

NATIONAL PARTNERSHIP ON THE NATIONAL QUALITY AGENDA FOR EARLY CHILDHOOD EDUCATION AND CARE - 2015-16 TO 2017-18

An agreement between

n the Commonwealth of Australia and
n the States and Territories, being:

- t New South Wales
- t Victoria
- t Queensland
- t Western Australia
- t South Australia
- t Tasmania
- t the Australian Capital Territory
- t the Northern Territory

This Agreement will contribute to the national approach to the regulation and quality assessment of early childhood education and care services.

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

OVERVIEW

1. This National Partnership (the Agreement) is created subject to the provisions of the Intergovernmental Agreement on Federal Financial Relations (IGA FFR) and should be read in conjunction with that Agreement and its Schedules, which provide information in relation to performance reporting and payment arrangements under the IGA FFR.
2. The Commonwealth and the States and Territories (the States) are committed to the National Quality Agenda (NQA), which includes the National Quality Framework as the national regulatory system for the Early Childhood Education and Care sector.
3. The Commonwealth and the States are committed to maintaining their focus on the early years to ensure the wellbeing of children throughout their lives, and to deliver the vision of the Early Childhood Development Strategy (ECDS) endorsed by the Council of Australian Governments (COAG) in July 2009, that 'by 2020 all children have the best start in life to create a better future for themselves, and for the nation'.

Purpose

4. In entering this Agreement, the Commonwealth and the States recognise that they have a mutual interest in implementing and maintaining the NQA to improve educational and developmental outcomes for children attending services provided under the National Law, and the need to work together to achieve those outcomes. This Agreement will contribute to the national approach to the regulation and quality assessment of education and care services.
5. The National Partnership on Universal Access to Early Childhood Education complements this Agreement.

Reporting Arrangements

6. The States will report yearly against the agreed performance benchmarks during the operation of the Agreement, as set out in Part 4 – Performance Monitoring and Reporting.

Financial Arrangements

7. The Commonwealth will provide an estimated total financial contribution to the States of \$61.056 million (GST exclusive) including \$9.540 million in respect of the previous *National Partnership Agreement for the National Quality Agenda for Early Childhood Education and Care* and \$51.516 million in respect of this Agreement, as set out in Part 5 – Financial Arrangements.

PART 1 – FORMALITIES

Parties to this Agreement

8. This Agreement is between the Commonwealth of Australia (the Commonwealth) and the States.

Term of the Agreement

9. This Agreement will commence as soon as the Commonwealth and one other Party sign it and will expire on 31 December 2018, including final performance reporting and processing of final payments against performance benchmarks. The Agreement may be terminated earlier or extended as agreed in writing by the Parties.

PART 2 – OBJECTIVES, OUTCOMES AND OUTPUTS

Objectives

10. The objectives of this Agreement are to:
 - (a) deliver an integrated and unified national system for education and care services, which is jointly governed and which drives continuous improvement in the quality of services;
 - (b) ensure the safety, health and wellbeing of children attending education and care services;
 - (c) improve educational and developmental outcomes for children attending education and care services under the NQF;
 - (d) foster a joint system of governance to allow the perspective of all jurisdictions to be taken into account in the operation of the NQF where there is shared responsibility for the regulation of quality in education and care services;
 - (e) improve the efficiency and cost effectiveness of the regulation of education and care services;
 - (f) reduce regulatory burden for education and care service providers;
 - (g) improve public knowledge about and access to information about the quality of education and care services for parents, carers and the general public to help inform their choices about the quality of education and care provided to their children; and
 - (h) build a highly skilled workforce.

11. In addition to meeting COAG's *Principles of Best Practice Regulation*, which include consideration of costs and benefits, net community benefit and regulatory burden, the NOA will also be guided by the following principles:
- (a) the system will operate in a transparent, accountable, efficient, effective and fair manner;
 - (b) education and care service providers will have certainty about the regulatory requirements under the National Law and the National Regulations;
 - (c) the regulatory requirements on education and care service providers will be consistent across Australia;
 - (d) to the greatest extent possible, legislative requirements contained under other laws will not duplicate the NOA's regulatory requirements;
 - (e) joint governance arrangements will provide scope for individual jurisdictions to have their perspectives considered;
 - (f) jurisdictions will not move unilaterally to change standards or fees in the future; and
 - (g) the National Quality Standard (NQS) will include provision to recognise location specific conditions in particular circumstances.

Outcomes

12. This Agreement will facilitate achievement of the following outcomes:
- (a) that children attending education and care services are engaged in and benefiting from educational opportunities, and have the knowledge and skills for life and learning, including by promoting greater school readiness; and
 - (b) that children benefit from better social inclusion and reduced disadvantage by providing greater access to quality education and care experiences which have been demonstrated to have particular benefits for children from disadvantaged backgrounds.

