

## **Productivity Commission Inquiry into Childcare and Early Childhood Learning**

### **Submission from the Victorian Children's Council**

#### **Key points**

The Victorian Children's Council (the Council) was established in 2005 under the Victorian *Child Wellbeing and Safety Act 2005* to provide independent and expert advice to the Premier, the Minister for Community Services and the Minister for Children and Early Childhood Development on policies and services that enhance the health, wellbeing, development and safety of children.

The Council has monitored and advised upon aspects of early childhood policy and planning over the past nine years, and has particularly been supportive of coordinated Commonwealth and State initiatives to improve the developmental benefits of early childhood education and care (ECEC), and Victorian initiatives to 'join the dots' between these and other supports and services for families in these early years, particularly where families have high needs or children may be vulnerable to harm.

**Recommendations:** The Council submits that the Commission's report should support:

1. A coordinated national partnership approach to ECEC policy.
2. An increase in Commonwealth and State investment in ECEC services to ensure that all children can access at least 15 hours per week of a high quality learning and development program in the year before school.
3. Additional Commonwealth investment directed to expanding high quality formal care provision, rather than expanding informal care provision.
4. Continued implementation to deliver on all agreed milestones under the National Quality Agenda for Early Childhood Education and Care.
5. Continued support for a better qualified ECEC workforce, able to provide the developmental opportunities required by young children, including those where family circumstances limit these.
6. An increase in Commonwealth and State investment in education, support and resourcing of families to provide optimal early learning environments and experiences for their children.
7. Improved connections between home, universal and targeted health and community services with ECEC.

8. Improved expenditure support to allow children aged 2 and 3 years old from disadvantaged backgrounds to participate in high-quality ECEC programs.
9. Additional strategies, including place-based approaches, to overcome barriers to access to ECEC for children from disadvantaged backgrounds, families of children with a disability, Aboriginal and Torres Strait Islander families, and families of children living in rural and remote parts of Australia.

Further detail on each of these recommendations is provided below.

## **Background**

The Victorian Children's Council (the Council) was established in 2005 under the Victorian *Child Wellbeing and Safety Act 2005* to provide independent and expert advice to the Premier, the Minister for Community Services and the Minister for Children and Early Childhood Development on policies and services that enhance the health, wellbeing, development and safety of children.

The Council has monitored and advised upon aspects of early childhood policy and planning over the past nine years.

The Council's initial focus was on the implementation of the then Victorian Government's commitments in early childhood, in particular a statewide plan for young children which became Victoria's contribution to the National Reform Agenda, and aspects of which were taken up by COAG and early childhood national partnerships.

The Council has followed or reviewed development of key aspects of these reforms, such as the Victorian Early Years Learning and Development Framework and the National Quality Agenda.

Following the report of the *Protecting Victoria's Vulnerable Children* report, the Council's work plan has also been focused on ways to better prevent and address vulnerability within families, and to improve outcomes for children in out of home care.

## **The importance of a coordinated national approach to early childhood**

The Council has particularly been supportive of coordinated Commonwealth and State initiatives to improve the developmental benefits of early childhood education and care (ECEC), and Victorian initiatives to 'join the dots' between these and other supports and services for families in these early years, particularly where families have high needs or children may be vulnerable to harm.

One of the major policy achievements over this period has been to end the unhelpful and artificial division between 'child care' and 'preschool education' — one Commonwealth funded and the other state funded — and recognise that both provide workforce participation opportunities for parents and provide learning

opportunities for children. What matters is the extent and quality of these opportunities, and to whom they are targeted.

The National Partnership approach has delivered real benefits, breaking out of anachronistic policy paradigms that had persisted for thirty years. Successes include:

- A significant increase in the hours of preschool education funded by governments
- Overdue improvements to educator to child ratios
- Higher expectations of the workforce, including requirements for qualifications and clearer expectations of quality in terms of developmental impact
- A coherent national 'curriculum' framework to support service practice
- A coordinated approach to regulation and quality assurance.

