

Submission to the Productivity Commission inquiry into early childhood education and care

Social Ventures Australia

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Introduction

Social Ventures Australia welcomes the opportunity to provide a submission to the Productivity Commission's inquiry into Early Childhood Education and Care (ECEC).

In this submission we focus on how the ECEC system needs to work better for children and families experiencing disadvantage.

We have structured our submission around five key points, starting with how ECEC is situated within the broader service system and funnelling down through principles for the system into specific aspects of service delivery that relate to SVA's particular interest and expertise.

1. ECEC is a fundamental component of a broader early years system that is crucial for long-term health and educational outcomes and future productivity
2. Universal ECEC needs to be designed for all children and families
3. Integrated delivery models are needed to enhance access and participation
4. Better use of evidence can improve quality in ECEC
5. Collection and use of data supports continuous improvement and equitable delivery of ECEC

We would welcome the opportunity to discuss the issues raised in this submission further with the Commissioners and staff of the Inquiry.

About SVA

Social Ventures Australia (SVA) is a not-for-profit organisation with the mission to alleviate disadvantage, towards an Australia where all people and communities thrive. We influence systems to deliver better social outcomes for people by learning what works in communities, helping organisations be more effective, sharing our perspectives, advocating for change and influencing systems.

SVA recognises that the best chance to change lifelong outcomes for children is to change what happens in early childhood. SVA has supported a number of initiatives designed to support better outcomes for young children and particularly for children experiencing disadvantage. We have a breadth and depth of experience and insights around addressing early childhood developmental vulnerability. We are also experts in systems change. We understand that there are valuable roles for government, business, the not-for-profit sector, philanthropy and for communities and families themselves in creating an Australia that gives children the best start in life.

Our work includes:

- SVA's **Young Children Thriving** program, through which we are orchestrating several ambitious initiatives together with our partners:
 - **Nurture Together**: Mobilising integrated child and family centres (ICFCs) so that children can transcend their experiences of disadvantage.
 - **THRYVE**: Transforming Aboriginal and Torres Strait Islander access to quality early learning.
 - **Early Years Catalyst**: Redressing the root causes and system forces that drive disadvantage in the early years.

- **Restacking the Odds** (*Restacking*) aims to tackle intergenerational disadvantage and drive equitable outcomes by ensuring that children and families can access a combination of five high-quality, evidence-informed, community-based services.
- **Evidence for Learning** (E4L) is a non-profit education venture incubated by SVA. Established in 2015, E4L seeks to improve the quality, availability and use of evidence in education by collaborating with education researchers, policy makers, systems leaders, educators, professional learning providers, philanthropists and the wider community.
- The **Newpin Social Benefit Bond**, launched in 2017, was the first social impact bond (SIB) in Australia.
- Member of the **Goodstart Syndicate**: SVA is one of four community sector organisations responsible for the establishment of Goodstart Early Learning – together with Benevolent Society, Mission Australia and the Brotherhood of Saint Laurence.
- **The Connection** is a strategic network of Australian educators designed and convened by SVA with the vision that every young person deserves access to an education which supports them to thrive in life and community.
- Working with a diversity of social sector organisations through **SVA Consulting**, one of Australia’s leading social purpose consultancies. This has included working directly with many organisations within the early years sector, including Goodstart Early Learning, Gowrie, and SNAICC.

Summary

We strongly support the Government’s commitment to identify solutions that ‘will chart the course for universal affordable ECEC – in the great tradition of universal Medicare and universal superannuation’.

Delivering affordable, accessible, equitable and high-quality ECEC, as outlined in the Terms of Reference, requires a system that works for all children and families, and particularly for those experiencing vulnerability and disadvantage. ECEC improves child health and development and lays valuable foundations for education and future productivity. However currently the children who can benefit most from ECEC are least likely to attend and more likely to receive a poor-quality service. Without a greater focus on equity, the future productivity gains will not be realised.