Outputs

13. The objectives and outcomes of this Agreement will be achieved by the following outputs:
- (a) a jointly governed uniform national quality system for education and care services;
 - (b) the efficient and effective operation of the national body, with joint governance arrangements, responsible for guiding the implementation and administration of the national regulatory system and monitoring and promoting consistency in its implementation;
 - (c) a single NQS that provides clarity, about the expectations for the provision of quality education and care services across agreed quality areas, including approved learning frameworks under the National Law (such as the Early Years Learning Framework (EYLF)), to guide educators in developing quality education and care programs;
 - (d) a national quality rating system based on the NQS that provides greater transparency and accountability and combines the agreed quality areas with a rating scale that describes the quality of education and care services that all parents, carers and the community should expect to find in the diverse education and care settings available across Australia; and

- (e) a single streamlined national regulatory system, with the implementation and administration of the NQF by State regulatory authorities under the National Law and the National Regulations.

PART 3 – ROLES AND RESPONSIBILITIES OF EACH PARTY

- 14. To realise the objectives and commitments in this Agreement, each Party has specific roles and responsibilities in regard to the regulation of education and care services, as outlined below and referenced in the appended schedules.

Role of the Commonwealth

- 15. The Commonwealth agrees to be responsible for:
 - (a) supporting the provision of education and care¹ services, in particular through improving affordability for parents;
 - (b) monitoring and assessing performance under this Agreement to ensure that outputs are delivered and outcomes are achieved within the agreed timeframes;
 - (c) providing a financial contribution to the States to support the implementation of this Agreement; and
 - (d) providing program support for service providers and ensuring that Commonwealth investment for education and care services is aligned with investment within jurisdictions to implement the NQA.

Role of the States

- 16. The States agree to be responsible for:
 - (a) administering and delivering the application, enforcement and regulation of the NQF in keeping with best-practice, risk-based approaches and in collaboration with the national body;
 - (b) entering accurate and current data from their jurisdiction into the NQA ITS;
 - (c) integrating education and care regulation into other early childhood development activities and schooling at a local and regional level as appropriate; and
 - (d) ensuring that the implementation of the NQA within jurisdictions is harmonised with other early childhood programs and policies, including the implementation of the National Partnership on Universal Access to Early Childhood Education.

¹ All parties remain committed to funding and supporting preschool education as detailed in the National Partnership Agreement on Universal Access to Early Childhood Education.

Shared roles and responsibilities

17. The Commonwealth and States share the following roles and responsibilities and will work together to:
- (a) promote and support the NQA;
 - (b) implement, maintain and, as appropriate, consider amendments to the NQS, the NQF and the regulatory system in collaboration with the national body;
 - (c) support, including through the provision of funding, the NQS and its rating system, and the regulatory system;
 - (d) guide, fund, and support the work of the national body and the state regulatory authorities;
 - (e) consider any changes to prescribed fees;
 - (f) achieve the workforce objectives of the NQA, drawing on a broad range of resources and existing initiatives from within each jurisdiction, including labour market assistance, higher and vocational education programs, effective recognition of prior learning and strategies to address remote or rural workforce issues;
 - (g) oversee the implementation of approved learning frameworks within jurisdictional curriculum;
 - (h) promote public and education and care providers understanding of, and confidence in, the NQA in collaboration with the national body and the State regulatory authorities;
 - (i) monitor and review the impact and effectiveness of the NQA, in collaboration with the national body and the State regulatory authorities; and
 - (j) develop a national evidence base to support the achievement of the NQA and its outcomes including related research and evaluation activities.
18. The Parties will meet the requirements of Schedule E, Clause 26 of the IGA FFR, by ensuring that prior agreement is reached on the nature and content of any events, announcements, promotional material or publicity relating to activities under this National Partnership, and that the roles of both Parties will be acknowledged and recognised appropriately. The requirements of Schedule E, Clause 26 of the IGA FFR do not apply to compliance or other regulatory actions undertaken by State regulators under the National Law and the National Regulations.

PART 4 – PERFORMANCE MONITORING AND REPORTING

Performance indicators

19. Achievement of the objectives and outcomes of this Agreement will be informed with reference to the proportion of education and care services with a current rating against the NQS.

Performance benchmarks and milestones

20. While it is expected that all education and care services will be assessed and rated every three years, performance will be measured against the performance benchmarks in Table 1 which are expressed as a percentage of the number of services in each State as at 30 June 2015 (as recorded in the NQA ITS).

21. To receive payments under this Agreement, States must record assessment and rating data in the NQA ITS demonstrating that performance benchmarks and milestones set out in Tables 1 and 2 have been met.

