

# Evaluation of the Cluster Management Trial

Centre for Education Statistics and Evaluation



## Centre for Education Statistics and Evaluation

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## Publication and contact details

### **Evaluation of the Cluster Management Trial**

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Authors: Julie People and Natalie Johnston-Anderson

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For more information about this report, please contact:

Centre for Education Statistics and Evaluation

Department of Education

GPO Box 33

SYDNEY NSW 2001

Email: [cese@det.nsw.edu.au](mailto:cese@det.nsw.edu.au)

Telephone: +61 2 9561 1211

Web: [www.cese.nsw.gov.au](http://www.cese.nsw.gov.au)

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# Executive summary

## Introduction

Not-for-profit volunteer-managed preschools are governed by parent management committees ('management committees') on a decentralised and independent basis. The management committee is responsible for all the regulatory, financial and employment responsibilities of the preschool. Owing to frequent turnover of management committee members, the burden of dealing with these matters often falls on the service director, which can have an impact on the time available for engaging with children, families and staff.

Cluster management is a practice whereby a cluster management provider is responsible for the overall management of a number of preschools in a given area, which are organised into groups, or clusters. Cluster management was introduced on a trial basis in NSW in order to reduce the pressures on management committees and improve the governance and service delivery of volunteer-managed preschools, as well as the professional development of their employees. Four clusters, each composed of 10 preschools, began receiving the services of cluster management providers for an 18-month period from January 2015.

The Cluster Management Trial ('the Trial') evaluation aimed to ascertain:

- how the Trial had been implemented
- which aspects of the Trial worked effectively and which aspects could be improved
- the effects of the Trial on the management of preschools in terms of their governance, time management, training and professional development
- whether the Trial resulted in perceived improvements to preschool management and service quality
- whether the Trial resulted in improvements to preschool management and service quality as measured by the National Quality Standard (NQS).

## Methods

Data for the evaluation was gathered through interviews with preschool directors, management committee members and preschool staff. Stakeholders from the Department of Education's ('the Department') Early Childhood Education and Care Directorate (ECECD) and from the cluster management providers involved in the Trial were also interviewed. Information was also gathered from a quarterly report provided by cluster management providers that outlined the activities they initiated with services, the time spent per activity and the person to whom the support was directed. In addition, statistical analyses of NQS data were done to determine whether cluster management affected preschool management and quality as measured by the NQS. Analyses were conducted using data from the overall NQS ratings, and preschools participating in the Trial were compared to control preschools that had not participated in the Trial.

Interviews were conducted at 20 of the 40 preschools participating in the Trial, with five preschools per cluster. Interviews took place in November and December 2015, approximately one year into the Trial. The director of each of the 20 preschools was interviewed and where possible, one or two members of the management committee, and up to three members of staff. Interviews were generally conducted face-to-face on a one-to-one basis. In total, 20 directors, 25 management committee members and 30 staff were interviewed. Also, seven staff from cluster management providers and three from ECECD were interviewed.

Due to the relatively small number of interviews, only descriptive analyses were used to report the results and no statistical analyses were conducted. Note also that the information derived from interviews in this report is based simply on the perceptions of those interviewed and has not been quantified independently. It summarises the opinions of those interviewed and may, therefore, present a biased viewpoint.

## Evaluation findings

### Planning and context

The approach used to trial cluster management in NSW involved a cluster management provider providing support to preschool volunteer management committees and service directors. Preschools that were not-for-profit, and had a community-based volunteer management committee were eligible to participate. The approach used, which is based on providing support, is less likely to provide a long-term solution to issues associated with frequent turnover of management committee members and the loss of knowledge about preschool governance associated with this turnover. Also, due to the eligibility criteria used, the preschools that participated in the Trial varied in terms of their management and quality as measured by the NQS. Hence the Trial did not exclusively target preschools that were struggling or most in need of support.

### Implementation of the Trial

The Trial funding covered four clusters with ten preschools per cluster. A total of 40 preschools therefore participated in the Trial. Two clusters were located in metropolitan areas and two in regional areas. Specifically, these were the Sydney metropolitan, Newcastle metropolitan, New England and Central Western areas of NSW. Three cluster management providers received funding for the four clusters, with the Sydney metropolitan and New England clusters managed by the same provider.

Cluster management providers each took a different approach to deliver personalised support to preschools, with each provider indicating that the funds allocated were sufficient to support a group of ten preschools.

In general, preschool directors received the most support from cluster management providers, followed by members of the management committee and then preschool staff. All the directors (n=20) and most of the management committee members (91.3%, n=23) believed the support they received from their cluster management provider was useful. The level of support directors and management committee members received from their cluster management provider varied according to the type of activity or issue. At least 70 per cent of directors (n=20) and 50 per cent of management committee members (n=25) felt they received support for the following issues:

- regulatory compliance and quality assurance
- risk management, legal processes and liabilities
- management and employment of staff
- training and professional development of the preschool director, management committee and staff
- business planning
- managing the PFM funds.

Some areas of support did, however, overlap with the Department's Operational Support Program. Hence support from cluster managers in some areas was not provided due to the overlap with the Operational Support Program.

Information collected quarterly from cluster management providers showed that the amount of time they spent supporting preschools for activities and issues such as governance, compliance, policies, employee management and business planning varied greatly by provider, by preschool and by quarter.

The Department's ECECD believed that the cluster management providers generally built good relationships with the preschools, however, there may have been more in-depth assistance in some areas than originally intended. As a result, preschools may not have gained the skills necessary to become self-sufficient in their management practices.

Cluster management providers indicated that they provided support and/or information to encourage preschools to attract and support children from target equity groups, including children from Aboriginal and Torres Strait Islander, culturally and linguistically diverse, low socioeconomic status and/or rural and remote communities. However, during the Trial, only a small proportion (16.7%, n=18) of the preschools that responded to questions about equity groups introduced specific initiatives related to these groups. Some preschools already included such groups and, in certain cases, it was not possible to encourage participation because the preschools were already at capacity, or their local community was too small to attract extra children.

## Feedback about the Trial

A number of common themes became apparent when interviewees described the aspects of the Trial that worked well for them. Note that interviewees were asked an open-ended question about aspects of the trial that worked well for them. The percentages provided illustrate the proportion of interviewees that mentioned a particular aspect and does not necessarily imply that the aspect did not work well for the remaining interviewees. Of those who responded to questions about what worked well for them in the Trial, 85.0 per cent of directors (n=20) and 56.5 per cent (n=23) of management committee members noted that having a cluster manager who was professional, knowledgeable and readily available helped the Trial to work well. Networking with other directors and preschools also worked well for many of the directors interviewed (70.0%, n=20), but fewer of the management committee members (17.4%, n=23). One-to-one, individualised support, including site visits was also considered to work well by about half the directors (55.0%, n=20) and about one-third of the management committee members (34.8%, n=23). About one-third of the directors (30%, n=20) and management committee members (34.8%, n=23) considered the professional development and training offered by the cluster management provider to work well for them, particularly the governance training for the management committee. The training was particularly successful because it was often provided at no cost to the preschool. Support with policies and templates was also considered to work well by a minority of directors (20.0%, n=20).

Stakeholders from ECECD and the cluster management providers generally agreed with preschool directors and management committees about what worked well in the Trial. In addition to the above factors, stakeholders believed that flexibility in the delivery of the Trial, the willingness of preschools to participate in the Trial, working with the preschool to plan the support needed, and understanding the local community were also important in helping the Trial work well.

Few issues arose when interviewees were asked about aspects of the Trial that could be improved. The most commonly reported issue was the large distance between preschools in the cluster or between preschools and training locations. Distance was problematic for 40.0 per cent of directors (n=20) and 12.0 per cent of management committee members (n=25). This continued to pose a problem despite meetings and training being organised in various locations within the cluster. Stakeholders from ECECD and from cluster management providers agreed that distance was an issue. They also added that the approach used for the Trial did not provide a long-term solution to the issue that the transient nature of the management committee results in a loss of knowledge about preschool governance.

All directors (n=20) and almost all management committee members who responded to questions about sustainability (91.7%, n=24) believed that at least some of the changes implemented during the Trial would be sustained in the long-term. This applied particularly to changes made to the preschool's governance, training, policies, procedures and budgeting. Networking with other preschools within the cluster was also seen to be a long-term change, although not all directors agreed that it was sustainable. Changes in the management committee or director were considered a risk to continuity and sustaining changes. Directors and management committee members commented that to sustain changes made during the Trial, it would be helpful to:

- continue networking
- support and assist management committees to ensure they have the necessary knowledge to run a preschool
- provide training for management committee members, especially at the start of each year when a new management committee is elected.

## Effects on preschool management and service quality

Of the directors who answered questions about the way they spend their time, a small proportion (15.8%, n=19) indicated that cluster management had reduced the amount of time spent on administrative activities. Half (52.6%, n=19) indicated that cluster management had reduced the amount of time spent working on compliance with regulatory requirements and about two-thirds (63.2%, n=19) spent less time organising training and professional development. Some directors felt they spent more time on administration (26.3%, n=19) or compliance with regulatory requirements (10.5%, n=19) because suggestions made by cluster managers led to increased workloads. About two-thirds (68.4%, n=19) of the directors who answered questions about the way they spend their time indicated that they were able to spend more time on improvements to service quality under cluster management.

Of those who responded to questions about their professional development, the majority of directors (78.9%, n=19) and management committee members (91.7%, n=12), and just over one-third of preschool staff (39.3%, n=28) indicated that they had more opportunities for training and professional development under cluster management. Almost all of the directors (94.1%, n=17) and staff (92.0%, n=25), and all of the management committee members (n=15) who participated in training considered it useful.

### **Improvements to preschool management and service quality as measured by the NQS**

Analysis of data derived from overall NQS ratings were analysed for 20 preschools participating in the Trial and 23 control preschools. The analysis found no evidence of an effect of the Trial on preschool management and service quality as measured by the NQS.