We encourage the Commission to consider the following during the course of the Inquiry and development of recommendations for ECEC in Australia:

- 1. ECEC is a fundamental component of a broader early years system that is crucial for long-term health and educational outcomes and future productivity**
 - The child development and learning outcomes from ECEC be prioritised, while ensuring policy design supports workforce participation.
 - ECEC is a core pillar of a broader early years system that supports positive early childhood development and provides a foundation for future wellbeing. ECEC (as well as the subsidies and funding that support it) should be designed to support children and families’ needs and access to and integration with a suite of early childhood services and supports.
- 2. Universal ECEC needs to be designed for all children and families**
 - Need for a universal minimum entitlement, which ensures all children have access to a minimum of 15 hours a week of early childhood education for at least 2 years before starting school.

- Abolish the activity test; ECEC entitlement should not be dependent on parental employment status.
 - Strengthen 'stewardship' of the system to improve equitable outcomes for children, in particular to:
 - ensure adequate provision of ECEC places, including in thin markets
 - incentivise and support inclusion of all children in ECEC and improve participation by children and families who will most benefit
 - enhance quality across all parts of the ECEC system and address disparities in quality between advantaged and disadvantaged areas.
- 3. Integrated delivery models are needed to enhance access and participation**
- Integrated and culturally appropriate services provide a valuable role as part of the ECEC ecosystem, engaging families experiencing disadvantage and providing connection between ECEC and other supports.
 - Alternative funding arrangements can enable integrated service delivery through Integrated Child and Family Centres (ICFCs) and Aboriginal Community Controlled Organisations (ACCOs).
 - Invest in the development of a robust ACCO early years sector.
- 4. Better use of evidence can improve quality in ECEC**
- The evidence ecosystem in ECEC can be strengthened and there are particular opportunities to support better use of evidence throughout the system.
 - Building the capacity of practitioners to use evidence and share learnings enhances practice and improves outcomes for children, requiring investment in professional learning.
- 5. Collection and use of data supports continuous improvement and equitable delivery of ECEC**
- Improvements are needed to data collection on ECEC and to how data are linked and shared across the system to inform policy-makers and practitioners
 - Measurement of quantity, quality and participation in ECEC services using quantitative, evidence-based lead indicators supports equitable service delivery i.e. to track that those families who will most benefit are attending regularly and are receiving a high quality service.
 - Investment is needed to build capability and increase capacity to collect, interpret and act on lead indicator data.

Issues for consideration

1. ECEC is a fundamental component of a broader early years system that is crucial for long-term health and educational outcomes and future productivity

The rapid development in a child's earliest years (0-8) provides the foundation for lifelong health, development and wellbeing. Greater investments in early childhood development bring greater returns through better health outcomes and improved productivity.ⁱ

Establishing the conditions that children need to thrive during this critical time provides immediate and lasting benefits for individuals, families and communities. Conversely, inequities emerging in early childhood often continue into adulthood, contributing to unequal rates of low educational attainment, poor mental and physical health and low income. In some cases, this experience is part of a persistent cycle of intergenerational disadvantage, with ongoing social and substantial economic costs.

Extensive research indicates that the education and care of young children has an immense influence on long-term outcomes related to their cognition, resilience, health and wellbeing. Specifically, ECEC programs offered during the first five years strengthen social and cognitive development.ⁱⁱ ECEC has been associated with positive short- and long-term outcomes in literacy, cognition, social-emotional development, and future academic success. Participation in high quality ECEC has the potential to provide all preschool children with an opportunity to develop life-long skills for learning and wellbeing.ⁱⁱⁱ The global evidence base on early childhood education show that up to two years of high-quality early childhood education before starting school has a high impact and is particularly positive for low-income families.^{iv}

ECEC is not a silver bullet. SVA's collaboration on the Restacking the Odds (*Restacking*) project identifies that implementing ECEC alongside multiple, complementary evidence-based early years services (which we call 'stacking') will amplify the impact of a single service and sustain the benefit. This approach is informed by the evidence-based research of economist James J. Heckman.^v

Positioning ECEC within the wider service system also enables a child and family-centric approach, with potential to provide greater continuity of support to children and families as they move from one part of the system (e.g. playgroups) to another (e.g. preschool).

There is currently an opportunity with the development to the government's Early Years Strategy to develop a more coherent and child and family centric early years system, including the role of ECEC.