Table 1: Timeframes and performance benchmarks

Timeframe	Performance benchmark
1 July 2015 to 31 December 2015	Acceptance of the eighth report on the Multilateral Implementation Plan by the national body in accordance with the previous <i>National Partnership Agreement on the National Quality Agenda for Early Childhood Education and Care</i>
1 January 2016 to 30 June 2016	Provision of assessment and rating data for 2015 in the NQA ITS
1 January 2016 to 31 December 2016	15 per cent of services assessed and rated
1 January 2017 to 31 December 2017	15 per cent of services assessed and rated

Table 2: Performance benchmarks and milestones

Date	Deliverable	Proportion of funding available within each financial year
2015-16		
November 2015	Acceptance of the eighth report on the Multilateral Implementation Plan by the national body in accordance with the previous <i>National Partnership Agreement on the National Quality Agenda for Early Childhood Education and Care</i> .	100 per cent of the funding allocated for 1 July 2015 – 31 December 2015 period
On signing	Provision of assessment and rating data for 2015 in the NQA ITS.	100 per cent of the funding allocated for 1 Jan 2016 – 30 June 2016

2016-17		
31 December 2016	15 per cent or more of services assessed and rated in 2016 calendar year.	100 per cent
	<u>OR</u>	
	From 11 per cent to less than 15 per cent of services assessed and rated in 2016 calendar year.	80 per cent
	<u>OR</u>	
	From 8 per cent to less than 11 per cent of services assessed and rated in 2016 calendar year.	60 per cent
	<u>OR</u>	
	Less than 8 per cent of services assessed and rated in 2016 calendar year.	No payment
2017-18		
31 December 2017	15 per cent or more of services assessed and rated in 2017 calendar year.	100 per cent
	<u>OR</u>	
	From 11 per cent to less than 15 per cent of services assessed and rated in 2017 calendar year.	80 per cent
	<u>OR</u>	
	From 8 per cent to less than 11 per cent of services assessed and rated in 2017 calendar year.	60 per cent
	<u>OR</u>	
	Less than 8 per cent of services assessed and rated in 2017 calendar year.	No payment

Reporting arrangements

22. The national body will report for 2015 in accordance with the Multilateral Implementation Plan under the previous *National Partnership Agreement on the National Quality Agenda for Early Childhood Education and Care*.
23. The national body will provide an annual performance report to the COAG Council which will include assessment against the objectives and outcomes of this Agreement. Following consideration by the COAG Council, the annual performance report will be made publicly available on the internet sites of the national body and State regulatory authorities.
24. The precise timing for provision of reports to the COAG Council will be guided by COAG Council meeting dates;
25. Parties and the national body will have scope to report to, provide advice, or seek guidance from the COAG Council as appropriate.
26. If the national body becomes aware that Parties to this Agreement are acting inconsistently with a provision of this Agreement, the national body must take steps to address the

inconsistency with the Parties and, if necessary, provide a report to the COAG Council outlining the inconsistency. If the national body provides a report to the COAG Council this report is to be provided to the Parties at the same time.

27. During the operation of this Agreement, States will provide data in January of each year demonstrating their performance against the agreed performance benchmarks in Table 1 of this Agreement. The data is to be provided through the national body. Details of reporting requirements are in Table 2.
28. Data provided for reporting purposes will demonstrate performance against performance benchmarks expressed as a percentage of the number of education and care services as at 30 June 2015.

PART 5 – FINANCIAL ARRANGEMENTS

Funding principles

29. This Agreement is based on shared investment between the Commonwealth and States.
30. All Parties have agreed the following principles for funding the regulation of the NQA:
 - (a) all jurisdictions will, at a minimum, continue to contribute their current investment (subject to cost efficiencies from productivity improvements staying within individual jurisdictions);
 - (b) the ongoing costs of the implementation of the national system will be shared between the Commonwealth and States;
 - (c) each State will clearly identify their ongoing costs in administering the NQF at a jurisdictional level and share this information with all Parties to this Agreement;
 - (d) the ongoing costs of the national body will also be clearly identified and shared with all Parties to this Agreement;
 - (e) States will not be expected to contribute any of their current expenditure to other jurisdictions;
 - (f) any subsequent enhancements to the NQA that are agreed, will be shared between the Commonwealth and States; and
 - (g) distribution of any revenue generated through the fee structure would reflect the effort required to regulate in each State.
31. The ultimate intention is that final arrangements will involve the total cost of the system (minus any fee revenue) being split, with the Commonwealth funding around 40 per cent of agreed nationally efficient costs and states 60 per cent. The Commonwealth funding will be fully allocated on the basis of agreed nationally efficient costs from 2020.

Financial contributions

32. The Commonwealth will provide an estimated total financial contribution to the States of \$61.056 million, including \$9.540 million in respect of the previous *National Partnership Agreement for the National Quality Agenda for Early Childhood Education and Care* for the 1 July 2015 to 31 December 2016 period and \$51.516 million in respect of this Agreement for the

1 January 2016 to 30 June 2018 period. The estimated funding includes a supplementary allocation of \$2 million in the 2016-17 financial year. All payments are exclusive of GST.