### **Perceived improvements to preschool management and service quality**

When preschool directors, management committee members and staff were asked their opinions, they believed that preschool management and service quality had improved. Specifically, of those who responded to questions about the management of their preschool, the majority (80%, n=20) of directors, management committee members (96.0%, n=24) and staff (76.7%, n=30) believed that the overall management of their preschool improved under cluster management. Similarly, of those who responded to questions about the quality of their preschool, around two-thirds of directors (63.2%, n=19) and management committee members (60.9%, n=23), and three-quarters of preschool staff (76.7%, n=30) believed there was an improvement in service quality under cluster management. Note that the above information regarding perceived improvements to management and service quality summarises the opinions of those interviewed and may present a biased viewpoint. It should be interpreted with caution.

## **Conclusion**

Overall, cluster management was considered a positive initiative by those involved. Preschool governance, time management and professional development were generally reported to improve during the Trial. Networking among preschool directors was considered a very successful part of the Trial. Many preschool directors, management committees and staff also perceived improvements to the overall management and service quality of their preschool. Analysis of preschool's NQS ratings, however, found no evidence of an effect of the Trial on preschool management and service quality.

While the Trial generally operated as intended, there were few issues that could be improved.

Specifically:

- Some directors reported an overlap with the Operational Support Program offered by the Department.
- The large geographical distances between some preschools in a cluster posed challenges for networking and training.
- The Trial did not address the issues that parent management committees are sometimes difficult to engage and the transient nature of the management committee results in a loss of knowledge and information about preschool governance from year to year.
- Some directors and management committee members reported that participating in the Trial led to an increase in their workload.
- Factors such as changes to management committee members, a change in director and the lack of a facilitator for networking were considered a risk to sustainability of changes made during a period of cluster management. Also, due to receiving in-depth support through cluster management, preschools may not have gained the necessary skills to become self-sufficient in their management practices.



# 1. Introduction

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Multiple studies have indicated that participating in quality early childhood education has many benefits for young children, including preparing them for school, as well as achieving better educational and social outcomes throughout their lives (e.g. Doherty 1997, OECD 2006, Sylva et al. 2004, Warren & Haisken-DeNew 2013).

Providing all children with access to high quality early childhood education and care (ECEC) services, particularly in the year before commencement of formal schooling, is the overarching goal of state and national policy. This commitment is reflected in the National Partnership Agreement on Universal Access to Early Childhood Education and the NSW Department of Education's Strategic Plan<sup>1</sup>.

One challenge for the NSW ECEC sector in delivering this goal of universal access is that a large part of the preschool sector is comprised of not-for-profit volunteer-managed preschools. These preschools are run by parent management committees ('management committees') on a decentralised and independent basis. The management committee of each preschool is responsible for all regulatory, financial, enrolment and employment matters. Management committee members can therefore be faced with a large and complex workload. Further, management committees are subject to frequent member turnover, as members of the committee usually commit to the role for the time that their child or children attend the service, which in many cases is only one year. This turnover generally results in loss of knowledge about preschool governance and management. Consequently, the burden of dealing with the preschool's governance and management often falls on the service director, which can have an impact on the time available for engaging with children, families and staff.

In 2011, the NSW Government commissioned Professor Deborah Brennan to lead a review into ECEC funding to identify strategies to increase access to high quality ECEC for all children in the year before formal schooling. Among the thirty recommendations handed down in 'the Brennan Review'<sup>2</sup> (Brennan 2012) was trialling cluster management in NSW, similar to the approach used in Victoria, as a way to support good governance, improved service delivery and workforce capacity in not-for-profit volunteer-managed preschools.

In Victoria, where cluster management has worked successfully for many years, a cluster management provider is responsible for the overall management of a number of preschools which are organised into groups or 'clusters'. Arrangements between cluster management providers and preschools can be tailored to meet the local needs of services. However, the cluster management provider must become the licensee of the preschool and be responsible for compliance with all regulatory and funding requirements. Cluster management providers must also be responsible for management and employment of staff, strategic planning and implementation of key government initiatives, as well as the general governance and financial management of the preschool.

Stakeholder submissions to the Brennan Review expressed broad support for cluster management in NSW to reduce the pressures on volunteer management committees and improve the governance, service delivery and professional development of volunteer-managed preschools. The NSW Government accepted the advice of the Brennan review and committed to the implementation of cluster management on a trial basis.

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1 Called the Department of Education and Communities Strategic Plan 2012-2017. See <http://www.dec.nsw.gov.au/about-us/plans-reports-and-statistics/strategies-and-plans> for further details.

2 NSW Government Funding for Early Childhood Education Review 2012

## Aims and expected outcomes of the Cluster Management Trial

The aim of the Cluster Management Trial ('the Trial') was to test the potential for cluster management to reduce pressures on preschool volunteer management committees, and improve the governance, service quality and professional development of volunteer-managed preschools. In particular, the Trial was expected to deliver the following outcomes:

1. optimise the management, administrative and compliance operations of participating preschools
2. support and promote a qualified professional workforce leading to improved educational outcomes for children
3. increase the capacity of volunteer management committees to improve and sustain service quality.

The Centre for Education Statistics and Evaluation (CESE) was commissioned to evaluate the Cluster Management Trial. The evaluation consisted of a process and outcome evaluation.

### Process evaluation

The process evaluation described the implementation of the Trial and identified which aspects of the Trial were most critical to its success and which aspects could be improved.

The aims of the process evaluation were to:

- identify how the Trial had been implemented
- identify aspects of the Trial that worked effectively and aspects that could be improved.

Specifically, the process evaluation focused on the planning and context of the Trial, the implementation of the Trial and feedback about the Trial. Questions addressed included:

#### Planning and context

- What are the broad characteristics of services participating in the Trial e.g. geographical location, licensing capacity, enrolments?
- Why were preschools interested in participating in the Trial?

#### Implementation of the Trial

- How was cluster management delivered in relation to the following targeted focus areas:
  - regulatory compliance with governance, funding requirements and quality assurance
  - roles and functions of management committees within legislative requirements
  - management and employment of staff and all related activities, including, recruitment and selection, payroll, taxation, staff appraisals and professional development
  - funding provided by the Department of Education ('the Department'), budgeting and financial planning, management and reporting
  - business planning, risk management, legal processes and associated liabilities
  - service quality, improvement and sustainability
  - enrolments, enrolment policies, fee collection and marketing
  - educational curriculum and delivery of educational programs
  - fundraising for services.
- How involved were preschool directors, management committee members and preschool staff?
- Did the clusters include specific initiatives to encourage and support universal access for target equity groups e.g. children from Aboriginal, culturally and linguistically diverse (CALD), low socioeconomic status (SES) and/or rural and remote communities? If yes, what were these initiatives?
- Was the funding sufficient to provide support for all preschools in a cluster?

### Feedback about the Trial

- Which aspects of the Trial were well received?
- Which aspects of the Trial could be improved?
- What strategies were attempted, if any, to overcome the constraints?
- How sustainable are the changes that were made during the Trial?

### Outcome evaluation

The outcome evaluation determined whether the expected objectives of the Trial were achieved.

The aims of the outcome evaluation were to ascertain:

- the effects of the Trial on the management of preschools in terms of their governance, time management, training and professional development
- whether the Trial resulted in perceived improvements to preschool management and service quality
- whether the Trial resulted in improvements to preschool management and service quality as measured by the National Quality Standard (NQS).

The outcome evaluation focused on the effects of the Trial on preschool management, as well as improvements to preschool management and service quality. Questions addressed included:

#### Effects on preschool management

Did cluster management:

- reduce the time directors and management committee members spent on administrative and regulatory duties?
- reduce the time directors and management committee members spent planning for training and professional development?
- allow directors and management committee members to spend more time on improvements to service quality?
- increase participation in training and professional development?

#### Perceived improvements to preschool management and service quality

Did cluster management result in perceived improvements in:

- The overall management of the preschool?
- The management of staff at the preschool?
- The service quality of the preschool?

It is important to note that participant's perceived improvements to preschool management and service quality were based solely on their perceptions, which are inherently subjective and have the potential to be biased, and should therefore be interpreted with caution.

#### Improvements to preschool management and service quality as measured by the National Quality Standard

- Does overall management and quality of service provision improve under cluster management, as measured by the NQS?

# 2. Methods

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A total of 40 preschools participated in the Trial. These were split into four clusters, with 10 preschools per cluster. The clusters were located in the following regions: Sydney metropolitan, Newcastle metropolitan, New England and Central Western NSW (see section entitled Implementation of the Trial for further details of the clusters). Data for the evaluation was gathered through interviews and discussions, a quarterly report provided by cluster management providers and NQS assessment and ratings information.

## Interviews

Interviews were conducted at 20 of the 40 preschools participating in the Trial, with five preschools per cluster. The preschools were selected to be representative of all the preschools in the cluster, with selections based on their NQS assessment ratings before the Trial, size (licenced capacity) and geographical location (see Appendix 1).

Interviews took place in November and December 2015, and allowed preschools to experience approximately one year of the Trial. This timing was necessary to ensure management committee members had a sufficient amount of time to experience the Trial before a new committee was appointed the following year.

Interviewees included the director of each of the 20 preschools selected for interview, and where possible, one or two office bearers from the management committee, and up to three members of staff. A breakdown of the type of interviewee and the preschools at which they were interviewed, split by cluster, is provided in Appendix 2.

Interviews were conducted on a one-to-one basis, except in three cases, where two management committee members were interviewed together. In addition, interviews were conducted face-to-face, except in three cases, which were conducted by telephone. The suite of interview questions for directors differed from those for management committee members and staff, as each group was asked questions specific to their experience of the Trial. Some interview questions were common to all three groups of interviewees. Note that not all interviewees provided a response to every interview question. Therefore, when presenting the results, the total number of responses to questions does not always add to the total number of directors, management committee members or staff interviewed.

To present the views of other relevant stakeholders, interviews (one-to-one or in a group) were also conducted with staff from each cluster management provider as well as the Department's Early Childhood Education and Care Directorate (ECECD). In total, seven staff from cluster management providers and three from ECECD were interviewed.

Due to the relatively small number of interviews, only descriptive analyses were used to report the results of the interviews and no statistical analyses were conducted. The results are reported collectively across all clusters and preschools, however, when the results of a particular cluster or preschool clearly differed from the others, this was noted.