These gains arose from national partnership across the care-education/Commonwealth-State divide. This needs to continue if Australia is to sustain these improvements, and to ensure that the benefits are spread to all parts of the population. Unilateral Commonwealth action that winds back or diverts effort away from this partnership approach will be a mistake.

**Recommendations:** The Council submits that the Commission's report should support:

1. A coordinated national partnership approach to ECEC policy.

### **Investment priorities in ECEC**

The care and education that children receive in their early years impacts significantly on their later health, wellbeing and resilience (Oberklaid 2007). The evidence supporting this is firmly established.

- The early years are a time of rapid brain development. The plasticity of the brain at this time presents a great opportunity to influence the positive development of a child's brain architecture and in doing so lay the foundations for a child's future. Conversely, the plasticity of the brain at this time also presents a period of extreme vulnerability for children exposed to adverse environments (Goswami 2008).
- The stage-by-stage development of a child's early capabilities provides a critical foundation for success in schooling and later life (Cunha et al 2006). Whilst the brains of babies are remarkably similar at birth, by the time children start school they can be dramatically different, with significant variations in the cognitive, emotional, attention-related, self-regulatory,

learning and social skills that shape success in the school environment (Murray et al 2011).

- The literacy and numeracy skills of children at age 4-5 are a good predictor of later academic success (Harrison et al 2012) and this reflects the stubborn nature of difference once established in the early years.
- Remedial action to attempt to rewire parts of the brain circuitry in older children and adolescents can be undertaken but it is easier and more effective to provide the right conditions for brain development in the early years (Silburn et al 2011).
- Research undertaken by Nobel economics prize-winners Gary Becker and James Heckman indicates that the best value investment in program development and implementation is on programs that deliver on the key principles of human growth and development in the early years (Heckman 2006).
- Investments to support positive conditions for healthy development in the early years reduce reliance on the more costly option of later stage interventions and educational remediation, health care, mental health services and increased rates of incarceration (Silburn et al 2011).
- Universal access to high quality ECEC is acknowledged by WHO, the UN, OECD and the European Commission as an integral foundation for the social and economic health of a nation (Oberklaid 2013).

Despite the robust evidence base supporting the long term social and productivity benefits for Australia of investment in high quality early learning experiences for our children (OECD 2006), Australia is lagging behind other OECD countries. In fact, at present, national data indicates that only 18.2 per cent of 3 year old Australian children are participating in ECEC. This falls well short of the OECD average of 67 per cent (OECD 2013).

Completing the roll-out of universal access to 15 hours of a high quality learning and development program — in practice, a preschool education program, whether provided within a long-day or part-day setting — is a necessary, but not sufficient, step towards developing an optimal ECEC system. The Council is conscious of the extent of this expansion, and strains placed upon local infrastructure in some areas. It is essential that implementation effort be continued on this reform, and that different models of local delivery are well understood by policy makers.

There is solid evidence from the UK and Australia of the benefits of higher program hours, both for 3 and 4 year olds, so that 15 hours per week should be seen as a minimum. In the longer term, participation of 3 year old children in 15 hours of quality ECEC should be universal.

Given the importance of expanding ECEC hours in these ways, the Commission should caution against expanding subsidies to 'informal' modes of care, such as by nannies or grandparents.

**Recommendations:** The Council submits that the Commission's report should support:

2. An increase in Commonwealth and State investment in ECEC services to ensure that all children can access at least 15 hours per week of a high quality learning and development program in the year before school.
3. Additional Commonwealth investment directed to expanding high quality formal care provision, rather than expanding informal care provision.

### **Sustaining support for quality across ECEC settings**

The integrity of Australia's commitment to investing in the early years relies greatly on the developmental quality of ECEC. Whilst high-quality services yield great benefits, low-quality is often associated with negligible benefit and sometimes even harm. The Council strongly supports the National Quality Agenda for Early Childhood Education and Care as a critical means to improve the quality of service provision to improve outcomes for children.

High-quality developmental programs produce measurable benefits for children, particularly those from more disadvantaged backgrounds. Since a significant proportion of Australian young children are already spending a substantial portion of their waking hours in formal care settings, investing in upgrading the quality of these settings is the most immediate — and probably cheap — way to improve aggregate child outcomes.

