

Early Learning Association Australia: Submission, 9 December 2016
**Productivity Commission: Increasing Australia's Future Prosperity Discussion
Paper**

Early Learning Association Australia (ELAA) is a peak body representing over 1300 service providers in Victoria and across Australia. Our membership includes independent preschools; early years management organisations; integrated and long day care services; government and independent schools; and out of school hours care services.

ELAA's vision is 'excellence in early learning for every child'.

ELAA welcomes the Productivity Commission's inquiry into Australia's productivity performance and the discussion paper on reform priorities including policy options to improve productivity and prosperity. Our submission outlines the public benefits from investment in early childhood education which provides the foundation for children to succeed in school, post-school education and training, and employment. Investing in quality early childhood education contributes to Australia's future prosperity by harnessing the potential in every child and combatting entrenched disadvantage.

Background

Through the National Partnership Agreement on Universal Access to Early Childhood Education, Commonwealth, State and Territory Governments fund a minimum of 15 hours of early childhood education per week for 40 weeks in the year before school.

Kindergarten or preschool is delivered by a university educated early childhood teacher across a diversity of settings, in a form that meets the needs of parents and at a cost that does not present a barrier to participation for the vast majority. The current Federal Government commitment to funding its portion of the 15 hours is unsecured beyond the end of 2017 (Department of Education and Training, 2015).

Overall Australia remains behind the rest of the developed world in supporting access to quality early learning with a widening disparity between investment in early childhood education and care (ECEC) in Australia as compared with other OECD nations (OECD, 2012). While access to ECEC for four-year-olds has been improving, we are far behind comparable countries in terms of the participation of three-year-olds in early childhood education, including the United Kingdom, New Zealand and Denmark (Early Learning: Everyone Benefits, 2016).

The Australian Early Development Census (AEDC) is a measure of how well children and families are supported through to the child attending school. The data shows that one in five Australian children are vulnerable in one or more domains while two in five Aboriginal and Torres Strait Islander children are vulnerable in one or more domains (Australian Government, 2016).

Neuroscientific evidence has demonstrated that the experiences and quality of interactions in our first years of life are crucial to brain development. Children's brain development is at its optimum in the first five years which is when the greatest return on educational investment can be made.

Australia's performance in international education testing, like the Programme for International Student Assessment, is continuing to decline.



Universal access to quality early childhood education delivers social and economic outcomes

The international evidence base demonstrates that participation in early childhood education leads to improved well-being, improved lifelong learning outcomes and a reduction in poverty, all of which contribute to national social and economic development (OECD 2012).

The Productivity Commission's *National Education Evidence Base Draft Report September 2016* recognises that fostering children's educational opportunities can make a significant difference to their long-term quality of life and contribute to Australia's social, economic and human capital in the longer term.

The quality of the early childhood education matters. Children who attend higher quality services with highly skilled and well supported educators have better literacy and numeracy outcomes and consequently better earnings (PwC, 2014; Fox and Geddes 2016).

Through quality early childhood education the foundations for success at school are created, as children develop the skills for lifelong learning and an ability to develop relationships; skills and abilities which matter to an agile and innovative workforce.

PwC Australia (2014) modelling shows that if children attended services which met or exceeded the National Quality Standards, it would yield significant financial benefits to Australia of up to \$10.3 billion by 2050.

Investing in early childhood education will ensure that Australia will remain globally competitive into the future.

Addressing disadvantage through investment in early childhood education

12.8 per cent of Victorians and nationally more than 730,000 children are living in poverty (Social Policy Research Centre, 2016). Children from low-income families, Aboriginal children, children with a disability, those with low English proficiency and children living in remote areas are most at risk of receiving a poor or incomplete education (Gonski et al, 2011).

Historically, early childhood services in Australia have not been equally accessible or equally utilised by all families. Children who live in areas of greatest disadvantage participate in preschool and school education at a much lower rate than children from areas of lowest disadvantage (Australian Bureau of Statistics, 2009). Children's socio-economic status has become a determinant of their developmental vulnerability meaning that where they are born is having a greater influence on their long-term futures ahead of the abilities they are born with (Fox and Geddes 2016).

One of the most effective ways to break the cycle of disadvantage experienced by successive generations of children is to provide them with quality early education and pave the way to school (Cuhna et al, 2006; Sylva et al, 2004). The Effective Provision of Pre-School Education Project found that children from disadvantaged backgrounds who attended preschool demonstrated much better levels of attainment at the start of primary school when compared to similarly disadvantaged children who did not attend preschool (Sylva et al, 2004).

Evidence from the United States, among other countries, demonstrates savings to tax payers from investing in increased participation of vulnerable children in early childhood education, particularly if they participated in more intensive programs. Benefits include reductions in expenditure in the areas of education, justice and health. Analysis in Australia has found that if children of parents in



the lowest income bracket who were not likely to participate, attended quality early education and care, it would deliver financial benefits of \$13.3 billion by 2050.

Expanding access to preschool for vulnerable children from 15 hours to 20 hours for 40 weeks in the year before school would combat their early experiences of disadvantage, ready them for a positive future and increase the nation's human capital.

Investing earlier for greater benefit

Preschool differs from other early childhood education and care alternatives in its focus on delivering learning programs developed by childhood experts. Approximately two-thirds of three year old Australian children are regularly participating in early education and care, however only a small proportion of these children attend a preschool program.

A recently released Mitchell Institute report (Fox and Geddes, 2016) provides an analysis of the value of investing in two years of quality universal preschool education and concludes that it is an 'affordable, effective way for us to achieve greater and more equitable outcomes for Australian children...' and thereby boost Australia's human capital and close the disadvantage gap.

The Mitchell report proposes a way forward using available international and Australian evidence to design and deliver a 3 year old program as a lever for lifting Australia's educational performance and our long-term productivity.

We commend this report for consideration by the Productivity Commission as a means of extending the benefits of early childhood education and its value for Australia's future social and economic wellbeing.

Yours sincerely

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