

Performance update for FY23

NSW Regulatory Authority for early childhood education and care services

Reporting on how the regulator performed against the Statement of Expectations in the 2022–23 financial year to ensure safety and quality in early childhood education and care services in NSW.





Overview

Background

The NSW Department of Education is the Regulatory Authority (NSW Regulatory Authority) for the early childhood education and care (ECEC) sector in NSW. It regulates, monitors and supports more than 6,000 ECEC services, including preschools, long day care, family day care, outside school hours care, mobile and occasional care services.

The core regulatory functions of the NSW Regulatory Authority are exercised by authorised officers in accordance with the National Quality Framework (NQF). Visit the [Australian Children's Education & Care Quality Authority \(ACECQA\) website](#) to learn more about the NQF.

What is a Statement of Expectations?

A Statement of Expectations (SOE) is an instrument that sets out priorities, objectives and targets, usually by the person who is accountable – in this case the Minister for Education and Early Learning. An SOE is a best practice instrument that is common for modern regulators.

In the case of the NSW Regulatory Authority, reporting on set and transparent performance indicators as set out in the SOE helps assure the public that there is effective regulatory oversight of the ECEC sector.

The SOE applying to the NSW Regulatory Authority for FY2022–23 came into effect from 1 July 2022.

FY2022–23 Statement of Expectations

This SOE (in the table below) was signed on 13 July 2022.

Theme 1. Ensuring children attending ECEC services are safe.

Expectations	Deliverables with performance target
1.1 Effectively monitor service quality and compliance with the requirements of the NQF using risk-based approaches.	1.1.1 Undertake at least one visit per service per year. 1.1.2 At least 95% of newly approved services will have an assessment and rating (A&R) visit within 18 months. ¹

Theme 2. Supporting improvement of quality of ECEC services.

Expectations	Deliverables with performance target
2.1 Support ongoing quality uplift of the sector.	2.1.1 Provide quality support and interventions, with the aim of ensuring that at least 87% of services meet or exceed the National Quality Standard (NQS). 2.1.2 All services rated ‘Working Towards’ as at 1 August 2022 are reassessed under the NQS by 31 July 2024.

Theme 3. Delivering timely and effective regulation of ECEC services.

Expectations	Deliverables with performance target
3.1 Ensure timeliness and efficiency of regulatory decisions and quality assessments.	3.1.1 25% of all NSW services are either partially reassessed or fully assessed and rated in a 12-month period based on currency and risk. 3.1.2 Average time taken to process new service applications is 60 calendar days.
3.2 Ensure regulatory practices are applied consistently.	3.2.1 Implement a new regulatory capability and training framework for regulatory staff by mid-2023. 3.2.2 Undertake an annual internal audit regime to ensure consistency in decision-making.
3.3 Ensure timeliness in responding to complaints and notifications of serious incidents.	3.3.1 Notifications and complaints are risk assessed within one business day and allocated for management within the next 2 business days.

¹ This target will be reported on in the next annual performance report (FY24) because of the 18-month reporting window.

Theme 4. Stakeholder engagement and effective communication.

Expectations	Deliverables with performance target
<p>4.1 Engage effectively with service providers and sector representatives to support the provision of quality early childhood education and care.</p>	<p>4.1.1 Communicate regular and responsive regulatory advice and guidance through external communications (such as monthly newsletters, social media and campaigns) to service providers.</p> <p>4.1.2 Engage regularly with the ECE Advisory Group and Aboriginal ECE Advisory Group (now known as Gudjagang Gulgul) – effectiveness of engagement measured through annual feedback survey.</p> <p>4.1.3 In the NSW Regulatory Authority’s annual sector feedback survey (to commence 2022), at least 70% of survey respondents ‘agree’ or ‘strongly agree’ that the support and guidance provided by the NSW Regulatory Authority was informative and helpful.</p>
<p>4.2 Build the confidence of families that ECEC services are effectively regulated and know how to access information.</p>	<p>4.2.1 Communicate regular, relevant and culturally appropriate information and guidance to families.</p>

The following expectations were also included in the current SOE:

- The NSW Regulatory Authority will report publicly on SOE performance.
- The NSW Regulatory Authority will review the SOE every 2 years to ensure targets are linked to emerging evidence on quality practice and best outcomes for children.



Year at a glance

The information in this section summarises the performance of the NSW Regulatory Authority against the targets in the Statement of Expectations for FY23.

