



Early Childhood Australia
A voice for young children

**OUR
VISION:
EVERY
YOUNG
CHILD IS
THRIVING
AND
LEARNING**

Pre-Budget Submission 2017-18

Department of Treasury, Commonwealth Government

Early Childhood Australia

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About us:

Early Childhood Australia (ECA) is the national peak early childhood advocacy organisation, acting in the interests of young children, their families and those in the early childhood sector. ECA advocates for quality in education and care as well as social justice and equity for children from birth to eight years. We have a federated structure with branches in each state and territory. In 2013, ECA celebrated 75 years of continuous service to the Australian community.

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Executive Summary

There is a breadth of evidence that demonstrates the significant benefits that young children can gain from participation in high-quality early learning programs. ECA has identified five priorities for the 2017 budget designed to ensure these benefits are realised. These seek to build, evaluate and strengthen investment and innovation in early learning. They aim to ensure that families and professionals are best placed to raise children and deliver services in the digital age.

Measure the Benefits of Early Learning Investment

Recommendation 1: Develop an outcomes framework for the early childhood education and care system to measure the impact of higher quality programs at the individual and system level.

Recommendation 2: Implement and fund recommendations of the Productivity Commission's 2016 Education Evidence Base report that strengthen and extend data gathering, data systems, and research and analysis.

Extend Universal Preschool

Recommendation 3: The Federal Government support COAG scoping a study into universal 3-year-old preschool programs for Australia with study results distributed before December 2017.

Progress Subsidy Reform

Recommendation 4: The Government amend the Jobs for Families Childcare Package as per recommendations from ECA and other stakeholders and uses the existing \$1.9 billion savings to implement this package without cutting family payments.

Support Innovation and Business Planning

Recommendation 5: Government fund a national innovation summit to ensure the successful industry implementation of the Jobs for Families Childcare Package, with a particular focus on billing practices and flexibility.

Support the Development of a Statement on Young Children and Digital Technology

Recommendation 6: Government partner with ECA to deliver best practice digital technology advice for young children aged birth to 8 years, through resourcing community engagement in the development and distribution of a national Digital Technology Statement.



Priority 1: Measure the Benefits of Early Learning Investment

There is a breadth of evidence that demonstrates the significant benefits that children can gain from participation in high-quality early learning programs.

The first five years are when children develop important skills for lifelong learning and wellbeing including how to be part of a group, how to cooperate and negotiate, how to regulate their own emotions and develop their own sense of identity and agency. Skilled early childhood educators and teachers create play based curriculum and provide rich learning environments in which children can thrive and learn. They are also able to identify any early signs of learning difficulties, developmental delay or social problems in order to provide timely assessment and early intervention. This can significantly improve children's likelihood of making a smooth transition to school and longer term educational outcomes.

Longitudinal studies in the UK found that children who attended quality early learning had higher grades at school, were better able to manage their behaviour and had lower levels of hyperactivity¹. The longer they spent in pre-school and the higher the quality, the better the grades, and the more likely children were to continue on an academic pathway.

Australian studies show that children who attend a high quality early childhood program in the year before school are up to 40% ahead of their peers by the time they reach year three².

The PWC report '*Putting a value on early childhood education and care in Australia*' (2014) found that the benefits to GDP from children participating in quality early learning stood at more than \$10 billion cumulative to 2050³. Additionally, the benefits of increased participation of vulnerable children are estimated to be \$13.3 billion cumulative to 2050.

The Australian Government currently spends over \$8B per annum on subsidies for child care and preschool, yet has not developed an outcomes framework to measure the impact of this investment and the extent to which it returns social and economic benefits to the Australian economy. ECA is confident that if we measure the effectiveness of high-quality ECEC this will justify and drive further investment as well as provide information about the relative effectiveness of different service models,

¹ UK Effective Pre-School, Primary & Secondary Education study Institute of Education, University College London <http://www.ioe.ac.uk/research/153.html>

² Early Bird Catches the Worm: The Causal Impact of Pre-school Participation and Teacher Qualifications on Year 3 National NAPLAN Cognitive Tests, Melbourne Institute D. Warren and J. Haisken-DeNew
http://melbourneinstitute.com/downloads/conferences/LEW2013/LEW2013_papers/WarrenDiana_LEW2013.pdf

³ Putting a value on early childhood education and care in Australia, Price Waterhouse Cooper, J. van Smeedijk <http://www.pwc.com.au/publications/early-childhood-education.html>



pedagogies and approaches to promoting access and supporting families. A set of outcomes based on the policy goals for the subsidy system would provide a basis for measuring the impact of the ECEC system and tracking the return on investment. This would also allow for the establishment of targets to drive systemic improvement and inform priorities for research, data collection and data linkage.