The complexity and fragmentation of existing early years systems create particular challenges for families experiencing vulnerability. Currently children and families with the greatest need are least likely to access services or receive the comprehensive support they need.^{vi}

We encourage the Commission to recognise that ECEC is crucial for health and development outcomes and lays the foundations for education and future productivity. The child development and learning outcomes from ECEC should be prioritised, while ensuring policy design supports workforce participation. In focusing on child development, ECEC is most beneficial if situated as a core pillar of a broader early years system.

2. Universal ECEC needs to be designed for all children and families

Achieving 'affordable, accessible, equitable and high-quality ECEC' that benefits the learning and development of all children, requires redesign of the system along the principles of proportionate universalism – so that it provides a universal but not uniform offering.

Currently, children from disadvantaged backgrounds are less likely to be enrolled in ECEC and when they are enrolled they typically attend for fewer hours and in lower quality services than their non-disadvantaged counterparts.^{vii} Despite rising ECEC quality overall, there remains a marked difference between the quality of services in the most and least disadvantaged areas of Australia.^{viii} Research shows that while high quality ECEC can have significant benefits for children experiencing disadvantage, low quality services either have no benefit or negative effects.^{ix}

Without a focus on making ECEC available and accessible to all children and families and improving quality, it will not achieve the intended impacts on child outcomes.

Eligibility

SVA is supportive of an expanded universal entitlement to ECEC, beyond the current commitment for children in the year before school. A universal approach is important because vulnerability occurs right across society. If entitlement is targeted for particular cohorts, some vulnerable children will miss out. Universal services also have the benefit of providing a common platform that is accessible to all and reduce stigma associated with targeted programs. In the same way that a universal health care system with specialist and intensive support for those who need it benefits all Australians, a universal early childhood education platform can benefit all children and families.

From the perspective of child development and learning outcomes, our work identifies that high-quality early years' education of at least 15 hours per week for two years before starting school has a high impact and should be available to all families.^x Building from this minimum, universal base, children experiencing vulnerability and disadvantage may benefit from attending for more hours (up to 30 hours per week) and starting at a younger age.^{xi}

To achieve universality, the entitlement should be available to all families regardless of a parent's working status. The **activity test** presents a particular barrier to attendance by children who most need access to ECEC. It has been demonstrated to be ineffective in creating incentives for workforce participation, especially among low-income and jobless families, while creating significant complexity in accessing ECEC. Analysis by Impact Economics found that by limiting access to subsidised childcare, the activity test is contributing to at least 126,000 children from the poorest households missing out on ECEC.^{xii}

Stewarding the system for equity

A greater focus on equity requires stronger government stewardship of the system – including through funding, regulation and workforce support – to ensure equitable service delivery.

Our work on Restacking the Odds proposes a framework for assessing how early years systems are tracking, based on three simple questions:

- (1) are services available in sufficient quantity?
- (2) are they being delivered at a standard that the evidence says is required (quality)?
- (3) are the children and families who would benefit receiving the services (participation)?

The current subsidy model and quasi-market for ECEC is not achieving equitable outcomes across any of these dimensions. For example:

- **Quantity** – the Mitchell Institute’s report highlighted the issue of ‘childcare deserts’ – identifying that 35 per cent of the population live in neighbourhoods where there are more than three children per childcare place and about 1.1 million people live in regional and remote areas where there is no childcare available at all.^{xiii} Overall, children and families who would benefit most from high-quality childcare have the least access.^{xiv}
- **Quality** – Analysis by the Centre for Policy Development and PricewaterhouseCoopers found that on average, wealthier communities pay higher fees for early childhood education and care, and are more likely to have higher quality services. This can create a cycle of inequality where the most skilled early childhood professionals work in the highest quality facilities, out of the reach of the children they could most benefit. The labour shortages afflicting the entire early childhood sector are most pronounced in remote communities and those facing disadvantage, where many services struggle to meet demand and quality standards.^{xv}
- **Participation**: Many children miss out on 15 hours of ECEC per week, and those missing out are disproportionately from disadvantaged backgrounds^{xvi}. Restacking the Odds conducted analysis to investigate barriers and facilitators to participation in ECEC experienced by Australian families. The findings highlighted barriers of most importance to parents and caregivers were: i) cost – both direct and indirect (e.g. transport); ii) maternal role perceptions, linked to the perception that young children are not developmentally ready to attend formal ECEC settings; iii) misconceptions about the benefits of play-based learning; and iv) confusion or difficulty with the enrolment process.^{xvii}