33. The Commonwealth's funding contribution will not be reduced where the States secure funding from other activity partners.
34. If a milestone is met in advance of the due date, where the relevant performance report demonstrates the milestone has been met, the Commonwealth may make the associated payment earlier than scheduled provided it falls within the same financial year as the original milestone date.
35. The Commonwealth's and the States' estimated financial contributions to the operation of this Agreement, including through National Partnership payments to the States paid in accordance with Schedule D – Payment Arrangements of the IGA FFR, are shown in Table 3.

Table 3: Estimated financial contributions

(\$ million)	1 Jul 2015 - 31 Dec 2015 ^a	1 Jan 2016 - 30 Jun 2016 ^b	2016-17	2017-18	Total
<i>Estimated</i> total budget (1)	12.413	12.412	27.396	26.080	78.306
<i>Estimated</i> National Partnership payments (2) ^c	9.540	9.540	21.646	20.330	61.056
New South Wales	4.235	3.256	7.389	6.939	21.819
Victoria	2.315	2.552	5.791	5.439	16.097
Queensland	0.735	1.780	4.038	3.793	10.346
Western Australia	0.440	0.712	1.616	1.518	4.286
South Australia	1.150	0.742	1.684	1.581	5.157
Tasmania	0.140	0.143	0.324	0.304	0.911
Australian Capital Territory	0.105	0.216	0.489	0.459	1.269
Northern Territory	0.420	0.139	0.315	0.296	1.170
Commonwealth own purpose expense (3)	2.873	2.872	5.750	5.750	17.250
Total Commonwealth contribution (4) = (2) + (3)	12.413	12.412	27.396	26.080	78.306
Balance of non-Commonwealth contributions (5) = (1) – (4) ^{c,d}	0.000	0.000	0.000	0.000	0.000

^a This column sets out the funding allocated under the previous *National Partnership Agreement on the National Quality Agenda for Early Childhood Education and Care* for the 1 July 2015 to 31 December 2015 period. The amounts allocated to each State are based on the funding distribution model in Schedule D of that Agreement.

^b This column sets out the funding allocated under this Agreement for the 1 January 2016 to 30 June 2016 period. The amounts allocated to each State are based on the number of approved services operating in each State as at 1 April 2015 as recorded in the NQA ITS. This funding distribution model has been used for the 2016-17 and 2017-18 years as well.

^c Amounts in the table have been rounded to nearest thousand and therefore may not add to the totals.

^d States are not required to provide a financial or in-kind contribution under the terms of this Agreement. However, as States are responsible for the regulation of quality in education and care services, they allocate their own source funding and provide in-kind contributions accordingly, including in support of services funded under this Agreement.

Funding of the national body

36. Estimated National Partnership payments include a contribution of \$5.75 million per year towards the national body's annual operating costs, for on-passing by the States to the national body. The contribution by States for the 1 July 2015 to 30 June 2018 period is set out in Table 4.

Table 4: Contributions to the national body

(\$ million)	2015-16	2016-17	2017-18	Total
New South Wales	2.258	1.963	1.963	6.184
Victoria	1.467	1.538	1.538	4.543
Queensland	0.758	1.073	1.073	2.904
Western Australia	0.347	0.429	0.429	1.205
South Australia	0.570	0.447	0.447	1.464
Tasmania	0.085	0.086	0.086	0.257
Australian Capital Territory	0.097	0.130	0.130	0.357
Northern Territory	0.168	0.084	0.084	0.336
Total	5.750	5.750	5.750	17.250

* The amount of funding allocated to the national body under this Agreement has been calculated based on the number of approved services operating in each State as at 1 April 2015 as recorded in the NQA ITS. For the 2015-16 year the amount of funding allocated to the national body under this Agreement has been calculated based on the proportion of the amount of funding allocated to each State in Table 3.

37. The Commonwealth will match the States' total contribution of the operating cost of the national body as described in Table 4.
38. In addition, a total of 90 per cent of the revenue from prescribed fees will be retained by State regulatory authorities and 10 per cent will be used to partially fund the national body.

Financial risk management

39. Having regard to the agreed estimated costs of projects or reforms under this Agreement, States will not be required to pay a refund to the Commonwealth if the actual cost is less than the agreed estimated cost. Similarly, the States bear all risk should the costs exceed the agreed estimated costs. The Parties acknowledge that this arrangement provides the maximum incentive for the States to deliver projects and reforms cost effectively and efficiently.

PART 6 – GOVERNANCE ARRANGEMENTS

40. The Parties do not intend the provisions of this Agreement to be legally enforceable. However this does not lessen the Parties commitment to this Agreement.
41. The NQA is a jointly governed, national system, with oversight by the COAG Council, portfolio departments and State regulatory authorities of the Parties to this Agreement and guidance from the national body.
42. The NQF and associated regulatory system has been enacted through the National Law and National Regulations.

COAG Council

43. All Parties agree that the COAG Council with responsibility for education and care services will oversee the implementation and administration of the NQA. Responsibilities for the COAG Council are set out in detail in the National Law.
44. The COAG Council will not involve itself in the day-to-day operations of the national body or the State's regulatory authorities.

