

# Early Years Management in Victorian Sessional Kindergartens

October 2020

Independent assurance report to Parliament  
2020–21: 6



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# Early Years Management in Victorian Sessional Kindergartens

Independent assurance report to Parliament

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# VAGO

Victorian Auditor-General's Office

The Hon Nazih Elasmr MLC  
Brooks MP  
President  
Legislative Council  
Assembly  
Parliament House  
House  
Melbourne

The Hon Colin  
Speaker  
Legislative  
Parliament  
Melbourne

Dear Presiding Officers

Under the provisions of the *Audit Act 1994*, I transmit my report *Early Years Management in Victorian Sessional Kindergartens*.

Yours faithfully



Andrew Greaves  
*Auditor-General*

The Victorian Auditor-General's Office acknowledges Australian Aboriginal peoples as the traditional custodians of the land throughout Victoria. We pay our respect to all Aboriginal communities, their continuing culture and to Elders past, present and emerging.

# Contents

<b>Audit snapshot</b> .....	<b>1</b>
<b>1. Audit context</b> .....	<b>8</b>
1.1 Kindergarten in Victoria .....	9
1.2 The policy framework.....	13
1.3 EYM roles and responsibilities .....	17
<b>2. Setting and measuring against objectives</b> .....	<b>19</b>
2.1 The policy framework's objectives .....	20
2.2 The performance framework's measures .....	22
2.3 Implementing the performance framework.....	26
2.4 Reporting and monitoring .....	28
2.5 Assessing achievement against the policy framework's outcomes .....	29
<b>3. Implementing the policy framework</b> .....	<b>33</b>
3.1 Implementing the policy framework.....	34
3.2 Continuous improvement .....	39
<b>APPENDIX A Submissions and comments</b> .....	<b>43</b>
<b>APPENDIX B Acronyms, abbreviations and glossary</b> .....	<b>51</b>
<b>APPENDIX C Scope of this audit</b> .....	<b>53</b>
<b>APPENDIX D Assessment of the measures</b> .....	<b>56</b>
<b>APPENDIX E Testing the measures</b> .....	<b>59</b>
<b>APPENDIX F Data and performance information</b> .....	<b>66</b>
<b>APPENDIX G Gaps and challenges</b> .....	<b>73</b>

# Audit snapshot

Does the Department of Education and Training support service providers managing sessional kindergartens to meet the outcomes of the *Early Years Management Policy Framework*?

## Why this audit is important

In July 2016, the Department of Education and Training (DET) introduced the *Early Years Management Policy Framework* (the policy framework). The policy framework contains five outcomes that focus on improving early years services in Victoria. Studies show that quality early learning has a positive impact on a person's schooling and adulthood.

Early Years Management (EYM) organisations run sessional kindergarten and long day care services. EYM organisations receive support from DET and additional funding from the Victorian

Government to deliver services in line with the policy framework's outcomes.

## Who we examined

- DET
- five EYM organisations
- three local councils, one providing EYM services.

## What we examined

- how DET has planned and implemented the policy framework
- how DET has supported EYM organisations and monitored their progress to meet the policy framework's outcomes.

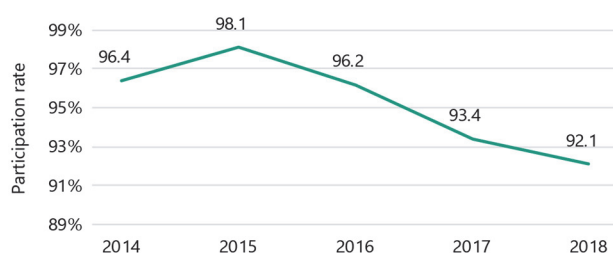
## What we concluded

While DET and EYM organisations have made progress in implementing the policy framework, DET's support has not effectively assisted EYM organisations to meet its intended outcomes.

Due to its limited performance monitoring, DET does not know if EYM organisations are delivering services in line with the policy framework's outcomes. This hinders DET's ability to improve the quality of early learning services for Victorian children.

## Key facts

### Participation in funded kindergarten services 2014–18

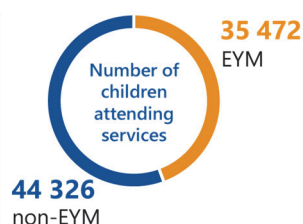
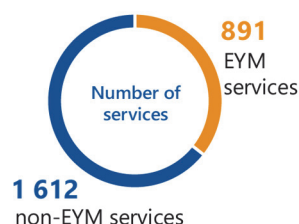


### Victorian Government investments 2019

**\$406.8m**  
in funded kindergarten

An additional  
**\$10m**  
in the EYM program

### Government funded kindergarten services 2019



### Sessional kindergarten services 2019

**543**  
non-EYM services

**718**  
EYM services

# What we found and recommend

We consulted with the audited agencies and considered their views when reaching our conclusions. The agencies' full responses are in Appendix A.

## **The *Early Years Management Policy Framework***

### **The 'outcomes' stated in the *Early Years Management Policy Framework* do not describe the intended impact on early childhood education outcomes**

The *Early Years Management Policy Framework* (the policy framework) introduced outcomes that the Department of Education and Training (DET) could use to consistently and transparently monitor the impact of the policy framework at an organisational and system level.

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An **outcome** measures the broader impact that a service has on individuals and the community.

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The policy framework's 'outcomes', reflect DET's primary focus on improving the delivery of the services that individual Early Years Management (EYM) organisations provide. As program objectives they are valid and meaningful. However, they are not truly 'outcomes' as the metrics DET uses largely measure inputs and processes. While the measures inform the user of whether elements of the policy framework have been implemented, they do not demonstrate what is being achieved as a result. Doing so would further strengthen the policy framework and allow it to clearly link to broader DET outcomes detailed in its *2016–20 Strategic Plan*, such as:

- achievement—raise standards of learning and development achieved by Victorians using education, training, development and child health services
- engagement—increase the number of Victorians actively participating in education, training, development and child health services.

### **DET has not sufficiently developed its performance framework**

DET developed the Outcomes and Performance Framework (OPF) to help it monitor EYM organisations' performance against the policy framework's outcomes. The OPF contains 31 measures to monitor the policy framework's effectiveness at an organisational, regional and statewide level. This framework was released in draft in 2016 and the measures were identified as 'sample' measures. DET planned to further develop the OPF as its use matured in consultation with the sector. However, it has

not put the framework to use over the last four years, or further developed it with the sector as it intended.

In November 2019, DET started drafting the Monitoring and Improvement Framework (MIF). When finalised, this framework will replace the OPF and outline DET's new approach to monitoring performance and supporting continuous improvement in EYM services across the state.

## Weaknesses in measure design

We primarily focused on assessing the OPF because the MIF is not developed enough to fully review. However, what DET has developed so far in the MIF has similar inherent design weaknesses as the OPF. We identified the following issues with how DET designed the OPF measures:

- Nearly all (26 out of 31) of the measures are process measures. This allows DET to know whether the policy framework is being implemented but not what is being achieved or the impact of it.
- DET has not established clear and practical measures for each of the policy framework's outcomes to help it effectively identify improvements at an organisational level.
- The measures are not supported by enough information to enable DET to assess performance at an organisational, regional or statewide level.
- The design of some measures does not fairly assess performance. In other examples, the measure is not defined, which means it cannot be applied.

In addition:

- DET has not identified all of the data sources it needs to assess performance against the measures.
- DET has not established baseline levels for the measures to assess changes in performance over time.



## Recommendation about performance measures

### We recommend that the:

### Response

We recommend that the:	Response
Department of Education and Training	<b>Partially accepted</b>
1. when finalising the Monitoring and Improvement Framework, ensures that: <ul style="list-style-type: none"><li>it clarifies the framework's purpose, how it will use it and any public reporting requirements it has</li><li>it enables fair assessment of individual Early Years Management organisations in meeting the <i>Early Years Management Policy Framework's</i> objectives and outcomes</li><li>it enables benchmarking of Early Years Management organisations in meeting the <i>Early Years Management Policy Framework's</i> objectives and outcomes</li><li>it enables overall assessment of the Early Years Management sector at the regional and statewide levels in meeting the <i>Early Years Management Policy Framework's</i> objectives and outcomes</li><li>its core requirements and key indicators have clearly specified data sources, business rules and targets that allow it to fairly assess achievement</li><li>it establishes baseline performance levels so it can assess improvement over time where appropriate (see Section 2.2).</li></ul>	

## Reporting and monitoring

### DET does not require EYM organisations to report on the measures

To date, DET has not required EYM organisations to report against the OPF's measures. The routine reporting that EYM organisations complete aligns only with a limited section of the OPF. As such, DET has not used the OPF's measures to monitor EYM organisational performance against the policy framework. DET advised us that it takes a partnership approach to monitoring, which it does through its service improvement plans (SIP) that identify areas and actions for improving performance against the EYM outcomes. However, DET acknowledges the need to move towards a more consistent and quantitative assessment of EYM performance.

DET is ultimately accountable for ensuring that EYM organisations are delivering services in line with the policy framework's outcomes. However, the standard service agreements that DET holds with EYM organisations, which reference the policy framework and *Kindergarten Funding Guide*, contain minimal information about how organisations should report on their performance against the policy framework's outcomes.

### Limitations in DET's monitoring processes

We reviewed DET's monitoring processes for all government-funded kindergarten services and focused more specifically on how it monitors EYM organisations. We found that DET does not collate, analyse or report on the data it collects through SIPs, which is a missed opportunity to review and understand performance.

DET uses **SIPs** as the key monitoring tool for EYM organisations. However, SIPs are not used for all government-funded kindergarten services.

The ***Kindergarten Funding Guide*** gives kindergarten providers detailed information about the types of kindergarten funding available, how to apply for funding and eligibility criteria, and how to comply with operational requirements once DET has granted funding.

## Recommendations about monitoring tools

We recommend that the:	Response	
Department of Education and Training	2. when finalising the Monitoring and Improvement Framework, ensures that its service agreements with Early Years Management organisations clearly outline and align with the framework's requirements and performance expectations (see Section 2.4)	<b>Accepted</b>
	3. updates its service improvement plans and/or develops a fit-for-purpose monitoring tool that: <ul style="list-style-type: none"><li>• monitors Early Years Management organisations' performance against the Monitoring and Improvement Framework's core requirements and key indicators</li><li>• supports Early Years Management organisations to routinely monitor, evaluate and report on their performance against the <i>Early Years Management Policy Framework's</i> objectives and outcomes</li><li>• enables routine monitoring, evaluation and reporting on the sector's performance against the <i>Early Years Management Policy Framework's</i> objectives and outcomes (see Section 2.4).</li></ul>	<b>Accepted</b>

## Assessing achievement against the policy framework

### DET cannot link performance improvements to the policy framework

DET's *EYM Kindergarten Operating Guidelines* states that it would use the OPF to build a picture of the overall value and impact of the EYM program. However, we found that:

- DET does not assess how EYM organisations and services perform at a regional and statewide level despite having nine OPF measures designed for this purpose.
- DET undertakes limited analyses of the data and relevant performance information it does collect.

The inherent weaknesses in the outcomes DET defined in the policy framework and the design of the performance framework intended to measure the impact, mean that DET is unable to demonstrate:

- if any performance improvements are linked to the policy framework's implementation
- that the support it provides to EYM organisations has led to any broader performance improvements at a regional or statewide level
- that its investment in the EYM program is generating positive results.

## Gaps and challenges

### DET does not have a comprehensive view of gaps and challenges

DET does not have a comprehensive approach to understanding the issues that EYM organisations experience while working to implement the policy framework. Across feedback provided by the six audited EYM organisations and the respective DET regional and area staff, we identified 20 common gaps and challenges that impact their ability to implement the policy framework, such as:

- difficulties in balancing the financial viability of individual kindergarten services with the financial viability of their service portfolios
- that the cost to attend sessional kindergarten services is becoming too high for some families
- ongoing difficulties recruiting and retaining a highly skilled workforce.

While DET provides a range of financial and non-financial support to EYM organisations, it cannot demonstrate that this effectively addresses the gaps and challenges that EYM organisations experience.

DET also could not demonstrate that the action it has taken on its investigations into challenges experienced by the sector is directly leading to improved support that addresses the issues.

### Recommendation about support to EYM organisations

We recommend that the:

Response

We recommend that the:	Response
Department of Education and Training 4. routinely assesses if its support to Early Years Management organisations is addressing the underlying gaps and challenges they face in implementing the <i>Early Years Management Policy Framework</i> (see Section 3.1).	<b>Accepted</b>

## Continuous improvement

### DET's continuous improvement process is not aligned to achieving the outcomes

While DET has a continuous improvement process for individual EYM organisations, this process is aligned to implementing the policy framework, not assessing whether outcomes are achieved.

DET's SIPs are used to capture a minimum of three improvement areas that EYM organisations self-assess and nominate each year with approval by regional staff. However, DET does not systematically capture improvements or necessarily align them with the OPF's measures.

We reviewed DET's continuous improvement process for individual EYM organisations and assessed how it informs broader improvements at a regional and statewide level. We found that:

- DET does not have a clear process for collating, escalating and addressing common areas for improvement at a regional and statewide level.
- There is a general lack of knowledge sharing across the sector and DET does not report on the data and information it routinely collects from EYM organisations.
- DET only captures examples of good practice at an organisational level and does not have a process to share these at a regional and statewide level.

## Recommendation about continuous improvement processes

### We recommend that the:

### Response

We recommend that the:		Response
Department of Education and Training	5. routinely captures improvements, gaps and challenges that Early Years Management organisations experience and: <ul style="list-style-type: none"> <li>• analyses them to identify local and systemic issues that require support or interventions at an organisational, regional and/or statewide level</li> <li>• shares learnings and improvements with its staff, stakeholders and all Early Years Management organisations to support continuous improvement across the sector (see Section 3.2).</li> </ul>	<b>Accepted</b>

# 1.

## Audit context

Quality early learning has a positive impact on a person's schooling and adulthood. Recognising this, both the Victorian and Australian governments provide a significant amount of funding for kindergarten services.

In 2016, DET introduced the policy framework to improve kindergarten services across the state.

Starting in 2020, the Victorian Government is investing what will amount to almost \$5 billion over the next 10 years to give children access to funded three-year-old kindergarten.

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**This chapter provides essential background information about:**

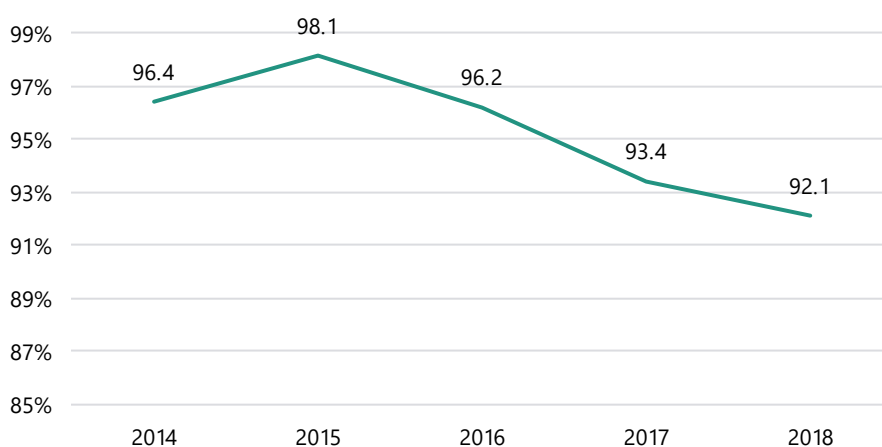
- Kindergarten in Victoria
  - How kindergarten services are funded
  - The policy framework
  - What EYM organisations do
  - Roles and responsibilities across the EYM sector
-

## 1.1 Kindergarten in Victoria

DET is responsible for Victoria's education system. This includes education within the early childhood education and care (ECEC) sector, which is referred to as kindergarten. Kindergarten is a program that qualified early childhood educators deliver to children in the years before they start school. Kindergarten helps children to develop social, emotional, cognitive and physical skills that are important to lifelong learning.

While kindergarten is not compulsory, most Victorian parents choose to enrol their children in it. In 2018, 92.1 per cent of Victorian children attended kindergarten in the year before starting school. Figure 1A shows participation levels for Victorian kindergarten from 2014 to 2018.

FIGURE 1A: Victorian kindergarten participation



Note: The participation rate is calculated by the number of children enrolled in their first year of state government-funded kindergarten divided by a ratio of 70 per cent of four-year-old and 30 per cent of five-year-old children eligible to enrol, based on Australian Bureau of Statistics' (ABS) population data. Participation rates are not directly comparable before and after 2016 because the ABS rebased their population data in 2016.

Source: VAGO, data from the *Department of Education and Training 2018–19 Annual Report*.

## Government funding

Under the *National Partnership on Universal Access to Early Childhood Education 2018–20*, Australian children are funded to participate in 600 hours of a kindergarten program.

The **National Partnership agreement** is a funding arrangement between the Australian and state governments to increase Australian children's participation in kindergarten programs.

In 2019, the Australian Government contributed \$123.9 million towards Victorian kindergarten programs and the Victorian Government provided \$406.8 million. This funding is put towards:

- service and program delivery
- increasing access for children
- workforce-related expenses.

DET also provides additional funding for EYM organisations. In 2019, it provided \$10 million to EYM organisations through the following grants:

- an annual grant (\$10 232 per service)
- a one-off grant to start a new service (\$3 070 per service)
- a one-off grant to establish a new EYM organisation (\$5 000 per provider)
- a one-off grant to transition a service with complex financial or industrial issues to an EYM organisation (\$3 070).

### Eligibility for funding—kindergarten providers

To be eligible for government funding, kindergarten providers must meet eligibility criteria and operational requirements. For example:

- kindergarten programs must be planned and delivered by a qualified early childhood educator who is registered with the Victorian Institute of Teaching
- programs must have an educator to child ratio of 1:11 or less.

When a service is approved, kindergarten providers are eligible for funding per child and can also access a range of subsidies to deliver kindergarten programs to three and four-year-olds.

### Eligibility for funding—children

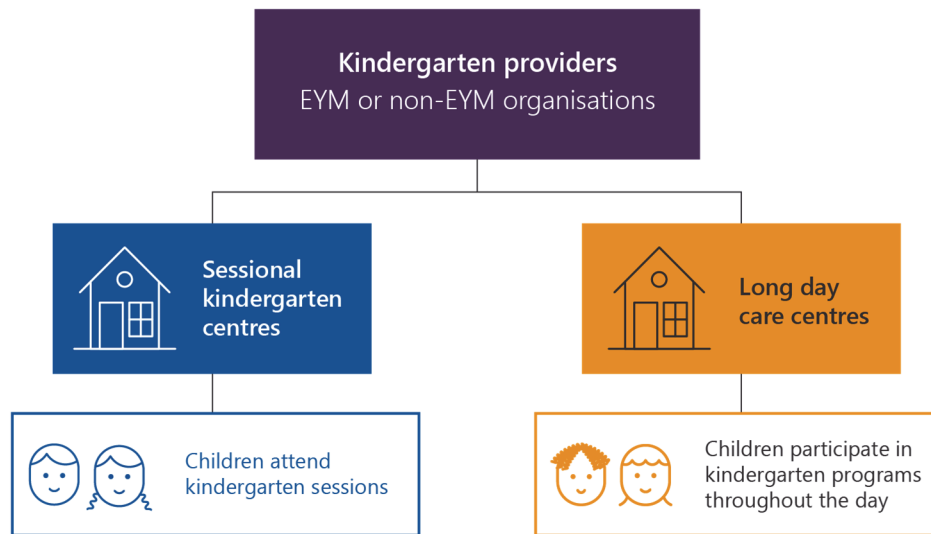
Victorian children can currently access 600 hours of government-funded four-year-old kindergarten. To be eligible for full funding, children must be at least four years old on 30 April that year and enrolled in a kindergarten program that offers 15 hours per week. Vulnerable children may be eligible to access an additional year of government-funded kindergarten.