In making recommendations that address the ‘operation and adequacy of the market’ and the role of government, the Commission needs to consider how to ensure the system:

- delivers enough places for all children where they need them – including strategies in thin markets, for example in rural and remote areas
- addresses barriers to participation and enhance inclusion. This could include:
 - examining the combination of subsidy, per-student funding and block funding currently supporting ECEC services and how best to refocus funding streams to support a universal entitlement, reduce complexity and provide additional support for children and families with more complex needs. Particular challenges of the current funding arrangements for more intensive support is discussed in section 3.
 - enhancing requirements (through funding or regulation) for services to support participation by under-represented groups
 - targeted inclusion funding to support attendance by children with specific identified needs
 - investment in independently-evaluated programs that support pathways into ECEC, such as the Queensland Government’s KindyLinQ facilitated playgroup program^{xviii}
 - roles for government and other stakeholders in promoting the benefits of play-based early learning.
- improves quality for all – through incentives and support for investment in the workforce and the evidence ecosystem (see section 4).

We also encourage the Commission to examine the unique value offered by the not-for-profit sector and ACCOs in supporting inclusion through the ECEC system. Not-for-profit providers are less likely to be “working towards” and are more likely to meet and exceed the National Quality Standards according to ACECQA data.^{xix} Not for profit services are more likely to be located in disadvantaged communities^{xx} and many providers focus efforts on supporting children experiencing disadvantage. In 2019, 87% of not-for-profit ECEC providers reported they had children in their services who were in vulnerable circumstances.^{xxi}

The South Australian Royal Commission into ECEC has also identified that not-for-profit services have lower average hourly fees and pay above award wages much more commonly than for profit services:

only 24 per cent of the not-for-profit workforce are on award wages, compared to 74 per cent of the private for-profit workforce.^{xxii}

In summary, we encourage the Commission to:

- Identify the need for a universal minimum entitlement, which ensures all children have access to a minimum of 15 hours a week of early childhood education for at least 2 years before starting school
- Recommend abolition of the activity test; ECEC entitlement should not be dependent on parental employment status
- Identify options to strengthen 'stewardship' of the system to improve equitable outcomes for children, in particular to:
 - ensure adequate provision of ECEC places, including in thin markets
 - incentivise and support inclusion of all children in ECEC and improve participation by children and families who will most benefit
 - enhance quality across all parts of the ECEC system and address disparities in quality between advantaged and disadvantaged areas.
- Examine the unique value offered by not-for-profit service providers within the ECEC system.

3. Inclusive delivery models are needed to enhance access and participation

In addition to improving a focus on equity through the stewardship of the system, there is a need for a mix of delivery models, including models that focus on improving engagement and participation with cohorts who will most benefit.

Families experiencing disadvantage often have challenging life circumstances and face multiple barriers to individual wellbeing and community participation.^{xxiii} These include complex and co-occurring challenges, such as low income, intergenerational trauma and low levels of parental education.^{xxiv} They need a system that can respond holistically to their needs, rather than adding increased complexity.

SVA identifies a crucial role for service models that are integrated, tailored to the needs of communities and culturally appropriate, and which provide soft entry points to early years services, including ECEC. These models include:

- **Integrated child and family centres (ICFCs)**, as a promising vehicle for delivering the combination of services that are essential for children and families in the early years, while providing a safe space and seamless support for families. ICFCs are a service and social hub where children and families can access key services and connect with other families. Usually taking the form of a centre that provides a range of child and family services including early learning, they provide crucial programs intended to improve child development and wellbeing. The evidence suggests that ICFCs play a particularly important role in meeting the needs of families experiencing vulnerability and disadvantage in a uniquely integrated and efficient way. SVA has been exploring ways to increase the impact of integrated early years services.^{xxv} SVA would be very happy to provide more information on the role of ICFCs in the wider early years and ECEC ecosystems.
- **Community controlled integrated early years services for Aboriginal and Torres Strait islander children** to support self-determination and address the cultural and social determinants of wellbeing for Aboriginal and Torres Strait Islander children. Aboriginal and Torres Strait Islander integrated early years centres are a place of cultural safety – in particular for people who have been excluded from, and discriminated against, by mainstream systems. They undertake activities

beyond traditional childcare to encourage participation and provide other important child, family and community supports.