National Body

45. The national body has been established and is managed by a board comprising nominees of all jurisdictions. The functions and composition of the board of the national body are detailed in the National Law and National Regulations.

State regulatory authorities

46. All Parties agree that State regulatory authorities will have operational responsibility for the NQF. A lead regulatory authority will be identified in each jurisdiction. The responsibilities of State and Territory regulatory agencies are detailed in Schedule A Annexure 1 Functional Responsibilities.

Variation of the Agreement

47. The Agreement may be amended at any time by agreement in writing by all the Parties.
48. A Party to the Agreement may terminate their participation in the Agreement at any time by notifying all the other Parties in writing.

Dispute resolution

49. Any Party may give notice to other Parties of a dispute under this Agreement.
50. The relevant delegates will attempt to resolve any dispute in the first instance.
51. If a dispute cannot be resolved between the relevant delegates, it may be escalated to a review panel. Membership of the review panel will be agreed to by all Parties to the dispute.
52. If a dispute cannot be resolved it may be escalated to the COAG Council for consideration.

Review of the Agreement

53. Elements of this Agreement and the NQF may be reviewed during the course of this Agreement as agreed by the Parties. The process for amending the NQF is described in Schedule A.

Delegations

54. The relevant Commonwealth Minister with portfolio responsibility for early childhood and child care is authorised to agree and amend the Schedules to this Agreement and to certify that performance benchmarks specified under this Agreement have been achieved, so that payments may be made.
55. Respective State Ministers with portfolio responsibility for early childhood and child care are authorised to agree and amend Schedules to this Agreement.
56. The Commonwealth Minister may delegate the assessment of project-based performance benchmarks or milestones and the authorisation of related project payments to senior Commonwealth officials, having regard to the financial and policy risks associated with those payments.

Interpretation

57. For the purposes of this Agreement:
 - i. *Approved learning frameworks*: defined in the National Law as a learning framework approved by the Ministerial Council. There is a requirement under the National Law that approved services are required to base their educational program on an approved learning framework such as the *Belonging, Being and Becoming: The Early Years Learning Framework for Australia* ('Early Years Learning Framework (EYLF)'). Transitional arrangements in the National Regulations also declared a number of existing learning frameworks as approved learning frameworks for the purposes of the National Law.
 - ii. *COAG Council*: Commonwealth, State and Territory Ministers responsible for early childhood education and child care, which at the time of signing the Agreement, is the Education Council. This is defined in the National Law as Ministerial Council.
 - iii. *Early childhood*: the period from birth to age 8 years.
 - iv. *Early childhood development*: refers to all aspects of a child's growth, learning, development and transitions from pre-birth to school age; incorporating a holistic spectrum of policy interventions including in the health, education and care spheres.
 - v. *Education and care services*: defined in the National Law and National Regulations as a service providing or intended to provide education and care on a regular basis to children under 13 years of age, with some noted exceptions (such as school education). These services include most long day care, family day care, preschool (or kindergarten) and outside schools hours care services.

- vi. *Family Assistance Law*: The family assistance law is Commonwealth legislation that includes primary legislation, associated legislation and other legislative Disallowable Instruments:

Primary Legislation

- A New Tax System (Family Assistance) (Administration) Act 1999
- A New Tax System (Family Assistance) Act 1999

Associated Legislation

- Child Care Act 1972
 - Family Assistance Legislation Amendment (Child Care Management System and Other Measures) Act 2007
 - Family Assistance Legislation Amendment (Child Care Budget and Other Measures) Act 2008
 - Family Assistance Legislation Amendment (Child Care) Act 2010
 - Schedules 5 and 6 to the A New Tax System (Family Assistance and Related Measures) Act 2000
 - Family Assistance Legislation Amendment (Child Care Management System and Other Measures) Regulations 2009
- vii. *Family day care (FDC)*: Refers to services that support a network of individual educators, where an educator provides flexible care typically in their own home for other people's children and as part of coordinated home-based care schemes. Care is predominantly provided for children aged birth to 6 years who are not yet at school, but may also be provided for school-aged children up to 12 years old. Family day care is defined in the National Law.
- viii. *Long day care (LDC)*: is a centre-based form of service providing all day or part-time education and care for children aged birth to 6 years who attend the centre on a regular basis. Education and care is generally provided in a building, or part of a building, that has been created or redeveloped specifically for use as a child care centre.
- ix. *National body*: the Australian Children's Education and Care Quality Authority (ACECQA), which guides the implementation and administration of the NQF. This is defined in the National Law as the National Authority.
- x. *National Law*: The National Law is set out in the Schedule to the Victorian legislation, *Education and Care Services National Law Act 2010* through the applied law principles (except Western Australia and South Australia). Western Australia has re-enacted the National Law as a schedule to its own Act, the *Education and Care Services National Law (WA) Act 2012*. South Australia has enacted the National Law in a Schedule to the *Education and Early Childhood Services (Registration and Standards) Act 2011*.
- xi. *National Quality Agenda*: is the overarching name given to the quality reforms to education and care services, which incorporate the NQF, the NQS, the rating system and the associated regulatory system which includes the national body.
- xii. *National Quality Framework*: refers to the NQS, the rating system and the National Law and National Regulations.