In 2020, the Victorian Government started funding three-year-old kindergarten in six rural local government areas. This funding, which is also provided per child, is being progressively rolled out up until 2029. This will allow Victorian children to access at least five hours of funded three-year-old kindergarten per week in 2022.

## Types of kindergarten programs

In Victoria, providers deliver kindergarten programs through sessional kindergartens and long day care centres, as Figure 1B shows.

FIGURE 1B: Kindergarten program delivery in Victoria



Source: VAGO.

As Figure 1C shows, sessional kindergartens and long day care centres differ in a number of ways.

FIGURE 1C: Key differences between the delivery of kindergarten programs

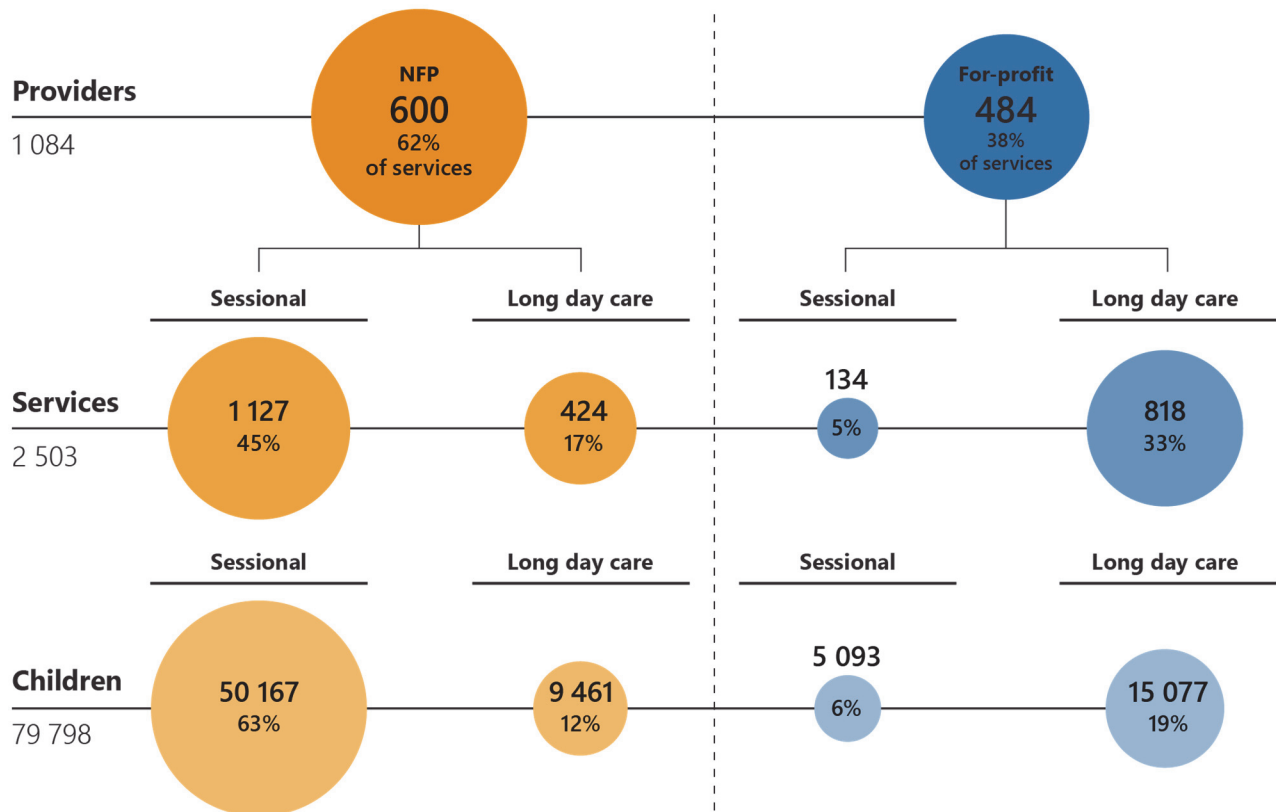
	Sessional kindergarten	Long day care centre
Kindergarten program delivery method	Kindergarten programs are delivered through sessions. For example, three five-hour sessions per week	Kindergarten programs are integrated with the long day care centre's hours
Operating hours	Usually 9.00 am to 3.00 pm	Usually 6.00 am to 6.00 pm
Provider type	Predominately run by community not-for-profit (NFP) organisations	Predominately run by private organisations
2019 attendance in Victoria	69 per cent of all government-funded children	31 per cent of all government-funded children

Source: VAGO.

As Figure 1D shows, NFP organisations run more sessional kindergartens than private for-profit organisations.



FIGURE 1D: All funded kindergarten services in Victoria



Source: VAGO, based on 2019 Kindergarten Information Management System (KIMS) data from DET.

## Kindergarten Cluster Management and the development of EYM

Traditionally, local councils and parents volunteering on committees of management (CoMs) operated Victorian sessional kindergartens. However, because of increasing time commitments and operational compliance requirements, some organisations started centrally managing clusters of kindergartens.

This approach was formalised by DET's *Kindergarten Cluster Management Policy Framework* (the KCM policy framework) in 2003. Under the KCM policy framework, the cluster manager became accountable for delivering kindergarten services and complying with the relevant laws and regulations.

However, the KCM policy framework provided limited guidance on requirements, which resulted in varied management styles by cluster managers. While some cluster managers provided only administrative support to CoMs, others took on a greater responsibility, such as managing their staff's professional development and strategically planning for the cluster manager's long term sustainability.

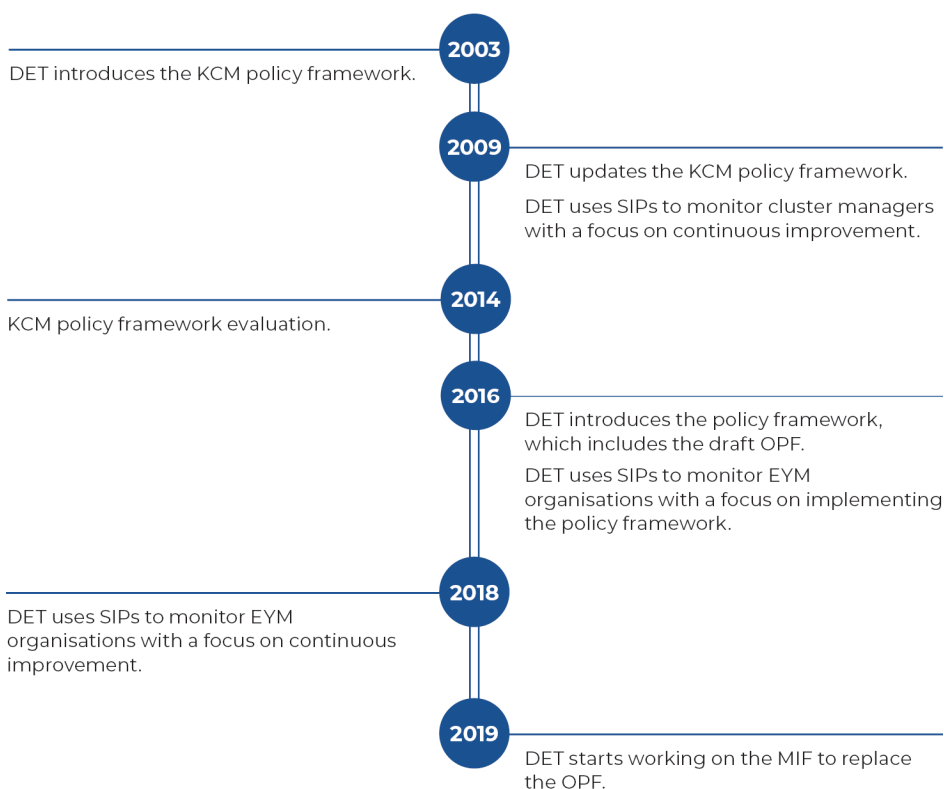
In 2014, DET commissioned an evaluation of the KCM policy framework. The findings recognised a need for DET to clarify operational roles and responsibilities, particularly overlapping functions between EYM partners, and to mature the operational model. This led to the development of the *Early Years Management Policy Framework*.

## 1.2 The policy framework

In July 2016, DET introduced the policy framework to:

- outline its long-term vision for EYM services in Victoria
- provide greater clarity around the roles and expectations of EYM partners
- provide a sound basis for EYM organisations and partners to strategically plan how they deliver kindergarten services
- define outcomes that it can use to consistently and transparently monitor the impact of the policy framework at an organisational, regional and statewide level.

FIGURE 1E: **Timeline of the policy framework's development**



Source: VAGO.

### The policy framework's vision and outcomes

DET's policy framework envisions the EYM program to be a leading platform for achieving improved outcomes for all young children through world-class and accessible ECEC services.

As Figure 1F shows, the policy framework outlines five outcomes.

FIGURE 1F: **The policy framework’s five outcomes**

Outcome	Description
Sustainable and responsive services <sup>(a)</sup>	EYM organisations are sustainable, viable and responsive to children, families and communities. They are built on strong and effective governance and partnership arrangements. The community has confidence in EYM.
Access and participation	EYM organisations drive high levels of participation for all children, in particular for those who are experiencing the highest level of vulnerability and disadvantage.
Quality and innovation	EYM organisations lead a world-class early years system in Victoria by implementing contemporary evidence-based improvements in teaching and learning, and by sharing knowledge and experience with the broader sector.
Highly skilled, collaborative workforce	EYM organisations recruit, retain and invest in a highly skilled collaborative workforce.
Strong partnerships	EYM organisations collaborate with all EYM partners, community organisations, schools and other early years stakeholders to lead the development and coordination of quality services that improve outcomes for children.

Note: <sup>(a)</sup>This is a foundation outcome. EYM organisations need to prioritise this outcome over the others.

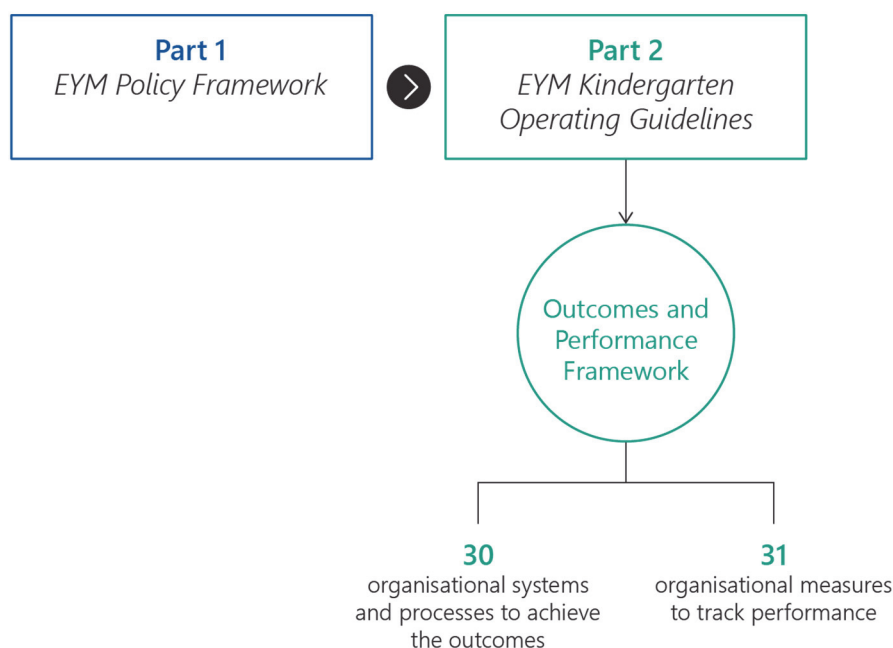
Source: The *EYM Policy Framework*, DET.

## Performance framework

As Figure 1G shows, the policy framework has two parts—the *EYM Policy Framework*, which explains the EYM program’s background and context, and the *EYM Kindergarten Operating Guidelines*, which provides detailed operational information and processes for EYM organisations and partners. The *EYM Kindergarten Operating Guidelines* includes the OPF, which is the draft performance framework that DET intended to use to:

- monitor individual EYM organisations’ performance
- build a picture of the overall value and impact of the EYM program in Victoria.

FIGURE 1G: **Parts 1 and 2 of the policy framework**



Source: VAGO, based on the *EYM Policy Framework* and *EYM Kindergarten Operating Guidelines*.

DET intended to use the OPF's 31 organisational measures, as outlined in the *EYM Kindergarten Operating Guidelines*, to evaluate if the policy framework's intended improvements are occurring at each of the following levels:

Level	Includes ...
organisational	individual EYM organisations, including the services they operate
regional	EYM services collectively operating within each of DET's four regions <sup>(a)</sup>
statewide	EYM services collectively operating across the state

<sup>(a)</sup>Under DET's Learning Places model, the state is divided into four regions.

In November 2019, DET started drafting the MIF, which is a brief two-page document that is based on the policy framework's five outcomes. DET intends to replace the OPF with the MIF to help it and EYM organisations monitor their performance and identify areas for continuous improvement.

## EYM organisations

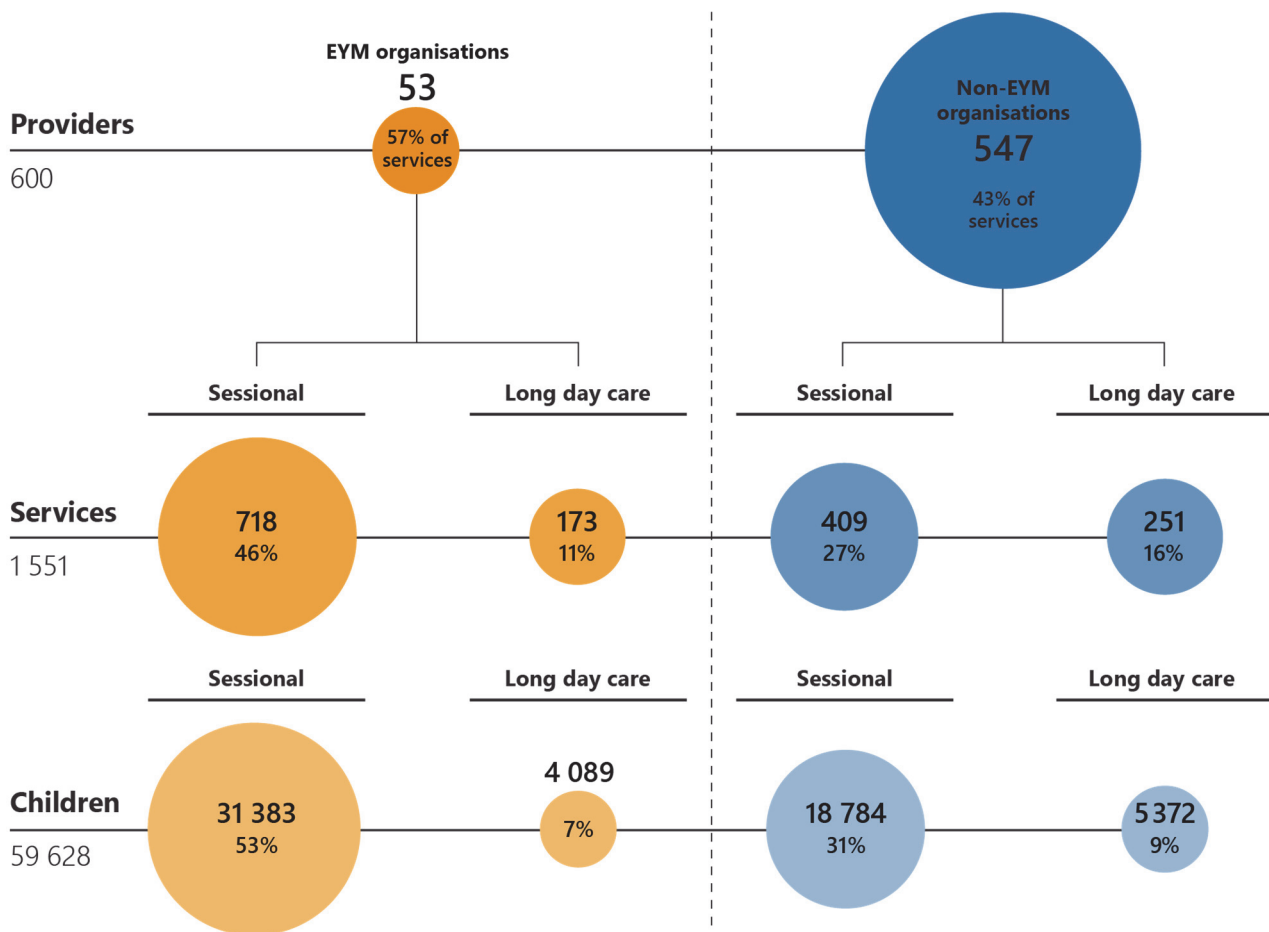
Community-based NFP organisations and local councils are eligible to become EYM organisations. EYM organisations must operate at least three community-based

services that offer a funded kindergarten program. Some EYM organisations operate more than 100 services.

Once approved by DET, EYM organisations are eligible for annual and one-off EYM grants and must meet operational requirements, including working towards meeting the policy framework’s OPF. EYM organisations provide leadership and management to the community-based kindergarten services and other early years services they operate.

As at December 2019, 53 EYM organisations operated 891 kindergarten services in Victoria. Of these services, 718 were sessional. As Figure 1H shows, this accounts for 46 per cent of government-funded NFP, community-operated kindergarten services. As shown in Figure 1D there are 134 sessional kindergarten services that are operated by for-profit providers.

FIGURE 1H: NFP, community-operated kindergarten services



Note: This assessment of services includes services operated by local councils.  
 Source: VAGO, based on 2019 KIMS data.

## 1.3 EYM roles and responsibilities

### EYM partners

The policy framework relies on a four-way partnership model between DET, EYM organisations, local councils and families. EYM organisations operate EYM services and the other partners contribute to the quality of education and care.

#### DET

DET has a key role in overseeing, regulating and improving the ECEC sector. Its:

- Quality Assessment and Regulation Division (QARD):
  - regulates ECEC services by administering and ensuring compliance with the *Education and Care Services National Law Act 2010* and associated regulations, including EYM organisations and services
  - assesses and rates the quality of ECEC services in line with the National Quality Standard (NQS), including EYM services
- Early Learning Division (ELD) and the regions:
  - administer funding according to the service agreements held with ECEC services, including EYM organisations
  - support EYM organisations to meet the policy framework's outcomes
  - identify areas for continuous improvement in the EYM program at an organisational, regional and statewide level.

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The **NQS** sets a national benchmark for ECEC services in Australia. The NQS includes seven quality areas (QA) that are important outcomes for children.

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#### Local councils

Local councils plan for kindergarten infrastructure, can run kindergarten programs, provide council-owned buildings for community organisations to run programs in and may provide access to a central enrolment scheme for kindergarten services.

#### Families

As members of parent advisory groups, parent or guardian volunteers act as the voice of families whose children attend kindergarten programs, representing their interests in discussions with EYM services. Parent advisory groups contribute to their children's educational experience by, for example, providing input into planning future services and negotiating responsibilities for fundraising.

All parents or guardians can provide feedback about the kindergarten programs their children attend either directly to the service or through surveys, such as DET's annual parent satisfaction survey and service-run surveys.

### Other key stakeholders and groups

#### Early Learning Association Australia

The Early Learning Association Australia (ELAA) is the national peak body for early learning. Their members include EYM organisations, local councils, and independent kindergartens and long day care centres. They have an advocacy role and provide support and advice through their work with Australian, state and local governments and other relevant organisations.

## **Municipal Association of Victoria**

The Municipal Association of Victoria is the legislated peak body for local government in Victoria. DET has a partnership agreement with the Municipal Association of Victoria, which establishes each party's roles in planning, funding and delivering a range of ECEC services.

