergarten learning guideline accredited by the Queensland Curriculum and Assessment Authority ▪ provided for children in the year before full-time schooling ▪ provided for at least 600 hours a year, or at least 15 hours a week for 40 weeks ▪ delivered by a qualified early childhood teacher.
Approved learning program	This is a structured, play-based program that follows the Queensland kindergarten learning guideline or an alternative kindergarten curriculum accredited by the Queensland Curriculum and Assessment Authority.
ARIA	Accessibility/Remoteness Index of Australia.
Central governing body	A central governing body is a prescribed entity approved by the Department of Education and Training to: <ul style="list-style-type: none"> ▪ support their member services to provide a quality and inclusive kindergarten program ▪ direct funds administered under the Queensland Kindergarten Funding Scheme to eligible kindergarten services.
Dedicated kindergartens	These are kindergarten services that operate sessional programs generally for six hours on school days during school terms and provide care and education for children in the year before they attend full-time schooling (Prep).
Kindergarten program provider	This is a service approved by the Department of Education and Training to provide and claim for an approved kindergarten program under the Queensland Kindergarten Funding Scheme.

Term	Definition
Long day care	This is a service that provides care and education for children from birth to school age, including before and after school care, depending on the individual service. Services generally operate for at least 10 hours a day from Monday to Friday for a minimum of 48 weeks each year.
National Law (Queensland)	Education and Care Services National Law (Queensland) Act No 38 of 2011.
National Quality Framework	The national education and care services quality framework.
National Quality Standard	<p>The National Quality Standard prescribed by national regulations. It specifies the five service rating levels:</p> <ul style="list-style-type: none"> ▪ excellent rating ▪ exceeding National Quality Standard ▪ meeting National Quality Standard ▪ working towards National Quality Standard ▪ significant improvement required.
National Regulations	Education and Care Services National Regulations 2011.
Pre-Prep	This is a service that delivers a kindergarten program for Aboriginal and Torres Strait Islander children in the year before school. The program provides 15 hours per week for children 3.5 to 4.5 years old, living across Aboriginal and Torres Strait Island communities in Queensland.
Qualified early childhood teacher	A person who holds an approved early childhood teaching qualification or equivalent is an early childhood teacher for the purpose of the National Law and Regulations.
Queensland Kindergarten Funding Scheme (QKFS)	This is a Queensland Government-funded initiative to promote delivery and universal access to quality early childhood education in the year prior to Prep. The QKFS makes government funding available to a range of services that provide an approved kindergarten program.
SEIFA	Socio-Economic Indexes for Areas.
Sessional	This is a type of kindergarten program where children attend part-time — in some cases mornings or afternoons or five day fortnights. Sessional kindergartens can normally run two groups through the one room.

Term	Definition
Service provider	This is the organisation providing the service activity type (e.g. kindergarten, long day care) to the community or end user (e.g. child). A service provider may be funded or unfunded by DET. A service provider regulated under the National Regulations is an 'approved provider'.

Auditor-General Reports to Parliament

Reports tabled in 2015–16

Number	Title	Date tabled in Legislative Assembly
1	Results of audit: Internal control systems 2014–15	July 2015
2	Road safety – traffic cameras	October 2015
3	Agricultural research, development and extension programs and projects	November 2015
4	Royalties for the regions	December 2015
5	Hospital and Health Services: 2014–15 financial statements	December 2015
6	State public sector entities: 2014–15 financial statements	December 2015
7	Public non-financial corporations: 2014–15 financial statements	December 2015
8	Transport infrastructure projects	December 2015
9	Provision of court recording and transcription services	December 2015
10	Queensland state government: 2014–15 financial statements	December 2015
11	Management of privately operated prisons	February 2016
12	Follow up Report 12: 2012–13 Community Benefits Funds: Grant Management	February 2016
13	Cloud computing	February 2016
14	Financial risk management practices at Energex	April 2016
15	Queensland public hospital operating theatre efficiency	April 2016
16	Flood resilience of river catchments	April 2016
17	Results of audit: Local government entities 2014–15	May 2016
18	Results of audit: Education sector entities 2015	May 2016
19	Early childhood education	June 2016

www.gao.qld.gov.au/reports-resources/parliament