For this reason, investing in quality should not be traded off against improvements in affordability or supply.

The National Quality Framework (NQF) for early childhood education and care, together with the Universal Access to Early Childhood Education National Partnership, has already had a positive impact on early childhood practice. As key requirements of the NQF are phased in over the next 6 years, it is critically important that reform momentum is maintained.

The introduction under the NQF of the nationally approved learning frameworks, together with the introduction of the Victorian Early Years Learning and Development Framework (VEYLDF), has facilitated a cultural and practice shift from 'child care' to 'early childhood education and care' and gives practical effect to decades of research. This change is fundamental to improving learning and development outcomes for young children and to building a stronger economy and society.

The National Partnership Agreement on Universal Access to Early Childhood Education aims to ensure that all children in the year before school have access to a quality education program, delivered by a degree qualified early childhood teacher for 600 hours a year.

The Council is deeply concerned about the current lack of commitment by the Commonwealth to ongoing funding beyond 2014. This is creating great uncertainty for the sector and State, Territory and local governments and limits the capacity to which they can plan.

The quality of the ECEC workforce is a key determinant for overall quality of ECEC. In a 2011 report, the Productivity Commission highlighted the ECEC workforce as a key issue requiring government attention. The Council supports the provision of incentives to promote supply and up-skilling of the ECEC workforce, recognising the impact that a skilled workforce has on outcomes for children.

Early childhood learning begins before birth and continues thereafter. The home learning environment is critical to a child's development. Education, support and resourcing of families to provide optimal early learning environments and experiences for their children is essential to improving outcomes and should be a consideration in any review of childcare and early childhood learning . Moreover, improved connections and the interface between home, universal and targeted health and community services with ECEC are essential to delivering improved outcomes.

**Recommendations:** The Council submits that the Commission's report should support:

4. Continued implementation to deliver on all agreed milestones under the National Quality Agenda for Early Childhood Education and Care.
5. Continued support for a better qualified ECEC workforce, able to provide the developmental opportunities required by young children, including those where family circumstances limit these.
6. An increase in Commonwealth and State investment in education, support and resourcing of families to provide optimal early learning environments and experiences for their children.
7. Improved connections between home, universal and targeted health and community services with ECEC.

### **Ensuring benefits flow to disadvantaged children**

*Developmental and educational gaps related to social disadvantage emerge early in a child's life and remain and increase over children's schooling lives. (Harrison et al 2012)*

Social inequalities open up early in life and quality ECEC provides a powerful and cost effective platform to address these (Heckman 2006). Interventions targeted at disadvantaged adolescents and young adults do not offer the same return on investment. Heckman concludes that *"A serious trade-off exists between equity and efficiency for adolescent and young adult skill policies. There is no such trade-off for policies targeted towards disadvantaged young children."* (Heckman 2006)

Australian and international evidence consistently supports this analysis (Harrison et al 2012). With early interventions having such strong potential to address social inequalities, serious consideration ought to be given to supporting the full participation of children aged 2 and 3 years old from disadvantaged backgrounds in high quality Government funded ECEC.

The benefits from high quality ECEC can only be realised if the service is accessed. Unfortunately, children from disadvantaged families or from Aboriginal and Torres Strait Islander families are less likely to access ECEC than their more advantaged peers or children from non-Indigenous families (Harrison et al 2012).

Priority of Access Guidelines go some way to improve access for disadvantaged families but for many families, the barriers to access remain. Better targeted expenditure support is required to ensure cost is not a barrier. In Victoria, a 4 year old kindergarten (preschool education) program is essentially fee-free for low income families at a sessional community kindergarten. This is not true within a long-day care setting, so that low income families continue to face a barrier to participation.

Many low-income Aboriginal families face both cost and other barriers to making use of ECEC services. In some locations, Multifunctional Aboriginal Children's Services have played an important role in bringing together Aboriginal parents and children and providing healthy development and safe care options — in Victoria, they have demonstrably provided a secure pathway into 4 year old ECEC programs and stronger connections to schools. Sustaining these services, and linking them to the surrounding ECEC services and primary schools, should remain a priority.