## Quarterly reports from cluster management providers

Cluster management providers submitted quarterly reports that outlined the activities they initiated with services, the person or group to which the activity was directed, and the time spent per activity. A brief description of each activity was also included. This information was used to describe the support provided to preschools.

## NQS assessments and rating data

Data from the NQS assessments and ratings, which are undertaken by independent, trained assessors, was collected for the preschools participating in the Trial. The NQS is composed of seven quality areas:

1. Educational program and practice
2. Children's health and safety
3. Physical environment
4. Staffing arrangements
5. Relationships with children
6. Collaborative partnerships with families and communities
7. Leadership and service management

Each quality area consists of two or three standards, which are high-level outcome statements such as: 'there is a commitment to continuous improvement' and 'administrative systems enable the effective management of a quality service'. Each standard is underpinned by elements that describe the outcomes that contribute to the standard being achieved. There are 58 elements in total. Assessors rate each element as 'met' or 'not met' and use this information to inform a rating within each standard, each quality area and the overall rating<sup>3</sup>.

Thirty-one preschools in the Trial had a NQS rating before the start of the Trial in January 2015 (a baseline rating). Twenty of these were re-rated towards the end of the Trial, between November 2015 and June 2016 (a final rating). A comparison of baseline and final NQS ratings was therefore possible for 20 preschools in the Trial. These 20 preschools were from the New England, Newcastle metropolitan and Central Western NSW Clusters. Note that these preschools are not necessarily the same 20 preschools that were interviewed.

In order to determine whether any observed changes in NQS ratings of participating preschools were due to the Trial and not to some other set of factors, NQS ratings for a comparable set of preschools, a 'control group', were also examined. This control group was selected from 26 preschools in NSW which had an NQS rating before January 2015, (a baseline rating) and a further rating between January 2016 and June 2016 (a final rating). To ensure these control preschools were comparable to those in the Trial, preschools run by the Department were excluded, as was one preschool in a different geographical region. The control group therefore consisted of 23 preschools. These preschools were in the same geographical regions as the Trial preschools used in the analyses. The control preschools also had similar licencing capacities (the maximum number of children for which they are licensed) to Trial preschools. One difference between Trial and control preschools was, however, obvious: The baseline NQS ratings of Trial preschools varied from 'Working Towards NQS' to 'Exceeding NQS', while the baseline ratings for all control preschools were 'Working Towards NQS'.

Data derived from the baseline and final NQS rating of each preschool was analysed to determine whether overall management and quality of service provision improved under cluster management. Specifically, data from the baseline and final overall NQS rating of each preschool was used to calculate whether or not a preschool's overall rating increased (or for those with a baseline rating of 'Exceeding NQS', whether their rating was maintained). Preschools participating in the Trial were then compared to control preschools<sup>4</sup>.

<sup>3</sup> See <http://www.acecqa.gov.au/national-quality-framework/assessments-and-ratings> for details.

<sup>4</sup> Fisher's exact tests were used to analyse the data.

For each preschool, data from all 58 elements within the NQS was also used to calculate the change in the number of elements met between the baseline and final NQS ratings. Preschools participating in the Trial were then compared to control preschools<sup>5</sup>.

NQS Quality Area 7 focuses on leadership and service management. It includes standards and elements concerned with effective management and administration, compliance, and professional development of preschool staff<sup>6</sup>. Given that the Trial was expected to optimise preschool management, administrative and compliance operations, as well as promote a qualified professional workforce, analyses were also conducted focussing only on the NQS Quality Area 7 ratings. Specifically, the calculations and analyses described above (using the overall NQS rating and the 58 elements) were repeated using data from the Quality Area 7 ratings, and the 13 elements within Quality Area 7. This separate set of analyses was used to determine whether the Trial had an impact on preschool quality by affecting the management activities outlined in NQS Quality Area 7.

Statistical effects are harder to detect with small amounts of data. Given that NQS data were available for a relatively small number of preschools, statistical analyses were completed including all 20 Trial and all 23 control preschools in order to maximise the amount of data used. However, as mentioned previously, the baseline NQS ratings of preschools participating in the Trial varied from 'Working Towards NQS' to 'Exceeding NQS'. Baseline ratings for all preschools from the control group were 'Working Towards NQS'. To render the Trial and control groups more comparable, all analyses were repeated using only preschools that had a baseline rating of 'Working Towards NQS'. This resulted in a sample size of n=12 Trial preschools and n=23 control preschools.

<sup>5</sup> T-tests were used to analyse the data.

<sup>6</sup> See <http://www.acecqa.gov.au/national-quality-framework/assessments-and-ratings> for details.

# 3. Evaluation findings

The ECECD within the Department implemented the Trial. Despite high levels of interest in cluster management across the sector, as found through the stakeholder submission process, an initial procurement process in 2013 to trial cluster management in NSW generated little uptake from preschools. This occurred because only preschools that were struggling in particular areas were eligible to participate<sup>7</sup>. Further, the proposed cluster approach involved the cluster management provider being responsible for the overall management of the preschool, which led to the perception that preschools would lose autonomy and local identity.

Cluster management providers were therefore unable to obtain agreement with preschools. The approach to trial cluster management was therefore reviewed. Eligibility criteria were simplified so that to be eligible, preschools had to be not-for-profit, and have a community-based volunteer management committee. In addition, the approach was reframed so that existing volunteer management committees and service directors understood they were not to be replaced, but instead be supported by the cluster management provider.

ECECD invited expressions of interest from potential cluster management providers in July 2014 and submissions closed on 18 August 2014. On 14 October 2014, the NSW Minister for Education announced that three cluster management providers would receive funding for four clusters in the Trial with a total budget of \$1,000,000. Cluster management providers recruited preschools to the Trial. They then negotiated and reached agreement with individual preschools on the operational areas where support was required. Given that participation in the Trial was voluntary, the preschools involved may not be representative of the broader population of not-for-profit volunteer-managed preschools across NSW. Therefore, the findings of this study may not apply to all preschools of this type.

All preschools within the Trial began receiving the services of the cluster management providers in January 2015. The preschools retained their existing autonomy, governance and administration.

While the revised approach to the implementation of the Trial was necessary to attract preschools, it resulted in a more varied group of preschools participating in the Trial than originally intended, with some preschools in need of more support than others. Hence the Trial did not exclusively target preschools most in need of support. This is particularly noticeable in the NQS ratings of preschools participating in the Trial, which varied from 'Working Towards NQS' to 'Exceeding NQS'. The variation in NQS ratings may have affected the ability of the evaluation to measure improvements in preschool management and service quality as some of the preschools were already highly rated, and had little room for improvement as measured by the ratings.

In addition, the revised cluster management approach, which concentrates on providing support rather than providing governance, is less likely to provide a long-term solution to issues of frequent turnover of management committee members and the associated loss of knowledge about preschool governance.

<sup>7</sup> To be eligible, preschools needed to demonstrate they were struggling in one or more of the following areas: volatile annual enrolment figures, financial viability or management, staff recruitment and retention, compliance with regulations and/or compliance with funding requirements.

## Implementation of the Trial

### What are the broad characteristics of services participating in the Trial e.g. geographical location, licensing capacity, enrolments?

The Trial funding covered four clusters with ten preschools per cluster. A total of 40 preschools therefore participated in the Trial. Two clusters were located in metropolitan areas and two in regional areas. Specifically, these were the Sydney metropolitan, Newcastle metropolitan, New England and Central Western areas of NSW. As mentioned previously, three cluster management providers received funding for the four clusters, with the Sydney metropolitan and New England clusters managed by the same provider. Some broad characteristics of the preschools participating in the Trial are outlined in Appendix 1.

All the directors (n=20) of the preschools interviewed indicated that their preschool had never been involved in services or initiatives similar to cluster management. Of the preschool directors who responded to questions about working collaboratively with other agencies or preschools, about half (57.9%, n=19) had worked with other preschools in the past, or participated in networks with preschools in their areas. Most of these directors, however, had not worked closely with other preschools or external agencies to the same degree as they did within the Trial. Some directors commented that they were a part of an email group of preschool directors, but that the face-to-face meetings within the Trial allowed them to get to know their peers and become more comfortable and involved with other services in their Trail network.

### Why were preschools interested in participating in the Trial?

When directors were asked the reason their preschool joined the Trial, many provided more than one response. About three-quarters of those that responded (72.2%, n=18) indicated that they required support with defining the management committee's roles and responsibilities. Just over half (55.5%, n=18) reported they required support to ensure compliance under the new preschool policy environment. Directors also indicated that their preschool was interested in networking opportunities with other services (33.3%, n=18), and that they required support with financial management (22.2%, n=18). One director indicated that they personally required support.

### How was cluster management delivered and how involved were preschool directors, management committee members and staff?

Each cluster management provider used a different approach to provide management support for the preschools in their cluster. For example, one provider's approach was to provide more concentrated support initially and then allow the preschools to become more self-sufficient and increasingly rely on networking with other preschools in their cluster for support. Others provided support at regular intervals or when required. The kind of support provided to each preschool was also different across clusters, and was informed by initial discussions with each preschool. For example, some providers used online resources more than others, some relied more on networking than others, and some providers outsourced training, while others provided their own training.

Cluster management providers struck a balance between providing personalised support and ensuring that there were common areas of support for all preschools in their cluster. For example, cluster management providers at times organised training courses that were designed for all preschools and at other times offered training only to select preschools to meet their particular needs. Cluster management providers gave support with common, shared documentation, policies and templates to all preschools at regular intervals, whilst also providing additional guidance to individual preschools as needed.