## **Strategic Partnership Group and Forum**

DET's EYM Strategic Partnership Group (SPG) and EYM Strategic Partnership Forum (SPF) meet biannually. Members of the SPG include the Municipal Association of Victoria, ELAA and DET. Members of the SPF additionally include sector representatives from EYM organisations. The SPF supports DET in strategic planning, overseeing program performance and achievement and further developing the policy framework. It also provides input and advice to the SPG.

# 2.

## Setting and measuring against objectives

### Conclusion

The EYM program is unlikely to reach its full potential while DET is not effectively overseeing EYM organisations to ensure that they are delivering quality services to young children, as envisioned in its policy framework.

DET is unable to measure the impact of the policy framework's objectives because it has not set clear performance expectations for EYM organisations. There are also inherent weaknesses in the design of the policy framework's OPF, and DET is not usefully collecting, analysing and reporting on the information it does have.

As a result, DET does not know if its investment in the EYM program is generating the desired results.

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#### This chapter discusses:

- The policy framework's objectives
  - The performance framework's measures
  - Implementing the performance framework
  - Reporting and monitoring
  - Assessing achievement against the policy framework's objectives
-



## 2.1 The policy framework’s objectives

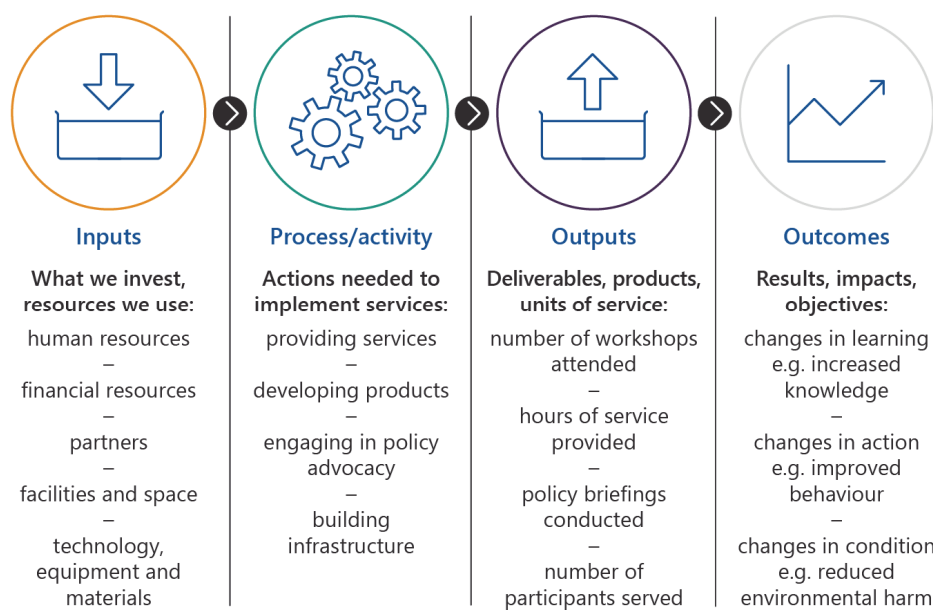
A program or service logic model is an essential part of planning, monitoring and evaluating a program. It gives the government and service providers a clear and shared understanding of how the program’s activities relate to its desired outcomes.

A service logic model also helps to identify how a program’s outcomes can be measured. This helps to establish clear performance measures that the government and service providers can monitor over time.

### The Productivity Commission’s service logic model for government services

Each year, the Productivity Commission releases a report on the performance of government services across Australian states and territories. As Figure 2A shows, the *Report on Government Services* (RoGS) uses a service logic model to show how service providers transform inputs (resources) into outputs (services) to achieve their desired outcomes.

FIGURE 2A: The RoGS service logic model



Source: VAGO, adapted from the Productivity Commission’s *Report on Government Services 2020*.

### Assessing the policy framework’s outcomes

We used the RoGS service logic model and definitions to examine the policy framework’s outcomes. As Figure 2B shows, the items that DET defined as EYM outcomes are a combination of inputs, processes, and outputs according to the RoGS service logic model.

FIGURE 2B: **Our assessment of the policy framework’s outcomes using the RoGS service logic model**

Outcome	Service logic model component				Our analysis
	Input	Process	Output	Outcome	
<b>1 Sustainable and responsive services</b>					
EYM organisations are sustainable, viable and responsive to children, families and communities.			✓		Focuses on the quality of kindergarten services delivered.
They are built on strong and effective governance and partnership arrangements.		✓			Focuses on the way that kindergarten services are delivered.
The community has confidence in EYM.		✓			Focuses on the way that kindergarten services are delivered.
<b>2 Access and participation</b>					
EYM organisations drive high levels of participation for all children, in particular for those who are experiencing the highest level of vulnerability and disadvantage.			✓		Describes the participation levels of delivered kindergarten services.
<b>3 Quality and innovation</b>					
EYM organisations lead a world-class early years system in Victoria by implementing contemporary, evidence-based improvements in teaching and learning, and by sharing knowledge and experience with the broader sector.		✓			Focuses on the way that kindergarten services are delivered.
<b>4 Highly skilled collaborative workforce</b>					
EYM organisations recruit, retain and invest in a highly skilled, collaborative workforce.	✓				Focuses on recruitment, retention and the human resource investment needed to produce kindergarten services.
<b>5 Strong partnerships</b>					
EYM organisations collaborate with all EYM partners, community organisations, schools and other early years stakeholders to lead the development and coordination of quality services that improve outcomes for children.		✓			Focuses on the way that human resources produce kindergarten services.

Source: VAGO.

Each represents a worthwhile objective where achievement is necessary to support the policy framework’s outcomes. However, the metrics focus largely on measures of

inputs and processes, which while informing the user of whether elements of the policy framework have been implemented, do not demonstrate what is being achieved as a result.

The policy framework also does not describe how its actions and objectives link to DET’s broader outcomes:

- achievement—raise standards of learning and development achieved by Victorians using education, training, development and child health services
- engagement—increase the number of Victorians actively participating in education, training, development and child health services
- wellbeing—increase the contribution education and training make to quality of life for all Victorians, particularly children and young people.

Developing a program logic model for EYM services when it developed the policy framework would have assisted DET to identify and address these gaps. DET drafted a program logic for its KCM policy framework; however, this does not represent a program logic for EYM as it does not fully align to the current policy framework and its outcomes.

## 2.2 The performance framework’s measures

The OPF has remained in draft form for four years. In response to issues identified in this audit and a 2019 report, commissioned by ELAA and funded by DET, that found scope for DET to better clarify how it assesses the policy framework’s outcomes, DET started developing the MIF to replace the OPF. DET has stated that the MIF will also help to clarify responsibilities and reduce the administrative burden for EYM organisations.

### Differences between the OPF and the MIF

The key differences between the OPF and the MIF are:

<b>The draft OPF outlines ...</b>	<b>The draft MIF outlines ...</b>
the policy framework’s five outcomes	the policy framework’s five outcomes (with minor changes)
30 organisational systems and processes for EYM organisations to follow, use and report against	27 core requirements that EYM organisations must meet and report against
31 organisational measures that were intended for EYM organisations to report against	20 key indicators that DET will annually collect and collate data for to inform its performance monitoring

In February 2020, DET received ministerial approval to release the draft MIF for sector consultation. DET commenced this in late March with the Municipal Association of Victoria and ELAA. However, it postponed further consultation with the sector so it

and other EYM partners could focus on responding to the COVID-19 pandemic. DET advised us that consultation will resume when the sector has the capacity to adequately engage in this process.

## Weaknesses in the measures' design

We primarily focused on how DET designed and implemented the OPF. This is because:

- it is the framework that DET currently uses
- the MIF is not developed enough to fully review
- DET is still finalising how it will use the MIF's core requirements and key indicators to measure performance.

### The measures are mainly processes

As Figure D1 in Appendix D shows, DET developed the OPF's 31 organisational measures to track EYM organisations' performance. For example:

- organisational measure eight measures if EYM organisations have processes to regularly identify and manage risks, including compliance with the National Quality Framework
- organisational measure 13 measures if EYM organisations can demonstrate that they are complying with DET's *Kindergarten Funding Guide*, especially regarding the Victorian Government's Priority of Access criteria
- organisational measure 23 contains human resources indicators, such as increased satisfaction with professional development, decreased staff turnover, and decreased use of agency staff.

As Figure 2C shows, nearly all of the OPF's organisational measures are process measures when assessed against the RoGS service logic model. This means that DET can only learn whether the policy framework is being implemented and complied with, not what the EYM program is achieving. A program logic model would have assisted DET to identify a suite of balanced measures, including input, output and outcome indicators.

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**Processes** are actions needed to implement services.

**Output indicators** measure how effectively, equitably or efficiently a service is delivered.

**Outcome indicators** measure the overall impact that a service has on individuals and the community.

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FIGURE 2C: **OPF organisational measures sorted by RoGS service logic model components**

Service logic model component	OPF organisational measures
Input	0
Process	26
Output	5
Outcome	0
<b>Total</b>	<b>31</b>

Note: Our detailed assessment of each organisational measure is included in Appendix D (Figure D1).

Source: VAGO.

## The measures do not contain enough information

None of the OPF's 31 organisational measures provide detailed guidance on how EYM organisations and DET should assess performance against them. As a result, EYM organisations do not know what they need to do to meet the policy framework's outcomes, how they will know if they are making progress and how DET will assess their progress.

DET advised us that it designed the measures' descriptions to explicitly contain the necessary information for EYM organisations to understand them. However, as Figure 2D shows, there are information gaps and statements in these descriptions that can be misinterpreted.

FIGURE 2D: **Examples of how the OPF's organisational measures can be misinterpreted**

OPF organisational measure number and description		Information gaps and misinterpretations
<b>1 Sustainable and responsive services</b>		
Measure 3	Quality and completeness of financial documentation, including the preparation of budgets and regular financial reporting.	Requires further information on: <ul style="list-style-type: none"> <li>• which financial documents it refers to</li> <li>• how EYM organisations should assess 'quality' and 'completeness'.</li> </ul>
Measure 6	An annual review of the strategic plan/growth plan, showing that the organisation operates in alignment with policy reforms and is well positioned to implement innovation.	Requires further information on: <ul style="list-style-type: none"> <li>• who should conduct the review</li> <li>• which policy reforms it refers to and how EYM organisations can determine if they are aligned with them</li> <li>• how EYM organisations can assess if they are 'well positioned to implement innovation'.</li> </ul>
<b>4 Highly skilled collaborative workforce</b>		
Measure 21	Participation by all ECEC professionals in professional learning programs that are linked to individual performance and development plans.	Requires further information on: <ul style="list-style-type: none"> <li>• who assesses if the professional learning programs are appropriate</li> <li>• how EYM organisations should demonstrate participation.</li> </ul>

Source: VAGO.

It is important that DET's work to further develop the MIF establishes enough information to guide EYM organisations and DET regional staff on how to effectively monitor and analyse performance and what performance levels are expected, for example, through setting performance targets where relevant. This is also important for DET to ensure that its staff perform assessments consistently across its regions.

## The measures might not fairly assess performance

We tested four of the OPF's organisational measures with available performance data from DET and encountered several limitations. For example, some measures were difficult to apply, and some were not useful for fairly assessing EYM organisations' performance. Three of the measures we tested are relevant to key indicators in the

MIF and DET has retained one as a core requirement. Figure 2E outlines some examples of these limitations.

FIGURE 2E: **Examples of limitations we identified when testing the OPF’s organisational measures**

OPF organisational measure number and description	Limitations
<b>1 Sustainable and responsive services</b>	
Measure 7 Desk top review indicates that the organisation is solvent and financially stable.	<p><b>Measure 7 is not consistently used across all EYM organisations.</b></p> <p>Under the standard service agreement clauses used by DET, local councils are exempt from the desk top review process. This means that DET is unable to know if the financial viability of councils operating as EYM organisations is satisfactory and if the EYM services they operate are at risk of closure.</p>
<b>2 Access and participation</b>	
Measure 10 Increased participation of vulnerable children and their families, for example, the proportion of health care card holders accessing the service and the number of early start kindergarten (ESK) enrolments.	<p><b>Measure 10 is not appropriate for assessing or indicating an EYM organisation’s performance.</b></p> <p>DET has not defined a method for calculating participation or stated if it is based on a rate, proportion or number of enrolments. Increased attendance numbers of children from families with health care cards does not indicate that an EYM organisation is actively striving to improve the participation of vulnerable children.</p> <p>Attendance numbers can be influenced by external factors, such as increased birth rates or demographic shifts in a local area, which do not reflect an EYM organisation’s performance.</p>
<b>4 Highly skilled collaborative workforce</b>	
Measure 20 'Exceeding the NQS': QA 1 (educational program and practice), QA 4.2 (staffing arrangements) and QA 7 (leadership and service monitoring) rated at 'exceeding the NQS'; proportion of QAs 4 and 7 that move from 'working towards the NQS' to 'meeting the NQS' or maintained at 'exceeding the NQS'.	<p><b>Measure 20 is unclear and open to interpretation when applied.</b></p> <p>This measure appears to have three parts. However, this is open to interpretation. The final part of the measure—proportion of QAs 4 and 7 that move from the rating of 'working towards the NQS' to 'meeting the NQS' or maintained at 'exceeding the NQS'—does not clarify what proportion is required.</p> <p><b>Measure 20 does not cover all scenarios for improvement.</b></p> <p>This measure only includes two of the seven potential improvement scenarios that can be achieved by a service when its quality rating changes.</p>
Measure 25 Families' survey that shows an improvement in satisfaction.	<p><b>The evidence that DET uses to assess performance against the measure is not reliable.</b></p> <p>Survey distribution is at the discretion of the EYM organisation or service, which introduces the risk of inconsistent distribution and non-response bias<sup>(a)</sup>. DET does not have controls to manage non-response bias and ensure that the survey is distributed equally to eligible parents or guardians. EYM organisations that have their own survey are also less incentivised to distribute DET's voluntary survey.</p>

Note: <sup>(a)</sup>Non-response bias is when there is a significant difference between those who responded to the survey and those who did not.  
 Note: Three of the measures we tested are relevant to key indicators in the MIF and DET has retained one as a core requirement.  
 Note: Our approach to testing is detailed in Appendix D along with further examples of limitations.  
 Source: VAGO.

In the four years that DET has spent developing the OPF, it has not tested its organisational measures to determine if:

- they can be applied effectively
- the results appropriately and fairly represent performance.

It is important that DET tests the MIF’s core requirements and key indicators to determine their feasibility and confirm that the measures are logical, can be applied consistently and support measurements against the policy framework’s objectives.

### The new performance framework lacks regional and state measures

In the OPF, DET clearly links nine organisational measures to the EYM program’s performance at a regional and statewide level, which should allow DET to conduct statewide assessments. However, the draft MIF only focuses on performance at an organisational level.

It is important that DET monitors and understands performance at all levels of the EYM sector so it can identify systemic issues that need addressing and areas for improvement. To form a view of the EYM program at the regional and statewide levels, DET should use dedicated measures for this purpose or make a clear commitment to compile individual EYM organisations’ results.

Statewide, regional, and benchmarked performance reporting could also help individual EYM organisations understand their performance in relation to the sector and similar organisations to identify areas for improvement.

## 2.3 Implementing the performance framework

While DET acknowledges that it has not implemented the OPF in a systematic and comprehensive way, it believes that what it has applied has served an important role. In particular:

<b>DET has used components of the OPF to ...</b>	<b>DET believes this has ...</b>
monitor how EYM organisations have implemented the policy framework	supported EYM organisations’ change management approach and guided EYM organisations and partners to understand DET’s expectations
focus EYM organisations’ reporting on changes they have made to their service delivery	helped EYM organisations align changes to their service delivery with the policy framework’s requirements
assist with communicating the common purpose and specific roles that each partner plays in EYM delivery	established a shared and common focus for EYM partners

One out of the six EYM organisations we audited has used the OPF’s organisational measures to informally align its daily operations with the policy framework. While all audited EYM organisations apply parts of the OPF through the SIP process (see Section 2.4), DET has not used its measures to monitor performance and improvement across the sector. DET therefore cannot demonstrate whether the policy framework has supported EYM organisations to enhance their services. However, DET intends to start formally monitoring using the MIF’s core requirements and key indicators.

## Implementation issues

### DET has not identified all required data sources and information collection processes

DET did not identify all of the data sources needed to assess the OPF’s organisational measures. In some cases where it identified the data source, neither DET nor EYM organisations have a system or process to collect the data. Figure 2F provides more information about these issues.

FIGURE 2F: **Data sources and collection processes for OPF measures**

Measure type	Required data source identified	Data collection system/process in place for DET	Data collection system/process in place for EYM organisations	Details
Organisational	25/31	23/31	23/31	Required data sources are not identified for 21 per cent of measures.
Regional and statewide	9/9	9/9	9/9	Required data sources are identified for all measures.

Note: See Figure F1 in Appendix F for more information.

Source: VAGO.

As it finalises the MIF, DET should clarify the data sources and fields it needs to effectively complete assessments. It should also determine if there are systems and processes for collecting data currently in place or if new collection methods are required.

### DET did not establish baseline levels for the measures

An accurate baseline or starting point is essential to measure performance and improvements over time. However, DET did not establish baseline levels for any of the OPF’s organisational measures and has not been establishing them for the draft MIF’s core requirements and key indicators.

Since introducing the policy framework in July 2016, DET has been actively collecting data through the routine funding and compliance monitoring it conducts of all government-funded kindergarten services. Some of these data sources are relevant to the OPF’s organisational measures and the MIF’s core requirements and key indicators.



For example, DET has access to the Australian Children’s Education and Care Quality Authority’s (ACECQA) data for all EYM services relating to:

- educational programs and practices
- staffing arrangements
- leadership and service monitoring.

DET could use this data to establish baseline levels and determine desired performance targets for relevant measures.

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ACECQA collects and holds data about kindergarten services in Victoria. It updates this information daily.

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## 2.4 Reporting and monitoring

The policy framework does not clearly detail the performance reporting requirements and expectations for EYM organisations.

### Reporting requirements and expectations

To date, DET has not required EYM organisations to report against the OPF’s 31 organisational measures. DET released the OPF in draft and identified the measures as sample measures. DET planned to further develop the OPF as its use matured in consultation with the sector. However, DET has not put the OPF to use, matured its use over the last four years or further developed it with the sector.

DET is ultimately accountable for ensuring that EYM organisations are delivering services in line with the policy framework’s outcomes. However, the standard service agreements that DET holds with EYM organisations, which reference the policy framework and *Kindergarten Funding Guide*, contain minimal information about how EYM organisations should report on their performance against the policy framework’s outcomes.

### Reporting for EYM organisations

Regardless of their EYM status, all government-funded kindergarten services must meet compliance and operational requirements, including routine reporting to DET relevant to the funding they receive. EYM organisations also receive a range of EYM grants and have additional routine reporting associated with this funding.

DET primarily uses SIPs to manage this EYM reporting. In the two years following the policy framework’s release in July 2016, DET monitored the progress of EYM organisations in implementing the policy framework.

During this implementation phase the SIPs were initially focused on the OPF organisational systems and processes and did not include organisational measures. EYM organisations completed SIPs quarterly with the assistance of early childhood performance and planning advisors (ECPAPA). To do this, they listed the actions they had completed against 23 of the 30 OPF organisational systems and processes.

Over time the SIPs became less focused on the OPF organisational systems and processes. In the second year of implementation EYM organisations were required to report on only 10 out of the 30 OPF organisational systems and processes. DET advised us that the SIP will be further updated to align to the core requirements and key indicators in the MIF once it is finalised and approved for use.

DET also used the SIP to monitor EYM organisations' continuous improvement activities, which we discuss in Section 3.2.

## Limitations in DET's monitoring and reporting processes

### Reporting requirements are high

EYM organisations' reporting requirements should not outweigh or substantially consume the EYM grant funding they receive to deliver and improve EYM services.

