



CENTRE
FOR POLICY
DEVELOPMENT



CPD's Early Childhood Development Initiative

Evidence Pack 1: Building the case for reform
June 2021

Executive summary

Building momentum towards achieving a national vision

CPD's Early Childhood Development (ECD) Initiative is working with sector leaders, senior officials and experts to catalyse progress towards a better ECD system, to improve outcomes for children, families and their communities. It involves a national ECD Council, and a scoping study to build the evidence base for reform.

Australia needs to put children on the national policy agenda

Now is the opportunity to reposition early childhood development (ECD) as a major driver of economic and social outcomes for all Australians. The short-term and long-term prosperity of our communities depends on getting it right for children and families, especially the most vulnerable. In order to fully realise these benefits, Australia needs to put children on the national policy agenda.

The benefits of high quality early childhood development are clear

In the first few years of life, more than 1 million new neural connections form every second. During that time children learn social, interpersonal and cognitive skills that help them lead healthy, happy lives and participate in learning and work. We know that those facing the most disadvantage stand to benefit the most, while also being the most likely to miss out in the current system.

There has been great progress but unfinished business remains

Strong progress has already been made in ECD by governments and other stakeholders. But there remains 'unfinished business' to address. More children are starting school on track in their learning and development, but there are still persistent gaps in child outcomes. More services are meeting the National Quality Standard, but those with the lowest quality ranking are in the areas most in need.

Systems thinking helps us to imagine a different future

Common systems issues are often identified in the ECD system – fragmented or siloed services, lack of focus on family circumstances, late intervention rather than preventative or early identification. In working to resolve these issues it's important to think about the whole system and how it interacts, holding a common vision in mind. In this work it is important to manage tensions (or 'polarities'), such as balancing quality and quantity of service provision; and benefits for children and families.

A guarantee is needed for all children and their families

Australia's strongest service systems (such as health, education and disability) are underpinned by a guarantee from governments to the Australian community. No such guarantee exists in early childhood, and services and supports vary across jurisdictions. Making a guarantee for what children and families can expect will build trust and confidence and enable reforms to be coordinated towards a common goal.

Holding this common goal still allows us to embrace diversity

The guarantee to all children will also help to balance flexibility in ECD system design; offering choices to meet child and family needs and ensure cultural relevance, and continuing to allow for diverse ECD delivery models across states and territories.

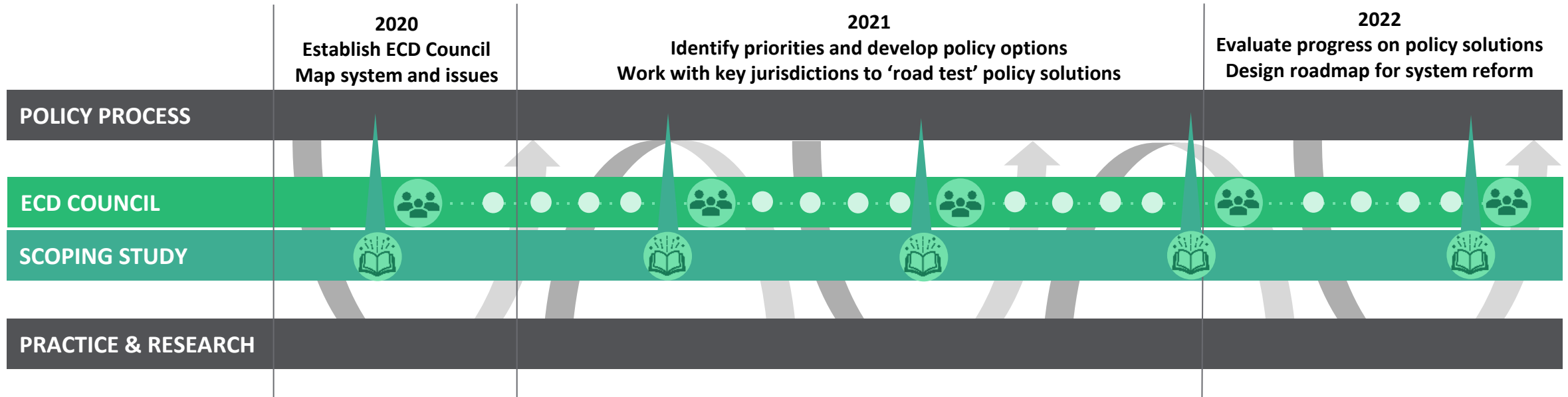
This evidence pack is designed to inform and catalyse discussion about ECD reform

This evidence pack has been adapted from materials prepared by the CPD team for the first two meetings of the ECD Council. While it incorporates ECD Council feedback, it should not be considered representative of an agreed view of Council, or as representing the views of individual Council participants or their organisations.

About CPD’s Early Childhood Development Initiative

CPD’s three-year Early Childhood Development (ECD) Initiative commenced in 2020. It aims to address disadvantage and improve outcomes for children and their communities by improving the ECD system, recognised as a major driver of economic and social participation. The Initiative comprises two parts:

- An ECD Council bringing together policy-makers and experts to engage with evidence, develop policy options, and share ideas.
- A Scoping Study which translates new and existing evidence into resources and models to inform better policy decisions.



How CPD’s ECD Initiative can help to address policy roadblocks

1. Enables a sustained focus on long-term benefits beyond short-term political cycles: this is especially important for early childhood policy
2. Enables system thinking about costs and responsibilities: costs/benefits can be considered in the context of other service systems
3. Builds connections across policy actors: at the state and federal level, and including key non-government stakeholders
4. Provides space for integrating social and economic narratives: ECD is often pulled between social and economic policy objectives
5. Provokes thinking beyond the ‘here and now’: enables all parties to step outside of current system settings and explore alternatives.

Scoping study: five focus areas

The scoping study has **five focus areas**, identified after the first ECD Council meeting:



Part 1: The case for action

There is an opportunity to reposition early childhood development as a major driver of economic and social outcomes for all Australians.



Australia needs a national conversation about children

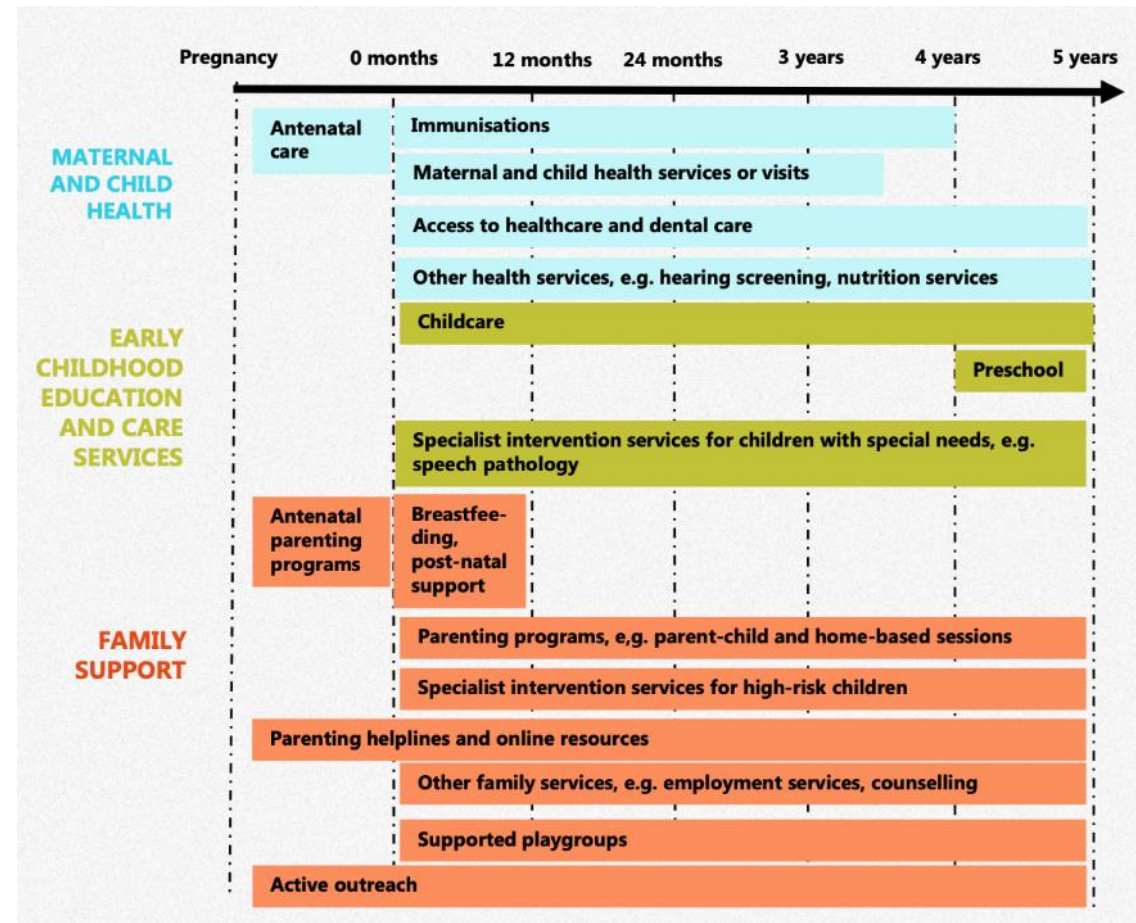
Australia has strong foundations for early childhood development systems including maternal and child health, early childhood education and care (ECEC), and family support services.

Significant progress has been made. In ECEC, this includes establishing a National Quality Standard (NQS), Early Years Learning Framework (EYLF) and Universal Access National Partnership (UANP). But there is **unfinished business** remaining.

Getting the ECD system right will take national collaboration. It requires putting children on the **national agenda** and developing a **national guarantee** to young children and their families. It requires **developing a common knowledge base** as a driver of quality and service integration. It then involves **sequencing ECD reforms** to deliver on this guarantee.

To assist in developing the vision for reform, CPD has established an intergovernmental **Council on Early Childhood Development (ECD)** to complement existing national policy processes.