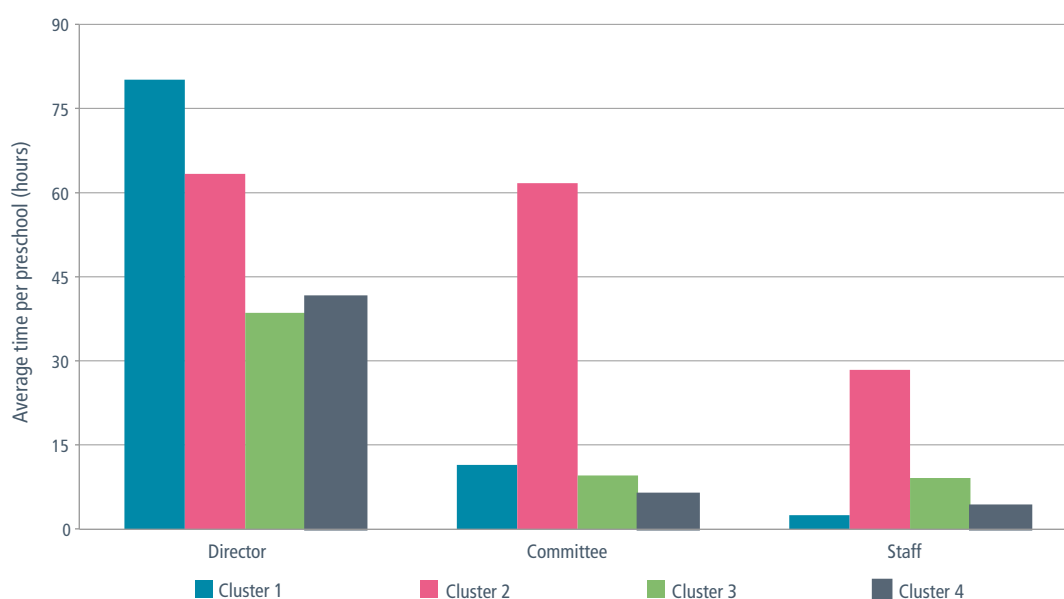
Unsurprisingly, quarterly information collected from cluster management providers showed that the amount of time they spent supporting preschools for activities and issues such as governance, compliance, policies, employee management and business planning varied greatly by provider, by preschool and by quarter. This degree of variability made it difficult to compare different clusters, preschools and time periods in the trial. The information did indicate, however, that support was generally provided in a flexible manner and as required by preschools.



Figure 1 shows the amount of time cluster management providers spent supporting directors, management committee members and staff for the duration of the Trial. More time was generally spent supporting preschool directors, except for one cluster (Cluster 2), who recorded approximately equal amounts of time supporting directors and management committee members. Staff generally received the least amount of support.

**Figure 1:**

Hours of support provided by cluster management providers over the 18 month Trial period.



**Note:** The time spent providing support was not necessarily mutually exclusive to a particular group. For example, time could have been spent with both the director and the management committee. The time spent providing this support was added to that of the director as well as that of the management committee, as both parties received the support. Note also that hours of support includes training conducted by the cluster management provider. Some support, particularly with regards to training, was outsourced by some cluster management providers and is not included here.

Interviews with directors, management committee members and staff revealed a similar pattern. All of the directors interviewed (n=20) indicated that they had regular contact with the cluster management provider. About one-quarter (28.0%, n=25) of management committee members only had contact with the cluster management provider through the director of their preschool. Some management committee members were not aware that cluster management also aimed to assist the committee. For example:

*'We had to get a new director. Interviews to employ them were difficult for the committee. It would have been good to get help for that. We didn't know that we could contact the cluster manager directly, we've just been contacting them through the director'.*

Preschool staff had the least direct involvement in the Trial. Some preschool staff (20.0%, n=30), particularly the educators, felt removed from the Trial. One staff member said:

*'In this service, as staff, we don't feel the connection. We don't know what it's about. It assists the director and the committee, but doesn't filter through to staff'.*

Preschool directors and management committee members were asked about the support they received for a number of issues or activities related to the focus areas described in the section 'Process evaluation questions' in the introduction of this report. The level of support received varied according to the type of activity or issue (Figure 2, see Appendix 3 for further detail). Directors were more likely than committee members to report receiving support for every activity or issue listed in Figure 2. This is consistent with the hours of support described above between cluster management providers, directors and management committee members.

As shown in Figure 2, at least 70 per cent of directors felt they received support for the following focus areas:

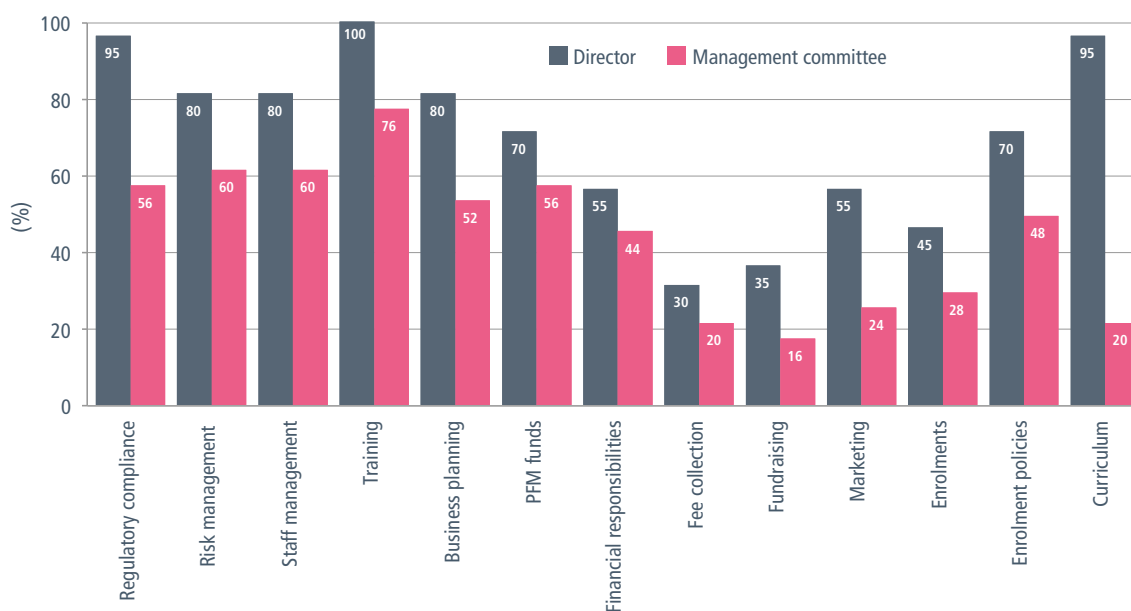
- regulatory compliance, which included and quality assurance
- risk management, which included legal processes and associated liabilities
- staff management, which included employment of staff
- training, which included professional development and included the director, management committee and staff
- business planning
- managing the Preschool Funding Model (PFM) funds, in particular aligning enrolments to maximise funding
- enrolment policies
- the curriculum, which included changes to the educational curriculum, delivery of programs in the Early Years Learning Framework and curriculum resources.

shown in Figure 2, at least 50 per cent of the management committee members felt they received support for the following focus areas:

- regulatory compliance, which included quality assurance
- risk management, which included legal processes and associated liabilities
- staff management, which included employment of staff
- training, which included professional development and included the director, management committee and staff
- business planning
- managing the PFM funds, in particular aligning enrolments to maximise funding.

**Figure 2:**

Percentage of directors and management committee members who felt they received support across focus areas.



**Note:** Directors, n=20. Management committee members, n=25.

Some directors and management committee members did, however, mention an overlap with the Operational Support Program offered by the Department<sup>8</sup>. In total, 20 of the 40 preschools in the Trial were involved in the Operational Support Program, although only 10 of these had participated in the Operational Support Program before being interviewed. One-quarter (n=20) of the preschool directors interviewed specifically said they had operational support for some areas and didn't seek support from the cluster management provider for those. For example, one director said:

*'We have operational support already. Cluster management has been more of a networking help'.*

All the directors interviewed (n=20) agreed that the cluster management provider always provided support when they asked for it and that the support was useful. About three-quarters of the management committee members who replied to this question indicated that they always received support when they asked for it (76.2%, n=21). The remainder received support sometimes (23.8%, n=21). A small proportion (8.7%, n=23) of management committee members who responded to questions about the usefulness of the support they received, however, noted that it was not always useful. For example:

*'Support was provided quickly, but sometimes in the wrong file format, it was a misunderstanding ... Responses don't really match up with our situation, they seem like a standard template response that wasn't relevant ... It may be more our fault than the cluster management agency's because sometimes they send information, but we take a while to respond'.*

Some directors and management committee members added that their cluster manager volunteered support or information without them having to ask for it and they found this helpful. For example, one director said:

*'Because we are stand alone and isolated we don't get regular information. When you source the information, you can get different answers. The cluster manager makes you aware of things you might not have known ... it's coming to you so you don't have to source it'.*

Directors and management committee members were not, however, always pleased at the amount of information they received. One director said:

*'Sometimes the information can be a little overwhelming. It's not necessarily around what the centre needs to prioritise at the time'.*

In addition, management committee members said:

*'Sometimes I feel inundated and overwhelmed by all the information'.*

*'There were a lot of emails back and forth. A burden of too much information. It added to the workload. I felt we didn't get much out of it, but maybe we weren't using them correctly'.*

When stakeholders from ECECD were asked about the implementation of the Trial, they believed that the cluster management providers generally built good relationships with the preschools, and supported them where necessary. However, stakeholders from ECECD believed that there may have been more in-depth assistance in some areas than originally intended. As a result, preschools may not have gained the skills necessary to become self-sufficient in their management practices.

### **Have the clusters included specific initiatives to encourage and support universal access for target equity groups e.g. children from Aboriginal and Torres Strait Islander, CALD, low SES and/or rural and remote communities? If yes, what are these initiatives?**

A small proportion (16.7%, n=18) of the directors that responded to questions about target equity groups indicated that as a part of the Trial, their preschool had introduced new initiatives to encourage and support universal access for such groups. These included letter box drops to public housing areas, making contacts within the Aboriginal and Torres Strait Islander community and providing information and links about cultural diversity to parents. At the time of the interview, approximately one-quarter (22.2%, n=18) of preschool directors were discussing or in the process of introducing initiatives to encourage participation from these groups. One director said:

*'I can't access as much for CALD students, there is no support agency for them. There is a little bit of a gap'.*

<sup>8</sup> Operational Support during the period that the Trial was implemented focused on integrating educational objectives with effective business practice. This included: support on maximising funding under the PFM and implementing a sustainable fee structure; maximising enrolments in the target equity groups; demographic modelling to assist preschool planning; developing staff capacity and efficient staffing arrangements.