As stated earlier, the draft MIF has 27 core requirements and 20 key indicators that DET proposes EYM organisations report on. While this is lower than the OPF's 30 organisational systems and processes and 31 organisational measures, it is still a relatively large framework to implement and monitor. This is particularly problematic because the framework does not have output or outcome measures to give DET a clear insight into whether its policy framework is working.

This issue is further compounded by the MIF's core requirements being similar to the OPF's organisational measures, and therefore having the same inherent design weaknesses we discuss in Section 2.2.

DET needs to determine if implementing all of the MIF's core requirements and key indicators is an efficient way to measure the policy framework's success.

### Collection tools are not fit-for-purpose

DET advised us that its main barrier to collating and analysing the data and performance information it collects through SIPs is the static nature of the template itself and the supporting documentation that EYM organisations provide.

ELD collects EYM organisations' SIPs and supporting documents through its online portal, but it does not analyse this data and performance information. DET's last systematic review of information it collected through SIPs was in 2012, which is four years before it introduced the policy framework.

## 2.5 Assessing achievement against the policy framework's outcomes

According to the *EYM Kindergarten Operating Guidelines*, DET was to use the OPF to build a picture of the overall value and impact of the EYM program in Victoria.

However, DET cannot determine that individual EYM organisations are meeting their performance obligations, or that its investment in the EYM program is generating the desired results. Further, without reliable performance data, DET cannot hold organisations accountable for delivering quality services to young Victorians.

DET's inability to review the EYM sector's performance is partly due to the OPF's draft status. DET has also not applied the OPF as it intended to systematically and comprehensively assess performance across the sector.

## Limitations in DET's assessment processes

### DET cannot determine the EYM policy's impact

DET currently does not know if EYM organisations' performance has actually improved, if any improvements are linked to the policy framework's outcomes and what the impact of this is, for example, improved education outcomes for young children.

There are nine measures in the OPF that can be used to determine EYM organisations' collective performance at a regional and statewide level. However, DET has not undertaken an assessment against these measures. This means that DET cannot demonstrate the EYM policy's impact in Victoria, including understanding and comparing the performance of EYM and non-EYM providers and services.

### DET does not assess available data and performance information

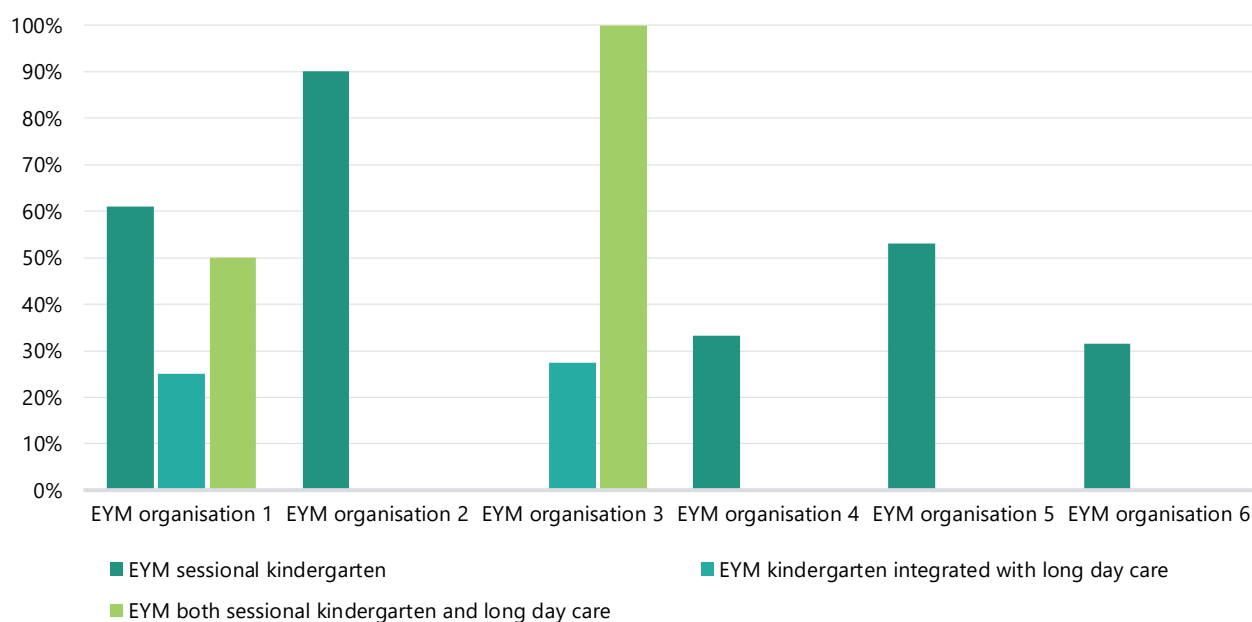
DET undertakes limited analyses of the data and performance information it does collect to inform its performance assessments of EYM organisations.

Through the existing funding and compliance monitoring it conducts for all government-funded kindergarten services, DET collects around 79 per cent of the data it needs to assess performance against the OPF's organisational measures.

DET could, for example, assess ACECQA data, which rates the overall quality of government-funded kindergarten services in Victoria. This data relates to the 'exceeding the NQS' ratings for organisational measures 11 and 17 in the OPF.

Figure 2G shows our analysis of the proportion of services under each of the six EYM organisations we audited, that achieved the 'exceeding the NQS' rating based on ACECQA data. DET could, for example, use an assessment similar to this to compare the performance of EYM and non-EYM services, or look for changes in performance since a service became EYM-operated. This would potentially give DET some feedback about the impact of the policy framework.

FIGURE 2G: Proportion of audited EYM services with an 'exceeding the NQS' rating



Note: While DET's organisational measure assesses services 'exceeding the NQS', 'meeting the NQS' is the legislated minimum. The criteria for services to attain an 'exceeding the NQS' rating was updated in 2018.

Source: VAGO, based on August 2020 ACECQA data.

### DET cannot prove that its support leads to improved performance

DET cannot clearly demonstrate that the support it provides to EYM organisations has led to improved performance against the policy framework's outcomes.

DET provides statewide support to all government-funded kindergarten services. It provides additional support to EYM organisations and services at a regional level. However, it has no formal process to directly track how consistently this support is provided across its different regions.

DET is also not analysing available data and performance information to determine how effective its support is.

### DET could use existing statewide performance assessment processes better

DET has existing processes for assessing and publicly reporting on the statewide performance of all government-funded kindergarten services.

DET could use these processes to assess and specifically report on the EYM sector at a statewide level. For example, DET reports on nine performance measures in the State Budget Papers and seven performance measures in the Productivity Commission's RoGs. These performance measures are relevant to the OPF's measures on:

- participation
- access to services
- service quality
- educator quality
- parent satisfaction.

# 3.

## Implementing the policy framework

### Conclusion

DET and EYM organisations have made progress in implementing the policy framework. However, DET's ability to target finite resources to the areas of greatest need is diminished while it does not have a comprehensive understanding of the gaps, challenges and emerging issues in the EYM program.

DET is unable to effectively address this shortcoming because there are weaknesses and limitations in its policy framework and processes. DET does not systematically capture common issues impacting the EYM program, continuous improvement is not aligned to the OPF, and there is a lack of evaluation and sharing of service delivery improvements across the sector.

DET also does not know if the additional support it provides to EYM organisations is improving the EYM system.

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#### This chapter discusses:

- Gaps and challenges in implementing the policy framework
  - DET's continuous improvement process
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### 3.1 Implementing the policy framework

The transition to the policy framework has required significant effort and investment from the EYM sector. Both DET and EYM organisations report positive progress in the sector since the policy framework was introduced in 2016. Audited EYM organisations all indicated that the current policy framework is a marked improvement on the previous KCM policy framework. EYM organisations also generally report strong working relationships with local DET staff in implementing the policy framework.

To continue improving the EYM program, DET needs to understand the key gaps and challenges that impact EYM organisations and services at both the individual and sector-wide level. This is important to ensure that the support DET provides to the sector is targeted to the gaps and challenges EYM organisations are experiencing.

#### DET does not have a comprehensive sector-wide view of gaps and challenges

DET does not have a comprehensive view of the issues and challenges that EYM organisations have experienced while implementing the policy framework.

The policy framework states that DET will work with key stakeholders to monitor the EYM sector's responsiveness and effectiveness by identifying changed conditions and potential gaps. While DET has processes for collecting information about issues at a local level, it does not have a comprehensive or systematic process for collating and analysing issues at a statewide level.

It is important that DET clearly understands potential issues at an organisational, regional and statewide level so it can determine if it needs to provide additional support or policy responses.

#### DET has limited processes for compiling sector-wide issues

ECPAPAs and early childhood improvement branch managers meet with EYM organisations on a quarterly basis to monitor their performance. DET's early childhood improvement branches are located across the state and are responsible for overseeing all government-funded services in the ECEC sector.

Branch staff have a significant role in day-to-day communications with EYM organisations and services in their local area. ECPAPAs communicate as needed to identify and address any issues that EYM organisations and services have and in some cases, may need to escalate an issue to DET's central division to fully resolve it.

ELD relies on the SPG, SPF, work undertaken by contracted third parties and communications between DET's regions and central divisions to identify sector-wide challenges. DET's regional and local area staff advised us that the local issues they capture are not systematically reported to ELD, which sets and updates the policy framework.

ELD holds monthly strategic action group meetings for early childhood quality participation and access managers from DET's regions and staff from its central divisions. Staff that we surveyed told us that these meetings are the best place to raise issues that EYM organisations in their region or area are experiencing. However, the group's meeting minutes are not detailed enough to demonstrate that issues are escalated to a sector-wide level if necessary.

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**Early childhood quality participation and access managers** are based in each of DET's four regions. They support DET's area staff to oversee and manage the service agreements it holds with approved service providers.

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## DET does not systematically identify and address emerging issues and trends

DET cannot readily identify emerging issues and trends across the EYM sector with the data and performance information it currently collects. DET advised us that this is because it stores data in disparate systems, and the data itself is not easy to analyse.

In many cases, DET captures performance information in static documents instead of IT systems, which makes the data complex and time-consuming to analyse. Where it does capture information in IT systems, extracting specific data fields is difficult.

Since introducing the OPF, DET has not proposed or developed any solutions to overcome these limitations.

## Sector experience of implementation challenges

We surveyed and interviewed the six EYM organisations and the respective DET regional and area staff about the key gaps and challenges that they have experienced with the EYM program.

The survey focused on three of the policy framework's outcomes:

- sustainable and responsive services
- access and participation
- highly skilled, collaborative workforce.

Figure 3A summarises the significant and recurring gaps and challenges that were raised by multiple respondents in the survey. These issues are limited to the experiences of the six audited EYM organisations and the respective DET regional and area staff and may not represent all of the key gaps and challenges experienced across the sector. These gaps and challenges have not been assessed as part of this audit.



FIGURE 3A: **Key issues identified by survey participants**

Policy framework outcome	Gaps and challenges
Sustainable and responsive services	<ul style="list-style-type: none"> <li>• It is difficult to balance the financial viability of individual services with the financial viability of service portfolios.</li> <li>• The supply of kindergarten services is greater than the demand in some local government areas.</li> <li>• EYM organisations' board governance is inappropriate.</li> <li>• It is difficult to align an EYM organisation's structure with all of the policy requirements.</li> <li>• EYM service funding is inadequate and unclear.</li> <li>• There is intense resourcing and commitment required to maintain partnerships (for example, between EYM organisations and DET, local councils, families and other stakeholders).</li> <li>• There is an inconsistent approach to DET's support across its regions.</li> <li>• Rolling out Three-Year-Old Kindergarten reform and the School Readiness Funding program requires a significant workload from EYM organisations.</li> <li>• EYM organisations carry the deficit of service delivery costs.</li> <li>• It is difficult for EYM organisations to invest in better and best-practice service delivery.</li> <li>• There are untimely and inconsistent service and funding approvals and provisions.</li> <li>• EYM organisations are unable to reconcile DET's payments.</li> <li>• DET's IT systems have limitations.</li> </ul>
Access and participation	<ul style="list-style-type: none"> <li>• The cost to attend sessional kindergarten services is becoming too high for some families.</li> <li>• Some EYM organisations do not have the funds to provide additional supports to children with complex needs.</li> <li>• Not all councils choose to work closely with funded kindergarten services. For example, while some councils offer access to a central enrolment scheme and help service providers to enrol vulnerable children, others do not.</li> </ul>
Highly skilled, collaborative workforce	<ul style="list-style-type: none"> <li>• There are ongoing difficulties with recruiting and retaining a highly skilled workforce.</li> <li>• There is an ever-increasing demand on educators.</li> <li>• Backfill staff are unavailable.</li> <li>• EYM organisations do not have the funds to invest in professional development.</li> </ul>

*Note:* Each issue listed has a range of specific circumstances and contributing factors, which are identified in Appendix G (Figure G1).  
*Source:* VAGO.

### DET's support to address gaps and challenges

DET does not have clear supports to assist or address some of the gaps and challenges that the survey participants identified.

Additionally, DET cannot demonstrate that the support it does provide directly assists EYM organisations to address these key issues. It also has not assessed the adequacy and coverage of its support.

DET provides financial and non-financial support to EYM organisations and services in addition to the sector-wide support it provides to all government-funded

kindergarten services. As Figure 3B shows, this ranges from funding, scholarships and incentives to programs, waivers and workshops.

FIGURE 3B: **DET’s key supports for EYM organisations**

#### Financial supports

- EYM funding, grants and scholarships, for example:
  - \$10 million annually in EYM grants
  - an additional \$3 500 to disadvantaged and rural EYM services
- Early childhood funding advisors assist with funding applications and provide advice on EYM grants. They also provide advice about non-EYM funding and grants, including:
  - service delivery funding
  - access for children funding
  - indirect funding for providers
  - scholarships for staff studying relevant qualifications
  - employment incentives.

#### Non-financial supports

- ECPAPAs, early childhood improvement branch managers, and DET’s central staff provide advice, for example about:
  - the policy framework and SIP process
  - communicating and resolving issues between EYM stakeholders
  - creating connections in local communities to strengthen partnerships.

DET’s support also includes:

- programs and initiatives, such as the Kindergarten Inclusion Support Program, which improves the delivery of kindergarten services
- information and reports, such as local government area early learning profiles
- recruitment support and waivers to EYM organisations recruiting provisional early childhood educators
- forums and workshops to facilitate knowledge sharing and good practice.

Source: VAGO.

### DET’s investigations may not directly lead to better support for EYM organisations

When DET becomes aware of specific challenges in the ECEC sector or EYM program, or gaps in its data and knowledge, it may conduct targeted investigations. As Figure 3C shows, DET may contract third parties to investigate on its behalf or conduct its own reviews to better understand the issues.

DET’s approach to investigating issues is done on a case-by-case basis and system-wide issues remain. DET has not conducted any post-investigation assessments to determine if the actions it took are directly leading to changes that better support the ECEC sector. One investigation is currently underway and three concluded at the end of 2019. However, there has not been sufficient time for DET to assess them.

FIGURE 3C: Examples of DET’s investigations into kindergarten service delivery issues

Review	Conducted by	Key issues investigated	Results	Actions
<b>EYM sector</b>				
<i>Early Years Managers Activity Analysis, November 2019</i>	External consultancy, commissioned by ELAA and funded by DET	DET wanted to understand the activities performed by EYM organisations, and how these activities align with the OPF and funding needs.	The report provided findings from a case study perspective and identified several emerging insights for further analysis.	DET provided additional financial support to EYM organisations to better cover requirements under the policy framework, including: <ul style="list-style-type: none"> <li>• an allowance of up to 5 per cent of funding per EYM service to cover policy framework implementation costs, capped at \$10 000</li> <li>• allocation of an additional \$3 500 to disadvantaged and rural EYM services.</li> </ul>
<i>Rural Governance Project, 2017</i>	ELAA	DET wanted to understand the unique challenges that EYM organisations experience while maintaining sustainable governance arrangements in rural communities.	The project produced three reports: <ul style="list-style-type: none"> <li>• a governance assessment guide</li> <li>• a review report</li> <li>• a literature review.</li> </ul>	ELAA conducted individual assessments into rural EYM organisations’ governance arrangements and provided one-on-one support.
<b>ECEC sector</b>				
<i>Victorian Family Day Care Project, July–August 2018</i>	ABS	DET wanted to understand whether children enrolled in family day care, which is home-based ECEC, are also enrolled in a preschool education program.	The review found evidence that a significant number of children enrolled in family day care are also enrolled in a sessional or long day care kindergarten program.	Unknown.
<i>Multicultural Kindergarten Participation Campaign—Communication Strategy, September 2018</i>	External consultancy	Cultural groups’ lack of awareness about kindergarten services in inner-metropolitan areas, which have lower participation rates.	The project identified cultural barriers to accessing kindergarten services. It also developed a communication strategy to address gaps in awareness and help increase the uptake of kindergarten services	DET delivered the communication strategy to three cultural groups in inner-metropolitan local government areas of Melbourne: <ul style="list-style-type: none"> <li>• Somali families</li> <li>• Vietnamese families</li> </ul>

Review	Conducted by	Key issues investigated	Results	Actions
			among three cultural groups. The communication strategy included four key pieces of communications—a poster, flyer, postcard and digital story.	<ul style="list-style-type: none"> <li>Chinese families.</li> </ul>
<i>Kindergarten Participation and Attendance Interim Report</i> , November 2019	DET	DET wanted to understand the gradual decline in kindergarten participation rates in Victoria and if non-participation is being underestimated.	The report identified and provided more understanding about issues relating to participation rates, as well as DET's current strategies to address them.	DET is currently undertaking the Improving Culturally and Linguistically Diverse Kindergarten Engagement Project to encourage enrolment in kindergarten programs in 2020.
<i>Three-Year-Old Kindergarten Capacity Review of Services</i> , December 2019	External consultancy	DET wanted to understand infrastructure and workforce capacity requirements to rollout the Three-Year-Old Kindergarten reform.	The report found that infrastructure readiness varied across the state and had limited opportunity to expand.	The findings of the report will inform decision-making in regard to the ECEC sector's kindergarten reform.
<i>Improving Culturally and Linguistically diverse Kindergarten Engagement Project Plan</i> , July 2019–April 2020	External consultancy	DET wanted to understand: <ul style="list-style-type: none"> <li>why there is a disproportionately low representation of children from newly arrived refugee communities attending kindergarten services</li> <li>newly arrived refugees' experiences and attitudes about kindergarten.</li> </ul>	The review is currently underway.	Not applicable.

Source: VAGO.

### 3.2 Continuous improvement

In the *EYM Kindergarten Operating Guidelines*, DET clearly states that:

- the quality of EYM services relies on EYM organisations' continual improvement
- the OPF is a tool that DET can use to continuously identify areas for improvement.

While DET has a continuous improvement process for individual EYM organisations, it has a number of limitations.

## Limitations in DET's continuous improvement process

### DET does not align organisational improvements with the OPF's measures

DET aligns its continuous improvement process with only 10 out of the 30 OPF organisational systems and processes and none of the organisational measures. DET has used its SIP to track continuous improvement by EYM organisations from July 2016.

In each annual reporting cycle, EYM organisations nominate a minimum of three key areas for improvement relevant to the EYM program, or they may nominate activities relevant to other policies such as School Readiness Funding, including:

- each area's scope (for example, if it affects all or only specific services)
- any barriers to resolving the issue
- the desired outcomes or goals.

ECPAPAs approve EYM organisations' nominated areas for improvement. EYM organisations self-assess their progress and provide supporting evidence for DET to assess through quarterly reviews.

However, DET does not systematically capture improvements or necessarily align them with the OPF's organisational measures. Additionally, the SIP has limitations for tracking continuous improvement because it allows EYM organisations to:

- document projects that are already underway rather than prompting them to select the highest priority areas that require attention
- request that their evidence is only sighted, not submitted. This is partly to reduce EYM organisations' administrative burden, but also to overcome limitations with the SIP's online portal. This means that DET does not systematically and comprehensively collect evidence to support EYM organisations' improvement progress.