Components of Australia's early childhood development system



Source: GAP Taskforce on Early Childhood Education, 2016 ([here](#))

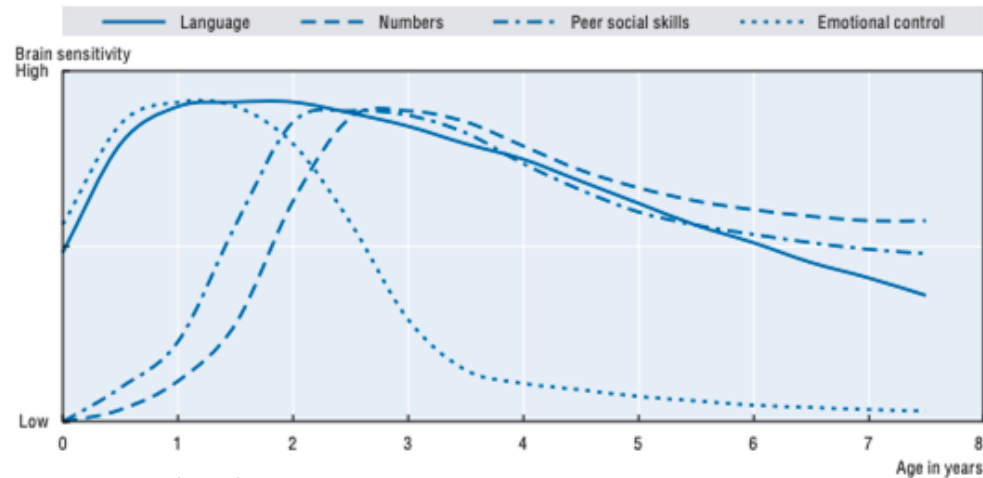
The benefits early childhood development are clear

It's a good start for everyone

In the first few years of life, more than 1 million new neural connections form every second. During that time children learn social, interpersonal and cognitive skills that help them lead healthy, happy lives and participate in learning and work.

It's also a critical time for new parents. When a child is born a parent is also born. Confident parents are able to make informed choices for their child's healthy development.

Children's brain sensitivity, by age

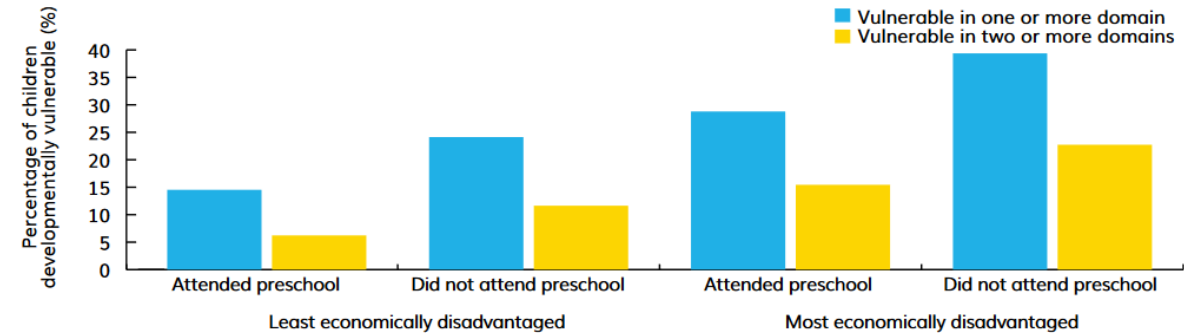


Source: OECD (2015) *Starting Strong IV*, p. 168.

It particularly makes a difference for those facing disadvantage

Children experiencing disadvantage stand to benefit most from quality ECD services. For example, the gap in developmental vulnerability between children who did and did not attend preschool is greater for economically disadvantaged Australian children.

Developmental vulnerability in one/two or more domains by preschool attendance and economic disadvantage



Source: Early Learning: Everyone Benefits (2019) *State of early learning in Australia 2019*, p. 9, based on 2009 AEDI data.

Developing a better ECD system

In an effective ECD system, **every child and family gets what they need**, rather than everyone getting the same thing. This principle underpins other universal systems, such as healthcare.

A universal system is **fair and accessible** to everyone; focuses on **quality and outcomes; enables choice** while encouraging decisions that place the child and family at the centre; and builds **trust, social cohesion and productivity**.

Investing in ECD will yield a triple dividend, all the more important as we build back post-COVID:

- It will **improve early learning and development** for children, lifting productivity and reducing lifelong costs of other interventions
- It will **increase workforce participation** of parents, particularly for women, delivering significant productivity gains
- It will **provide rewarding careers** for early childhood professionals, by creating new jobs and increasing their skills and qualifications

Together, these dividends create more cohesive, nurturing communities, as well as boosting our economy in the short- and long-term.

What is needed now

- A shared mission: for all Australian children and families to thrive
- Collaborative national effort connected to state/regional/local innovation
- Safe spaces to create challenging conversations and creative ideas
- Bi-partisan commitment supported by independent evidence and advice

Australia needs to do better for its children

“[F]orms of poverty for children in particular have actually risen over the last twenty years.”

- *Peter Harris AO (2018)*

It is possible to build an ECD system that delivers benefits for everyone



Children

- Healthy brain development
- Fostering social, interpersonal and cognitive skills to live healthy, happy lives
- Engaging in fun activities and events, including play
- Having trusted adults to educate and care for them
- Being with family and friends
- Safety and routine
- Reduction of toxic stress and a sense of wellbeing



Families

- Confidence that their child is safe, happy and developing lifelong skills
- Reduction of toxic stress and enhanced family functioning
- Confidence in and enjoyment of their role as parents or carers
- Choice to work if they want to
- Affordable services
- Convenient, co-located services without double or triple drop-offs
- Connection to culture



Professionals

- Appropriate remuneration
- Respect for the profession
- Recognition of their role
- Diverse professionals (gender, CALD backgrounds, people with disability, Aboriginal and Torres Strait Islander)
- Support for professional development and training
- Support to focus on what matters most for children



Society and the economy

- Children develop skills to become healthy and happy citizens, boosting community cohesion
- System delivers outcomes for all children and families
- Services are accessed by those who need them most
- Closing gaps and tackling intergenerational disadvantage
- Investment in all parts of the system maximises value (ROI)
- Short-term and long-term productivity dividends

Harris, P. (2020). Engaging with children's voices ([here](#)); Harvard Centre for the Developing Child. (2020) [here](#) and [here](#).

Wood et al. (2020) Cheaper Childcare, Grattan Institute, p. 10-12, ([here](#)) The Front Project (2020). How families experience ECEC ([here](#))

Irvine, S et al. (2016). Money, Love and Identity: Initial findings from the National ECEC Workforce Study ([here](#))

Productivity Commission. (2014) ([here](#))

Australia has agreed principles towards a coordinated national approach

Early Learning Reform Principles

All Australian Governments recognise the importance of the early years of life, and the significant contribution that high quality early learning makes to life-long educational achievement, productivity, wellbeing and success. This is reflected in our collective commitment to the national early childhood quality and participation agendas.

All jurisdictions acknowledge that reform and investment in early learning, which complements and builds on the strengths of the existing system, have the potential to deliver significant economic and social benefits to Australia, including improved school readiness; better opportunities; long-term productivity increases; improved workforce participation, income, financial security and health outcomes; and reductions in crime and welfare expenditure.

All jurisdictions recognise that we have a mutual interest in improving outcomes through early learning, and need to work together to achieve those outcomes. We share a commitment to the provision of high quality early learning services across Australia and improvements to the availability and sharing of data, evidence and research. All jurisdictions are already making a significant contribution to early learning in a range of settings. The substantial early learning system improvements and reform by all jurisdictions form a strong base from which to continue improving outcomes for children and families.

Early learning services include early childhood education and care, and other services that support families and children’s wellbeing, learning and development in the first years of life. All jurisdictions acknowledge that delivery of these services varies across jurisdictions, and that this diversity is a strength. Jurisdictions recognise that early learning intersects with other portfolios and services at all levels.

PREAMBLE

| | | | | |
|---|---|---|--|--|
| All jurisdictions are committed to cooperation and shared responsibility for early learning | All jurisdictions maintain flexibility to deliver services in a way that adapts to local circumstances, encourages innovation, and supports choice for families | National arrangements for early childhood are cohesive, effective and efficient; funding is sustainable and transparent; and services are high quality, accessible, equitable and inclusive | Reforms are evidence-based, child and family-centred, and complement existing arrangements | Roles and responsibilities are clear, and jurisdictions are accountable under agreed and measurable evaluation frameworks, which are supported by accessible, meaningful and reliable data |
|---|---|---|--|--|

DESIGN PRINCIPLES

| | | | |
|---|---|--|--|
| Children have the knowledge and skills for life and learning | Children’s wellbeing, learning and development are supported by high-quality early childhood services | Children are engaged in and benefitting from educational opportunities | Children benefit from better social inclusion and reduced disadvantage, especially Indigenous children |
| Families are confident and have the capabilities to support their child’s development and learning as first educators | | | |
| Families are supported to make informed choices, and can access affordable, flexible services that meet their needs and preferences | | | |

OUTCOMES

Alice Springs (Mparntwe) Declaration (2020)

“Australian Governments commit to continuing to build quality and access to early years learning and development in environments that meets the needs of all Australian families. Australian Governments also commit to providing support and advice through a range of channels on how to support children to develop and flourish, including partnering with families, the broader community and other services for children.”

Uluru Statement from the Heart (2017)

“When we have power over our destiny our children will flourish. They will walk in two worlds and their culture will be a gift to their country.”

UN Convention on the Rights of the Child (ratified 1990)

“In all actions concerning children, whether undertaken by public or private social welfare institutions, courts of law, administrative authorities or legislative bodies, the best interests of the child shall be a primary consideration.”

Early Years Learning Framework ‘Belonging, Being, Becoming’ (2009)

“From before birth children are connected to family, community, culture and place. Their earliest development and learning takes place through these relationships, particularly within families, who are children’s first and most influential educators. As children participate in everyday life, they develop interests and construct their own identities and understandings of the world.”

National Action Plan on the Health of Children and Young People (2020-2030)

“Ensure that Australian children and young people, from all backgrounds and all walks of life, have the same opportunities to fulfil their potential, and are healthy, safe and thriving”

National Quality Framework

“The NQF aims to raise quality and drive continuous improvement and consistency in children’s education and care services”

There are many opportunities to embed the ‘guarantee’ in national policy processes

Preschool Reform Funding Agreement (formerly UANP)

- **What:** The first UANP was signed in 2008, has since been renewed six times, each time for 1-2 years, guaranteeing 15 hours per week (600 per year) of quality early childhood education in the year before school. The 2021 Budget committed to a four-year PRFA to the end of the 2025 calendar year, and ongoing Australian Government preschool funding beyond 2025.
- **When:** In 2021, all governments will negotiate the four-year PRFA, to commence in 2022.

National Aboriginal and Torres Strait Islander Early Childhood Strategy

- **What:** As part of the new Closing the Gap targets, a new strategy is being developed which “will focus on priority areas such as safety, education, health, cultural connection and strength, and seek to align cross-portfolio investments looking at early development holistically”.
- **When:** Extensive consultations are underway, with the strategy to be delivered in 2021.