We encourage the Commission to include consideration of integrated and culturally appropriate services as part of the ECEC ecosystem, given their value in engaging families experiencing disadvantage and providing connection between ECEC and other supports.

Funding for integrated models

ICFC models in Australia are funded through a range of mechanisms that can include both Commonwealth and state funding. These often fragmented funding arrangements create challenges for centres that can undermine integration, create unnecessary administrative burdens, and impact on the capacity for centres to be responsive to community need and deliver the best outcomes for children and families.

Enhancing and expanding ICFCs and ACCOs requires funding arrangements that recognise and support the complexity of integrated service delivery. This includes funding for the breadth of the service's operations – including funding for integration, core service delivery and additional services or programs as needed by the community.

A crucial component that is typically poorly funded (if at all) is the 'glue' in the operating model – referring to the leadership, structures, practices and infrastructure that bring the individual services and staff together, as well as outreach and relationships to support a family to navigate the complex and fragmented early childhood development system.^{xxvi}

There are also particular challenges with incorporating ECEC into integrated centres, which stem from the operation of the child care subsidy (CCS). These include:

- CCS-funded services within State-funded and delivered ICFC models can be problematic
- The CCS does not support the wrap-around, integrated supports needed to assist children experiencing disadvantage to attend ECEC, such as health and wellbeing supports, school transition support, outreach and the supports required for children in the child protection system. It is also not designed to support integration of services so does not support the integration capability or infrastructure required by an ICFC.
- CCS also does not support Aboriginal and Torres Strait Islander integrated early years centres in their mission to support culture, pride and community building for Aboriginal and Torres Strait Islander communities.
- While the Government has committed to streamline delivery of the Additional Childcare Subsidy, the way it operates creates barriers. It is time limited and entrenches a deficit model as families need to prove the extent of their hardship. For families that have had involvement in the Child Protection system, anecdotal evidence suggests they may be fearful of disclosing their vulnerability to access ACCS due to fears it could trigger a notification. SNAICC – National Voice for our Children has raised concerns from their members of families who refuse to take up the ACCS payment because of the stigma and implied risk of intervention from child protection services.^{xxvii}

SVA recently commissioned a report from Deloitte Access Economics,^{xxviii} which unpacks options for how ICFCs could be funded, including the role of federal and state governments. This identifies the need for some recurrent block-based funding for centre maintenance, the 'glue' component and community driven services. It also identifies that funding for 'core services' such as ECEC within integrated settings needs to adhere to principles of sustainability, flexibility and responsiveness. We

have provided a copy of this report at Attachment A and would be happy to share further detail on this analysis.

Supporting the First Nations Community Controlled Sector

As identified by SNAICC,^{xxix} support is needed for the development of the ACCO early years sector, to increase access to high quality and culturally strong early years support. SVA has partnered with SNAICC to grow and expand a robust network of culturally safe and accessible early years services for First Nations children through the **THRYVE** Pilot. THRYVE provides support and leadership to individual services and facilitates a collective representative voice to partner with government. THRYVE supports ACCO service development across a range of key areas that reflect priorities in the national Early Childhood Care and Development Sector Strengthening Plan under Closing the Gap, including: workforce development at the local, regional, and state-wide levels; policy and program development; meeting accreditation requirements; and service networking and sharing of best practice.

We encourage the Commission to consider the need for ongoing, sustainable investment to build the capability of the ACCO sector through models such as THRYVE. THRYVE is currently funded until December 2024 through the Commonwealth Government, philanthropy and the New South Wales Government.