There are some large data collections that could be incorporated into this—examples include the Australian Early Development Index (AEDI), National Assessment Program—Literacy and Numeracy (NAPLAN) testing and Programme for International Student Assessment (PISA) testing. However, there is scope for more Australian-based research into what models and approaches work best in our diverse contexts. Longitudinal research and program evaluations are needed, on the scale of projects like the Effective Preschool Provision Project in the UK⁴ and the US evaluations of High/Scope & Perry Preschool⁵ and Abecedarian approaches.⁶

Early Childhood Australia notes that in December 2016 the Productivity Commission provided to government its final report on the education evidence base. Ensuring we have more extensive education data, including information that tracks children’s journey through early learning to school, is critical to developing and improving the Australian education system and developing effective government policies. Currently there are gaps in the data and the research that builds on it.

Early Childhood Australia requests that the government act on the Commission’s report and consequently resource:

- higher quality administrative data systems that connect early learning to school;
- the agencies sufficiently that conduct the Longitudinal Study of Australian Children and the Longitudinal Study of Indigenous Children to establish new cohorts of children at regular intervals;
- greater data sharing/linkage and access for approved organisations and for approved purposes;
- an institution to be responsible for the implementation of the evaluative research framework, which is accountable to, and funded by, all governments;
- the creation of an online metadata repository for education data collections; and

⁴ Sylva, K., Melhuish, K., Sammons, P., Siraj-Blatchford, I. & Taggart, B. (2004). *The Effective Provision of Preschool Education (EPPE) Project*, Final Report. London: Institute of Education.

⁵ Schweinhart, L. J., Barnes, H. V., & Weikart, D. P. (1993). *Significant benefits: The HighScope Perry Preschool study through age 27* (Monographs of the HighScope Educational Research Foundation, 10). Ypsilanti: HighScope Press.

⁶ Campbell, F. A., Ramey, C. T., Pungello, E., Sparling, J., & Miller-Johnson, S. (2002). Early childhood education: Young adult outcomes from the Abecedarian Project. *Applied Developmental Science*, 6(1), 42–57.



- the sector to plan and manage the workforce more effectively by implementing gathering of data as proposed by the Australian Institute for Teaching and School Leadership, with that dataset to be extended to cover all education, not only the school years.

Recommendation 1: Develop an outcomes framework for the early childhood education and care system to measure the impact of higher quality programs at the individual and system level.

Recommendation 2: Implement and fund recommendations of the Productivity Commission's 2016 Education Evidence Base report that strengthen and extend data gathering, data systems, and research and analysis.

Priority 2: Extend Universal Preschool

Australia's performance in the delivery of quality early childhood education and care needs improvement. Currently, one in five Australian children start school vulnerable in their social, emotional or cognitive development⁷ and Australia is in the bottom third of OECD countries for enrolment of 3-year-olds in early childhood education⁸.

Quality early learning is vital for all children, and its greatest benefits accrue to the disadvantaged. In its 2016 report, *Preschool - Two Years are Better Than One*, the Mitchell Institute says:

Access to a high-quality preschool program is one of the few proven strategies for lifting outcomes for all children. Evidence shows that two years of preschool has more impact than one, especially for the children most likely to be developmentally vulnerable. It is time for Australia to pursue a national commitment to ensuring all 3 year olds have access to high-quality early education by offering a second year of preschool.

Early Childhood Australia supports the strong evidence for the benefits of early education and drive a review of the extent, quality, accessibility and utilisation of education prior to school. This will require systematic and careful implementation over time. Accordingly, Early Childhood Australia requests that the government allocate funding to implement the key recommendation of the Mitchell institute report, that:

COAG commission a scoping study into universal 3-year-old preschool programs for Australia. The study should be completed by the end of 2017 and identify:

⁷ Australian Early Development Census 2015, <https://www.aedc.gov.au/about-the-aedc/aedc-news/article/2016/03/08/2015-summary-findings>

⁸ Education at a Glance 2015: OECD Indicators, OECD Publishing, Paris. p. 322. DOI: <http://dx.doi.org/10.1787/eag-2015-en>



- *Delivery gaps and opportunities*
- *Core process and structural quality elements*
- *Strategies to address barriers to access for priority cohorts*
- *Jurisdiction-specific implementation options*
- *Improvements in data collection needed to track impact*

Recommendation 3: The Federal Government support COAG scoping a study into universal 3-year-old preschool programs for Australia with study results distributed before December 2017.