Review of Early Years Learning Framework (EYLF)

- **What:** Education Ministers have commissioned an update of the EYLF and the *My Time, Our Place* Framework for School Age Care, to ensure they reflect contemporary practice.
- **When:** Three stage process, including two stages of consultation and a piloting stage. Due for completion in March 2022.

Review of National Quality Framework (NQF)

- **What:** The NQF provides a national approach to the regulation of the quality of education and care services across Australia. It is regularly reviewed to ensure it remains current and continues to drive quality improvement.
- **When:** Consultations have been undertaken on an initial Issues Paper, leading to the creation of a Consultation Regulatory Impact Statement. The next stage involves developing a Decision Regulation Impact Statement, to inform any changes to be rolled out from 2022.

National Early Years Workforce Strategy

- **What:** The previous Strategy covered 2012-2016 and set out a vision “to build and support the ECEC profession both in the short term and into the future.”
- **When:** At the end of 2019 COAG Education Council endorsed the development of a new Strategy. Consultations and drafting are currently underway, with the strategy expected to be completed in mid-late 2021.

National Children’s Mental Health and Wellbeing Strategy

- **What:** The National Mental Health Commission is developing the Strategy as part of Australia’s Long Term National Health Plan.
- **When:** The Commission sought feedback on the draft strategy in February 2021, and the final strategy is expected to be published in mid-2021.

National Framework for Protecting Australia’s Children

- **What:** Endorsed by COAG in 2009, an agreement between Commonwealth, state/territory governments and a coalition of community sector organisations. It has had four action plans to date.
- **When:** The Australian Government is developing a successor plan to the Framework, and two five-year implementation plans. The successor plan is expected to be finalised in July 2021, and consultation on the implementation plans has commenced.

National Disability Strategy

- **What:** The first Strategy (2010-2020) committed to a ‘unified, national approach to ‘an inclusive Australian society that enables people with disability to fulfil their potential as equal citizens’.
- **When:** In December 2020, Disability Ministers across Australia issued a Statement of Continued Commitment to the National Disability Strategy. The second stage of consultations has been completed, with the strategy due in the second half of 2021.

National Action Plan for the Health of Children and Young People (2020-2030)

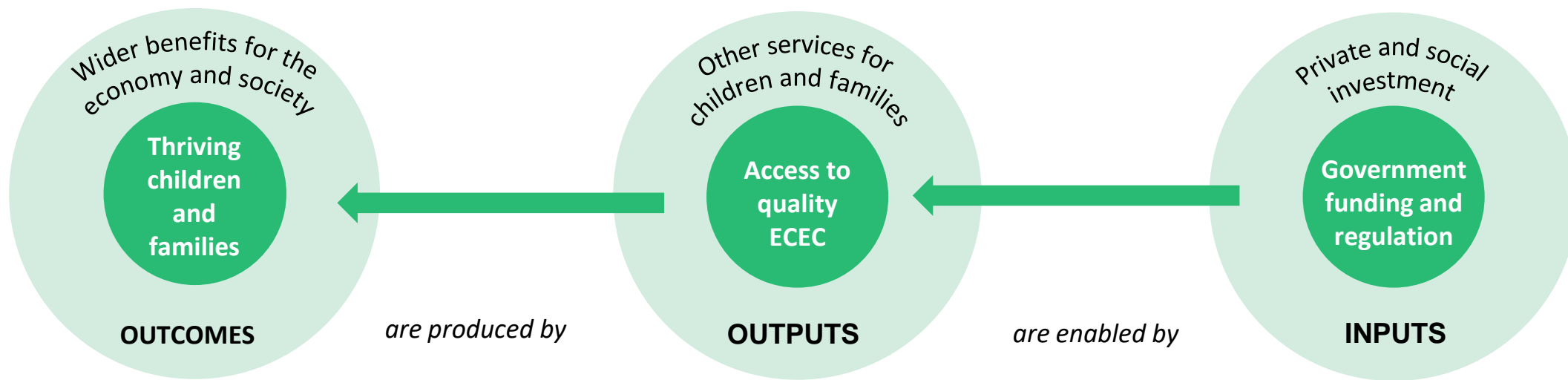
- **What:** Builds on *Healthy, Safe and Thriving: National Strategic Framework for Child and Youth Health* and outlines Australia’s national approach to improving health outcomes for all children and young people, particularly those at greatest risk of poor health.
- **When:** Consultations conducted over 2018-2019, released in 2019.

Part 2: Progress and unfinished business in ECEC

The following section presents evidence of progress and ‘unfinished business’ in the support that Australia currently provides to children and families. It focused on early childhood education and care (ECEC), as the largest component of the broader ECD system.



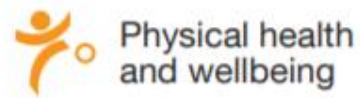
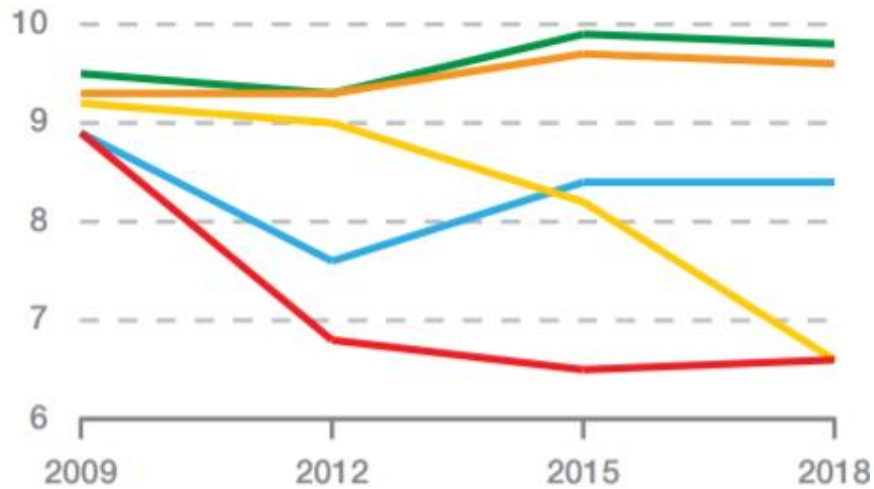
Progress and unfinished business in early childhood education and care (ECEC)



| Progress | Progress | Progress |
|--|--|---|
| <p>1.1 More children starting school on track in their learning and development</p> <p>1.2 More parents (especially women) participating in the workforce</p> <p>1.3 Downstream benefits not yet realised</p> | <p>2.1 Increase in services meeting the National Quality Standard (NQS)</p> <p>2.2 Increase in workforce qualifications</p> <p>2.3 Significant increase in ECEC participation, especially preschool in year before school</p> | <p>3.1 Increased government investment in ECEC (state and federal)</p> <p>3.2 Investment has increased both quality and quantity of ECEC participation</p> <p>3.3 National Quality Framework to improve consistency across ECEC services</p> |
| Unfinished business | Unfinished business | Unfinished business |
| <p>1.1 Reducing gaps in child outcomes</p> <p>1.2 Supporting families to balance paid work and child-rearing</p> <p>1.3 Realising full range of social and economic benefits</p> | <p>2.1 Lifting participation and quality in low-SES communities</p> <p>2.2 Attracting, retaining and supporting a skilled, diverse ECEC workforce</p> <p>2.3 ECEC provision options that meet child, family and community needs</p> | <p>3.1 Balancing public and private investment so access does not depend on income</p> <p>3.2 Ensuring that investment drives quality</p> <p>3.3 Coherent state and federal government roles in funding and sector leadership</p> |

1.1 Progress: More Australian children are on track when they start school

Percentage of children developmentally vulnerable, by domain



Physical health and wellbeing



Social competence



Emotional maturity



Language and cognitive skills (school-based)



Communication skills and general knowledge

According to AEDC data:

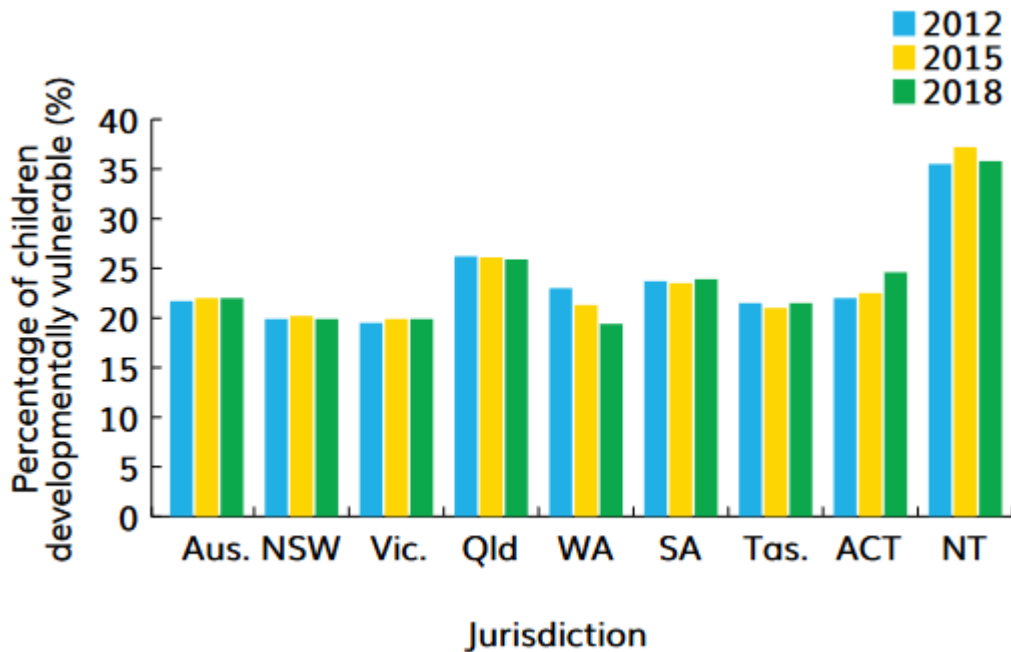
- The overall proportion of children vulnerable on one or more domain(s) decreased from 22% (in 2012 and 2015) to 21.7% (2018).
- Greatest gains have been made in children’s *communication skills and general knowledge*. The percentage of children on track in this domain has increased from 76.3% in 2015 to 77.3% in 2018. While only a small increase in percentage, this represents around 3,000 more children across the country who are on track in these skills when they start school.
- Rates of developmental vulnerability have also fallen in the domains of *emotional maturity* and *language and cognition*.
- The percentage of Aboriginal and Torres Strait Islander children vulnerable on one or more domain(s) has decreased significantly, from 47.4% in 2009 to 41.3% in 2018. Outcomes for Aboriginal and Torres Strait Islander children have improved more rapidly than for non-Indigenous children.