The remaining preschools indicated they were either already including these groups or were at full capacity and couldn't accommodate them. Two of the preschools interviewed indicated that the Department's Operational Support Program assisted them with achieving this goal.

Cluster management providers indicated they had provided support to encourage preschools to access target equity groups. This included providing information on specific groups, as well as supporting and encouraging preschools to access extra funding available for these groups. Cluster management providers also assisted preschools to conduct extra marketing and, if necessary, reassess their fee structures to encourage children from equity groups to attend the preschool.

### **Was the funding sufficient to provide support for all preschools in a cluster?**

All three cluster management providers indicated that the funding provided was sufficient to manage ten preschools per cluster. One cluster management provider did, however, mention that the large distances between preschools in the cluster made it challenging to fund travel for training courses.

One provider, whose approach was to provide more concentrated support earlier in the Trial and then allow the preschools to become more self-sufficient through their networking, commented that minimal funds would be required after the Trial period to continue their cluster management support.

## **Feedback about the Trial**

### **Which aspects of the Trial were well received?**

A number of common themes became apparent when preschool directors were asked to describe aspects of the Trial that worked well for them. Directors were asked to describe this through an open-ended question. The percentages provided illustrate the proportion of directors that mentioned a particular aspect and does not necessarily imply that the aspect did not work well for other directors involved in the Trial.

The vast majority of the directors interviewed (85.0%, n=20) commented that the Trial worked well for them because they had a professional, knowledgeable cluster manager with good access to resources, who was readily available. Networking with other directors and preschools worked well for many of the directors interviewed (70.0%, n=20). One-to-one, individualised support, including site visits was also considered to work well by about half the directors (55.0%, n=20). For example:

*'The cluster manager always has answers or links when questions are raised ... Having one person to speak to, to ask questions who gets back straight away, usually within the day. It saves a lot of time.'*

About one-third of the directors considered the professional development and training offered by the cluster management provider to work well (30%, n=20). This was particularly successful because it was often provided at no cost to the preschool. Support with policies and templates was also considered to work well by a minority of directors (20.0%, n=20).

Management committee members gave similar responses to those reported by directors when asked about aspects of the Trial that worked well. Again, the percentages provided illustrate the proportion of management committee members that mentioned a particular aspect and does not necessarily imply that the aspect did not work well in general. Just over half (56.5%, n=23) of the management committee members who responded to questions about the aspects of the Trial that worked well for them commented that the Trial worked well because they had a professional, knowledgeable cluster manager with good access to resources, who was readily available. One-to-one, individualised support, including site visits, was considered to work well by about one-third of the management committee members (34.8%, n=23). For example:

*'There is one point of reference. Only one person to go to instead of an advisory body. The cluster manager has been to the service so they know the place and the situation and it is more personalised.'*

Training was another important aspect of the Trial, particularly training for the management committee, but also for the director (34.8%, n=23). Networking with other preschools was also considered to work well (17.4%, n=23). Smaller numbers of committee members indicated that the Trial worked well because they received support with particular aspects of their work such as their Quality Improvement Plan (QIP), budgeting, accounts, finances, the PFM funds and compliance with regulations. The cultural awareness of the cluster manager was also considered to work well by a small number of committee members.

Stakeholders from ECECD believed that the flexibility of the support offered and the networking available to preschools were integral factors of the Trial. All cluster management providers also agreed that the networking available to preschools worked well, particularly when it involved the use of social media. One cluster management provider noted that having preschools with a mix of NQS assessment ratings in the cluster was particularly valuable for networking because the more experienced and capable preschools were able to inspire and support others in the cluster.

Cluster management providers believed that the following factors also helped the Trial work well:

- the willingness of preschools to participate in the Trial
- one-to-one support
- governance training
- making a clear plan for the support to be provided
- understanding the local community.

Some cluster managers also noted that preschools which had not participated in the Trial had anecdotally heard positive reports about cluster management and enquired about becoming involved in the future.

### **Which aspects of the Trial could be improved? What strategies were attempted, if any, to overcome the constraints?**

Few issues arose when interviewees were asked about aspects of the Trial that could be improved. The most commonly reported issue was the large distance between preschools in the cluster or between preschools and training locations. Distance was problematic for 40.0 per cent of directors (n=20) and 12.0 per cent of management committee members (n=25). Cluster management providers noted that this could not be resolved despite providing funding for travel or using online training or meeting resources. This continued to pose a problem despite meetings and training being organised in various locations within the cluster.

The following issues were also mentioned by a small proportion of directors and management committee members:

- Staff or management committees were not always included in the communication or activities within the Trial, and it was up to the director to filter information through to them.
- The timing of training was not always suitable, even online webinars were not necessarily scheduled at a good time.
- There was a lack of face-to-face training.
- There was not enough face-to-face time with the cluster manager.
- The cluster management agency was unfamiliar with their community or situation and therefore could not understand or assist with certain issues.
- Too many emails were sent by the cluster management provider.
- There was a lack of information about the Trial.
- The Trial was too short.
- It was stressful to prepare for the cluster manager's visit and deal with the work to do after the visit.
- There were financial repercussions of having the director or staff away from the preschool for training or professional development (i.e. costs for relief staff).

Stakeholders from ECECD and cluster management providers added that the Trial did not address the issue that changes in the membership of management committees resulted in a loss of knowledge about preschool governance. They suggested regular governance training for the management committee to overcome this issue. Cluster managers also added that despite their efforts, engagement of management committee members was sometimes difficult with respect to finding members, as well as members not attending meetings, not understanding their roles, or having a lack of knowledge regarding preschool management.

## How sustainable are the changes that were made during the Trial?

All directors (n=20) and almost all management committee members who responded to questions about sustainability (91.7%, n=24) believed that at least some of the changes implemented during the Trial would be sustained in the long-term. This applied particularly to changes made to the preschool's governance, training, policies, procedures and budgeting. Networking with others in the cluster was also seen to be a long-term change, although not all directors agreed that it was sustainable. Changes in the management committee or director were considered a risk to continuity and sustaining changes.

Directors said:

*'The new information and ideas we have learned are working well so we could continue to use those strategies. Plus changes to viability are long-term ... opening hours were extended'.*

*'Long-term changes have already been made in terms of professional development, templates, compliance and information. But I don't think the networking will continue, and this is the most important because no one is there to take us on and no one would be willing to take on extra responsibility'.*

One management committee member said:

*'... there are now procedures in place to help things run better'.*

Directors and management committee members commented that to sustain changes made during the Trial, it would be helpful to:

- continue networking
- support and assist management committees to ensure they have the necessary knowledge to run a preschool
- provide training for management committee members, especially at the start of each year when a new management committee is elected.

Cluster management providers agreed that training for preschool staff and the implementation of new systems, policies and procedures would be sustainable in the long-term. Stakeholders from ECECD and cluster management providers agreed that networking between preschools could be sustained, but were unsure of its long-term viability without the support of the cluster management provider. They noted the need for continued management committee training and a well-organised handover to mitigate the loss of knowledge in management committees brought about through turnover. A change of director was also considered a large risk for sustainability. In addition, as noted previously, ECECD stakeholders believed that preschools may not have gained the necessary skills to become self-sufficient in their management practices.

## Effects on preschool management

Questions were asked of directors and management committee members to determine whether cluster management allowed them to:

- spend less time on administrative and regulatory duties
- spend less time planning for training and professional development
- spend more time on improvements to service quality
- increase participation in training and professional development.

Preschool staff were also asked whether their participation in training and professional development had changed under cluster management.

### **Time spent on administrative duties, compliance with regulatory requirements, planning for training and professional development, and improvements to service quality**

A small proportion (15.8%, n=19) of the directors who answered questions about the time spent on administration indicated that cluster management had reduced the amount of time spent on administrative duties. About one-quarter of the directors interviewed indicated that the time they spent on administrative duties had increased (26.3%, n=19), generally because the cluster manager had suggested changes that added to their workload, such as updating policies or preparing for meetings. More than half of the directors (57.9%, n=19) indicated that they spent the same amount of time on administrative duties, although many indicated that processes put in place under cluster management made administration more streamlined.

About half of the directors (52.6%, n=19) who answered questions about the way they spend their time indicated that less time was spent on compliance with regulatory requirements. A few of the directors (10.5%, n=19) felt that they spent more time on compliance with regulatory requirements because the cluster managers had made suggestions that increased their workload. The remaining directors (36.8%, n=19) indicated that they spent the same amount of time on compliance before and after the introduction of cluster management.

About two-thirds of the directors (68.4%, n=19) who answered questions about the way they spend their time indicated that they were able to spend more time on improvements to service quality under cluster management. For example:

*'Our quality improvement plan has seen the most positive changes this year'.*

*'The cluster manager contributed a lot in terms of the quality improvement plan ... it's balance. Things that now take less time have allowed more time to spend elsewhere'.*

About two-thirds of the directors (63.2%, n=19) who answered questions about the way they spend their time indicated that they spent less time organising training and professional development under cluster management, while the remaining directors spent similar amounts of time on these tasks than they did without cluster management.

Management committee members who had been on their committee for more than one year had mixed responses to the amounts of time spent on administrative duties, compliance with regulatory requirements, service quality, and planning for training or professional development. Most committee members who had been on the committee for more than one year (58.3%, n=12) indicated that the time they spent on these issues varied according to the preschool's needs and it was difficult for them to decide whether this changed notably since the introduction of cluster management. A small number of committee members (16.6%, n=12) indicated that less time was spent on these issues overall, while others (16.6%, n=12) indicated the time spent was unchanged.

### Participation in professional development

Cluster management agencies organised or provided a range of training and professional development activities for preschools. Some examples of the areas covered include leadership and strategic planning for directors, governance training for management committee members, and daily planning, programming and documentation for staff. The majority (78.9%, n=19) of directors who responded to questions about their professional development indicated that they had more opportunities for training and professional development under cluster management, while the remainder (21.1%, n=19) indicated that opportunities were unchanged. Almost all (94.1%, n=17) of the directors who participated in training considered it useful. One director mentioned they couldn't participate in the training because it was too far away and difficult to get to, and the online training was provided at a bad time.