### DET has limited mechanisms to escalate common areas for improvement

DET has no clear mechanism for ECPAPAs to collate and escalate common areas for improvement. This means that DET cannot easily address common issues at a statewide level or share them with the sector for mutual benefit.

As with the gaps and challenges discussed, DET's regional and area staff advised us that ELD's monthly strategic action group meetings and other forums are the best places to raise common areas for improvement. However, the minutes from these forums and meetings are not detailed enough to demonstrate that common areas for improvement are escalated to a sector-wide level.

### DET has only established a continuous improvement process at an organisational level

DET does not have a continuous improvement process for the EYM program at a regional or statewide level. As DET does not assess the EYM program's performance against the OPF's measures at these levels, it does not have a mechanism to identify and therefore act on areas of need.

## There is limited knowledge sharing across the sector

EYM organisations and DET’s regional and area staff advised us that there is a general lack of knowledge sharing across the EYM sector. This includes a lack of reporting from DET’s central division on the data and performance information it routinely collects from the sector.

In a review of all relevant forum documents, we found only one instance where a lesson learnt was shared at an EYM reference group forum in March 2019. This related to one EYM organisation’s experience managing a complex complaint. During the forum, the organisation explained how it used business improvement actions to prevent similar complaints from occurring in the future.

DET has no formal processes for capturing lessons learnt. While some EYM organisations occasionally record them in their SIPs, DET does not share this knowledge at a regional or statewide level for other EYM organisations’ benefit.

## Service delivery improvements

We identified several instances of service delivery improvements during this audit, as well as cases where EYM organisations have addressed the needs of their local communities with tailored solutions. Figure 3D describes some examples of this.

FIGURE 3D: **Service delivery improvement examples**

EYM organisation	Service delivery improvement
Goulburn Region Preschool Association	Goulburn Region Preschool Association is improving accessibility to its Barmah kindergarten service by providing necessary free transport for vulnerable children who are eligible for kindergarten and living in the Cummeragunja Reserve. Barmah is the closest service to the reserve and many families do not have access to transport.
Glen Eira Kindergarten Association	Glen Eira Kindergarten Association is developing the capacity of its staff over time through on-the-job training of casual workers (including recent graduates) through its local workforce register.  Glen Eira Kindergarten Association is strengthening its communication and engagement with parent advisory groups by providing tools that clearly set out their obligations and expectations as volunteers. For example, terms of reference, a code of conduct policy and a parent advisory group manual.
Greater Shepparton City Council	Greater Shepparton City Council is taking a flexible approach to ensure the long-term viability of its services. It has suspended a four-year-old kindergarten program twice in the last four years while continuing the three-year-old play groups in response to community demand. It placed eligible children in alternative services. Given its rural location, this service is prone to fluctuating enrolment numbers, which it monitors and annually responds to.
Early Childhood Management Services	Early Childhood Management Services seconded two family violence workers from the Caroline Chisholm Society for 12 months as outreach family support workers. The Outreach Family Support Program is a Victorian Government-funded pilot designed to connect families experiencing vulnerability to free kindergarten and other specialist support.
Goodstart Early Learning Services	Goodstart Early Learning Services’ Early Learning Fund provides support grants to help children living in disadvantaged circumstances access four-year-old kindergarten.

Source: VAGO

We found further examples that DET could share more widely to benefit the sector and individual EYM organisations. However, DET's current approach to oversight and performance monitoring limits its ability to capture and share these cases.

## APPENDIX A

# Submissions and comments

We have consulted with City of Whittlesea, DET, Early Childhood Management Services, Glen Eira City Council, Glen Eira Kindergarten Association, Goodstart Early Learning Services, Goulburn Region Preschool Association, Greater Shepparton City Council and Try Australia and we considered their views when reaching our audit conclusions. As required by the *Audit Act 1994*, we gave a draft copy of this report, or relevant extracts, to those agencies and asked for their submissions and comments.

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

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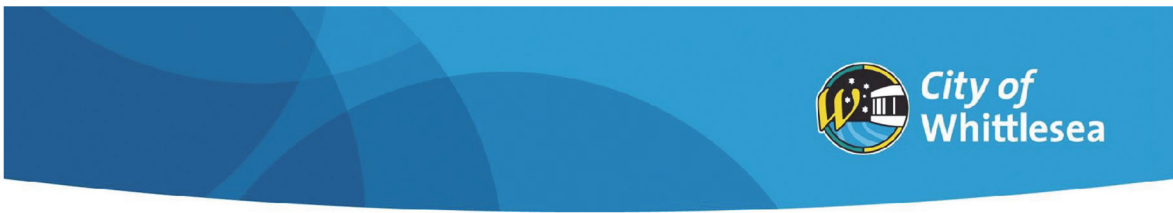
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### Responses were received as follows:

City of Whittlesea.....	44
DET.....	45
Glen Eira City Council.....	49
Goodstart Early Learning Services.....	50

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Enquiries: Wendy Castles – 0407 348 214  
Your Ref: File No. 34215 20

2 October 2020

Mr Andrew Greaves  
Auditor-General  
Victorian Auditor General's Office  
Level 31 / 35 Collins Street  
Melbourne VIC 3000

Via email: [Redacted]

Dear Mr Greaves

Thank you for the opportunity to participate in the *Early Years Management in Victorian Kindergartens* Review and provide a response to the recommendations in the final report. We appreciate the work undertaken by the Review team and its consideration of input provided by our staff throughout the process.

We acknowledge the findings and welcome recommendations in the report that will strengthen DET's approach to monitoring performance and supporting continuous improvement in EYM services to enrich educational outcomes across our municipality.

It is pleasing to note that the recommendations in relation to the draft Monitoring and Improvement Framework (MIF) will enable overall consistency and assessment of the Early Years Management sector at the regional level. This in turn will ensure the objectives and outcomes of the *Early Years Management Policy Framework* are met. Further, it will support DET's capacity to take on a leadership role and provide guidance to Council to work through complex local issues, particularly those that may require targeted intervention.

Council values its long-standing strength-based working relationship with the NEMA region and DET representatives who have partnered with Council officers to work across several key programs, including: Best Start, kindergarten provision and historically, Supported Playgroups and MCH.

We look forward to continuing to work collaboratively with DET and our EYM partners to support the implementation of best practice approaches to deliver quality outcomes for children and their families in the City of Whittlesea.

Yours sincerely

**Belgin Besim**  
Director Community Services

**Council Offices**  
25 Ferres Boulevard  
South Morang VIC 3752  
Locked Bag 1  
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Department of  
Education and Training

Office of the Secretary

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East Melbourne Victoria 3002  
Telephone: 03 9637 2000  
DX210083

BRI2059990

Andrew Greaves  
Victorian Auditor-General  
Victorian Auditor-General's Office  
Level 31, 35 Collins Street  
MELBOURNE 3000

Dear Mr Greaves

**Proposed report: Early Years Management in Victorian sessional kindergartens**

Thank you for your letter of 21 September 2020 and the opportunity to comment on the proposed report for this audit.

The Department of Education and Training is committed to supporting organisations managing sessional kindergarten services to deliver high quality programs to families and children, in line with the Early Years Management (EYM) Policy Framework.

The recommendations of the audit report broadly reaffirm the direction the Department is already taking in the continued development of EYM policy, particularly in relation to how data is used to monitor outcomes and support EYM organisations to improve their performance. As noted in the audit report, the Department commenced drafting a new monitoring framework in 2019 based on initial consultation with the sector, and provided a consultation draft to key peak bodies in early 2020.

The audit report's analysis of the current Outcomes Framework will be valuable in informing the development of the new monitoring framework. However, in primarily focussing on the current Outcomes Framework rather than the EYM Policy Framework in its entirety, it is the Department's view that the report does not fully acknowledge the transformation of the EYM sector since it transitioned from Kindergarten Cluster Management arrangements. EYM organisations have made significant achievements during this period with the support of the Department, including to embed clear and consistent roles and responsibilities in relation to parent committees and advisory groups. These achievements are even more noteworthy given the significant reforms the EYM sector has implemented during the same period, including higher educator-to-child ratios, School Readiness Funding and other elements of the Early Childhood Reform Plan, and more recently Three-Year-Old Kindergarten.

Your details will be dealt with in accordance with the *Public Records Act 1973* and the *Privacy and Data Protection Act 2014*. Should you have any queries or wish to gain access to your personal information held by this department please contact our Privacy Officer at the above address



## Response provided by the Associate Secretary, DET—continued

It is also the Department's view that the audit report does not fully recognise the intent of the Outcomes Framework in supporting the partnership model that underpins EYM policy. As EYM organisations across Victoria operate in very different geographic, socioeconomic and service system contexts, it is important that data is interpreted and understood accordingly to be effective in assessing performance and informing continuous improvement.

The Department accepts the recommendations, noting that recommendation one regarding the proposed Monitoring and Improvement framework can only be partially accepted. In line with the comment above regarding the assessment of the Outcomes Framework, the Department's view is that this recommendation does not recognise the need to consider monitoring data in its local context. Monitoring the performance of EYM organisations against 'one-size-fits-all' targets is not considered appropriate to the sector.

The action plan that addresses the recommendations is attached. As noted above, it reflects work currently under way that will play an important role in continuing to improve service delivery by EYM organisations, in turn lifting outcomes for children.

Should you wish to discuss the Department's response, please contact Jonathan Kaplan, Executive Director, Integrity, Assurance and Executive Services Division on (03) 7022 0119 or [Jonathan.Kaplan@education.vic.gov.au](mailto:Jonathan.Kaplan@education.vic.gov.au).

Yours sincerely



**Tony Bates**  
Associate Secretary  
07/10/2020

Your details will be dealt with in accordance with the *Public Records Act 1973* and the *Privacy and Data Protection Act 2014*. Should you have any queries or wish to gain access to your personal information held by this department please contact our Privacy Officer at the above address



Response provided by the Associate Secretary, DET—continued

DET action plan: Early Years Management in Victorian sessional kindergartens

#	Recommendations that DET:	Response	#	The Department will:	By:
1	When finalising the Monitoring and Improvement Framework, ensures that: <ul style="list-style-type: none"> <li>• it clarifies the framework’s purpose, how it will use it and any public reporting requirements it has</li> <li>• it enables fair assessment of individual EYM organisations in meeting the EYM Policy Framework’s objectives and outcomes</li> <li>• it enables benchmarking of EYM organisations in meeting the EYM Policy Framework’s objectives and outcomes</li> <li>• it enables overall assessment of the EYM sector at the regional and statewide levels in meeting the EYM Policy Framework’s objectives and outcomes</li> <li>• its core requirements and key indicators have clearly specified data sources, business rules and targets that allow it to fairly assess achievement</li> <li>• it establishes baseline performance levels so it can assess improvement over time where appropriate.</li> </ul>	Partially accept	1.1	Propose a new output performance measure, to improve transparency and accountability, for inclusion in Budget Paper No. 3 and DET Annual Reports	Dec 2021
			1.2	In consultation with the sector, finalise the EYM Monitoring and Improvement Framework, which will be designed to provide a contextualised assessment of service delivery at the provider level, in order to guide and monitor EYM service delivery and facilitate continuous organisational improvement. This process will consider, where practical, issues around sectoral composition and relevant benchmarking given sector diversity.	Dec 2021
			1.3	Develop and implement a set of measures derived from the Monitoring and Improvement Framework suitable for assessing system level progress against the EYM Policy Framework’s objectives, noting issues with performance measurement and attribution and the limited number of sources available to inform potential Monitoring and Improvement Framework reporting.	Jun 2022
			1.4	Develop an EYM annual data profile template to inform monitoring and performance improvement discussions with EYM providers based on agreed data sources. The annual EYM data profile will include time-series data to facilitate monitoring of improvement over time, where appropriate.	Jun 2022
2	When finalising the MIF, ensures that its service agreements with EYM organisations clearly outline and align with the framework’s requirements and performance expectations.	Accept	2.1	Update the Kindergarten Funding Guide (referenced in the service agreements) to include a clear requirement for EYMs to report against the Monitoring and Improvement Framework.	Dec 2021
3	Updates its service improvement plans and/or develops a fit-for-purpose monitoring tool that: <ul style="list-style-type: none"> <li>• monitors EYM organisations’ performance against the MIF’s core requirements and key indicators</li> <li>• supports EYM organisations to routinely monitor, evaluate and report on their performance against the</li> </ul>	Accept	3.1	Review and update the current Service Improvement Plans (SIP) monitoring tool to incorporate Monitoring and Improvement Framework elements.	Mar 2022
			3.2	Develop and publish guidance material for the Monitoring and Improvement Framework and SIP monitoring tool for DET and EYM organisations, to support routine monitoring and assessment	Mar 2022

Response provided by the Associate Secretary, DET—continued

DET action plan: Early Years Management in Victorian sessional kindergartens

	EYM Policy Framework's objectives and outcomes <ul style="list-style-type: none"> <li>enables routine monitoring, evaluation and reporting on the sector's performance against the EYM Policy Framework's objectives and outcomes.</li> </ul>			against the EYM Policy Framework's objectives and outcomes.	
4	Routinely assesses if its support to EYM organisations is addressing underlying gaps and challenges they face in implementing the EYM Policy Framework.	Accept	4.1	Develop and implement a process to undertake regular analysis of sector data to identify gaps, challenges and improvement opportunities in implementing the EYM Policy Framework.	Jun 2022
			4.2	Commence an independent evaluation of the EYM program, following the implementation of the Monitoring and Improvement Framework.	Dec 2022
5	Routinely captures improvements, gaps and challenges that EYM organisations experience and: <ul style="list-style-type: none"> <li>analyses them to identify local and systemic issues that require support or interventions at an organisational, regional and/or statewide level</li> <li>shares learnings and improvements with its staff, stakeholders and all EYM organisations to support continuous improvement across the sector.</li> </ul>	Accept	5.1	Develop and implement a central register and processes to support the regular / routine collation and analysis of gaps, challenges and improvement opportunities at an EYM and statewide level.  The process will leverage data collected through an updated SIP, EYM stewardship arrangements and the reformed Kindergarten Information Management System environment to strategically assess, identify and drive opportunities to strengthen the sector and deliver improved outcomes.	Mar 2022
			5.2	Develop and implement an EYM communications strategy, with sector stewardship partners (Municipal Association Victoria (MAV) and Early Learning Association Australia (ELAA)) and representative EYMs, that will outline methods: <ul style="list-style-type: none"> <li>to identify gaps and challenges that EYM organisations experience</li> <li>for information sharing, including learnings and improvements, and supports collaboration opportunities between EYM organisations, DET central and regional stakeholders, MAV and ELAA</li> <li>facilitates consistency of practices and supports for EYMs across DET regions.</li> </ul>	Jun 2022



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29 September 2020

Mr Andrew Greaves  
Auditor-General  
VAGO  
Level 31/35 Collins Street  
MELBOURNE 3000

Dear Mr Greaves

**Proposed Performance Audit Report Early Years Management in Victorian  
Sessional Kindergartens**

In response to your letter of 21 September 2020, addressed to Cr Jamie Hyams, we advise we are currently in 'caretaker mode' and as such I will respond on behalf of Glen Eira City Council.

Council has reviewed the content and considers that the report accurately reflects Council's views. Thank you for involving us in the process and giving us the opportunity to provide any comment or feedback.

Yours sincerely

Rebecca McKenzie  
Chief Executive Officer

Cc: [REDACTED] VAGO Director, Performance Audit  
[REDACTED] VAGO Responsible Manager, Performance Audit  
[REDACTED] VAGO  
Mark Saunders, GECC Manager Family Youth & Children's Services  
Sarah Sebastian, GECC Kindergarten Enrolment Officer  
Barbara Lewis, GECC Administration Officer



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Mr Andrew Greaves  
Auditor General of Victoria  
Level 31/35 Collins Street  
MELBOURNE VIC 3000  
Email: [enquiries@audit.vic.gov.au](mailto:enquiries@audit.vic.gov.au)

Dear Mr Greaves,

Thank you for the opportunity to participate in the Performance Audit of Early Years Management in Victorian Sessional Kindergartens

Goodstart is Victoria's largest provider of kindergarten programs with 179 centres, one of which also delivers a sessional program. We accepted the invitation to participate in this audit as we receive funding under the Early Years Management program.

We have enjoyed a positive constructive working relationship with the Department of Education and Training. This has involved regular dialogue on the application and use of funding from the Early Years Management program to support the operational needs of our centres as well as support strategic initiatives to improve the quality of early learning, improve access for vulnerable and disadvantaged children and measure and report more effectively on child development opportunities.

We look forward to continuing to work with the Department to refine its Outcomes and Performance Framework, including reporting on performance, identifying gaps and challenges and opportunities for continuous performance.

Family preferences for kindergarten programs in Victoria is changing over time, driven by rising maternal workforce participation rates and recognition of improving quality of kindergarten programs within long day care centres. Enrolment statistics from the Australian Bureau of Statistics show that 2019 was the first year that less than half of all children enrolled in kindergarten programs in the year before school in Victoria attended only sessional kindergartens, with the remainder either attending long day care kindergarten programs (39.6%) or across both settings (10.5%). By contrast, seven years ago, 65% attended sessional kindergartens exclusively.

As the Early Years Management program evolves and develops a more sophisticated performance and outcomes framework, it need to take into account these broader trends to ensure the overall goal of ensuring universal access to quality early learning programs in the two years before school is met.

Yours sincerely,

A handwritten signature in black ink, appearing to read "Julia Davison".