1.1 Unfinished business: Persistent inequalities remain in outcomes for children

Progress in lifting child outcomes is gradual, and variable across states and territories.

21.7% of Australian children start school developmentally vulnerable

Percentage of children deemed developmentally vulnerable in one or more domain(s) (2012–2018) (AEDC, 2018)



Significant gaps remain in children’s outcomes:

- Males are more likely to be developmentally vulnerable than females
- Twice as many Indigenous children are developmentally vulnerable than their non-Indigenous counterparts
- Children in most disadvantaged communities are twice as likely to be developmentally vulnerable
- Children in very remote areas are more likely to be developmentally vulnerable
- Family socioeconomic status is the most significant factor in whether children start school developmentally on track, and their likelihood of catching up later if they are not.

Policy challenges

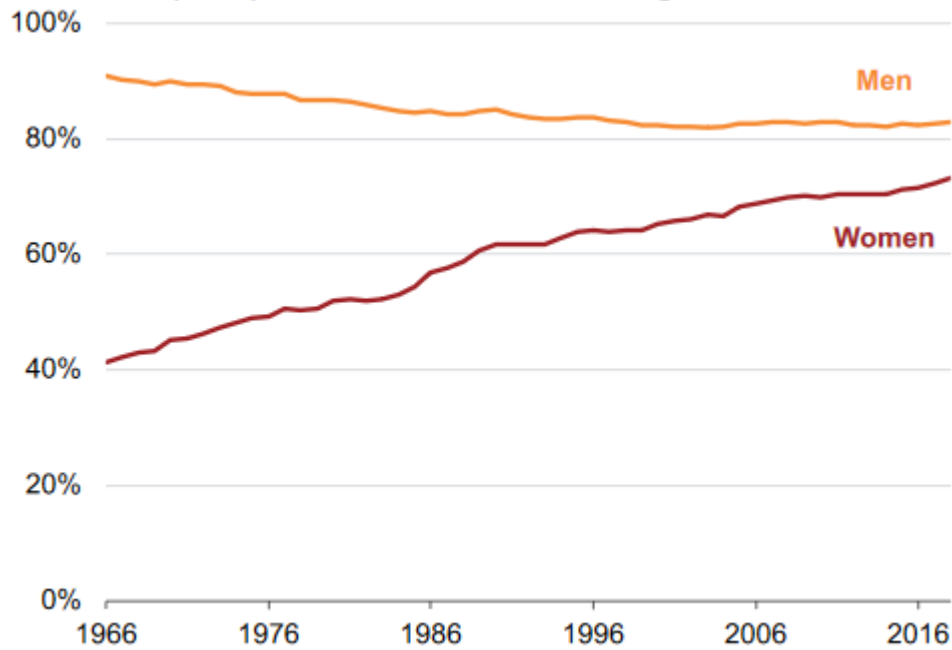
1. What ‘shifts the dial’ on AEDC outcomes?
2. How can developmental vulnerability be identified and addressed earlier? Are we measuring the right things?
3. What nuances in child development need to be considered, such as possibilities for children with disability or developmental delay?

1.2 Progress: More women are participating in the workforce

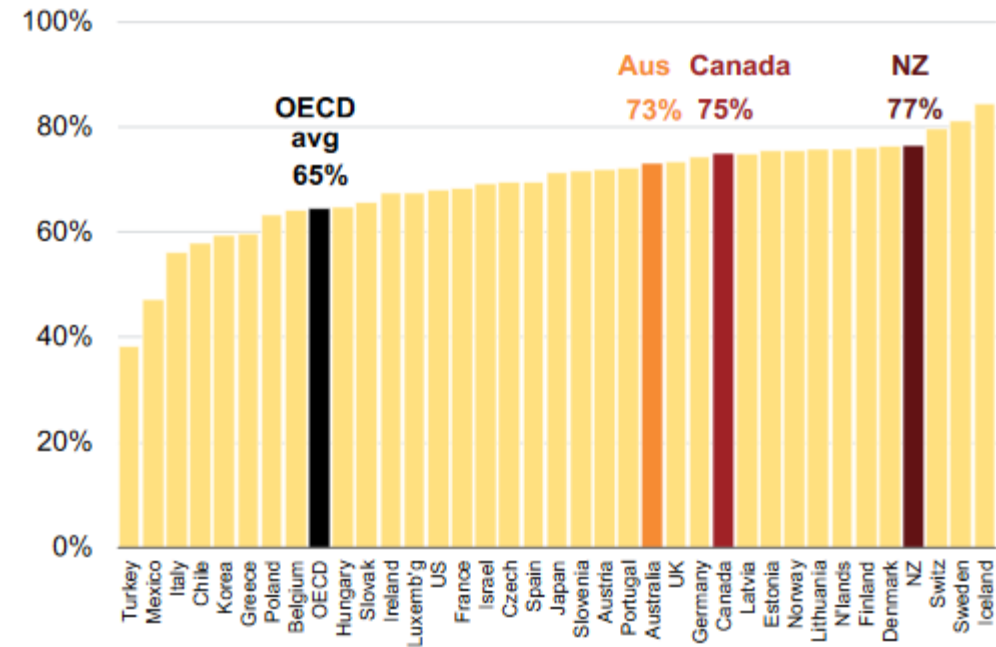
“Before the pandemic, more Australian women were participating in the workforce than ever before. They were doing so more than women in many developed countries and almost as much as women in comparable countries such as Canada and New Zealand.”

– Grattan Institute, 2020

Labour force participation rate of women and men aged 15-64, 1966 to 2018



Labour force participation rate of women aged 15-64 in OECD countries, 2018



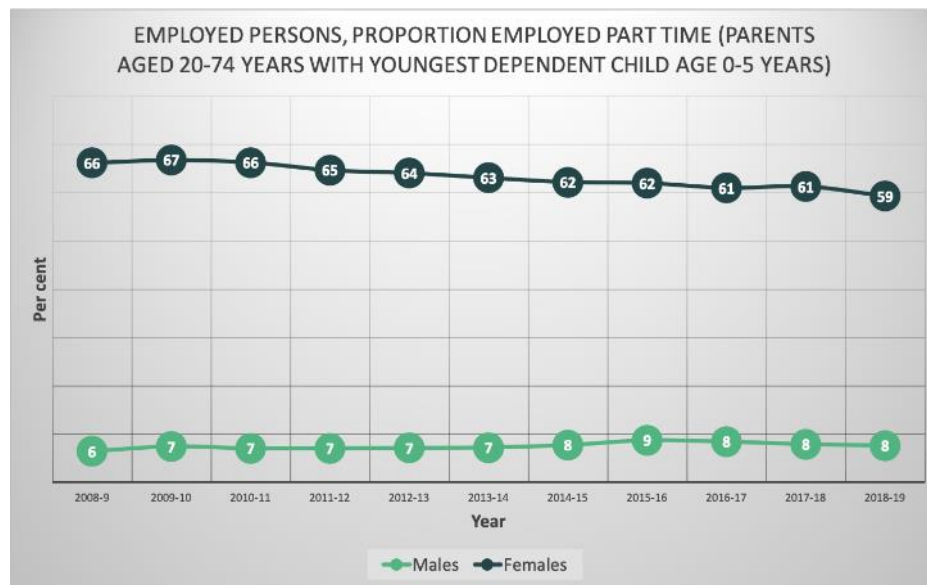
1.2 Unfinished business: Gender gaps remain in labour force participation

“Part-time work for women is much more common in Australia than in most countries, particularly among women with children.”

– Grattan Institute, 2020

According to ABS data in 2019:

- For parents whose youngest child was under six, three in five employed mothers (59.3%) worked part-time compared to less than one in ten employed fathers (7.6%).
- For parents with a child under six, the unemployment rate for mothers aged 20–74 years old is about double the unemployment rate of fathers: 4.8% of mothers compared to 2.2% of fathers.



“Each family’s circumstances are different, and each woman has differing priorities. Some mothers work full-time because they want to, some because they have to. Some crave employment outside the home for their own mental health. But many women unhappily juggle the stress of paid employment and parenting little ones because they feel the weight of society’s expectations that they have a career.”

– Sarah Colyer in *The Age*, 21 October 2020

Policy challenges

1. What impacts on families’ decisions about balancing paid work and child-rearing (for males and females)?
2. How does ECD policy interact with other policies affecting families’ choices, such as parental leave?
3. How can children access the benefits of quality ECEC irrespective of families’ decisions about paid work?
4. How are families’ choices about working arrangements reflected in policy narratives about productivity?

1.3 Progress: The evidence of the economic benefits of ECEC is growing

The economic benefits of access to quality ECEC and the costs avoided in late intervention, are substantial

- In 2019, The Front Project & PwC found that for every \$1 invested in ECEC, Australia receives \$2 back over the child’s life. In 2014, PwC estimated a \$10.3 billion cumulative benefit to GDP to 2050 from children receiving quality ECEC, and a \$13.3 billion increase to GDP of increased participation of vulnerable children in ECEC.
- The Grattan Institute estimated in August 2020 that a universal 95% subsidy for ECEC would boost GDP by \$27 billion annually at a cost of \$12 billion. They made a similar estimate in 2012.
- Intervening early can yield dividends not only for the child’s outcomes, but can save up to \$15.2 billion annually spent in late interventions.
- In 2019, KPMG outlined possible reforms to the Child Care Subsidy (CCS) that could conservatively boost GDP by almost \$678 million per annum at a cost of \$368 million.