- xiii. *National Quality Standard*: is the national level standard for the provision of high quality education and care services as defined in the National Regulations. It includes the Approved Learning Frameworks.
- xiv. *National Regulations*: are the Education and Care Services National Regulations 2011 (NSW) and the Education and Care Services National Regulations 2012 (WA).
- xv. *NQA ITS*: is the National Quality Agenda Information Technology System.
- xvi. *Outside school hours care (OSHC)*: services which provide care for primary school-aged children (typically aged 5 to 12 years) before and after school, and can also operate during school holidays (vacation care) and on pupil free days. OSHC services are usually provided from primary school premises. Services may also be located in child care centres, community facilities or other OSHC centres located near the primary school. OSHC services are often provided by parent associations or not for profit organisations.
- xvii. *Preschool program*: defined in the National Law as an early childhood educational program delivered by a qualified early childhood teacher to children in the year that is 2 years before grade 1 of school. Preschool programs are covered by the NQF and are often, but not necessarily, provided on a sessional basis in a dedicated service. Alternative terms currently used for preschool in some jurisdictions including 'kindergarten', 'pre-preparatory' and 'reception'.
- xviii. *Prescribed fees*: Fees charged by State regulatory authorities as set out in Schedule 2 of the National Regulations.

Miscellaneous

- 58. If a provision of this Agreement is inconsistent with a provision of the National Law or National Regulations, the provision in the National Law or National Regulations prevails.

The Parties have confirmed their commitment to this agreement as follows:

Signed for and on behalf of the Commonwealth of Australia by

The Honourable Malcolm Turnbull MP
Prime Minister of the Commonwealth of Australia

[Day] [Month] [Year]

Signed for and on behalf of the State of New South Wales by

The Honourable Mike Baird MP
Premier of the State of New South Wales

[Day] [Month] [Year]

Signed for and on behalf of the State of Victoria by

The Honourable Daniel Andrews MP
Premier of the State of Victoria

[Day] [Month] [Year]

Signed for and on behalf of the State of Queensland by

The Honourable Anastacia Palaszczuk MP
Premier of the State of Queensland

[Day] [Month] [Year]

Signed for and on behalf of the State of Western Australia by

The Honourable Colin Barnett MLA
Premier of the State of Western Australia

[Day] [Month] [Year]

Signed for and on behalf of the State of South Australia by

The Honourable Jay Weatherill MP
Premier of the State of South Australia

[Day] [Month] [Year]

Signed for and on behalf of the State of Tasmania by

The Honourable Will Hodgman MP
Premier of the State of Tasmania

[Day] [Month] [Year]

Signed for and on behalf of the Australian Capital Territory by

Andrew Barr MLA
Chief Minister of the Australian Capital Territory

[Day] [Month] [Year]

Signed for and on behalf of the Northern Territory by

The Honourable Adam Giles MLA
Chief Minister of the Northern Territory of Australia

[Day] [Month] [Year]

SCHEDULE A – NATIONAL GOVERNANCE

The broad approach

1. The NQA is a single, national unified system, with joint governance that allows the perspective of all jurisdictions to be taken into account in the operation of the system.
2. The relevant COAG Council oversees the implementation and administration of the NQA.
3. A national body, with joint governance arrangements, is responsible for guiding implementation of the national system. The national body is directed by a board, which reports to the COAG Council.
4. Administration and enforcement activities in relation to the NQF are undertaken by State regulatory authorities (accountable to State Ministers), guided by the national body.
5. The governance arrangements for the NQA have been designed with regard to the following principles:
 - (a) a transparent, fair, accountable, efficient and effective system;
 - (b) streamlined governance arrangements, with clearly described roles, responsibilities, processes and powers;
 - (c) clearly described accountabilities, including for assessment and reporting;
 - (d) all jurisdictions have an active input into decision making, and maintenance and improvement of the system;
 - (e) a single NQF with consistent national assessment and rating, to apply to all education and care services within the system;
 - (f) uniform application of the NQS;
 - (g) ongoing investment in and commitment to research and evaluation as an essential component of the system, to provide the evidence base for national decision making. Research and evaluation will take account of wider impacts and implications in addition to understanding trends in regulation against the NQS and approved services;
 - (h) integration of education and care; and
 - (i) a continuous focus on quality improvement.
6. Underpinning the governance structure is the intention to reduce the administrative burden for education and care services, such that there is a significant reduction of regulation across government or sectors, and that individual services need to deal with only one organisation for regulation against the NQS.
7. Joint governance of the national system means that individual jurisdictions are not able to change the NQF in isolation. Rather, amendments to the NQF are determined by the COAG Council.