Priority 3: Progress Subsidy Reform

Early Childhood Australia has previously indicated that it supports many aspects of the government's proposed *Jobs for Families Childcare Package*. Specifically, we support the additional investment in early learning, streamlining the subsidy system and improvements to inclusion support. However, the package must be improved to ensure vulnerable children don't miss out on access to early learning. These reforms have been under discussion for nearly three years now, and implementation is long overdue.

Early Childhood Australia made a submission to the latest Senate inquiry and has been consistently advocating for changes that will ensure the package provides better outcomes for children. The proposed legislation, provided it includes some critical amendments, could deliver significant improvements over the current system.

The current Child Care Assistance Package funding model, as well as being complex, has inadequate mechanisms to control cost growth. It is in the interests of government, families and the economy to go ahead with these reforms on their own merits and not link this to family payment savings. Early Childhood Australia instead calls Government to use the \$1.9 billion savings from previous policy changes.

Appropriately amended, these reforms will deliver enormous benefits to Australian children, Australian families, and the Australian economy. As Early Childhood Australia noted in its 2016 budget submission last year, the government has already made policy changes that saved \$1.9 billion over the forward estimates, and has since worked toward other savings, such as compliance measures, particularly in family day care. Early Childhood Australia calls on the government to direct these savings toward passing the Jobs for Families Childcare Package and ensuring the increased participation of children in early learning.

Recommendation 4: The Government amend the Jobs for Families Childcare Package as per recommendations from ECA and other stakeholders and uses the existing \$1.9 billion savings to implement this package without cutting family payments.



Priority 4: Support Innovation and Business Planning

There has been considerable commentary in the media and in sector consultations on the likely impact of the proposed Child Care Subsidy reforms and deregulation of operating hours. It has been argued that long day care services need to be more flexible in their billing practices. It has also been suggested that a more sophisticated understanding of costs, pricing and billing is needed to model or predict the likely impact on families. This will require new business systems.

Early Childhood Australia believes that successful implementation of the Families Package will require innovation in the childcare sector, to prepare in areas such as technology use, billing and business planning. Early Childhood Australia proposes to host a summit on service models, alternative approaches, innovations and the role of technology in the transformation of the sector under the reforms. It would look at the potential benefits for productivity gains, cost reductions and quality enhancement. This can assist in moving forward the dialogue between government and the sector on billing practices. Building on this, ECA will work with government on the development of business planning tools to assist providers transition to the new subsidy arrangements. ECA is well placed to assist the government to engage the early childhood in dialogue on innovation and business planning during the transition to a new funding model.

Recommendation 5: Government fund a national innovation summit to ensure the successful industry implementation of the Jobs for Families Childcare Package, with a particular focus on billing practices and flexibility.

Priority 5: Support the Development of a Statement on Young Children and Digital Technology

ECA seeks Australian government support for the development of guidance for the community and decision-makers around young children and digital technology. Digital technologies are a cornerstone of innovation and education, and are already central to the everyday lives of children and their parents. This is a subject every parent and educator is asking about. It is vital we get this right to ensure the education, health, and participation of our children in the digital world.

ECA has commenced development of a Statement to guide and inform the early childhood sector, young children, their families, technology developers and decision-makers about the use of digital and interactive technology by, with and for young children. The Statement will support stakeholders to understand technology use by young children, and help them decide how to recognise good technology use.

To support the process, we have established a Digital Policy Group, to provide independent advice and expert guidance in the development of the Statement. The Group includes Australians at the forefront of research and practice around children and technology. Early Childhood Australia calls the



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government to partner with us and with the Digital Policy Group, resourcing community engagement in the development and dissemination of the Statement.

Recommendation 6: Government partner with ECA to deliver best practice digital technology advice for young children aged birth to 8 years, through resourcing community engagement in the development and distribution of a national Digital Technology Statement.