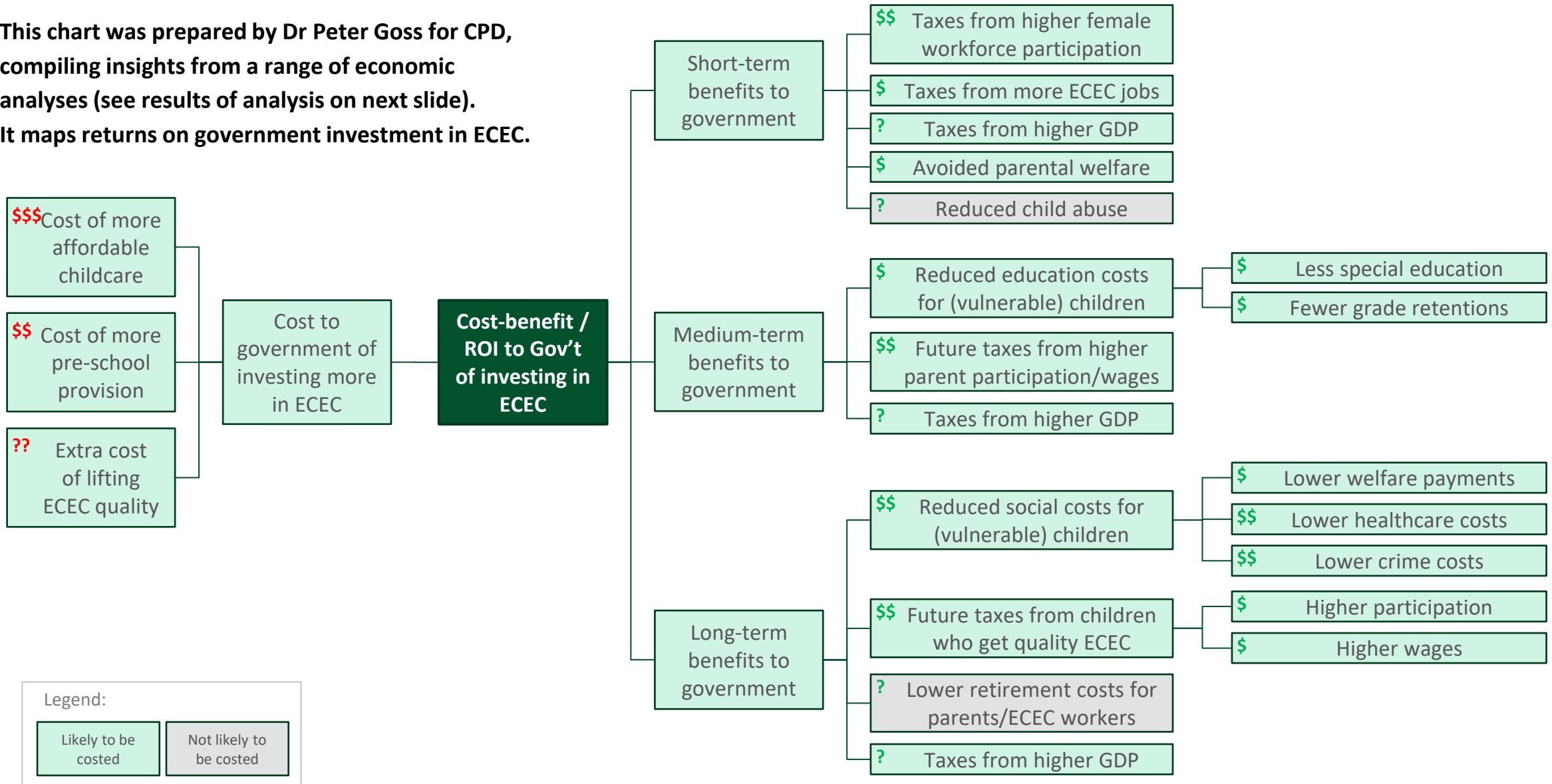
The child development benefits and the economic benefits of quality ECEC are related: it’s not an ‘either/or’

“The benefits of participating in high quality early childhood education are far-reaching and long-term. Improved school performance is not the only benefit. Skills developed in early childhood contribute to broader and longer-term outcomes, including improved employment prospects, health and wellbeing, and social outcomes such as reduced reliance on social services and less interaction with the justice system.”

Susan Pascoe and Deborah Brennan,
Lifting Our Game, p. 48

1.3 Unfinished business: The full picture of economic benefits remains unclear

This chart was prepared by Dr Peter Goss for CPD, compiling insights from a range of economic analyses (see results of analysis on next slide). It maps returns on government investment in ECEC.



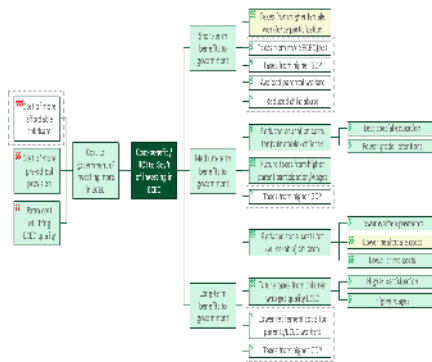
Note: Timing of short-term benefits is aligned with timing of costs; timing of medium-term benefits is roughly next 2-18 years (up to the end of secondary school); timing of long-term benefits is once children become adults

Economic analyses to date have provided pieces of the puzzle

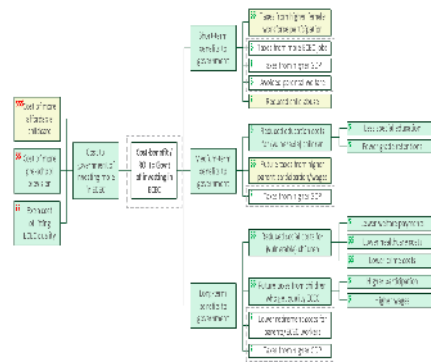
Most similar

Least similar

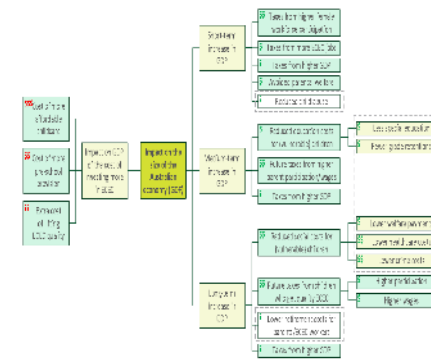
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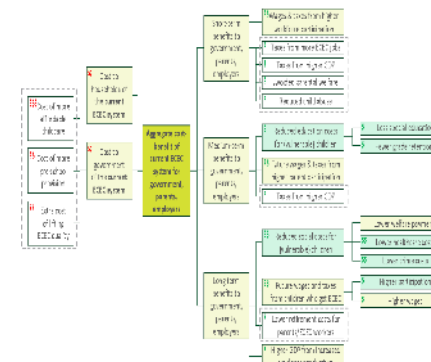
Brennan and Pascoe 2017



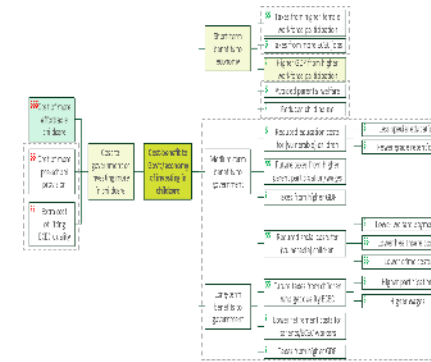
PwC 2014



PwC / Front Project 2019



Grattan 2020



- ✓ Framed around policy change
- ✓ Calculation is similar: ROI of government spend
- ✓ Similar range of benefits
- ❖ Limited focus on childcare/higher parent participation
- ❖ Major focus on vulnerable/disadvantaged students
- ❖ Ignores benefits of ECEC jobs

- ✓ Framed around policy change
- ✓ Covers ECE and childcare
- ✓ Similar range of benefits
- ❖ Does not calculate an ROI
- ❖ Limited focus on economics of higher parent participation
- ❖ Ignores benefits of ECEC jobs

Note: This analysis was descriptive rather than an economic model

- ✓ Framed around policy change
- ✓ Covers ECE and childcare
- ✓ Similar range of benefits
- ❖ Calculation is impact on GDP (using CGE modelling) not ROI of government spend

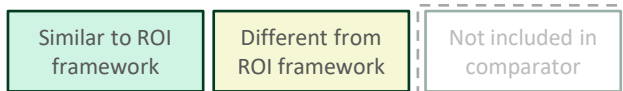
- ✓ Covers ECE and childcare
- ✓ Similar range of benefits
- ❖ Calculation is cost/benefit of current situation not policy change
- ❖ Estimates impact across all stakeholders, not just gov't
- ❖ Limited focus on benefits of higher parent participation
- ❖ Ignores benefits of ECEC jobs

- ✓ Framed around policy change
- ❖ Calculation is impact on GDP, not ROI of government spend
- ❖ Scope is childcare/parental participation, not ECE benefits
- ❖ Ignores benefits of ECEC jobs

Policy challenges

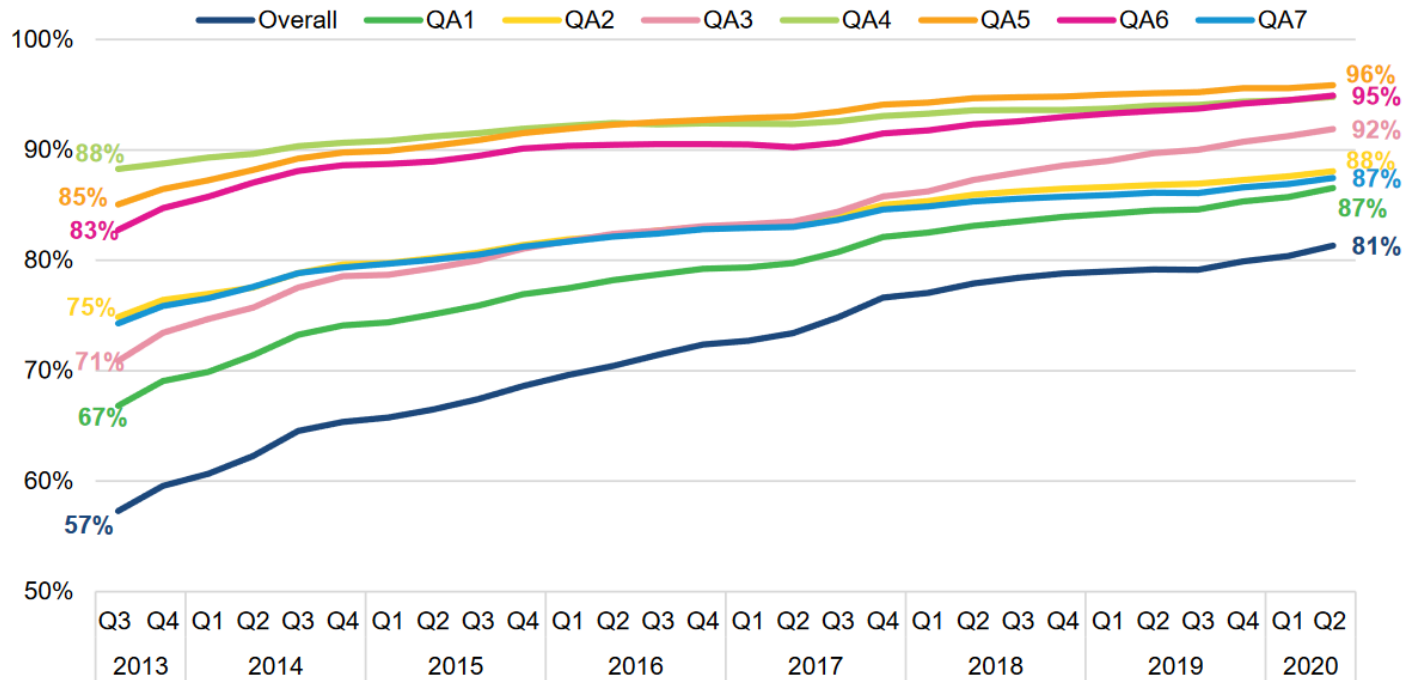
1. How can the benefits of government investment in ECEC be captured fully?
2. How can this help policy-makers to evaluate and model different policy scenarios?