Target 1.1.1

7,857 visits, with 4,660 approved services having at least one visit.

78%
of target reached

Target 2.1.1

90% of services were rated as 'Meeting NQS' or above.

Exceeded target
by 3 percentage
points

Target 3.1.1

1,447 services underwent a full or partial A&R in the last 12 months.

98%
of target reached

Target 3.1.2

39 calendar days is the average time to process new service applications.

On average,
21 days ahead of
the target

Target 3.2.1

Implement a regulatory capability and training framework

A new regulatory training and capability development program called Regulatory Empowerment and Learning (REAL) was launched in July 2022. For the financial year ending 30 June 2023, the following completion rates were reported:

91%

completion rate for
Foundational Learning
Modules

88%

completion rate for
Technical Learning
Module (Part 1)

45%

completion rate for
Technical Learning
Module (Part 2)

Completion rates
are continuing to
climb

Data source for 1.1.1, 2.1.1 and 3.1.1 is NQA ITS, 1 July 2023.

Target 3.2.2

Undertake an annual internal audit

Targeted audits have commenced. They are expected to be completed by March 2024 and become part of a rolling audit program.

So far, the following deliverables have been completed:

- **audit scope**
- **annual plan**
- **audit framework.**

Target 3.3.1

Notifications and complaints

On average, the following results were reported for FY23:

87%

cases (on average) were risk assessed within one business day.

79%

of cases (on average) were allocated for management within 3 business days.



Target 4.1.1 and 4.2.1

Communicate advice and guidance to providers

More than

20,000

followers of the department's social media platforms.

At least 10 newsletters or messages are distributed per quarter with resources or information for families.

Target 4.1.3

Feedback from NSW Regulatory Authority's Annual Sector Survey

84%

of respondents answered that direct communication was the most helpful communication method.

On average,

60%

of respondents 'agree' or 'strongly' agree that the NSW Regulatory Authority provides clear information.

Data source for 3.1.2 and 3.3.1 is NQA ITS, 1 July 2023.

Performance summary

The NSW Regulatory Authority has measured its regulatory performance for the period 1 July 2022 to 30 June 2023 against each of the targets in the SOE. A summary is provided below.

The NSW Regulatory Authority performed strongly against the following expectations:

- (2.1.1) 90% of ECEC services in NSW were rated 'Meeting NQS' or above – outperforming the target by 3 percentage points.
- (3.1.2) It took an average of 39 days to process new service applications – on average 21 days sooner than set by target.
- (2.1.2) 379 services rated 'Working Towards NQS' (as at 1 August 2022) were reassessed for quality under the NQS before 31 July 2023 – outperforming the target by 52 services.
- (3.2.1) The NSW Regulatory Authority rolled out a regulatory capability and training framework for all regulatory staff, with a 91% completion rate for the Foundational-level training and an increasing 88% completion rate for the Technical-level training (Part 1).

The NSW Regulatory Authority identified opportunities for improvements in its performance on the following:

- (1.1.1) 78% of services in NSW had at least one visit in the last financial year (FY23), short of the 100% target. The NSW Regulatory Authority approach to visits is informed by risk. It conducted 7,857 visits to 4,660 approved services in FY23. An increase in complaints and serious incidents meant that there were more repeat visits to some services, impacting the ability of the regulator to have a presence in all services.
- (3.3.1) An average of 87% of cases (notifications and complaints) were risk assessed within one business day, short of the 100% target. Between July and September of FY24, the NSW Regulatory Authority has averaged 98%.
- (3.1.1) 24.4% of all NSW services had a completed partial or full A&R in a 12-month period based on currency and risk, which was just short of the target of 25%.

Reflections

The NSW Regulatory Authority remains committed to upholding its important safety and quality oversight function and to achieving the expectations set out by the Minister for the benefit of children and families. We do this by:

- ensuring safe, high-quality service environments through ongoing compliance monitoring and taking appropriate regulatory action to prevent harms to children
- building trust and confidence in the NSW ECEC sector through effective, proportionate and risk-based use of regulatory powers
- making sure that any approval to enter and/or remain in the sector is only granted to providers and services that will adhere to the laws and regulations and uphold high standards of integrity
- engaging with key stakeholders to ensure all regulatory resources and information are current, meaningful, and reflect best practices and standards under the NQF
- responding to complaints, investigating incidents, and taking proactive measures to ensure providers and their services are complying with the laws and regulations.