



2019

NQS IMPACT

EARLY LEARNING CENTRE REPORT | AUSTRALIAN CHILD CARE 2019



INCREASE YOUR RATING

Among the Long Day Care (LDC) services that were surveyed, those services utilising software for Programming & Planning typically charged 10% higher ADRs with an overall increase in profit margin of \$64,692 for the average service. The average number of services that were Exceeding the National Quality Standard (NQS) was also 13% higher for those that utilised software.



\$93K

Services using P&P software saw a 6% increase in revenue

Programming & Planning (P&P) Software can help in more ways than just efficiencies. According to respondents, the most commonly utilised P&P software was StoryPark and the fastest growing software in the last 3 months is Xplor.

Here's a look at how software can assist in each of the Quality Assessment areas:

Quality Assessment 1 - Educational Program and Practice

Software assists in making the education that your service provides more 'child-focused', by allowing child observations to be easily linked to government learning frameworks and also the child's individual learning journey. These observations can generally also link up with parent profiles keeping educators and services accountable to what they are teaching children and can then be used for future planning and the recording of learning journeys for children, which are stored safely on our cloud-based platform. Software platforms are generally designed to maximise the time an educator can spend with a child on the floor, by reducing the time it takes to complete administrative tasks, therefore improving the quality of a child's education.

Quality Assessment 2 - Children's Health and Safety

Children's health and safety can be actively monitored by parents and recorded by educators and administrators via specialised mobile apps (such as Xplor). Observations are typically time-stamped, dated and then saved in the cloud so that a permanent record is stored and is reproducible at any point in time. Children's allergies and health plans are also generally accessible within a click of a button so that all educators are aware of a child's specific learning and health requirements. Children's food, sunscreen, toilet, sleep and medical events throughout the day can also be recorded digitally throughout the day. This information is typically available to parents via a web platform, which allows for educator accountability and reduces the risk of neglect for any child in care.

Quality Assessment 3 - Physical Environment

Software assists services in being 'well-maintained' not only physically but in their online environments. Digital platforms can generally ensure services are government compliant through automating CCS enrolments, providing online and off-line support, as well as keeping records safely stored in the cloud (in case of audits).

Going digital also ensures services are environmentally responsible by not requiring hard copy enrolment records, parent communications, child attendance rolls or Complying Written Agreements to be printed.

Quality Assessment 4 - Staffing Arrangements

Software allows for the proper organisation and upkeep of educator rostering across rooms through automated staff ratios, which typically update according to children sign in and outs. This ensures that there is a constant live update of the number of educators required in a room on the playground app, which assists with educator cross-communication and ensures that children are properly cared for throughout the service. Those services utilising software for Programming & Planning saw the largest impact was seen on staff costs, with an average saving of 15% or \$95,171 per annum.

Quality Assessment 5 - Relationships with Children

Educators are able to use software to post observations of the children's learning and development throughout their day, providing a record of the child's learning journey, and making it easier for the educator to plan lessons into the future. The educator can also generally track a child's wellbeing, lodging sleep, food, sunscreen, toilet and health events throughout the day. sing digital records also encourages educators to maintain a high standard of care for children, as all records are available for administrators and parents to check after hours.

Quality Assessment 6 - Collaborative Family Partnerships

Software allows for active participation from parents via visual and written media, as well as enabling parents to comment and like these observations. This helps parents discuss and interact with their children at home, ensuring that education is continued even after the child has left the service. This can assist in reinforcing the child's social and communication skills, as well as strengthen the parent, child and educator relationships.

Quality Assessment 7 - Governance and Leadership

Some software platforms are also an automated administrative system, designed to minimise tasks that typically take hours out of administrator working weeks (and weekends). Time is returned to administrators and educators, so they can be fully present on the floor and spend less time reporting, filing and documenting information for the service. Generally, these software programs also help in the management of tasks at the service, making it easy to roster, document and record information, improving and maintaining the consistent quality of care provided to children by educators.



THE EFFECT OF QUALIFICATIONS

The implementation of National Quality Framework (NQF) was designed to drive ongoing improvements within Australia’s child care sector, which it has continued to do with 78% of services now in Australia Meeting or Exceeding the National Quality Standards (NQS), part of the NQF. The implementation has also led to a significant financial impact on services with the need to have a minimum educator-to-child ratio as well as minimum qualifications, resulting in both the need to have more staff on site as well as more qualified (and expensive) personnel. This has resulted in staff costs averaging around 59%.



THE BENEFITS OF QUALIFICATIONS

The implementation of a national standard ensures that all services across Australia offer a minimum level of educational development for children. According to our survey results, those services which failed to meet the NQS performed poorly across all Performance Indicators with significantly lower Average Daily Rates (ADR) and Occupancy rates. Services exceeding the NQS made \$91,507 more profit than those which failed.



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NQS STATS

23%

FAILED TO MEET THE NQS

These services underperformed in all financial indicators, and interestingly also had higher staff costs.

Services that failed to meet the NQS had a reported ADR of \$97 compared to the national average of \$103, and an occupancy rate of 76% compared to 78% nationwide.

This reportedly resulted in approximately a \$121k difference in revenue, with the average service that was ‘Working Towards’ reporting \$1.35m per annum compared to the national reported average at \$1.47m.

15%

VARIANCE IN OCCUPANCY

Most heavily impacted was the variance in centre occupancy coming in at 76%.

According to the respondents, services that exceeded the NQS had a higher occupancy at 87%, compared to the reported national average at 78%. For those failing the NQS, when multiplying the 76% Occupancy by the ADR of \$97, we reach a daily average Revenue Per Available Place (RevPAP) of \$74 which is a ratio utilised to indicate the financial ‘health’ of a childcare centre. The Australian average which was considerably higher at \$80. Those services using Programming & Planning software reported \$93,147 more annual revenue.

\$91K

VARIANCE IN PROFIT

Staff costs for services that were ‘Working Towards’ were reportedly higher than average at 61%.

The combination of lower ADR, lower Occupancy and higher staff costs mean that the overall annual profit was an estimated \$91,507 less for services that failed the NQS compared to those who were ‘Exceeding’ the NQS, or \$51,211 compared to the average service across Australia.

Services that are Working Towards the NQS may want to consider looking into systems that can help them optimise operations to ensure they meet the NQS.

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