Legend:



2.1 Progress: Early childhood services have improved

Proportion of Australian ECEC services rated 'Meeting NQS' or above by overall rating and quality area



- 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 Governance and leadership

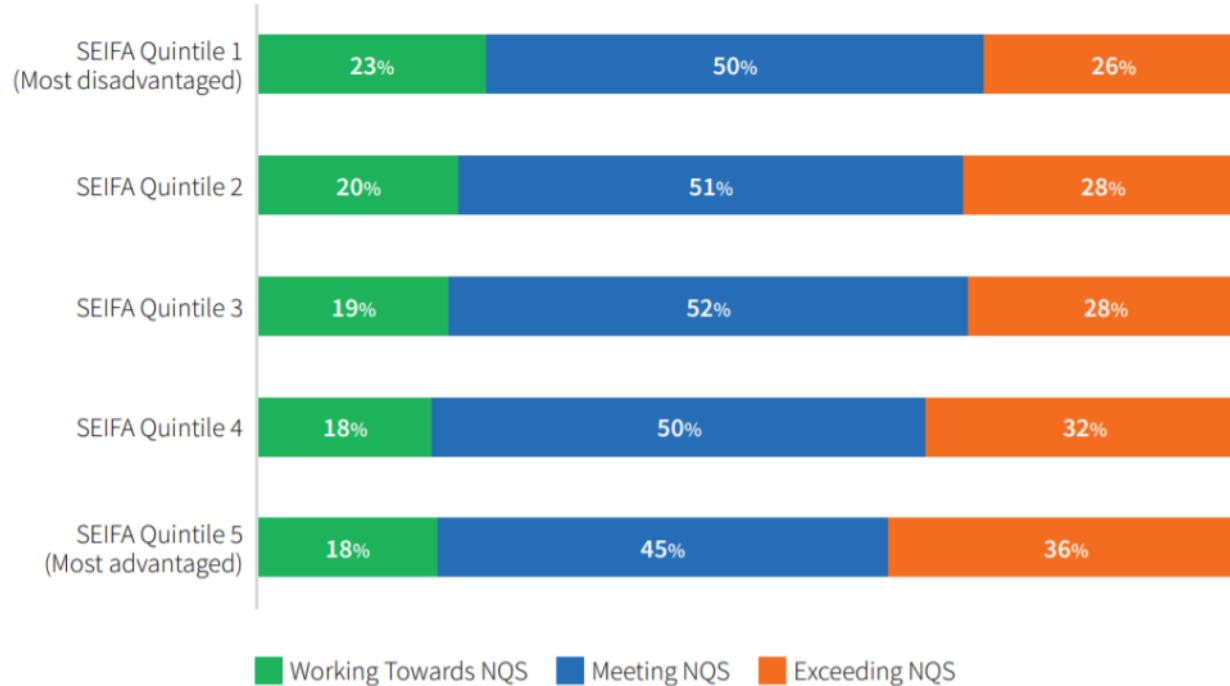
Quality has been improving since the National Quality Framework was created.

The proportion of services meeting the National Quality Standard (NQS) has climbed from 57% (2013) to 81% (2020).

Quality Area 1 (Educational Program and Practice) has improved the fastest, out of the seven quality areas in the NQS. This quality area makes a critical difference to children's learning and development.

2.1 Unfinished business: Fewer children in low-SES areas access quality ECEC

Overall quality ratings by SEIFA quintile



The proportion of services not meeting the NQS increases with the level of relative socio-economic disadvantage.

- Almost a quarter (23%) of services in SEIFA quintile 1 (most disadvantaged) had an overall rating of ‘Working Towards NQS’, compared to less than a fifth (18%) of services in SEIFA quintile 5 (most advantaged).
- There was a more pronounced difference in overall ratings between SEIFA quintiles 1 and 5 in the proportion of services rated Exceeding NQS.

The likelihood of attending preschool also decreases with the level of relative socio-economic disadvantage.

- Amongst children who attended preschool in the year before school in 2019, children from the least disadvantaged quintile were over-represented (21%), while children from the more disadvantaged quintile were under-represented by a greater margin (17%).

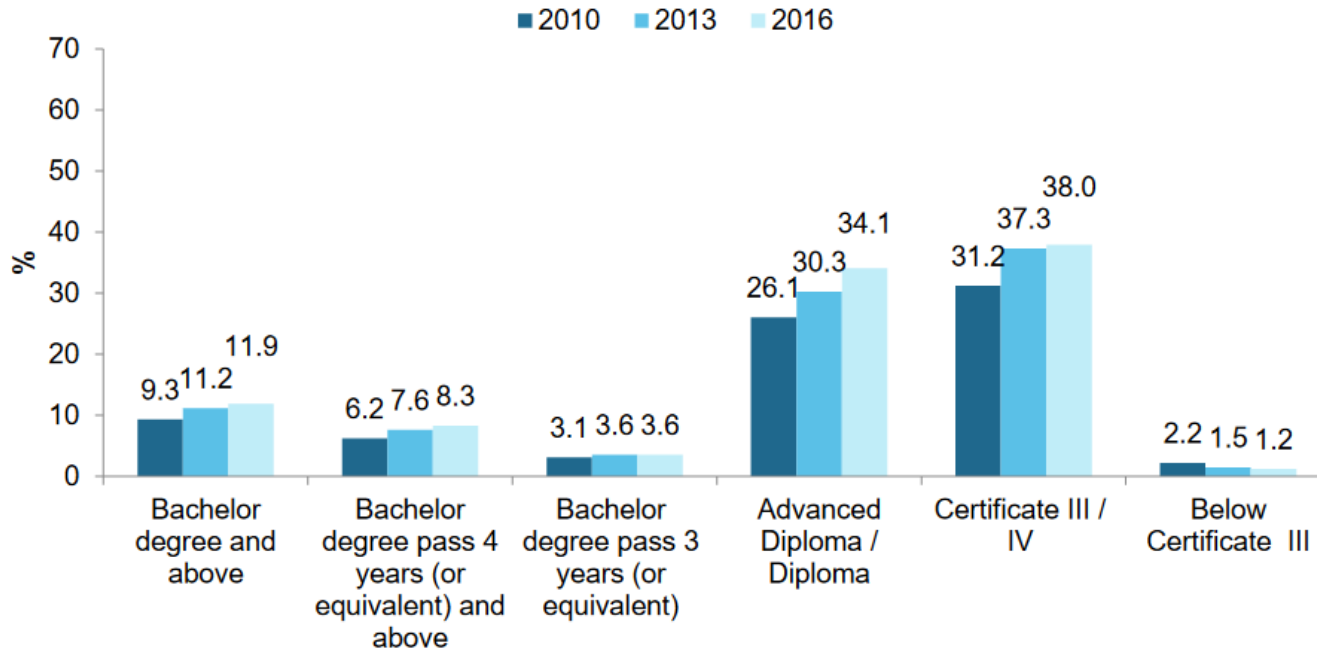
Policy challenges

1. What works to increase both participation and quality in ECEC in communities experiencing disadvantage?
2. How can policy settings ensure that ECEC quality does not depend on families’ ability to pay?

2.2 Progress: Building and supporting the ECEC workforce

The proportion of early childhood educators with an ECEC-related qualification has increased dramatically since the National Quality Framework was introduced. In 2010, around 30% of all educators had no ECEC qualification. In 2016, this was 14.8% (and many of these educators would have been working towards and ECEC qualification).

Highest level of ECEC-related qualifications for paid contact staff



Both Australian and international research has found the presence of degree-qualified teachers is associated with higher-quality ECEC programs.

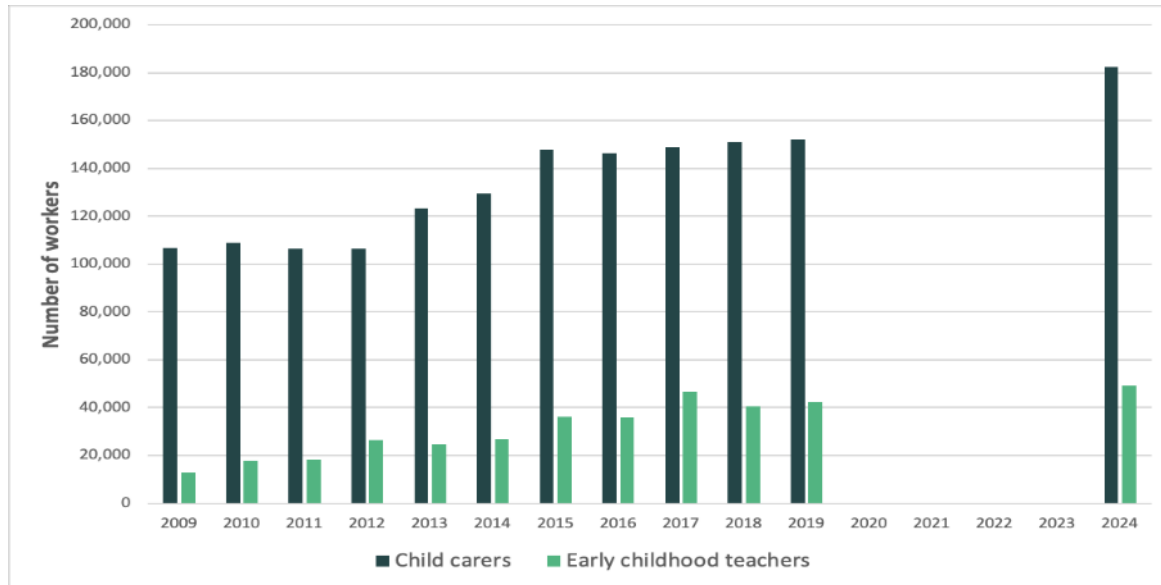
- Between 2010 and 2017, the proportion of degree-qualified staff working in ECEC services increased by 2.6%.

While the evidence is not as strong, Australian research has also found an association between diploma qualifications and ECEC quality.