Information sharing

8. Information under this Agreement will be shared in accordance with the National Law and National Regulations as well as Family Assistance Law.

The process for amendments to the National Quality Framework or legislation

9. Any members of the COAG Council may propose amendments to the NQF, by communicating the proposed amendments and the justification for seeking them in writing to the other members of the COAG Council and to the national body. The COAG Council will decide whether to refer the proposal to the national body. The national body may also propose amendments to the NQF at its own initiative, subject to the objectives and principles of this Agreement. Endorsement of any changes to the NQF is required to be made by the COAG Council.
10. Following a request from the COAG Council or based on a recommendation made by the national body to the COAG Council and agreed by the COAG Council, the board of the national body will examine and consider any proposed amendments in accordance with the objectives and principles as specified in the Agreement and legislation, including consideration of the impact on the following areas:
 - (a) educational and development outcomes for children attending education and care services under the NQA;
 - (b) costs to parents and carers and impact on their workforce participation;
 - (c) costs and regulatory burden for education and care service providers; and
 - (d) costs to governments.
11. The board of the national body must facilitate the assessment and discussion of the proposed amendment(s) with all jurisdictions. If a preliminary assessment reveals that a proposed regulatory change will affect a large number of businesses or individuals, or involve a non-negligible cost to businesses, a detailed analysis must be undertaken and documented in a Regulation Impact Statement.
12. The board of the national body on behalf of all jurisdictions will communicate and provide advice to the COAG Council about the proposed amendments and their justification. As part of this process, the national body will provide advice to the COAG Council about the details and reasons for any disagreement among jurisdictions about the proposed amendment(s) or their assessed impacts.
13. The COAG Council, will consider any proposed amendments in accordance with the principles of this agreement and the National Law (including their regulatory impact on service providers, parents, children and government), and agree to such amendments as it sees fit.
14. Agreement by the COAG Council relating to decisions about the NQF or legislation will be by consensus. Where the COAG Council has not been able to reach consensus on a recommendation from the board of the national body about an amendment to the legislation within 90 days of the receipt of the proposed amendments, the majority of jurisdictions may agree to the public disclosure of the advice from the board.

15. If the agreed amendments require legislative change, the host jurisdiction will:
 - (a) seek agreement by all jurisdictions on the text of the amendments through the COAG Council;
 - (b) submit to its own Parliament a Bill, in a form agreed by the COAG Council, which has the effect of amending the legislation in the manner agreed; and
 - (c) take all reasonable steps to secure passage of the Bill and bring it into force in accordance with a timetable agreed by the COAG Council.
16. The host jurisdiction is considered to be the jurisdiction which enacted the National Law or National Regulations under the applied law principle.
17. Once the amendment is passed through the Parliament of the host jurisdiction, the legislation of all other States and Territories will automatically be amended, with the exception of Western Australia and South Australia. States should take appropriate steps within their jurisdictions to ensure that the legislative changes take effect as soon as practical. The State of Western Australia will, as soon as reasonably practicable, commit to enact corresponding legislation in consistent terms to bring the agreed amendments into force to ensure ongoing consistency with the NQF. The State of South Australia will, as soon as reasonably practicable, commit to amend by regulation the *Education and Care Services National Law (South Australia)*, which comprises Schedule 1 of the *Education and Early Childhood Services (Registration and Standards) Act 2011*, in consistent terms to bring the agreed amendments into force and ensure ongoing consistency with the NQF.
18. Where a jurisdiction wishes to introduce a specific amendment relevant to its jurisdiction, then it should inform the COAG Council. Should this matter be more broadly applicable in other jurisdictions, the COAG Council could resolve to amend the National Quality Framework. In cases where such a specific matter is not more broadly applicable to all jurisdictions, the COAG Council can agree that the National Quality Framework be amended by the host jurisdiction to address the matter in location-specific terms.
19. If the issue has a substantial impact on cost drivers for services, the Commonwealth must agree to the proposed amendment.

SCHEDULE A / ANNEXURE 1 — FUNCTIONAL RESPONSIBILITIES

National Body – functions and decision making responsibilities

Functions	Decisions
1. Advice to the COAG Council	1.1 Policy advice and recommendations regarding amendments to the NQF (standards, fees, rating system) in response to data analysis, research, consultation and policy review
	1.2 Report to the COAG Council
	1.3 Advice on the performance of the NQF including the regulatory burden experienced by services
2. Oversight of national approach	2.1 Audit and review of the national standards, ratings system and fees, and the performance of State and Territory regulatory agencies
	2.2 Process for inter-rater reliability, ongoing moderation of assessment and ratings to assure consistency and service excellence
	2.3 Advice to the COAG Council on guidelines and protocols for interaction between the national body and regulatory agencies including such matters as response to issues by Ministers, performance standards, dispute resolution and consequences of non-compliance
	2.4 National professional development focus and support for training of staff in regulatory agencies
	2.5 National communication mechanisms
3. Research and policy development	3.1 Evaluation and research focus including a focus on best practice and workforce
	3.2 Improving policy and operation of ECEC services through analysis of data on the standards, ratings and non-compliance
4. Data collection, Evaluation and reporting	4.1 Process for developing and maintaining registers/comprehensive national data collections and systems
	4.2 IT systems development and maintenance
	4.3 Publishing information about ratings
	4.4 Reporting to regulatory agencies and the COAG Council