Julia Davison  
Chief Executive Officer

**We're for children, not for profit.**

PO Box 10120, Adelaide Street, Brisbane Qld 4000  
t 1800 222 543 f (07) 3020 3825 abn 69 139 967 794

[goodstart.org.au](http://goodstart.org.au)

## APPENDIX B

# Acronyms, abbreviations and glossary

### Acronyms

ABS	Australian Bureau of Statistics
ACECQA	Australian Children's Education and Care Quality Authority
CoMs	Committees of Management
DET	Department of Education and Training
ECEC	early childhood education and care
ECPAPA	early childhood performance and planning advisor
ELAA	Early Learning Association Australia
ELD	Early Learning Division
ESK	early start kindergarten
EYM	Early Years Management
FOPMF	Funded Organisation Performance Monitoring Framework
KFS	Kindergarten Fee Subsidy
KIMS	Kindergarten Information Management System
MIF	Monitoring and Improvement Framework
NFP	not-for-profit
NQS	National Quality Standard
OPF	Outcomes and Performance Framework
QA	quality area
QARD	Quality Assessment and Regulation Division



## Acronyms

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RoGs	<i>Report on Government Services</i>
SAMS2	Service Agreement Management System 2
SIP	service improvement plan
SPF	Strategic Partnership Forum
SPG	Strategic Partnership Group
VAGO	Victorian Auditor-General's Office

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## Abbreviations

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KCM policy framework	<i>Kindergarten Cluster Management Policy Framework</i>
the policy framework	<i>Early Years Management Policy Framework</i>

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# APPENDIX C

## Scope of this audit

Who we audited	What we assessed	What the audit cost
<ul style="list-style-type: none"> <li>• DET</li> <li>• five EYM organisations:               <ul style="list-style-type: none"> <li>• Early Childhood Management Services</li> <li>• Glen Eira Kindergarten Association</li> <li>• Goodstart Early Learning Services</li> <li>• Goulburn Region Preschool Association</li> <li>• Try Australia</li> </ul> </li> <li>• three local councils:               <ul style="list-style-type: none"> <li>• Glen Eira City Council</li> <li>• City of Whittlesea</li> <li>• Greater Shepparton City Council, also provides EYM services.</li> </ul> </li> </ul>	<p>We assessed how DET has:</p> <ul style="list-style-type: none"> <li>• planned and implemented the policy framework</li> <li>• supported EYM organisations and monitored their progress to meet the policy framework’s five outcomes.</li> </ul>	<p>The cost of this audit was \$770 000.</p>

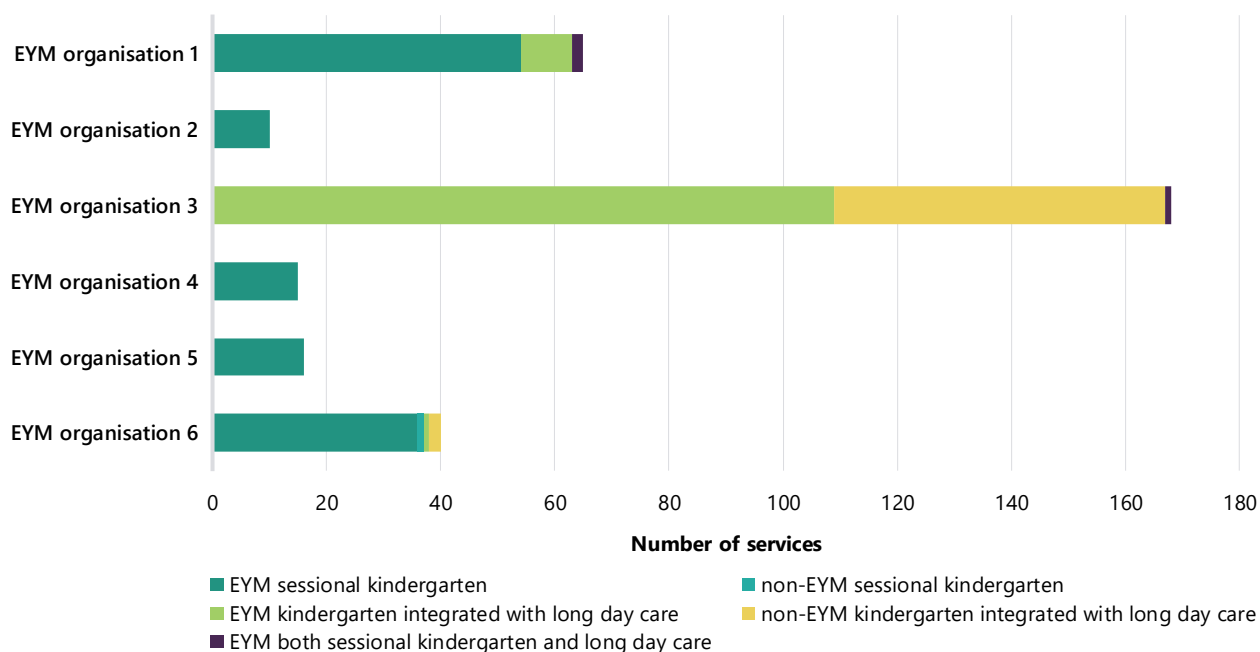
### Our methods

We selected the three councils in regional, metropolitan, and growth areas to focus on, with one of these councils being an EYM service provider. We then selected five EYM organisations that operate sessional kindergarten services in those local government areas. These are associated entities as they are not-for-profit organisations who receive public funds to deliver services. It was necessary for us to include this selection of EYM organisations to allow us to gather sufficient and appropriate information to conclude against our audit objective. The EYM organisations we selected represent a range of provider and service types—from

smaller localised clusters of services in urban and regional settings to larger providers with services spread across the state.

Figure C1 shows the number and types of services that these EYM organisations operated in 2019.

**FIGURE C1: The types of services operated by the six EYM organisations in December 2019**



Source: VAGO, based on 2019 KIMS data.

These six organisations operate 28 per cent of the EYM services in Victoria. As at December 2019, the organisations collectively received \$2.66 million in EYM funding for the year. The 135 EYM sessional kindergarten services they operate received \$1.37 million of this funding.

This audit commenced prior to the COVID-19 pandemic and our findings predate the effects that the pandemic may have had on DET and their ability to support EYM organisations to meet the policy framework outcomes.

Our audit methods included:

- reviewing relevant legislative, regulatory, contractual, policy, and procedural documentation
- gathering information and data from DET, local councils and EYM organisations, including through a survey
- reviewing and analysing documentation and data
- interviewing staff from DET, local councils, and EYM organisations
- consulting with broader stakeholders, such as peak bodies and professional organisations.

We conducted our audit in accordance with the *Audit Act 1994* and ASAE 3500 Performance Engagements. We complied with the independence and other relevant ethical requirements related to assurance engagements. Unless otherwise indicated, any persons named in this report are not the subject of adverse comment or opinion.

We also provided a copy of the report to the Department of Premier and Cabinet.

## APPENDIX D

# Assessment of the measures

We assessed each organisational measure in the OPF using the Productivity Commission's service logic model. Figure D1 shows our results.

FIGURE D1: **Assessment of OPF organisational measures using the RoGs service logic model**

OPF organisational measure	Service logic model component			
	Input	Process	Output	Outcome
<b>1 Sustainable and responsive services</b>				
1 Quality and completeness of governance documentation, including an annual report, financial statements, board statements and organisational policies and procedures		✓		
2 Services rated as 'exceeding the NQS'; QA 7 (leadership and service monitoring) rated at 'exceeding the NQS'; proportion of QA 7 that moves from 'working towards the NQS' to 'meeting the NQS' or maintained at 'exceeding the NQS' <sup>(a)</sup>		✓		
3 Quality and completeness of financial documentation, including the preparation of budgets and regular financial reporting		✓		
4 Feedback about service quality is collected and used to inform improvement		✓		
5 Regular communication with all stakeholders		✓		
6 An annual review of the strategic plan/growth plan, showing that the organisation operates in alignment with policy reforms and is well positioned to implement innovation		✓		
7 Desk top review indicates that the organisation is solvent and financially stable		✓		
8 Processes are in place to regularly identify and manage risks, including compliance with the National Quality Framework		✓		
9 Funding service agreements and additional legislative, regulatory and contractual obligations are met		✓		

	Input	Process	Output	Outcome
<b>2 Access and participation</b>				
10	Increased participation of vulnerable children and their families, for example, the proportion of health care card holders accessing the service and the number of ESK enrolments <sup>(a)</sup>			✓
11	Services rated as 'exceeding the NQS'. Proportion of QAs that move from 'working towards the NQS' to 'meeting the NQS' or maintained at 'exceeding the NQS' <sup>(a)(b)</sup>		✓	
12	An approved learning framework is implemented		✓	
13	Demonstrated compliance with <i>The Kindergarten Guide</i> , especially regarding priority of access <sup>(c)</sup>		✓	
14	Networks facilitate the participation of vulnerable children are established and maintained, for example, establishing processes with Child FIRST to identify and link children that are eligible for ESK		✓	
15	EYM services are part of the local government central enrolment system <sup>(a)(b)</sup>		✓	
16	Enrolments are representative of the local community			✓
	Input	Process	Output	Outcome
<b>3 Quality and innovation</b>				
17	Services rated as 'exceeding the NQS'. Proportion of QAs that move from 'working towards the NQS' to 'meeting the NQS' or maintained at 'exceeding the NQS' <sup>(a)(b)</sup>		✓	
18	Participation in innovative processes that improve teaching practice, sector capability or access for vulnerable children		✓	
19	Demonstrated leadership and innovation within the sector or the community, for example, presenting and participating in relevant local forums		✓	
	Input	Process	Output	Outcome
<b>4 Highly skilled collaborative workforce</b>				
20	'Exceeding the NQS': QA 1 (educational program and practice), QA 4.2 (staffing arrangements) and QA 7 (leadership and service monitoring) rated at 'exceeding the NQS'; proportion of QAs 4 and 7 that move from 'working towards the NQS' to 'meeting the NQS' or maintained at 'exceeding the NQS'		✓	
21	Participation by all ECEC professionals in professional learning programs that are linked to individual performance and development plans		✓	
22	Demonstrated staff retention strategies		✓	
23	Human resources indicators, such as increased satisfaction with professional development, decreased staff turnover and decreased use of agency staff		✓	
24	Staff survey shows increased participation and satisfaction		✓	
25	Families' survey that shows an improvement in satisfaction <sup>(a)(b)</sup>			✓

**5 Strong partnerships**

26	Strong engagement and contribution to local planning processes, including Municipal Early Years Planning processes <sup>(a)</sup>		✓	
27	Demonstrated participation in local government central enrolment system (where applicable) <sup>(a)(b)</sup>		✓	
28	'Exceeding the NQS' (QA 6.3 service collaborates with other organisations and service providers to enhance children's learning and wellbeing); proportion of QA 6 that moves from 'working towards the NQS' to 'meeting the NQS' or maintained at 'exceeding the NQS' <sup>(a)</sup>		✓	
29	Evidence of local government engagement and contribution	✓		
30	Family survey that shows increased participation and satisfaction <sup>(b)</sup>		✓	
31	Health and developmental concerns are detected early and families are referred to appropriate supports		✓	

Note: <sup>(a)</sup>These measures are used at a regional and statewide level to measure the overall performance of EYM in Victoria.

Note: <sup>(b)</sup>These organisational measures are repeated under different policy framework outcomes.

Note: <sup>(c)</sup>This measure refers to compliance with DET's *Kindergarten Funding Guide*, especially regarding the Victorian Government's Priority of Access criteria.

Source: VAGO assessment of the *EYM Kindergarten Operating Guidelines*.

## APPENDIX E

# Testing the measures

We tested four of the OPF's 31 organisational measures using available data and performance information to review their relevance and appropriateness for assessing EYM organisations' performance.

### Organisational Measure 7: desk top review indicates that the organisation is solvent and financially stable

A desk top review is an annual performance review of an EYM organisation's compliance with their service and funding agreement. It is completed by each EYM organisation's lead ECPAPA. The review includes a financial accountability requirement assessment, which rates an EYM organisation's financial viability as either satisfactory or unsatisfactory. Figure E1 shows that all of the audited EYM organisations' desk top reviews had a satisfactory rating for their financial accountability requirement assessments over a four-year period.

FIGURE E1: **EYM organisation's financial accountability requirement assessment rating in desk top reviews from 2016 to 2020**

EYM organisation	2016–17	2017–18	2018–19	2019–20
EYM organisation 1 <sup>(a)</sup>				✓
EYM organisation 2	✓	✓	✓	✓
EYM organisation 3	✓	✓	✓	✓
EYM organisation 4 <sup>(a)</sup>				✓
EYM organisation 5				
EYM organisation 6	✓	✓	✓	✓

Note: <sup>(a)</sup>Desk top reviews for EYM organisation 1 and EYM organisation 4 were not available for all four years. DET advised us that these desk top reviews were not completed due to a system error, where notifications were not issued to the regions. While this issue was rectified when it was discovered, DET did not provide the reviews.

Note: Local councils are exempt from completing desk top reviews.

Source: VAGO, based on information from DET.



## Limitations with Organisational Measure 7

We identified the following limitations with this measure:

- Financial accountability requirement assessments focus on an organisational level. These assessments do not include a review of the financial solvency and stability of individual services that make up an EYM organisation's portfolio. This does not provide visibility of services that are struggling financially and losses that EYM organisations could be covering by cross-subsidising them with other services in their portfolios.
- Desk top reviews are not consistently completed across all EYM organisations because local councils are exempt from the process.
- Financial accountability requirement assessments, which are completed after the end of the financial year, could be improved by including additional information on the next financial year to indicate an EYM organisation's financial risk, including its:
  - expected budget
  - cashflow projections.

## Organisational Measure 10: increased participation of vulnerable children and their families, for example, the proportion of health care card holders accessing the service and the number of ESK enrolments

This measure focuses on participation of vulnerable children attending the services of an EYM organisation. DET's KIMS data captures information about children enrolled in EYM programs at these services, including information on vulnerable children. DET does not stipulate in the measure how this data should be used to determine participation of vulnerable cohorts in EYM programs.

## Limitations with Organisational Measure 10

We identified the following limitations with this measure:

- DET has not defined a method for calculating this participation and if it is based on a rate, proportion or number of enrolments.
- At an EYM organisational level, DET is unable to use ABS data to make a calculation because it only segments down to a local government area.
- DET does not define what its scope for 'vulnerable' children includes. It only refers to health care card holders and children enrolled in ESK as potential indications of vulnerability.
- The measure also includes family participation. However, KIMS data does not contain information on families, and it is unclear how DET would assess this part of the measure.
- No targets have been set by DET to clearly define its expectations about what represents a good result.
- There are external factors beyond EYM organisations' control that may influence participation, such as changes in birth rates, families moving between local government areas, or changing numbers and the capacity of surrounding services. An increase in an EYM organisation's participation of vulnerable children may not

necessarily be a reflection of its performance in terms of increasing access and participation.

**Organisational Measure 20: 'exceeding the NQS'. QA 1 (educational program and practice), QA 4.2 (staffing arrangements) and QA 7 (leadership and service monitoring) rated at 'exceeding the NQS'; proportion of QAs 4 and 7 that move from 'working towards the NQS' to 'meeting the NQS' or maintained at 'exceeding the NQS'**

This organisational measure has three parts:

- 'exceeding the NQS'
- QA 1 (educational program and practice), QA 4.2 (staffing arrangements) and QA 7 (leadership and service monitoring) rated as 'exceeding the NQS'
- proportion of QAs 4 and 7 that move from 'working towards the NQS' to 'meeting the NQS' or maintained at 'exceeding the NQS'.

QARD assesses and rates kindergarten services overall and against the seven NQS QAs. Quality ratings are:

- excellent
- exceeding the NQS
- meeting the NQS
- working towards the NQS
- significant improvement required.

**Organisational Measure 20—parts 1 and 2**

We used 2020 data from ACECQA’s publicly available national register to assess the proportion of EYM services that were rated as 'exceeding the NQS' for QAs 1, 4 and 7 and for overall.

Figure E2 shows varying proportions of services operated by the EYM organisations we audited as 'exceeding the NQS' for their overall rating.

**FIGURE E2: Percentage of audited EYM services with an exceeding the NQS' overall rating by service type**

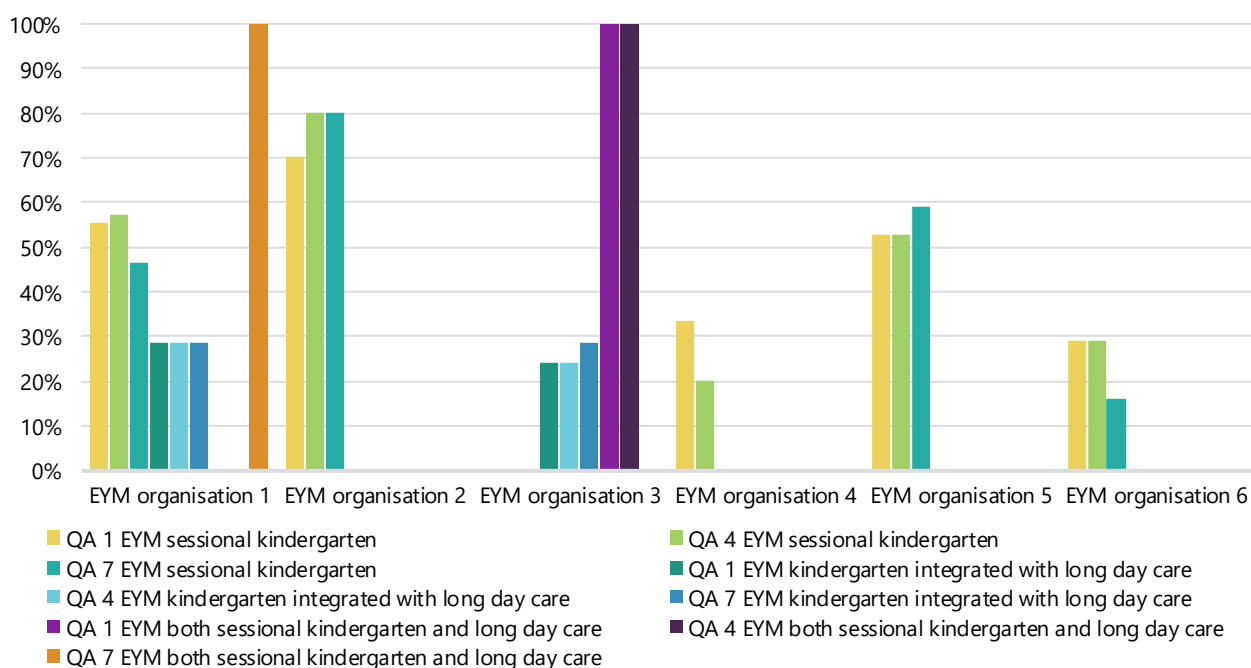
EYM organisation	EYM sessional kindergarten	EYM kindergarten integrated with long day care	Both sessional kindergarten and long day care
EYM organisation 1	61%	25%	50%
EYM organisation 2	90%	Not applicable	Not applicable
EYM organisation 3	Not applicable	27%	100%
EYM organisation 4	33%	Not applicable	Not applicable

EYM organisation 5	53%	Not applicable	Not applicable
EYM organisation 6	32%	0%	0%

Note: Although DET's organisational measure assesses services 'exceeding the NQS', 'meeting the NQS' is the legislated minimum. The criteria required for services to attain an 'exceeding the NQS' rating was updated in 2018.  
Source: VAGO, based on 2020 ACECQA data.

As Figure E3 shows, varying proportions of the EYM organisations we audited operate services that are rated as 'exceeding the NQS' under QA 1 (educational program and practice), QA 4 (staffing arrangements) and QA 7 (leadership and service monitoring).

FIGURE E3: **Proportion of audited EYM services 'exceeding NQS' for QA 1, QA 4, and QA 7**



Note: There is a strong correlation between disadvantage and lower NQS ratings. Services with 'working towards the NQS' ratings are over-represented in socio-economically disadvantaged areas. EYM organisations have more services in these areas than their non-EYM counterparts.

Note: Although DET's organisational measure assesses services 'exceeding the NQS', 'meeting the NQS' is the legislated minimum. The criteria required for services to attain an 'exceeding the NQS' rating was updated in 2018.

Source: VAGO, based on August 2020 ACECQA data.

## Limitations with parts 1 and 2 of Organisational Measure 20

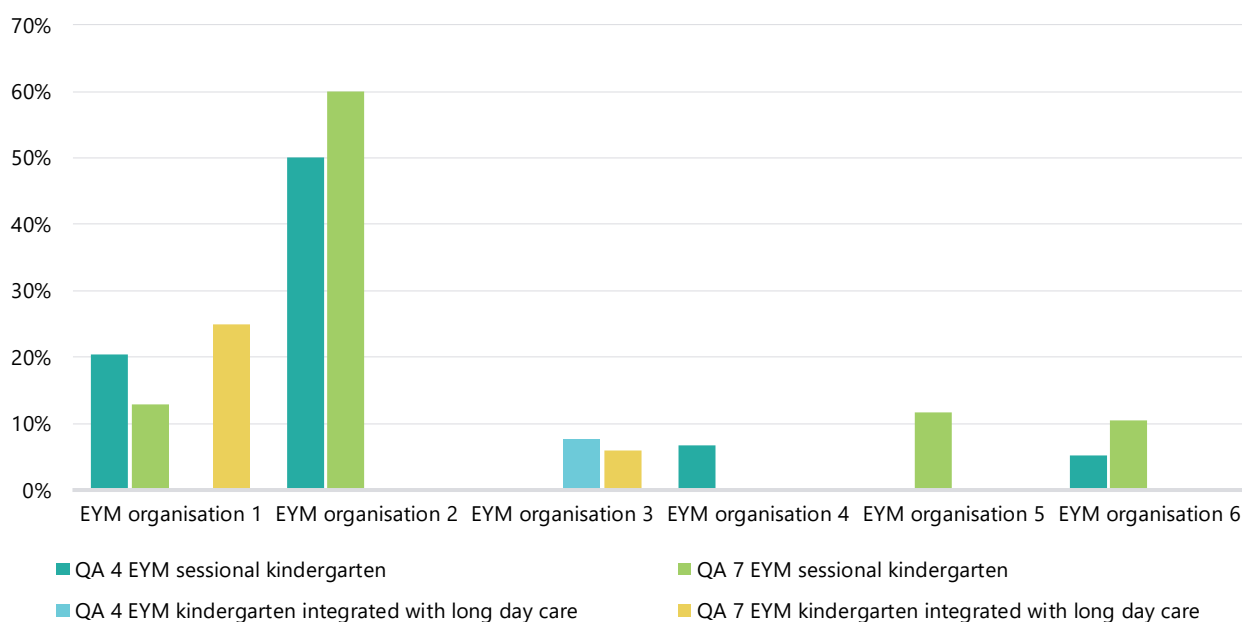
We identified the following limitations with these parts of the measure:

- There is a considerable variation in when and how frequently EYM services are assessed, with the last assessments for some services being in 2016.
- DET did not set targets to clearly define its expectations on what represents good performance.