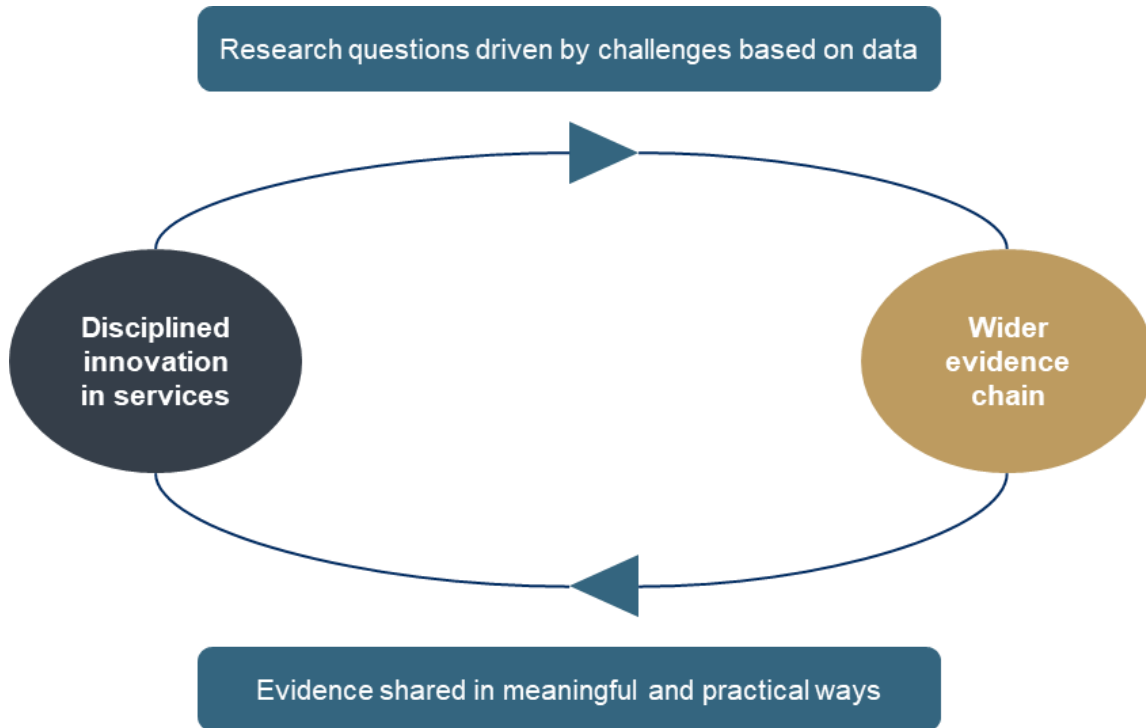
4. Improve quality in ECEC through better use of evidence

Early learning needs to be high quality to have an impact. The quality of early learning provision is important to achieving and sustaining impact on children's learning and development trajectories through their life, especially for children experiencing disadvantage.^{xxx}

We have good evidence about what's important for quality in early learning from international evidence bases such as Evidence for Learning's Early Childhood Education Toolkit,^{xxxi} but that evidence needs to be put into practice across the system.

This requires cycles of evidence – which we refer to as the evidence ecosystem (see Figure 1). SVA has previously provided input to the Productivity Commission on what is important for a functioning evidence ecosystem in education.^{xxxii} We build on that advice here, reflecting recent developments and the distinctive needs of the early years' context.

Figure 1: Evidence Ecosystem



In ECEC, establishing a thriving evidence ecosystem requires:

- Investment in more rigorous research, such as randomised control trials, to build a better evidence base in early childhood education in Australia - the rigorous evidence base in early childhood education is 5-10 times smaller than that of school education.
- Funding and supporting multiple organisations throughout the ecosystem to generate, translate and support the use of evidence – from policymakers to leaders to educators.
- Being responsive to the needs of practitioners and efficiently discontinuing practices that have been shown to be less effective.

SVA established what we believe to be Australia’s first national education evidence broker, [Evidence for Learning](#) (E4L) in 2015. E4L has aggregated and synthesised a significant amount of the evidence of what is important for quality and to improve learning outcomes for children, which can be drawn upon and inform the Productivity Commission’s inquiry.