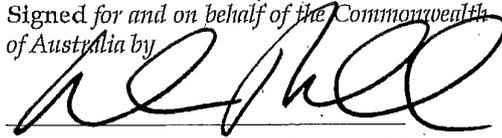
5. Education and engagement	5.1 Provide and deliver national public education and engagement in the NOF
	5.2 Provide guides and resources to support the sector to understand and implement the standards in a consistent manner
	5.3 Provide guides and resources to support parents and the broader community to understand ECEC quality
	5.4 Reduce information asymmetries in the ECEC sector by facilitating better informed parent choice
	5.5 Establish protocols between state/territory agencies and the national body
6. Management of the national body	6.1 Management of national body staff including workplace relations policies and requirements, setting pay and conditions, recruitment and determining staff qualifications
	6.2 Appointment of the CEO
	6.3 Operational management of the national body including financial management and accountability

State regulatory authorities – functions and decision making responsibilities

Function	Decision
1. Managing approval to operate, assessment, ratings, audit, compliance and sanctions	1.1 Administration and enforcement of the national quality standards for education and care services consistent with nationally agreed protocols and guidelines
	1.2 Approval to operate process including enforcement and compliance activities consistent with nationally agreed nationally protocols and guidelines
	1.3 Assessing and rating services according to nationally agreed protocols and guidelines, and forwarding to the national body
	1.4 Administrative review and appeals mechanisms in accordance with nationally agreed protocols and guidelines
	1.5 Receipt and investigation of complaints against approval holders and individual services in accordance with nationally agreed protocols and guidelines
	1.6 Prosecution or disciplinary action where indicated
2. Data collection, review and reporting	2.1 Data collection to support regulation as agreed including sharing of data for registers and comprehensive national data collections maintained by the national body
	2.2 Working with regulatory agencies and the national body to improve the operation of ECEC services through analysis of data on the standards, ratings and non-compliance
	2.3 Report to the national body, government and the public
3. Leadership and management of the Regulatory agency	3.1 People management including workplace relations policies and requirements, setting pay and conditions, recruitment and determining staff qualifications
	3.2 Transparent financial management and accountability
4. Education and Engagement	4.1 Support the national body in public education and engagement within the jurisdiction
	4.2 Use of guides and resources developed by the national body to support the sector to understand and implement the standards in a consistent manner
	4.3 Use of guides and resources of the national body to support parents and the broader community to understand ECEC quality
	4.4 Utilise protocols and guidelines agreed between state/territory agencies and the national body

The Parties have confirmed their commitment to this agreement as follows:

Signed for and on behalf of the Commonwealth
of Australia by



The Honourable Malcolm Turnbull MP
Prime Minister of the Commonwealth of Australia

[Day] [Month] [Year] 3 MAY 2016

Signed for and on behalf of the
State of New South Wales by

The Honourable Mike Baird MP
Premier of the State of New South Wales

[Day] [Month] [Year]

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Premier of the State of Victoria

[Day] [Month] [Year]

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The Honourable Will Hodgman MP
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[Day] [Month] [Year]

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Chief Minister of the Australian Capital Territory

[Day] [Month] [Year]

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Chief Minister of the Northern Territory of Australia

[Day] [Month] [Year]

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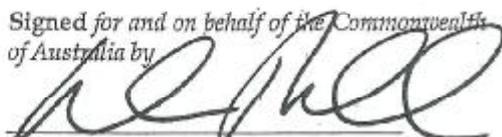
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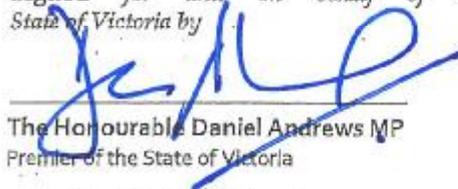
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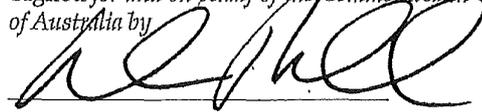
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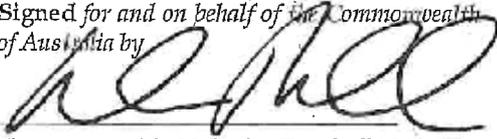
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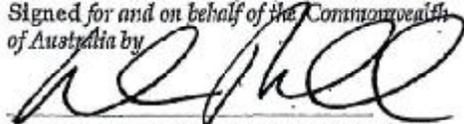
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[Day] [Month] [Year]

6th June 2016