In the case of more vulnerable families, ECEC offers additional opportunities, particularly for extra 'wrap-around' health and family supports which can both enable participation and support family stability and home learning. Victoria's Early Start Kindergarten program<sup>1</sup> will provide an important test of the power of this model.

Place-based approaches with integrated service systems provide the right environment for such flexible and responsive support provision for vulnerable families in the community and have a key role to play in removing barriers to access to ECEC.

Families of children with a disability can face considerable challenges in gaining access to quality ECEC. A critical area for investment to assist overcome these challenges is workforce development and improved resourcing to allow for the provision of individualised learning programs and inclusive environments for these and all children.

---

<sup>1</sup> The Victorian Government's Early Start Kindergarten initiative provides free kindergarten programs for 3 year old children known to Child Protection and for Aboriginal and Torres Strait Islander children.

Extreme social and economic disadvantage prevalent in many rural and remote parts of Australia is compounded by supply constraints to ECEC. Creative solutions are required to address these issues.

**Recommendations:** The Council submits that the Commission's report should support:

8. Improved expenditure support to allow children aged 2 and 3 years old from disadvantaged backgrounds to participate in high-quality ECEC programs.
9. Additional strategies, including place-based approaches, to overcome barriers to access to ECEC for families from disadvantaged backgrounds, families of children with a disability, Aboriginal and Torres Strait Islander families, and families of children living in rural and remote parts of Australia.

## References

1. Cunha F, Heckman JJ, Lochner L & Masterov DV 2006. *Interpreting the evidence on life cycle skill formation*. In: Hanushek E & Welch F (eds). *Handbook of the Economics of Education*. Amsterdam: North Holland, 697–812.
2. Goswami, U 2008 *Mental Capital and wellbeing: making the most of ourselves in the 21st century*, Government Office for Science: UK. <http://dera.ioe.ac.uk/id/eprint/8446> (accessed 28 February 2014).
3. Harrison L J, Goldfeld S, Metcalfe E and Moore T 2012 *Early learning programs that promote children's developmental and educational outcomes*. Resource sheet no 15. Produced for the Closing the Gap Clearinghouse. Canberra: Australian Institute of Health and Welfare & Melbourne: Australian Institute of Family Studies.
4. Heckman JJ. *Skill formation and the economics of investing in disadvantaged children*. *Science* 2006; 312 (5782): 1900-2.
5. Murray E & Harrison LJ 2011. *The influence of being ready to learn on children's early school literacy and numeracy achievement*. *Educational Psychology* 31(5):529–45.
6. Oberklaid, F, Baird G, Blair M, et al. *Arch Dis Child* Published Online First: 22 August 2013 doi:10.1136/archdischild-2013-304091, <http://adc.bmj.com/content/98/12/1008> (accessed 18 February 2014)
7. Oberklaid, F. & Moore, T 2007. *Early childhood is everybody's business*, *The Melbourne Review* 3 (2), November 2007.
8. Productivity Commission 2011, *Research Report Early Childhood Development Workforce*, <http://www.pc.gov.au/projects/study/education-workforce/early-childhood/report> (accessed 18 February 2014)
9. Silburn SR, Nutton G, Arney F, Moss B, 2011. *The First 5 Years: Starting Early*. Topical paper commissioned for the public consultations on the Northern Territory Early Childhood Plan. Darwin: Northern Territory Government, <http://ccde.menzies.edu.au/sites/default/files/resources/Silburn%202011%20First5YrsStartingEarly%20No.%202.pdf> (accessed 18 February 2014).
10. OECD (Organisation for Economic Co-operation and Development) (2006). *Starting Strong 11: Early Childhood Education and Care*. <http://www.oecd.org/edu/school/startingstrongiiearlychildhoodeducationandcare.htm> (accessed 18 February 2014).
11. OECD 2013, *Education at a Glance 2013*, [http://www.oecd.org/edu/eag2013%20\(eng\)--FINAL%20%20June%202013.pdf](http://www.oecd.org/edu/eag2013%20(eng)--FINAL%20%20June%202013.pdf) (accessed 18 February 2014).