- Between 2010 and 2017, there was an increase (16.3%) in qualification levels, with the greatest gain (8%) in diploma qualifications.

2.2 Unfinished business: Building and supporting the ECEC workforce

The number of people working as early childhood educators grew from 156,300 in 2014 to 194,500 in 2019. Before COVID-19 hit, projections indicated that from 2019-2024 an additional 6,800 EC teachers and 30,100 other educators would be required.



Challenge: Attraction and retention

Low wages and difficult working conditions can act as barriers to recruiting early childhood educators, as well as to enabling existing educators to invest additional time and resources in up-skilling. They also affect retention of skilled educators, with risks to educator retention reportedly escalating during the COVID-19 crisis.

The Early Years Workforce Study found:

- 20% of educators planned to leave within a year
- Early years educators are among the lowest paid workers in the country, often having to supplement their income: *“findings suggest that the ECEC sector is financed not only by governments and parents, but partly by members of the educator’s households”*

Investing in the ECEC workforce will create more jobs, lift livelihoods and grow tax revenue in a fast-growing sector

- During COVID-19, the National Skills Commission’s ‘Jobs in Demand’ survey has regularly listed early childhood educators (classified in the data as ‘child carers’) as the *most in demand* profession in the country.

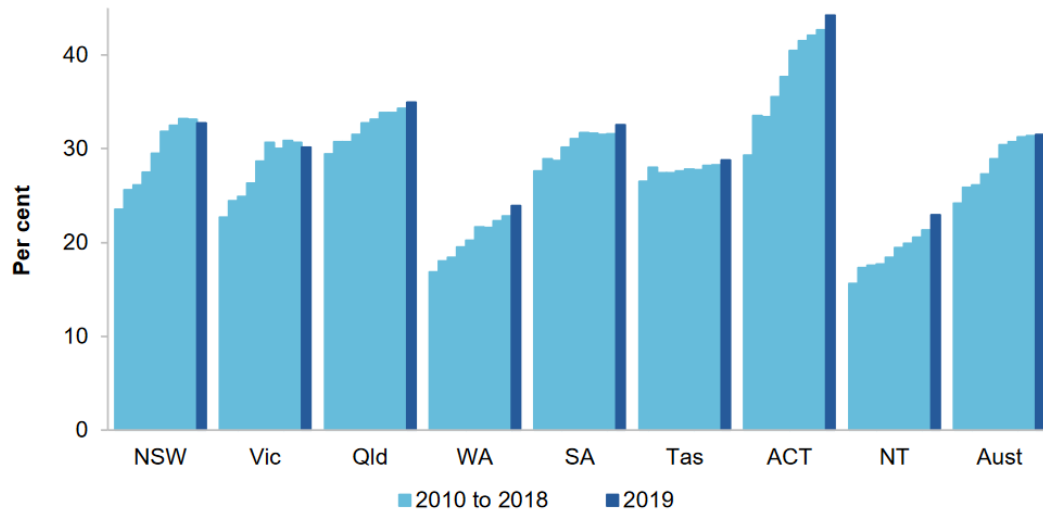
Policy challenges

1. How can enduring challenges in early childhood educators’ pay and conditions be addressed?
2. What opportunities exist to strengthen the ECEC workforce in the post-COVID-19 recovery?

2.3 Progress: Participation in ECEC has significantly increased

Attendance has been increasing, and Australia has achieved near universal access to preschool in the year before school: in 2018, 91% of children were enrolled in the year before school.

Proportion of children aged 0–12 years who are attending Australian Government CCS approved child care services



Source: Report on Government Services 2020, Figure 3.5

The majority of children enrolled were enrolled for a minimum of 15 hours per week.

There has been a **steady increase** in access to ECEC services or children aged birth to five years over the past 10 years, from just below 35% in 2009, to nearly 45% in 2018.

Universal access has seen the proportion of Australian children enrolled in **600 hours** of preschool per year increase from 12% in 2008 to 96% in 2017.

Policy can also be an effective tool to **target specific populations**.

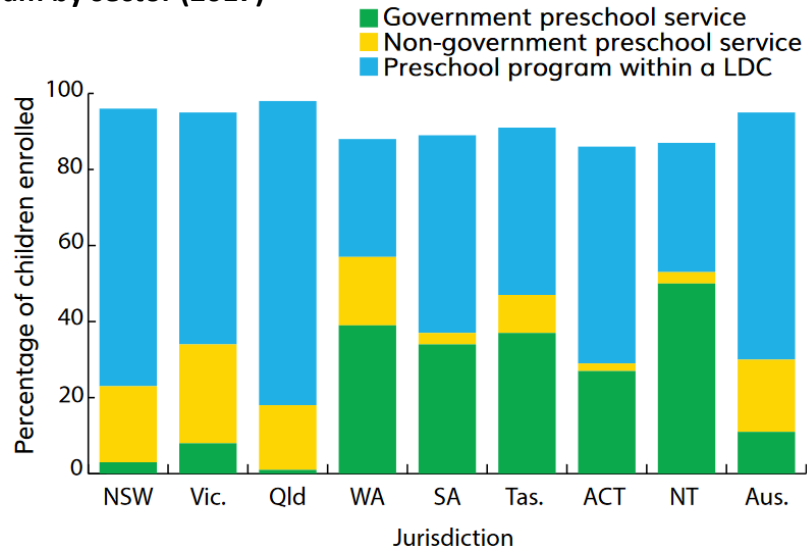
For example, states and territories that provide free (or near free) access to preschool from age three to **Aboriginal and Torres Strait Islander children** tend to achieve the national Closing the Gap target, whereas when these provisions are not made, this is not the case.

2.3 Unfinished business: A universal ECEC system that meets diverse needs

Even among ECEC services, children attend a diverse range of service types, and attend for different hours, days and years.

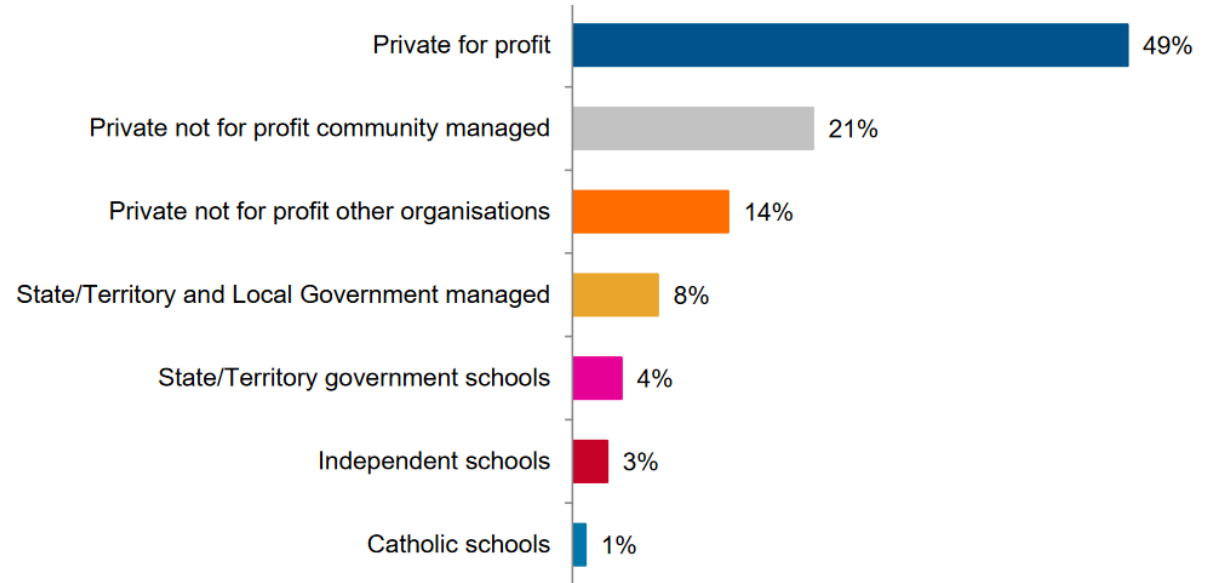
- Nationwide, there are many different delivery models for both preschool and long day care services.
- Preschool and long day care are separate systems ‘on paper’, but in practice they are often integrated.
- Many children participate in both preschool and long day care on the same day, with no visible transition.

Proportion of children (3–6 years old) enrolled in a preschool program by sector (2017)



ECEC services include government, private for-profit, not-for-profit and school-based services.