## Organisational Measure 20—part 3

As Figure E4 shows, we also analysed the proportion of audited EYM services that moved from 'working towards the NQS' to 'meeting the NQS' or maintained at 'exceeding the NQS' for QA 4 and QA 7.

FIGURE E4: **Proportion of audited EYM services that moved from 'working towards the NQS' to 'meeting the NQS' or maintained at 'exceeding the NQS' for QA 4 and QA 7**



Note: Although DET's organisational measure assesses services 'exceeding the NQS', 'meeting the NQS' is the legislated minimum. The criteria required for services to attain an 'exceeding the NQS' rating was updated in 2018.

Source: VAGO, based on August 2020 ACECQA data.

### Limitations with part 3 of Organisational Measure 20

We identified the following limitations with this part of the measure:

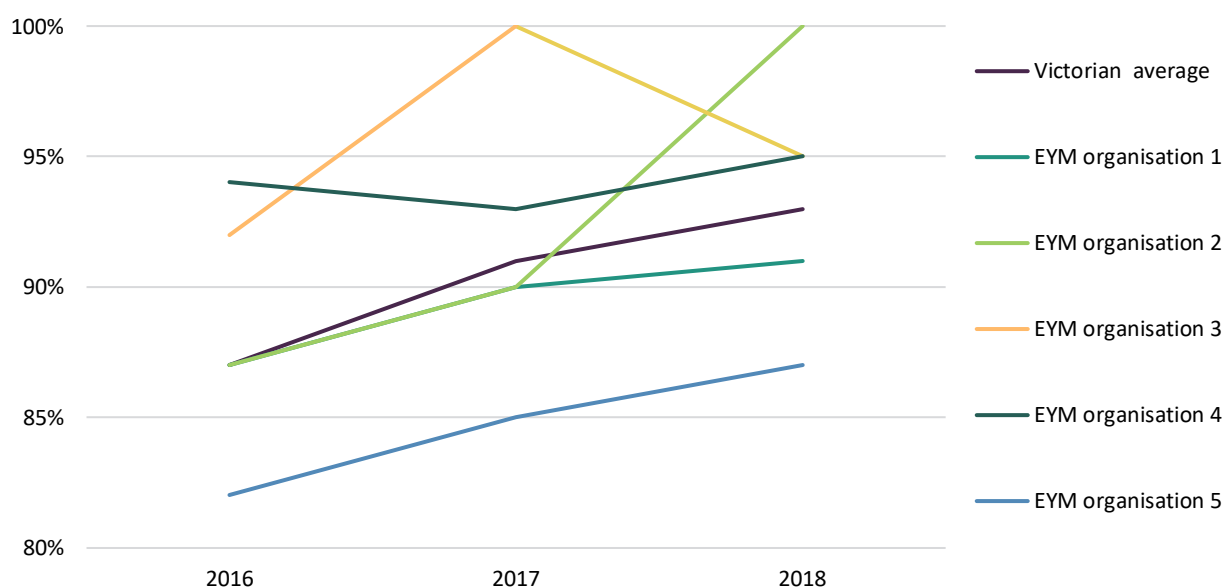
- The measure only captures two improvement scenarios out of a possible seven. As a consequence, it under-reports on performance improvement. It excludes:
  - moving from 'significant improvement required' to 'working towards the NQS'
  - moving from 'significant improvement required' to 'meeting the NQS'
  - moving from 'significant improvement required' to 'exceeding the NQS'
  - moving from 'working towards the NQS' to 'exceeding the NQS'
  - moving from 'meeting the NQS' to 'exceeding the NQS' (we found there was a considerable number of EYM services in this scenario).
- DET did not set targets in this measure to clearly define its expectations on what represents good performance. For example, whether the proportion of services moving ratings for the NQS QAs should be at or above the Victorian average.

## Organisational Measure 25: families' survey that shows an improvement in satisfaction

In November 2016, DET commenced inviting parents/guardians whose children attended a government-funded kindergarten program to participate in a voluntary online parent opinion survey to seek feedback about the service.

We received five out of six *Kindergarten Parent Survey* results between 2016 to 2018 for the EYM organisations we audited and assessed the results. Due to the limited results for one EYM organisation, DET did not produce a report. As Figure E5 shows, four out of the five EYM organisations have increased the number of respondents who indicated 'very satisfied' or 'satisfied' for their rating about the education their child received. The other EYM organisation's results improved and then declined. While two EYM organisations' results are below the Victorian average, they still showed improvement.

FIGURE E5: **Parent satisfaction ratings about the kindergarten education their child received**



Note: This graph includes both EYM and non-EYM services operated by an EYM organisation.

Note: Services that are on the waiting list to become EYM-approved are included in this graph. EYM organisation 3 runs 30 of these services.

Source: DET's annual parent opinion survey reports.

### Limitations with Organisational Measure 25

We identified the following limitations with this measure:

- The survey captures results for both EYM and non-EYM kindergarten services operated by an EYM organisation, and it is not possible to identify only the results for the EYM services.
- The survey is distributed at the EYM organisation's discretion, who forward the survey link via SMS or email to parents. This creates the risk of inconsistent

distribution. For example, the survey is only accessible through SMS or email, which may reduce the number of potential candidates that respond.

- Many EYM organisations conduct their own parent or guardian satisfaction surveys for their internal use. This reduces their incentive to also promote the voluntary DET survey to parents.
- DET has no mechanisms for understanding reasons for non-responses. DET advised us that it is not possible to manage non-response bias because surveys are anonymous. However, anonymity can be retained while controls for non-response bias are used, such as:
  - teachers or responsible staff at services regularly following up with families to remind them to respond to the survey
  - teachers explaining the importance of the survey and encouraging families to respond
  - commissioning a follow-up study to investigate the potential existence of non-response bias and the effect of such bias on the survey results.

In the absence of controls, and not effectively mitigating the risk of non-response bias, DET cannot ensure that the survey responses accurately reflect all families' opinions on the quality of a service.

- DET does not calculate the margin of error for survey responses. DET cannot be sure if the number of responses it receives is enough to accurately reflect the views of all families for a desired confidence level, particularly given the low response rates for some surveys.
- Although family surveys commenced in November 2016 (after the policy framework was released in July 2016), DET has not set targets to clearly define its expectations on what represents good performance. For example, if the improvement in satisfaction ratings nominated by families should be at or above the Victorian average.

## APPENDIX F

# Data and performance information

We assessed each OPF organisational measure by mapping the available data and performance information sources. We mapped DET’s available collection systems and processes at a high level and did not conduct a detailed review of each data source’s available fields.

We also mapped EYM organisation’s data collection systems and processes based on a survey of audited EYM organisations, their advice and DET’s existing reporting requirements. Figure F1 shows our results.

FIGURE F1: **Systems and processes to collect data and performance information for organisational measures**

Outcomes and organisational measure	Required data and performance information	DET’s collection systems and processes	EYM organisations’ collection systems and processes
<b>Sustainable and responsive services</b>			
1 Quality and completeness of governance documentation, including an annual report, financial statements, board statements and organisational policies and procedures	<ul style="list-style-type: none"> <li>• governance documentation</li> <li>• annual reports</li> <li>• financial statements</li> <li>• board statements</li> <li>• organisational policies and procedures</li> </ul>	Funded Organisation Performance Monitoring Framework (FOPMF) documents collected via DET’s Service Agreement Management System 2 (SAMS2) <sup>(e)</sup>	Documents uploaded to SAMS2 <sup>(e)</sup>
2 Services rated as ‘exceeding the NQS’; QA 7 (leadership and service monitoring) rated at ‘exceeding the NQS’; proportion of QA 7 that move from ‘working towards the NQS’ to	NQS and QA ratings	QARD assessments and site visits at least every five years unless a service is seen as higher risk, where QARD assessments	EYM service documents provided to QARD

Outcomes and organisational measure	Required data and performance information	DET's collection systems and processes	EYM organisations' collection systems and processes
'meeting the NQS' or maintained at 'exceeding the NQS' <sup>(a)</sup>		become more frequent	
3 Quality and completeness of financial documentation, including the preparation of budgets and regular financial reporting	<ul style="list-style-type: none"> <li>financial documentation</li> <li>budgets</li> <li>financial reporting</li> </ul>	FOPMF desk top review	Documents uploaded to SAMS2 <sup>(e)</sup>
4 Feedback about service quality is collected and used to inform improvement <sup>(b)</sup>	It is not clear if this relates to DET or EYM organisations' feedback about service quality	We were unable to identify a system or process	We were unable to identify a system or process
5 Regular communication with all stakeholders <sup>(b)</sup>	It is unclear what data and performance information is required	We were unable to identify a system or process	We were unable to identify a system or process
6 An annual review of the strategic plan/growth plan, showing that the organisation operates in alignment with policy reforms and is well positioned to implement innovation <sup>(b)</sup>	It is unclear what data and performance information is required	We were unable to identify a system or process	We were unable to identify a system or process
7 Desk top review indicates that the organisation is solvent and financially stable	Desk top review outcome	FOPMF desk top review	Documents uploaded to SAMS2 <sup>(e)</sup>
8 Processes are in place to regularly identify and manage risks, including compliance with the National Quality Framework <sup>(b)</sup>	EYM organisations' risk management information including National Quality Framework compliance risks	We were unable to identify a system or process DET uses to capture this information	EYM organisations' risk management processes We were unable to identify a system or process EYM organisations use to provide this information to DET
9 Funding service agreements and additional legislative, regulatory and contractual obligations are met <sup>(b)</sup>	Compliance data	Service agreement compliance is reported through multiple systems and processes	Reporting through multiple systems and processes

### Access and participation

10 Increased participation of vulnerable children and their families, for example, the proportion of health care card holders accessing the service and the number of ESK enrolments <sup>(a)</sup>	<ul style="list-style-type: none"> <li>health care card holder enrolment data</li> <li>ESK enrolment data</li> </ul>	DET captures and administers Kindergarten Fee Subsidy (KFS) and ESK enrolment data through KIMS. It confirms this	EYM service enrolment information entered into KIMS
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Outcomes and organisational measure	Required data and performance information	DET's collection systems and processes	EYM organisations' collection systems and processes
		information through an annual confirmation process	
11 Services rated as 'exceeding the NQS'. Proportion of QA that move from 'working towards the NQS' to 'meeting the NQS' or maintained at 'exceeding the NQS' <sup>(a)(c)</sup>	NQS and QA ratings	QARD assessments and site visits at least every five years unless a service is seen as higher risk, where QARD assessments become more frequent	EYM services provide documents to QARD
12 An approved learning framework is implemented <sup>(b)</sup>	Learning frameworks, and approval and implementation information	QARD assessment and site visits at least every five years unless a service is seen as higher risk, where assessments become more frequent	EYM service documents provided to QARD
13 Demonstrated compliance with <i>The Kindergarten Guide</i> , especially regarding priority of access	<ul style="list-style-type: none"> <li>compliance with the operational requirements set out in the <i>Kindergarten Funding Guide</i></li> <li>Victorian Government's priority of access criteria and data</li> </ul>	<ul style="list-style-type: none"> <li>DET captures and administers funding application data through KIMS. It confirms this information through an annual confirmation process</li> <li>Priority of access criteria is applied to all enrolments in EYM kindergarten services</li> </ul>	<ul style="list-style-type: none"> <li>EYM services enter enrolment information into KIMS</li> <li>EYM services participation in councils' central enrolment scheme, where available and councils apply their priority of access policies</li> </ul>
14 Networks facilitating the participation of vulnerable children are established and maintained, for example, establishing processes with Child FIRST identify and link children that are eligible for ESK	<ul style="list-style-type: none"> <li>DET data includes information about participation of vulnerable cohorts, for example, ESK</li> </ul>	DET captures and administers enrolment data on vulnerable cohorts and ESK through KIMS. It confirms this information through annual confirmation process	EYM services communicate with local community services such as Maternal and Child Health, Family services and Child FIRST to identify children that are eligible for kindergarten
15 EYM services are part of the local government central enrolment system <sup>(a)(b)(c)</sup>	Participation by EYM services in local government central enrolment scheme	<ul style="list-style-type: none"> <li>DET collects information from central enrolment providers to determine grant allocations</li> <li>EYM organisations are asked to</li> </ul>	<ul style="list-style-type: none"> <li>EYM services enter information about participation in local government central enrolment schemes into KIMS</li> <li>Documents uploaded via the</li> </ul>

Outcomes and organisational measure	Required data and performance information	DET's collection systems and processes	EYM organisations' collection systems and processes	
		provide evidence of engagement with local government in the SIP process	SIP portal to support partnerships in place, for example, a memorandum of understanding with the council	
16	Enrolments are representative of the local community <sup>(b)</sup>	Enrolment data, but it is unclear what data or performance information is representative of the local community	<ul style="list-style-type: none"> <li>• DET captures and administers enrolment data through KIMS. It confirms this information through an annual census process</li> <li>• DET completes local government area profiles and provides them to local councils</li> </ul>	EYM service enrolment information is entered into KIMS

### Quality and innovation

17	Services rated as 'exceeding the NQS'. Proportion of QAs that move from 'working towards the NQS' to 'meeting the NQS' or maintained at 'exceeding the NQS' <sup>(a)(c)</sup>	NQS rating	QARD assessment and site visits at least every five years unless a service is seen as higher risk, where QARD assessments are more frequent	EYM service documents are provided to QARD
18	Participation in innovative processes that improve teaching practice, sector capability or access for vulnerable children <sup>(b)</sup>	<ul style="list-style-type: none"> <li>• participation rates of vulnerable cohorts</li> <li>• it is unclear what data or performance information is required for innovative processes, teaching practice and sector capability</li> </ul>	<ul style="list-style-type: none"> <li>• data about vulnerable groups is captured in KIMS, including data about Aboriginal and Torres Strait Islander families, health care card holders and KFS applications and enrolments</li> <li>• we were unable to identify a system or process for collecting data on innovative processes, teaching practice and sector capability</li> </ul>	<ul style="list-style-type: none"> <li>• EYM service enrolment information entered into KIMS</li> <li>• EYM services participation in councils' central enrolment scheme</li> <li>• we were unable to identify a system or process for collecting data on innovative processes, teaching practice and sector capability</li> </ul>

Outcomes and organisational measure		Required data and performance information	DET's collection systems and processes	EYM organisations' collection systems and processes
19	Demonstrated leadership and innovation within the sector or the community, for example, presenting and participating in relevant local forums <sup>(b)</sup>	<ul style="list-style-type: none"> <li>project documentation</li> <li>conference or meeting agendas and presentations</li> </ul>	EYM organisations are asked to provide evidence of leadership and innovation in the SIP process	Documents uploaded via the SIP portal
<b>Highly skilled collaborative workforce</b>				
20	'Exceeding the NQS'. QA 1 (educational program and practice), QA 4.2 (staffing arrangements) and QA 7 (leadership and service monitoring) rated at 'exceeding the NQS'; proportion of QAs 4 and 7 that move from 'working towards the NQS' to 'meeting the NQS' or maintained at 'exceeding the NQS' <sup>(a)</sup>	NQS and QA ratings	QARD assessment and site visits at least every five years unless a service is seen as higher risk, where QARD assessments are more frequent	EYM service documents are provided to QARD
21	Participation by all ECEC professionals in professional learning programs that are linked to individual performance and development plans	<ul style="list-style-type: none"> <li>Participation rates or hours of participation by ECEC professionals in learning programs</li> <li>Individual performance development plans</li> </ul>	<ul style="list-style-type: none"> <li>Hours staff dedicate to professional development is collected through KIMS.</li> <li>We were unable to identify a system or process to link professional learning programs to individual performance development plans</li> </ul>	EYM service staff enter hours of participation in professional development into KIMS
22	Demonstrated staff retention strategies	Staff retention strategies	We were unable to identify a system or process	We were unable to identify a system or process
23	Human resources indicators, such as increased satisfaction with professional development, decreased staff turnover and decreased use of agency staff	<ul style="list-style-type: none"> <li>Staff survey data</li> <li>Staff turnover data</li> <li>Agency staff data</li> </ul>	<ul style="list-style-type: none"> <li>Staff turnover data is collected in KIMS</li> <li>We were unable to identify a system or process to collect satisfaction with professional development and agency staff data</li> </ul>	<ul style="list-style-type: none"> <li>EYM service staff turnover information is entered into KIMS</li> <li>EYM services distribute and collect staff surveys at their own discretion. We were unable to identify a system or process to provide this information to DET</li> </ul>
24	Staff survey that shows increased participation and satisfaction	Staff survey data	We were unable to identify a system or	EYM organisations and/or services distribute and collect

Outcomes and organisational measure	Required data and performance information	DET's collection systems and processes	EYM organisations' collection systems and processes
		process to collect staff survey data	staff surveys at their own discretion. Survey structures may vary across EYM organisations
25	Families' survey that shows an improvement in satisfaction	Family satisfaction survey performance information	Results from DET's annual family surveys. To collect these results, DET emails EYM organisations a unique link to the survey for them to forward to parents via SMS or email. The survey is not compulsory

### Strong partnerships

26	Strong engagement and contribution to local planning processes, including Municipal Early Years Planning processes <sup>(a)</sup>	local government engagement information	EYM organisations can provide evidence of local government engagement through the SIP process	Documents uploaded via the SIP portal to support local government engagement
27	Demonstrated participation in local government central enrolment system (where applicable) <sup>(a)</sup>	participation by EYM services in local government central enrolment schemes	<ul style="list-style-type: none"> <li>DET collects information from councils' central enrolment providers to determine grant allocations</li> <li>EYM organisations are asked to provide evidence of engagement with local government in the SIP process</li> </ul>	<ul style="list-style-type: none"> <li>EYM services enter information about participation in their local government central enrolment scheme into KIMS</li> <li>Documents uploaded via the SIP portal to support partnerships, for example, a memorandum of understanding with their local council</li> </ul>
28	'Exceeding the NQS' (QA 6.3 service collaborates with other organisations and service providers to enhance children's learning and wellbeing); proportion of QA6 that move from 'working towards the NQS to 'meeting the NQS' or maintained at 'exceeding the NQS' <sup>(a)</sup>	NQS and QA ratings	QARD assessments and site visits at least every five years unless a service is seen as higher risk, where QARD assessments are more frequent	EYM service documents are provided to QARD
29	Evidence of local government engagement and contribution <sup>(b)</sup>	local government engagement information	EYM organisations can provide evidence of local government	Documents uploaded via the SIP portal to support local

Outcomes and organisational measure	Required data and performance information	DET's collection systems and processes	EYM organisations' collection systems and processes	
30	Family survey that shows increased participation and satisfaction <sup>(c)</sup>	Family satisfaction survey results	engagement through the SIP process	government engagement
30	Family survey that shows increased participation and satisfaction <sup>(c)</sup>	Family satisfaction survey results	Results from DET's annual family surveys. To collect these results, DET emails EYM organisations a unique link to the survey for them to forward to parents via SMS or email. The survey is not compulsory	Results from DET's annual family surveys. DET emails EYM organisations a unique link to the survey for them to forward to parents via SMS or email. EYM organisations can also administer their own parent surveys
31	Health and developmental concerns are detected early and families are referred to appropriate supports <sup>(b)</sup>	<ul style="list-style-type: none"> <li>information on whether children with health and developmental concerns have been referred to appropriate supports</li> <li>it is unclear what data or performance information is captured under health and developmental data on children</li> </ul>	<ul style="list-style-type: none"> <li>Information on whether enrolled children have a disability or developmental delay is captured in KIMS and confirmed through the annual census process</li> <li>an ESK survey is used to collect data on whether children have been referred to other services</li> <li>additional information collected in the ESK survey on attendance, information sharing and transition plans</li> </ul>	<ul style="list-style-type: none"> <li>EYM service enrolment information is entered into KIMS</li> <li>EYM service systems or processes to collect information on children with health and developmental concerns</li> </ul>

Note: <sup>(a)</sup>Measures used at a regional and statewide level to measure the overall performance of EYM in Victoria.