Almost all of the management committee members (91.7%, n=12) who had been on the committee for more than a year indicated that they had more opportunities for training under cluster management than they had in the past. In addition, all of the management committee members who participated in training (n=15) found it useful.

When preschool staff were asked about their professional development and training opportunities, just over one-third of those that responded (39.3%, n=28) believed they had more opportunities for training and professional development under cluster management than they had previously. Around half (46.4%, n=28) believed they had the same number of opportunities and a small proportion (14.3%, n=28) believed they had fewer opportunities. Note that three-quarters of the staff who believed they had fewer opportunities were from separate preschools in the Western NSW cluster. It is possible that, as mentioned by one of the directors (above), staff were not able to attend because the training was too far away. Almost all of the staff that did attend training or professional development activities (92.0%, n=25) found it useful.

Staff were also asked about performance reviews and appraisals, which can form part of their professional development and career plans. Two-thirds (66.6%, n=30) of the staff interviewed had participated in a staff performance review and appraisal since the start of the Trial. About one-third (30%, n=30) of these staff commented that the procedure had improved. Their reasons included:

*'There were a few little changes. It's twice a year rather than once. There's more feedback. It's better'.*

*'I have a wider understanding of what it's for'.*

## Improvements to preschool management and service quality as measured by the NQS

### Does overall management and quality of service provision improve under cluster management, as measured by the NQS?

To measure the impact of the Trial on preschool management and service quality, NQS ratings for 20 preschools participating in the trial were compared to 23 control preschools. Table 1 shows that 80.0 per cent of the preschools participating in the Trial and 82.6 per cent of the control preschools increased their overall NQS rating, or maintained their existing 'Exceeding NQS' overall rating. There was no statistically significant difference between the groups.

**Table 1:**

Percentage of preschools that improved their overall NQS rating or maintained their overall 'Exceeding NQS' rating.

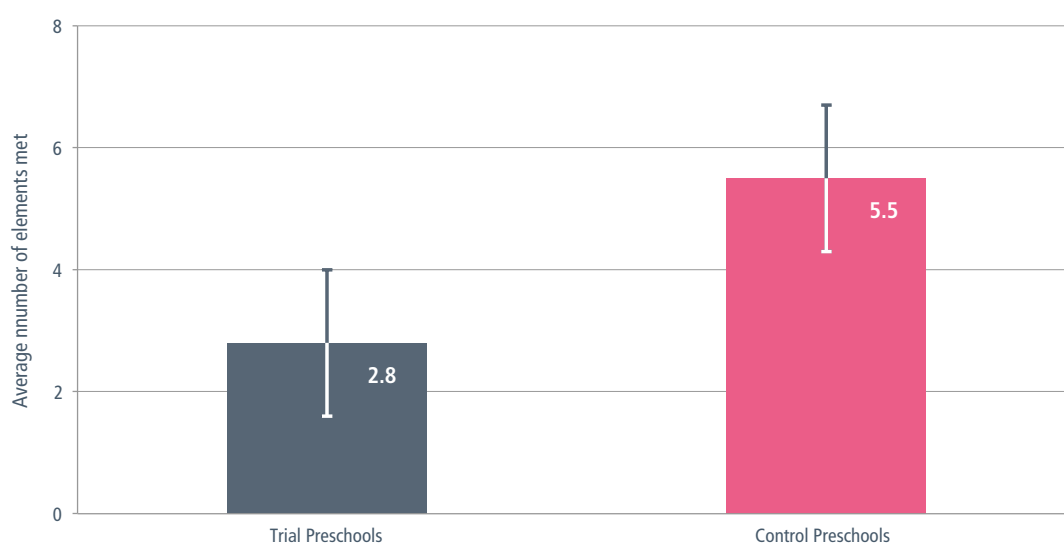
Preschools	Did not improve overall NQS rating or maintain 'Exceeding NQS' rating (%)	Improved overall NQS rating or maintained 'Exceeding NQS' rating (%)
Trial preschools (n=20)	20.0	80.0
Control preschools (n=23)	17.4	82.6
<b>Total preschools</b>	<b>18.6</b>	<b>81.4</b>

**Note:** n=43, p=1.000

When all 58 elements within the NQS were considered, preschools that participated in the Trial met an average of 2.8 more elements in their final NQS rating than their baseline NQS rating. Although control preschools met an average of 5.5 more elements, this difference was not statistically significant (Figure 3).

**Figure 3:**

Change in the average number of NQS elements met between baseline and final ratings.



**Note:** t=-1.549, df=41, p=0.129. Trial preschools, n=20. Control preschool, n=23.

Given that the Trial was expected to optimise preschool management, administrative and compliance operations, as well as promote a qualified professional workforce, analyses were also conducted using data from only NQS Quality Area 7, which focuses on these aspects. Similar to the results of overall NQS ratings, the analyses of Quality Area 7 NQS ratings found no evidence of an effect of the Trial on preschool management and service quality (Appendix 4).

To render the Trial and control groups of preschools more comparable, all analyses using NQS data were repeated using only preschools with baseline ratings of 'Working Towards NQS'. Again, the analyses found no evidence of an effect of the Trial on preschool management and service quality (Appendix 4).

In summary, all analyses of NQS ratings and of the elements within the NQS quality areas found no evidence of an effect of the Trial on preschool management and service quality.



Note that it is possible the results were affected by the small numbers of preschools in the analyses, as statistical effects are generally harder to detect in small samples. Results may have differed had a larger number of preschools been available for analyses. Also, while NQS assessments and ratings data is the best available independently gathered information regarding preschool management and service quality, this data was not designed for statistical analysis, but rather for recording assessment and rating information. It is possible that alternate measures of preschool management and service quality could yield different results.

## Perceived improvements to preschool management and service quality

In addition to the analysis of NQS data, preschool directors, management committee members and staff were asked their opinions regarding changes to preschool management and service quality as a result of the Trial. Specifically, directors, management committee members and staff were asked whether they believed cluster management had led to improvements in the overall management and service quality of the preschool. Preschool staff were also asked whether they believed cluster management had led to improvements in the management of staff at their preschool.

Note that the information presented below is based on the perceptions of those interviewed, which are inherently subjective and have the potential to be biased, and should be interpreted with caution.

### Perceived improvements to preschool management

Although self-sufficiency was not one of the aims of the Trial, stakeholders from ECECD believed that it would be beneficial for long-term sustainability for preschools to become more autonomous. About two-thirds (60%, n=20) of the directors interviewed believed that their preschool was managed more efficiently under cluster management, while the remaining directors (40%, n=20) believed it was about the same. Directors said:

*'It's more efficient with governance and in the office. Budgeting and finance has been streamlined'.*

*'It's about the same, but it has helped me learn the ropes'.*

A large proportion (80%, n=20) of the directors interviewed believed the overall management of the preschool improved under cluster management. This was commonly attributed to increased confidence or better awareness of the role and responsibilities of the director (40%, n=20) and of the management committee members (25%, n=20). Directors said:

*'I feel more confident as a director. I learned about new things like different types of funding, government agencies, how other preschools run their centres and do their programming'.*

*'The committee are more knowledgeable about their roles and responsibilities and acting on them. They are more aware of the funding model and how things work. They are more supportive of staff too'.*

One director who did not perceive management to improve stated:

*'The committee is new, it's hard to tell. There was a big change with an all new committee'.*

Almost all of the management committee members who responded to questions about the management of their preschool (96.0%, n=24) believed that the management of their preschool had improved since the start of the Trial. The reasons given for improvements varied. For example:

*'We take on the roles more seriously. There is a higher commitment to longevity of the service and we are looking at it more from a business perspective than just a group of mums that have our children at the preschool'.*

*'We're in a better position for a new committee to come in. ... Strategic plan, can see a direction ... we have a document we can hand on to them which goes through everything they need to know: QIPs, roles, responsibilities, compliance, policies etc.'.*

Improvements to management were, however, sometimes difficult to separate from other changes. For example:

*'We had operational support so it's difficult to differentiate. It's the directors second year and there's new admin, so staffing issues have improved. A new person coming in made a difference. ... Budgeting has improved, staff management has improved. It's difficult to see cause and effect'.*

*'The committee is more effective this year. It may be personalities though'.*

One committee member believed that management had not improved since the start of the Trial and commented:

*'We were pretty good already and the cluster management has added to the workload and stress levels'.*

When preschool staff were asked whether they thought the management of staff at their preschool had improved since the start of the Trial, about two-thirds (60.0%, n=30) believed that it had. For example:

*'The support with all aspects has trickled through to the staff. Staff are getting more support too, staff development has helped too'.*

In contrast, a small proportion of staff (10.0%, n=30) were not sure whether there had been an improvement in their management, and the remaining 30 per cent (n=30) saw no improvement. For example:

*'With the change of director it's been tricky. Cluster management doesn't have any support for staff, just for the director. The director's support is not filtering through to staff'.*

When staff were asked about the management of the preschool overall, about three-quarters (76.7%, n=30) believed there was an improvement since the start of cluster management. Staff said:

*'There's more forward planning — strong direction, re-assessment and evaluative processes, more growth this year, the director is more knowledgeable, committee members are more involved, we went through the QIP properly and put it into action, there was a planning and development day for the first time'.*

*'They're looking more at viability and marketing and it was needed. Things like new brochures, more networking in the community, extended hours'.*

Those who didn't think there was any improvement said:

*'It's the same. I'm a bit confused about the effect the Trial is supposed to have'.*

*'Cluster management has been time consuming for the director and the admin staff. They have to fit in extra tasks. There is more pressure on the director and it has made her job far more demanding. It takes her away from the kids'.*

### Perceived improvements to service quality

Of the directors who responded to questions about the quality of their preschool, around two-thirds (63.2%, n=19), believed there was an improvement in service quality under cluster management. Comments included:

*'We never had a business or strategic plan, so it has improved in regards to policies and procedures. Training for staff has flowed on to the program and reflection. Staff are more aware of what we are doing and how to improve.'*

*'We worked on new education programming. Staff morale has improved because I'm more confident in what I'm doing. Also there is support for the director when there are issues with staff and the committee.'*

Those who didn't see an improvement in service quality generally commented that it was the same before and after the Trial or that improvements were not always directly related to cluster management.