E4L holds the exclusive Australian licence to education research, assets and tools produced by the United Kingdom’s Education Endowment Foundation (EEF) and localises these for Australian educators. These resources include E4L’s [Early Childhood Education Toolkit](#)^{xxxiii} which summarises the best available global research evidence on topics relevant to ECEC and the EEF’s new Early Years Evidence Store^{xxxiv} which contains a summary of evidence-informed approaches to help educators to understand and reflect on their practice. E4L has also commissioned and published systematic literature reviews and resources on high impact approaches in ECEC such as oral language development.^{xxxv}

Some of E4L's wider education resources are also relevant – for example the evidence base on effective professional development^{xxxvi} includes evidence on approaches for educators working with children aged 3 and above.

SVA would be happy to provide the Commission with further detail on the global and local evidence (both its strength and efficacy) of a range of approaches to ECEC.

Supporting ECEC practitioners to better use the evidence

There has been progress on developing and disseminating evidence in the Australian ECEC sector; but there is more to do on supporting the use of evidence throughout the system. We know that supporting practitioners to access, understand and then put the latest evidence into practice is important to improving practice and thus learning and development outcomes for children.

Actions to enhance this include:

- Establishing a greater role for practitioners in driving the research agenda and responding to their needs. For example, we know that Australian early childhood educators identify challenging behaviours as a major impediment to workplace wellbeing and educational effectiveness, and a key practice area for which they seek support.^{xxxvii} In order to meet this need, E4L developed evidence-based resources in this area. Responding to educator needs for support in high priority areas improves workforce retention and supports children's learning and development.
- Building capacity of practitioners to use evidence to inform their practice. Professional learning and other capability-building resources, tools and supports are needed for practitioners to act on the latest global evidence and incorporate it into their practice in order to improve learning and development outcomes for children. Improved funding and conditions are needed to support this kind of high-quality, evidence-based professional learning for ECEC professional across Australia.
- Building trust and capacity of practitioners in sharing learning and knowledge. Exceptional practitioners, educators and leaders implement evidence informed practices in pockets across and within early childhood settings but are isolated and hampered by a lack of connection and infrastructure to further grow, refine and share their practice. We need exceptional practice to connect, align and spread rather than remain stubbornly isolated in pockets. Using principles of Social Network Theory,^{xxxviii} The Connection initiative developed by SVA seeks to leverage the untapped knowledge and expertise that exists within and across systems. An example in practice might be how to solve for best practice literacy support for children from transient family backgrounds. The Connection finds the best practitioners leading work on literacy support and determines how best to connect them, support them and enable them to accelerate their influence across the mapped ecosystems of practice.
- Better use of data to build cycles of continuous improvement – see section 5.

5. Collection and use of data supports continuous improvement and equitable delivery of ECEC

Having better evidence requires better data on how the system is performing. Data provide the crucial feedback loop on what is working and what needs to be improved.

Collecting and using data across the ECEC system

At a system level, while there are some key datasets on ECEC in Australia, there are also significant limitations to the data that are collected and reported.

SVA, through Evidence for Learning, was a partner in the development of ECA's State of Learning in Australia 2019 report. We draw the Commission's attention to the chapter of that report on 'The

importance of data' (p.40-41)^{xxxix} for further detail on the datasets, limitations and proposed improvements.

As the report notes, gaps in publicly available datasets include:

- Detailed data on ECEC attendance and developmental outcomes, as distinct from enrolment
- Data on child experiences and the delivery of the ECEC program
- Data on different cohorts of children experiencing vulnerability e.g. children from culturally and linguistically diverse backgrounds, refugee children, children with disability)
- Information about the relationship between educator characteristics (e.g. qualification) and ECEC quality.

Steps are underway to improve some data – notably through the Preschool Reform Agreement commitments to develop a Preschool Outcomes Measure and to implement new national preschool enrolment and attendance measures.^{xl} This will address some gaps for the preschool cohort but not for ECEC more widely.

We welcome the Productivity Commission considering improvements needed to data collection and to how data are linked and shared across the system to inform policy-makers and practitioners.