Note: <sup>(b)</sup>Measures where it is unclear what data and performance information is relevant to collect and consequently, what systems and processes should be in place to collect it.

Note: <sup>(c)</sup>Duplicated measures.

Note: <sup>(d)</sup>This measure refers to compliance with DET's *Kindergarten Funding Guide*, especially regarding the Victorian Government's priority of access criteria.

Note: <sup>(e)</sup>SAMS2 is a Department of Health and Human Services system that DET uses.

Source: VAGO, based on *EYM Kindergarten Operating Guidelines*.

# APPENDIX G

## Gaps and challenges

We surveyed and interviewed the six EYM organisations included in this audit and the respective DET regional and area staff. We asked them to identify the key gaps and challenges that EYM organisations face while working to achieve the policy framework’s outcomes. We also asked them to identify the factors that contribute to these challenges and any available support that DET provides to help address them. Figure G1 summarises the survey results and feedback given during interviews. These gaps and challenges have not been assessed as part of this audit.

FIGURE G1: **Key issues identified by EYM organisations and DET regional and area staff and available DET support**

<i>Gap or challenge and contributing factors</i>	<i>DET regional support</i>	<i>DET central support</i>
<b>Sustainable and responsive services outcome</b>		
<b>Issue 1: It is difficult to balance the financial viability of individual services with the financial viability of service portfolios</b>		
<ul style="list-style-type: none"> <li>All audited EYM organisations experience at least one service operating at a loss or consistently breaking even (from 1 to 13 services depending on the EYM organisation), which is not detected in DET’s annual financial assessments of EYM organisations.</li> <li>Financial viability can vary annually due to local demographic changes and the collective capacity of other services in each local government area.</li> <li>Achieving financial viability under per child and other funding requires EYM organisations to:               <ul style="list-style-type: none"> <li>balance and optimise the number and size of rooms and available outdoor play space</li> <li>balance and optimise the maximum capacity cap assessment based on building infrastructure</li> <li>balance and optimise the minimum number of children to achieve baseline funding</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>ECPAPAs promote available funding and grants</li> <li>Early childhood funding advisors advise on and provide funding and grants</li> <li>ECPAPAs and early childhood improvement branch managers provide support when issues are identified</li> <li>ECPAPAs and early childhood</li> </ul>	<ul style="list-style-type: none"> <li>ELD advise on service closures if notified and required</li> <li>EYM and non-EYM funding and grants</li> <li>advice and guidance by a contracted third party on effectively operating services</li> </ul>

- meet educator to child ratios of 1:11
- meet minimum educator qualifications
- balance and optimise their hours of operation.
- Services in metropolitan local government areas experience building constraints, restrictions on expanding their available outdoor play space and are unable to optimise service viability with new educator to child ratio requirements. For example, delivering programs in a single room with the capacity to service 23 children.
- EYM organisations need to carefully balance the number of viable and unviable services in their portfolio as there is a tipping point when the organisation also becomes unviable. This can be reached unexpectedly with large changes in local demographics and enrolments and DET applying retrospective funding formula changes.
- Some EYM services are in the process of closing or have closed. For example, one of the EYM organisations identified 13 services for potential closure, which were the subject of the recent review by external consultants.
- Services operated by CoMs are experiencing difficulties operating and are encouraged to move the service into an EYM arrangement, even when the service is running at a sustained loss.
- Through ELD, DET encourages EYM organisations to take over the operation of unviable services with insufficient financial supports.
- It is difficult for EYM organisations to divest unviable services. They require DET and the council's approval when they hold a lease with the council to close sessional services when enrolments reach below 10 children.
- Since 2012, there has been an increasing proportion of children participating in kindergarten integrated with long day care, while participation in sessional kindergartens has gradually declined.
- Some children attend both sessional kindergarten and kindergarten integrated with long day care, although the funding is only paid to the sessional service.

improvement  
branch managers  
create connections  
in local  
communities to  
strengthen  
partnerships

**Issue 2: The supply of kindergarten services is greater than the demand in some local government areas**

- The expansion of new private long day care centres offering an integrated kindergarten service exceeds the current demand for kindergarten services in some local government areas.
- EYM organisations have limited access to information about these new private services that are commencing operations in their local government areas. As a result, the new service capacity can exceed the demand for kindergarten services in their local government area in some cases.
- Large demographic changes in some local government areas make it difficult for councils and EYM organisations to plan their service capacity. For example, while the City of Whittlesea is working towards keeping pace with increased demand as more land is developed for housing, the City of Glen Eira is working towards better understanding the movements of families into their local

- ECPAPAs and early childhood improvement branch managers provide support when issues are identified
- ECPAPAs and early childhood improvement branch managers create connections in local communities to

Kindergarten Capacity Assessment Project to support service planning

<i>Gap or challenge and contributing factors</i>	<i>DET regional support</i>	<i>DET central support</i>
government area as higher density housing is built and movement of growing families out of the area to larger dwellings.	strengthen partnerships	

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**Issue 3: EYM organisation’s board governance is inappropriate**

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<ul style="list-style-type: none"> <li>Governance structures in the EYM system are complex. For example, EYM organisations may be one NFP company within a broader structure of companies including for-profit companies.</li> <li>EYM organisations’ capability to cross-subsidise their services depends on the composition of their organisation and whether they have alternate revenue streams that can cover the losses of unviable services.</li> </ul>	None available	None available
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**Issue 4: It is difficult to align an EYM organisation’s structure with all of the policy requirements**

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<ul style="list-style-type: none"> <li>Existing structures in central functions within an EYM organisation that support each of its services no longer align and are inadequate for the requirements of service delivery due to increased requirements of policy reforms. For example, pedagogical leadership and area manager roles.</li> </ul>	Advice from ECPAPAs and early childhood improvement branch managers on policy framework	None available
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**Issue 5: EYM service funding is inadequate and unclear**

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<ul style="list-style-type: none"> <li>EYM funding of \$10 232 is provided to a service irrespective of the number of children enrolled. For example, the same amount is provided to a service with 13 children and a service with 113 children. This can result in varying levels of support for educators and children.</li> <li>EYM-specific funding activities are not identified in the Kindergarten Funding Guide, and expenditure of funding is at the discretion of individual EYM organisations to determine.</li> <li>EYM organisations are not required to report against their annual EYM funding. DET therefore has a limited understanding and data on EYM-specific costs and expenditure. This makes it difficult to determine the adequacy of funding.</li> <li>EYM organisations report that the operational costs of administering the policy framework’s requirements are greater than the EYM funding they receive. They often cross-subsidise services to continue operations and have varying capacities to do so.</li> <li>The EYM funding model was developed over 10 years ago and has not been revised since its inception. Since this time, there have been increased requirements and expectations of EYM organisations through significant reforms. For example: <ul style="list-style-type: none"> <li>Three-Year-Old Kindergarten reform (2020)</li> <li>School Readiness Funding rollout (2019)</li> <li>reportable conduct, No Jab No Play changes, mandatory reporting changes (2019)</li> <li>School Readiness Funding parent surveys (2018)</li> <li>educator breaks (2017)</li> <li>ratios, No Jab No Play, Child Safe Standards (2016).</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>ECPAPAs promote available funding and grants</li> <li>Early childhood funding advisors advise on and provide funding and grants</li> </ul>	<ul style="list-style-type: none"> <li>ELD is yet to share the findings from its review into EYM activities with the sector</li> <li>EYM and non-EYM funding and grants</li> </ul>
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**Issue 6: There is intense resourcing and commitment required to maintain partnerships (for example, between EYM organisations and DET, local councils, families and other stakeholders)**

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| <ul style="list-style-type: none"> <li>• EYM organisations are required to partner with varying numbers of local government areas. For example:             <ul style="list-style-type: none"> <li>• one EYM organisation has all of its services in one local government area</li> <li>• while another EYM organisation has services spread across 44 local government areas and finds it challenging and resource-intensive to coordinate these partnerships.</li> </ul> </li> <li>• EYM organisations partner with parent advisory groups. There is usually one group per service. However, not all services have one, which increases an EYM organisation’s resourcing requirements because it needs to facilitate feedback from families at the local level on behalf of parents.</li> <li>• DET has increased EYM organisations’ requirements in line with new policies. EYM organisations also have a limited amount of time to respond to ad hoc requests for reporting because they have a greater demand for ECEC sector leaders than non-EYM providers.</li> </ul> | <ul style="list-style-type: none"> <li>• advice from ECPAPAs and early childhood improvement branch managers on policy framework</li> <li>• ECPAPAs and early childhood improvement branch managers create connections in local communities to strengthen partnerships</li> </ul> | <ul style="list-style-type: none"> <li>• EYM and non-EYM funding and grants</li> </ul> |
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**Issue 7: There is an inconsistent approach to DET’s support across regions**

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| <ul style="list-style-type: none"> <li>• DET has not established a clear communication strategy or guidelines.</li> <li>• When EYM organisations (generally the larger organisations) liaise directly with ELD, their concerns are not always shared with regional staff for transparency and information sharing. Smaller EYM organisations have difficulties with consistency with a central contact within ELD.</li> <li>• Some EYM organisations have a lead ECPAPA in one region while their other services report to ECPAPAs in other regions. This makes it very difficult for DET to achieve a consistent approach to reporting, monitoring performance and providing support.</li> <li>• There are different expectations and requirements from ECPAPAs across DET’s regions depending on local practices, services and funding agreement monitoring and support.</li> <li>• There is inconsistent communication and advice from ECPAPAs across DET’s regions and at times, information flows to EYM organisations before the regions.</li> <li>• There is a lack of information sharing within the EYM sector, which is contrary to the expectations set out in the policy framework around active information sharing. For example, while EYM organisations are required to undertake substantial monitoring and reporting on their services, funding agreements and implementation of the policy framework, DET conducts little reporting in return to share information with the sector.</li> <li>• There is a lack of forums to discuss gaps, challenges and continuous improvement within the EYM sector.</li> </ul> | <ul style="list-style-type: none"> <li>• Through DET’s Learning Places model</li> <li>• various regional forums</li> </ul> | <ul style="list-style-type: none"> <li>• Through DET’s Learning Places model</li> <li>• various central forums</li> </ul> |
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**Issue 8: Rolling out the Three-Year-Old Kindergarten reform and the School Readiness Funding program requires a significant workload from EYM organisations**

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| <ul style="list-style-type: none"> <li>• DET has significant expectations for EYM organisations to roll out School Readiness Funding from 2019 and the Three-Year-Old Kindergarten reform from 2020.</li> <li>• EYM organisations report that funding is not adequate to cover all of their required activities, such planning, conducting assessments and participating in DET’s workshops.</li> </ul> | <ul style="list-style-type: none"> <li>• School Readiness Funding workshops</li> <li>• Three-Year-Old Kindergarten workshops</li> <li>• advice from ECPAPAs and early childhood improvement branch managers on policies</li> </ul> | <ul style="list-style-type: none"> <li>• School Readiness Funding</li> <li>• Three-Year-Old Kindergarten funding</li> <li>• funding for administrative costs</li> <li>• change management grants</li> </ul> |
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**Issue 9: EYM organisations carry the deficit of service delivery costs**

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| <ul style="list-style-type: none"> <li>• Per capita funding is based on enrolment numbers of the previous year until June, which means that some services are over-funded for this period and some services are underfunded. This can be significant if enrolments change substantially from year to year.</li> <li>• New services need to carry the full cost of service delivery for the January to June period as there is no historical data to determine baseline funding.</li> <li>• Services can revert to an unfunded status when there is no longer a qualified early childhood educator delivering the program and the service has not qualified for the exemption. For example, when a teacher has resigned and the service is recruiting to fill the position.</li> <li>• The gap between the KFS and the kindergarten parent fee is carried by the service. For example, 33 per cent of one of the EYM organisation's enrolments are KFS. Its cost to meet the deficit is substantial.</li> <li>• EYM organisations carry the financial burden of running a sessional service at a loss through to the end of a calendar year and prior to DET and councils deciding to close it.</li> <li>• Some EYM organisations take on unviable services to provide access to a community service at their own expense.</li> </ul> | <ul style="list-style-type: none"> <li>• ECPAPAs and early childhood improvement branch managers promote available funding and grants</li> <li>• Early childhood funding advisors provision and provide advice on funding and grants</li> <li>• ECPAPAs and early childhood improvement branch managers create connections in local communities to strengthen partnerships</li> </ul> | <ul style="list-style-type: none"> <li>• EYM and non-EYM funding and grants</li> </ul> |
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**Issue 10: It is difficult for EYM organisations to invest in better and best-practice service delivery**

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| <p>While EYM organisations are expected to invest in better and best-practice service delivery, EYM funding is limited and does not always cover this.</p> | <p>ECPAPAs and early childhood improvement branch managers provide advice about the policy framework</p> | <p>EYM and non-EYM funding and grants</p> |
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**Issue 11: There are untimely and inconsistent service and funding approvals and provisions**

<i>Gap or challenge and contributing factors</i>	<i>DET regional support</i>	<i>DET central support</i>
There are delays of up to 12 months between when new EYM services are approved and when they receive funding.	<ul style="list-style-type: none"> <li>ECPAPAs promote available EYM grants</li> <li>Early childhood funding advisors provide advice on EYM grants</li> </ul>	ELD provisions EYM grants

**Issue 12: EYM organisations are unable to reconcile DET’s payments**

DET provides inaccurate funding advice notices.	Early childhood funding advisors provide advice on payments and additional reports	None available
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**Issue 13: DET’s IT systems have limitations**

<ul style="list-style-type: none"> <li>KIMS holds operational and service level data. For example, some children fit into more than one funded vulnerable category (ESK, pre-purchased places and KFS), but only one category can be assigned to each child and providers are unable to move a child between categories as their circumstances change due to KIMS limitations.</li> <li>EYM organisations cannot upload large quantities of documents via the SIP portal, and the system can run very slowly.</li> </ul>	ECPAPAs and early childhood funding advisors provide assistance	ELD staff provide assistance to EYM organisations and regional staff
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**Access and participation**

**Issue 14: The cost to attend sessional kindergarten services is becoming too high for some families**

<ul style="list-style-type: none"> <li>Economic changes, such as drought, petrol costs and business closures, are reducing some families’ ability to pay fees.</li> <li>EYM organisations advised us that there is a growing cohort of disadvantaged families who are not able to pay fees and do not qualify for additional financial support. Families that do qualify have access to free or low-cost kindergarten, which makes up around 25 per cent of all enrolments.</li> </ul>	ECPAPAs and early childhood improvement branch managers promote available funding	<ul style="list-style-type: none"> <li>KFS supplements</li> <li>ESK grants</li> </ul>
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**Issue 15: Some EYM organisations do not have the funds to provide additional supports to children with complex needs**

<ul style="list-style-type: none"> <li>While children with complex needs can access kindergarten programs, the availability and amount of funding impacts the level of support that can be provided to them at each service.</li> <li>There are limited or no support services for children with complex needs in some small rural communities.</li> </ul>	ECPAPAs promote available funding, grants and programs	<ul style="list-style-type: none"> <li>School Readiness Funding</li> <li>ESK grants</li> <li>Access to Early Learning grant</li> <li>Kindergarten Inclusion Support Program</li> <li>Preschool Field Officer Program</li> </ul>
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**Issue 16: Not all councils choose to work closely with funded kindergarten services. For example, while some councils offer access to a central enrolment scheme and help service providers to enrol vulnerable children, others do not**

Councils choose how closely they consult with EYM organisations. While the EYM organisations we audited reported that they have well-coordinated partnerships with some councils, they have minimal contact and involvement with other councils that do not have central enrolment schemes.

ECPAPAs create connections in local communities to strengthen partnerships

Central Enrolment Project grants

**Highly skilled collaborative workforce**

**Issue 17: There are ongoing difficulties with recruiting and retaining a highly skilled workforce**

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|---|--|---|
| <ul style="list-style-type: none"> <li>• There is a reduced pool of available qualified and skilled staff due to increased demand driven by the rollout of Three-Year-Old Kindergarten. Staff are also moving to primary teaching positions that are more desirable and better paid.</li> <li>• There is a lack of qualified and skilled recruitment candidates. In particular, candidates are predominately newly qualified, but unskilled, graduates.</li> <li>• Rural EYM organisations cannot offer full-time roles to early childhood teachers to work across several services to achieve full-time hours. This is due to the excessive distances and travel time between services.</li> <li>• EYM organisations have noted a gradual movement of the workforce from sessional services to kindergarten integrated with long day care.</li> <li>• Some EYM organisations are planning improvement projects based on available funding, which is short term and ad hoc. This limits their ability to recruit and retain quality staff as they are unable to offer ongoing secure employment.</li> </ul> | <ul style="list-style-type: none"> <li>• ECPAPAs and early childhood improvement branch managers provide assistance and advice</li> <li>• ECPAPAs are discussing links in communities to support staffing</li> <li>• additional regional staff allocated to support EYM organisations</li> </ul> | <ul style="list-style-type: none"> <li>• recruitment agencies appointed for hard-to-recruit places</li> <li>• waivers to qualification requirements</li> <li>• scholarships for studying related qualifications and free TAFE</li> <li>• support grants</li> <li>• mentor program</li> <li>• rural relocation incentives</li> <li>• travel allowance</li> <li>• Early Childhood Teacher Supplements</li> <li>• Best Start, Best Life communications campaign</li> <li>• service provider and university partnerships</li> </ul> |
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**Issue 18: There is an ever-increasing demand on educators**

There is an increased number of vulnerable and complex children and families, which puts additional pressure and expectations on early childhood teachers.

ECPAPAs and early childhood improvement branch managers provide assistance and advice

Preschool Field Officer Program

**Issue 19: Backfill staff are unavailable**

<i>Gap or challenge and contributing factors</i>	<i>DET regional support</i>	<i>DET central support</i>
There is limited availability of backfill staff in rural areas to relieve educators and give them time to participate in professional training.	ECPAPAs and early childhood improvement branch managers provide assistance and advice	workforce incentives for rural services

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**Issue 20: EYM organisations do not have the funds to invest in professional development**

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This funding is not specifically included in EYM grants, but is an expectation of the EYM program's outcomes	ECPAPAs promote workshops and provide available information	<ul style="list-style-type: none"> <li>• EYM and non-EYM funding and grants</li> <li>• Employment and Management Development Kit</li> <li>• performance management practice workshops for employers and managers</li> </ul>
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Source: VAGO.

# Auditor-General's reports tabled during 2019–20

## Report title

Rehabilitating Mines (2020–21: 1)	August 2020
Management of the Student Resource Package (2020–21: 2)	August 2020
Victoria's Homelessness Response (2020–21: 3)	September 2020
Reducing Bushfire Risks (2020–21: 4)	October 2020
Follow up of Managing the Level Crossing Removal Project (2020–21: 5)	October 2020
Early Years Management in Victorian Sessional Kindergartens (2020–21: 6)	October 2020
Accessibility of Tram Services (2020–21: 7)	October 2020

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