Almost two-thirds of the management committee members who responded to questions about the quality of their preschool (60.9%, n=23) believed that quality had improved since the start of the Trial. Comments were varied, and included:

*'Especially with the policies and procedures. Everything is more compliant. We got good advice leading up to the A&R (Assessment & Ratings) assessment.'*

*'Staff morale has increased ... more communication in general, between parents and the centre. A new program was brought in to make it more child-focussed and there's more monitoring of progress ... better decisions about when to progress to kindy. Children are involved in Aboriginal dance, which has increased respect in the community.'*

*'The environment, QIP and financial management have all improved. We are focussing on customer needs and changing to meet their needs.'*

*'It has allowed the director to spend more time with the children than on admin.'*

Again, changes were not always attributed solely to the Trial:

*'Not necessarily because of cluster management. More because of the director's knowledge, less part time staff and more consistency of staff.'*

Those who didn't think the quality of their preschool improved commented:

*'We don't use cluster management for educational or day to day running. We leave this for the director.'*

*'There's less stress on the director in finding information, but the quality is the same.'*

When staff were asked about service quality, three-quarters (76.7%, n=30) believed there was an improvement under cluster management. For example:

*'Big improvements. Staff are better trained ... Better portfolios, better classroom layout, less clutter in classroom, more liaising between staff and committee members.'*

*'The way it's run is better, we have incorporated changes to documentation, portfolios, the daybook and even the way we set up the room. The way we are programming is more to do with the children's interests.'*

Sometimes the changes were difficult to attribute to cluster management:

*'Some things have improved. There are new ideas. We have had a different director which has made changes too.'*

Those who didn't see any improvement commented:

*'Nothing has changed. The director has always done things.'*

*'If the money had just been given to preschools instead of being spent on the Trial it would have been more beneficial. Maybe the cluster management agency was too busy to be more effective? We changed cluster manager half way through the Trial. I don't think it was very effective.'*

# 4. Discussion

The information presented in this report is based on interviews with key stakeholders along with preschool directors, management committee members and preschool staff from 20 of the 40 preschools involved in the Trial. Information was also derived from a quarterly report provided by cluster management providers that outlined the activities they initiated with preschools, and the time spent per activity.

In addition, statistical analyses were used to determine whether cluster management affected preschool management and quality as measured by the NQS. Overall, the evaluation has shown that the Cluster Management Trial was generally well received.

Stakeholders and preschool directors believed the Trial was implemented as intended. Cluster management providers each used a different approach to deliver personalised support to preschools. Information collected quarterly from cluster management providers showed that the amount of time they spent supporting preschools for activities and issues, such as governance, compliance, policies, employee management and business planning, varied greatly by provider, by preschool and by quarter. Each cluster management provider indicated that the funds allocated were sufficient to support a group of ten preschools.

In general, preschool directors received the most support from cluster management providers, followed by members of the management committee and then preschool staff. Some management committee members were not encouraged to contact their cluster manager or were not aware they could contact their cluster manager, and hence reported feeling less supported.

The most common areas for which directors and management committee members felt supported included:

- regulatory compliance and quality assurance
- risk management, legal processes and liabilities
- management and employment of staff
- training and professional development of the preschool director, management committee and staff
- business planning
- managing the PFM funds.

Some areas of support did, however, overlap with the Department's Operational Support Program making causal attributions about cluster management difficult.

Directors and, to a slightly lesser extent, management committee members generally valued the support they received from their cluster management provider and noted that having a cluster manager, who was professional, knowledgeable and readily available, helped the Trial to work well, as did the one-on-one support. Networking with other preschools was also highly valued, as were increased opportunities for training and professional development, particularly governance training for management committees. Stakeholders from ECECD and the cluster management providers generally agreed with preschool directors and management committees about what worked well in the Trial. In addition to the above factors, stakeholders believed that flexibility in the delivery of the Trial, working with the preschool to plan the support needed, and understanding the local community were also important in helping the Trial work well.

When asked which aspects of the Trial could be improved, some management committee members, and to a lesser extent preschool directors, said they received too much information from their cluster management provider and felt overwhelmed by it. Stakeholders commented that they sometimes had difficulty engaging management committees. They also commented that frequent changes to the membership of management committees resulted in a loss of knowledge, and that the Trial did not resolve that issue. The distance between some preschools in a cluster also posed some challenges to networking and training that could not be resolved.

Cluster management providers indicated that they provided support and/or information to encourage preschools to attract and support children from target equity groups. However, only a small number of the preschools interviewed included specific initiatives related to these groups. Some preschools already included such groups and, in certain cases, it was not possible to encourage participation because the preschools were already at capacity, or their local community was too small to attract extra children.

Some of the changes made in preschools, such as changes to policies, procedures and training of staff were considered to be sustainable once the Trial ended. Preschool directors and stakeholders, however, believed that continued training for the management committee, along with networking among preschools, would not be sustainable in the long-term without the support of the cluster manager. Some stakeholders also believed that due to the in-depth support provided by cluster management providers, preschools may not have gained the necessary skills to become self-sufficient in their management practices and may require ongoing support.

Cluster management had little effect on the total amount of time directors spent dealing with administrative issues. Some directors indicated that the time they spent on administrative issues had increased, generally because the cluster manager had suggested changes that added to their workload, such as updating policies or preparing for meetings. However, at least half of the directors interviewed indicated that they spent less time organising training and professional development, as well as dealing with compliance and regulatory duties. Notably, the majority of the directors interviewed indicated that cluster management allowed them to spend more time on improvements to service quality. Management committee members found it difficult to compare the time spent on these issues before and after the introduction of cluster management, however, a small number of management committee members indicated they spent less time overall on all these issues.

Most directors and management committee members, but fewer preschool staff, indicated that they had more opportunities to participate in professional development or training under cluster management. Those that attended training also commented that it was useful. Staff performance and appraisals improved for a small number of those interviewed.

Whilst analysis of NQS data found no evidence of an effect of the Trial on preschool management and service quality, the majority of preschool directors, management committee members and staff believed that their preschool was managed more efficiently under cluster management. The vast majority also believed the overall management of their preschool improved. This was commonly attributed to increased confidence or better awareness of what needs to be done on the part of the director and the committee being more knowledgeable about their roles and responsibilities. In addition, the majority of directors, committee members, and preschool staff perceived an improvement in service quality under cluster management, although improvements were not always attributed solely to the Trial.

## Limitations

Given that preschools volunteered to participate in the Trial, the preschools involved may not be representative of the broader population of not-for-profit volunteer-managed preschools across NSW. Therefore, the findings of this study may not apply to all preschools of this type.

It is possible that few issues or concerns about the Trial arose because almost half (47.5%) of the 40 preschools in the Trial were already considered to be high quality; they had assessment ratings of meeting or exceeding the NQS at the start of the Trial. High NQS assessment ratings, however, do not necessarily imply that a volunteer-managed preschool has a functional management committee, is being managed efficiently or is financially viable. As pointed out by one of the cluster managers, preschools with higher NQS assessment ratings were valuable in networking and were able to provide advice, support and encouragement to other preschools in their cluster.

Note that it is possible the results of the analysis of NQS ratings and assessments data were affected by the small numbers of preschools in the analyses, as statistical effects are generally harder to detect in small samples. Results may have differed had a larger number of preschools been available for analyses. Also, while NQS assessments and ratings data is the best available independently gathered information regarding preschool management and service quality, this data was not designed for statistical analysis, but rather for recording assessment and rating information. It is possible that alternate measures of preschool management and service quality could yield different results.

Finally, it is also possible that relatively few issues about the Trial arose because of its short duration. A longer Trial and evaluation period may have uncovered some longer-term issues, particularly with regard to the transient nature of management committees.

## Conclusion

Overall, cluster management was considered a positive initiative by those involved. Preschool governance, time management and professional development were generally reported to improve during the Trial. Networking among preschool directors was considered a very successful part of the Trial. Many preschool directors, management committees and staff also perceived improvements to the overall management and service quality of their preschool. Analysis of preschools' NQS ratings, however, found no evidence of an effect of the Trial on preschool management and service quality. While the Trial operated as intended, there were a few aspects, described below, that could be improved.

### Overlap with other programs

Some directors reported an overlap with the Operational Support Program offered by the Department. Where the Operational Support Program addressed areas of business practices, such as fee structures and developing staff capacity, this overlapped with support that could have been provided by cluster managers. Clarification around the responsibilities of the Operational Support Program and cluster management may help to avoid the overlap.

### Geographical distance between preschools

Despite the use of online resources, the large geographical distances between some preschools in a cluster posed challenges for networking and training, some of which could not be resolved. Cluster management could therefore be improved by ensuring smaller geographical distances between preschools in a cluster.

### **Loss of knowledge from management committee turnover**

Parent management committees were also sometimes difficult to engage, and the transient nature of the management committee resulted in a loss of knowledge and information about preschool governance, year to year. Conducting annual governance training for management committees and introducing procedures to pass on information to a new committee is one solution to this issue. Adopting a cluster management model similar to the Victorian model may, however, provide a more long-term and cost effective solution, as management committees would have significantly fewer responsibilities and would not require specific knowledge about governance. In the Victorian model, the cluster management provider becomes the licensee of the preschool and is responsible for its overall management, including the management of all regulatory and funding requirements, employment of staff and related activities, as well as the financial management of the preschool. This leaves the management committees to deal with less administrative burden, allowing them to focus on other matters, such as improving service quality, fundraising and engaging with the community.

### **Changes to workloads and lack of information about cluster management**

Some directors and management committee members reported that participating in the Trial led to an increase in their workload, particularly where cluster managers sent a large volume of information via email. Also, for some directors, the time spent on administrative issues increased when they responded to the cluster manager's suggestions for changes or improvements to policies or procedures. Most importantly, some directors, management committee members and staff indicated that they were provided with very little information about the Trial. Providing more detailed information about the Trial, including examples of the support provided, and changes to workloads may help to set expectations and manage potential increases to workloads.