As noted in the ECA report, this might include:

- more robust, comprehensive and longitudinal collection of early learning data to track the experience for the child (not just the services provided), e.g. hours of participation in early learning categorised by type, so the impact of factors such as the delivery setting and staff qualifications can be assessed
- more robust, comprehensive and longitudinal collection of early learning data to track outcomes for the child across ECEC and into school. For example introducing an AEDC equivalent to assess three-year-olds (this could be a combined developmental and health check)
- better and ongoing data linkage and data matching across services (e.g. health, education) to provide a holistic and longitudinal view of children's needs and level of support provided—especially for those experiencing vulnerability. Data linkage to the services received, both ECEC experience and broader social/health interventions, is important to ascertain whether those services have improved the outcomes for the child.

Collecting and using data for continuous improvement by practitioners, services and communities

Data also needs to be collected and used actively at a community, service-provider and practitioner level to track how services are actually being delivered. *Restacking the Odds* proposes equipping those designing and delivering early years services with leading indicator data to measure how services are meeting the needs of children and families in a local area and inform the actions that can make a difference.

Lead indicators allow service providers and other stakeholders to regularly assess performance and progress, and course-correct when required. While outcome data is the ultimate arbiter of success, lead indicators about what families and children are actually experiencing allow practitioners and service providers to make timely adjustments and accumulate learning regularly, rather than waiting years to see outcomes.

Table 1: Example of lead indicators in ECEC

Lead Indicator	Potential Action	Outcome Indicator
Proportion of children attending ECEC for 15 hours or more per week for the two years before starting formal school	Overcome barriers to low participation rates e.g. reach out to culturally and linguistically diverse populations	Proportion of children at school entry who are developmentally on track in health, learning and psychosocial wellbeing

Restacking has identified practical, evidence-based lead indicators for each of the five fundamental early years strategies using a common three-part framework covering quantity, quality and participation. The evidence-based lead indicators are available in the *Restacking the Odds Indicator Guide*.^{xli}

Currently resources to collect and interpret data are typically limited. To drive sustainable change, *Restacking* research has identified that a new **learning system** is needed. The learning system has three core components:

1. **Technology platform** – to collect, measure, interpret and visualise the data.
2. **Improvement support program** – to build data literacy and embed a model for continuous improvement in services and communities to respond, innovate and act on data.
3. **Community of practice** – to share learnings, experiences, knowledge and resources across participating organisations and the sector more broadly.

Restacking is currently co-designing this system with a small number of communities and service providers across Australia. Practical, scalable solutions are being developed that address the key barriers and promote enablers to collecting, reporting, and using lead indicator data, informed by research that explores these barriers and enablers in the five *Restacking* early years' service settings.

Further detail is provided in the *Restacking the Odds* submission to the Commission. SVA, with our partners Centre for Community Child Health (CCCH) at Murdoch Children's Research Institute (MCRI) and Bain & Company, are happy to share further information with the Commission on our findings to date and the development of the learning system.

Attachments

Attachment A: Deloitte Access Economics, *Exploring need and funding for integrated child and family centres, 2023*, prepared for Social Ventures Australia (SVA) and the Centre for Community Child Health. Forthcoming (advance copy provided for the Commission).

ⁱ C Molloy, T Moore, M O'Connor, K Villanueva, S West, and S Goldfeld, [A Novel 3-Part Approach to Tackle the Problem of Health Inequities in Early Childhood](#), *Academic Pediatrics*, 2021, 21(2), pp 236–243.

ⁱⁱ M O'Connell, S Fox, B Hinz and H Cole, *Quality Early Education for All.*, in *Fostering creative, entrepreneurial, resilient and capable learners*, 2016, Mitchell Institute: Melbourne, Australia; F Oberklaid, and T Moore, *Early childhood is everybody's business*, *The Melbourne Review*, 2007, 3(2), pp 44-52.

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- ⁱⁱⁱ P Kershaw, L Anderson, B Warburton and C Hertzman, *15 by 15: A Comprehensive Policy Framework for Early Human Capital Investment in BC*, Human Early Learning Partnership, 2009, University of British Columbia: Vancouver, Canada
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