### **Risks to sustainability**

Although many of the changes made to preschools during the Trial were considered to be sustainable in the long-term, other factors such as changes to management committee members, a change in director and the lack of a facilitator for networking were considered a risk to sustainability. Also, due to receiving in-depth support through cluster management, preschools may not have gained the necessary skills to become self-sufficient in their management practices. Longer-term cluster management arrangements are one solution to this issue. Alternately, limited ongoing support could be provided through other Departmental programs after a period of cluster management.

# 5. References

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# Appendix 1. Broad characteristics of preschools

**Table A1:**

Broad characteristics of preschools participating in the Trial.

Cluster	Preschools (n)	Licensing capacity range (median)	SEIFA range (median)	Remoteness Area Category (n)				NQS Assessment rating at beginning of Trial (n)			
				Major City	Inner regional	Outer regional	Remote	Working towards	Meeting	Exceeding	Not rated
Sydney metropolitan	10	24 - 60 (40)	948 – 1090 (1046.5)	8	2	0	0	0	1	2	7
New England	10	14 - 44 (20)	845 – 989 (942.5)	0	0	8	2	3	3	3	1
Newcastle metropolitan	10	20 - 45 (29.5)	942 – 1075 (987)	9	1	0	0	4	5	1	0
Central Western NSW	10	19 - 46 (25)	811 – 988 (926)	0	1	7	2	5	4	0	1
<b>All clusters</b>	<b>40</b>	<b>14 - 60 (30)</b>	<b>811 – 1090 (977)</b>	<b>17</b>	<b>4</b>	<b>15</b>	<b>4</b>	<b>12</b>	<b>13</b>	<b>6</b>	<b>9</b>

**Note:** SEIFA data is based on the Postal Area (POA) Index of Relative Socio-economic Advantage and Disadvantage and was sourced from ABS 2033.0.55.001 - Census of population and housing: Socio-economic Indexes for Areas (SEIFA), Australia, 2011, accessed on 31 March 2016. Lower index scores indicate greater disadvantage and a lack of advantage in general, while higher index scores indicate a relative lack of disadvantage and greater advantage in general. Preschools were categorised into a remoteness area category based on their postcode using the ABS Remoteness Structure, 1270.0.55.005 - Australian Statistical Geography Standard (ASGS): Volume 5 - Remoteness Structure, July 2011.

# Appendix 2. Description of the sample of interviewees

**Table A2:**

The number of directors, management committee members and staff members interviewed and the number of preschools at which they were interviewed, by cluster.

A breakdown of the type of interviewee and the preschools at which they were interviewed, split by cluster, is provided in Table A2.

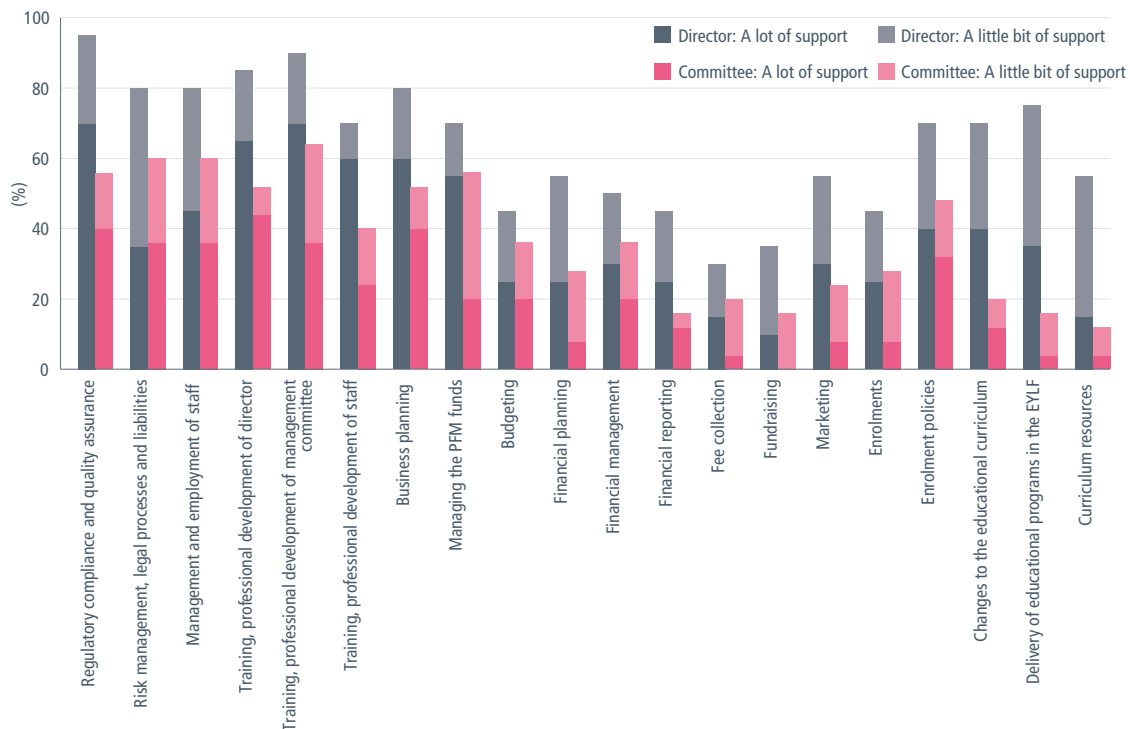
Cluster	Directors		Management Committee members		Staff members	
	Interviewed	Preschools	Interviewed	Preschools	Interviewed	Preschools
Sydney metropolitan	5	5	7	4	11	5
New England	5	5	6	4	3	2
Newcastle metropolitan	5	5	5	4	8	5
Central Western NSW	5	5	7	5	8	4
<b>Total</b>	<b>20</b>	<b>20</b>	<b>25</b>	<b>17</b>	<b>30</b>	<b>16</b>

The 20 preschool directors interviewed had held their positions for periods from two months to 36 years, with a median length of time in their position of three years. About half (48.0%, n=25) of the management committee members interviewed were the presidents of the committee. The others were office bearers, such as the Vice President, Treasurer or Secretary. The management committee members interviewed had been on the committee for up to seven years, with the median length of time on the committee of one year. In addition, management committee members had been involved with the preschool for up to 10 years, with a median length of involvement of four years. Of the 30 staff members interviewed, one was an associate director, three were support staff and the remaining 26 were earlychildhood educators. Staff had been employed at their preschools for up to 25 years, with a median length of employment of eight years.

# Appendix 3. Support received by directors and management committee members

**Table A3:**

Percentage of directors and management committee members who felt they received support.



**Note:** Directors, n=20. Management committee members, n=25. Figure 4 presents a summary of the data from Figure A1. For Figure 4, the categories of support (a lot of support and a little bit of support) were combined. Training and professional development for the director, management committee and staff were also combined to form the 'training' category. Budgeting, financial planning, financial management and financial reporting were combined into the 'financial responsibilities' category. Finally, changes to the educational curriculum, delivery of educational programs in the EYLF and curriculum resources were combined into the 'curriculum' category.

# Appendix 4. Analysis of NQS data

## Analysis using NQS Quality Area 7

Given that the Trial was expected to optimise preschool management, administrative and compliance operations, as well as promote a qualified professional workforce, analyses were also conducted using data from only NQS Quality Area 7, which focuses on these aspects.

Approximately half (55.0%) of the preschools participating in the Trial and 69.6 per cent of the control preschools increased their Quality Area 7 NQS rating, or maintained their existing 'Exceeding NQS' Quality Area 7 NQS rating. A Fisher's exact test found no significant difference between the groups ( $p=0.361$ ,  $n=43$ ).

When the 13 elements within Quality Area 7 were considered, preschools that participated in the Trial met an average of 0.6 (standard error  $=+0.4$ ) more elements in their final Quality Area 7 NQS rating relative to their baseline rating. Control preschools met an average of 1.3 (standard error  $=+0.4$ ) more elements. A t-test found no significant difference between preschools participating in the Trial and control preschools ( $t=-1.216$ ,  $df=41$ ,  $p=0.231$ ,  $n=43$ ).

## Analysis of preschools with a baseline rating of 'Working Towards NQS'

The baseline NQS ratings of the 40 preschools participating in the Trial varied from 'Working Towards NQS' to 'Exceeding NQS' (see Appendix 1 for details). Baseline ratings for all preschools from the control group were 'Working Towards NQS'. To render the Trial and control groups more comparable, all analyses using NQS data were repeated using only preschools that had a baseline rating of 'Working Towards NQS'. This resulted in a sample size of  $n=12$  Trial preschools and  $n=23$  control preschools.


When overall NQS ratings were considered, 91.7 per cent of the preschools participating in the Trial and 82.6 per cent of the control preschools increased their overall NQS rating. A Fisher's Exact test found that the difference was not statistically significant ( $p=0.640$ ,  $n=35$ ).

When all 58 elements within the NQS were considered, preschools that participated in the Trial and control preschools each met an average of 5.5 more elements in their final NQS rating than their baseline rating. A t-test found no statistically significant difference between the groups ( $t=-0.11$ ,  $df=33$ ,  $p=0.991$ ,  $n=35$ ).

When Quality Area 7 NQS ratings were analysed, 66.7 per cent of preschools participating in the Trial and 69.6 per cent of the control preschools increased their Quality Area 7 NQS rating. A Fisher's exact test found no significant difference between the groups ( $p=1.000$ ,  $n=35$ ).

When the 13 elements within Quality Area 7 were considered, preschools participating in the Trial met an average of 1.4 (standard error  $= +0.4$ ) more elements in their final than baseline Quality Area 7 NQS rating, and control preschools met an average of 1.3 (standard error  $= +0.4$ ) more elements. Again, a t-test found no significant difference between Trial preschools and control preschools ( $t=0.100$ ,  $df=33$ ,  $p=0.921$ ,  $n=35$ ).

Centre for Education Statistics and Evaluation  
GPO Box 33  
Sydney NSW 2001  
Australia

 02 9561 1211

 [cese@det.nsw.edu.au](mailto:cese@det.nsw.edu.au)

 [www.cese.nsw.gov.au](http://www.cese.nsw.gov.au)

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