Proportion of services by provider management type

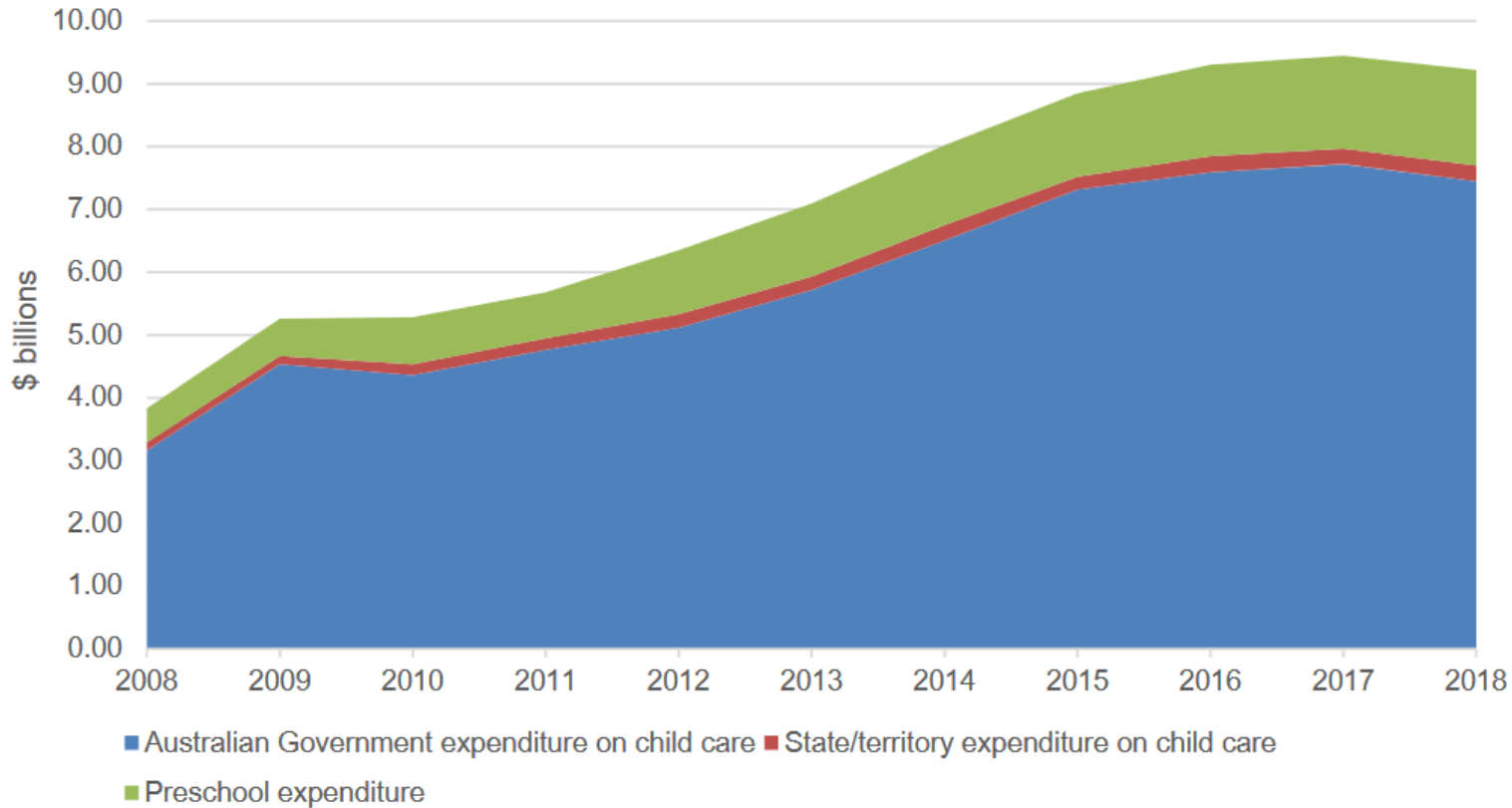


Policy challenges

1. How can all ECEC provision models best be leveraged to provide the best access to quality ECEC for as many children as possible?
2. What place do targeted services have in a diverse system, to improve participation for children from specific communities?

3.1 Progress: Overall government investment in ECEC has increased

Total reported annual government investment in ECEC (2018 dollars)



Total government investment in ECEC has increased by around 140% over the last decade.

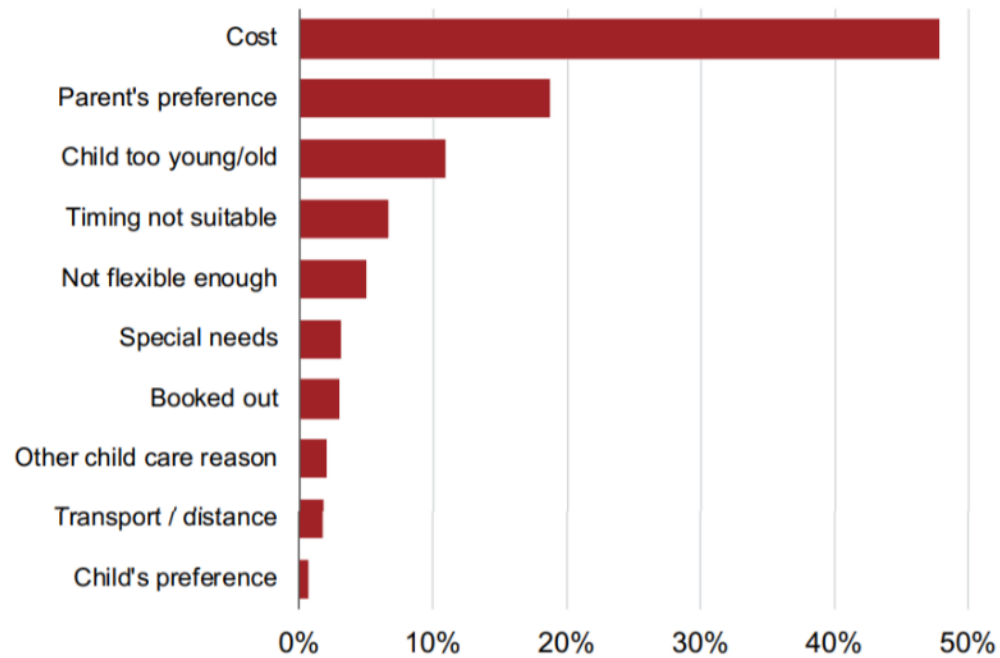
This includes investment from the Commonwealth, as well as by state and territory governments.

Increased investment cannot be accounted for by participation increases alone. In the same period, participation increased by an estimated 68% to 86%.

3.1 Unfinished business: High costs of ECEC affect families' choices

Parents say the cost of childcare is inhibiting more work

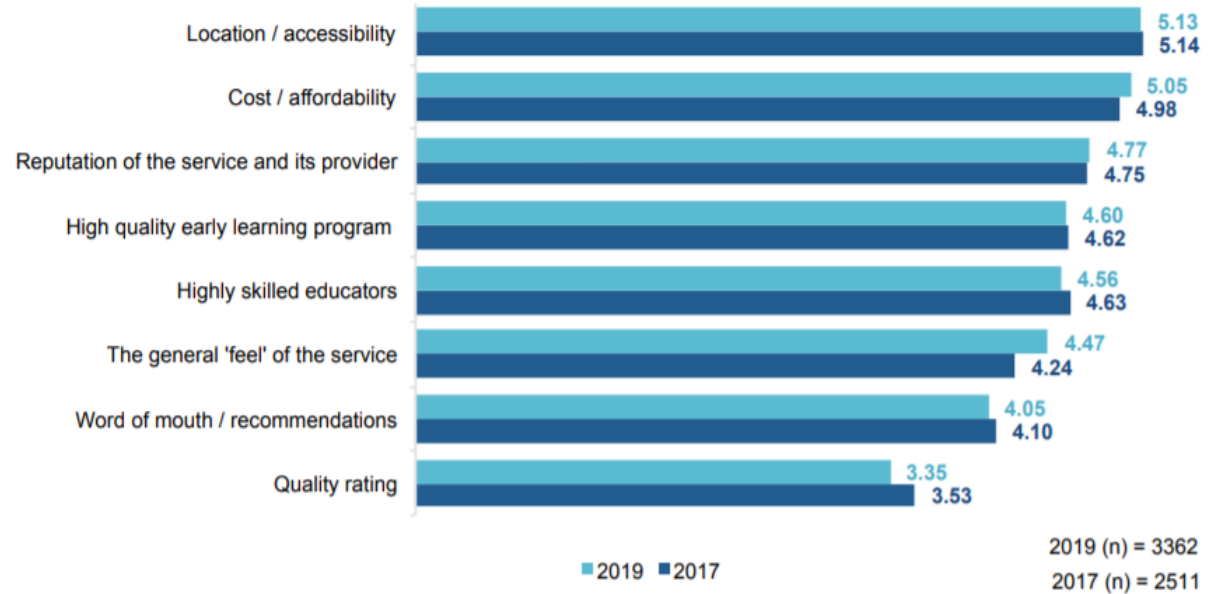
Of parents who want to work more, and for whom childcare is identified as the main barrier, cost was by far the biggest factor:



A 2012 Treasury working paper estimated that a 1% increase in the net price of child care leads to a decrease in the employment rate of 0.06%, and to partnered women working 0.1% fewer hours.

When fees are high, families choose services based on cost over quality

Cost is a more important factor for Australian families in choosing an ECEC service than the quality of the service or skills of the educators:



Policy challenges

1. What is the right balance of public and private investment in ECEC?
2. How can families be supported to recognise and choose quality ECEC services, including families whose choices are constrained by cost?

3.2 & 3.3 Further evidence is needed on inputs from government

“More money is nice but it is not the fundamental barrier if existing resources are not used effectively.”

– Quote from ‘With Our Best Future in Mind’, Ontario’s major 2009 review of its ECEC system

There are still gaps in the evidence base, including:

- The capacity of the ECEC system, and the level of investment required to meet future demand
- The costs of delivering a quality ECEC program, across diverse services, communities and durations
- How workforce development issues can be addressed without raising costs to families
- How ECEC investment can be used in ways that deliver maximum benefits for children and families.



Part 3: Reimagining the ECD system

A lot of great work has already been done to reimagine the ECD system from different perspectives. Achieving a shared vision will involve managing policy tensions (or 'polarities'), and keeping early childhood visible and valued on the national policy agenda.



Reimagining the complex ECD system involves balancing tensions or ‘polarities’

| | | |
|--|--|---|
| <p>Care Care work has been historically undervalued, but is recognised as essential in the post-COVID-19 economy.</p> | | <p>Education ECEC is part of the education system, but has a distinctive focus on holistic development.</p> |
| <p>Quality of provision Skilled educators are a key determinant of quality.</p> | | <p>Quantity of provision Years, days and hours of ECEC can vary widely.</p> |
| <p>Benefits for children Cognitive, social and physical development.</p> | | <p>Benefits for families Workforce participation and parenting support.</p> |
| <p>Public investment Subsidies to families or direct investment in services.</p> | | <p>Private investment Fees paid by families and private provision of services.</p> |
| <p>State/Territory leadership Strongest in preschool/kindergarten in year(s) before school.</p> | | <p>Commonwealth leadership Strongest in services known as child care.</p> |
| <p>Local diversity Place-based approaches meet community needs.</p> | | <p>System consistency Whole-system approaches ensure consistency.</p> |
| <p>Universal services Ensuring all children and families are supported.</p> | | <p>Targeted services Ensuring additional support for those who need it.</p> |
| <p>Sessional preschool programs 15 hours supported by Universal Access National Partnership.</p> | | <p>Full-day programs (long day care or family day care) Supported by Child Care Subsidies based on demand.</p> |

'Systems thinking' is necessary to imagine a different future

"Understanding how systems work, and how they can be changed, is central to achieving a reorientation to prevention and early intervention and is crucial for changing outcomes for children and young people."

- ARACY, p. 13

"A 'systems approach' addresses the relationships and intersections of systems and sectors, their context and conditions, their cultures and norms, their goals, roles and capabilities, and their collective performance and impact."

- Every Child and ANZSOG, p. 47.

Systems thinking involves

- Holistic thinking
- Looking at how the system interacts as a whole, rather than trying to link up existing services
- Holding a common vision
- Monitoring and evaluation, measuring common outcomes
- Lasting impact that endures over time, rather than one-off effective programs that benefit a limited number

Common systemic issues are identified repeatedly

- Fragmented, siloed and/or poorly coordinated services, with few taking a system-wide view
- Program-centric rather than person-centric
- Lack of focus on family circumstances
- Traditional models of crisis support and welfare systems which focus on stabilisation rather than improvement
- Late intervention rather than preventative or early identification of risk factors

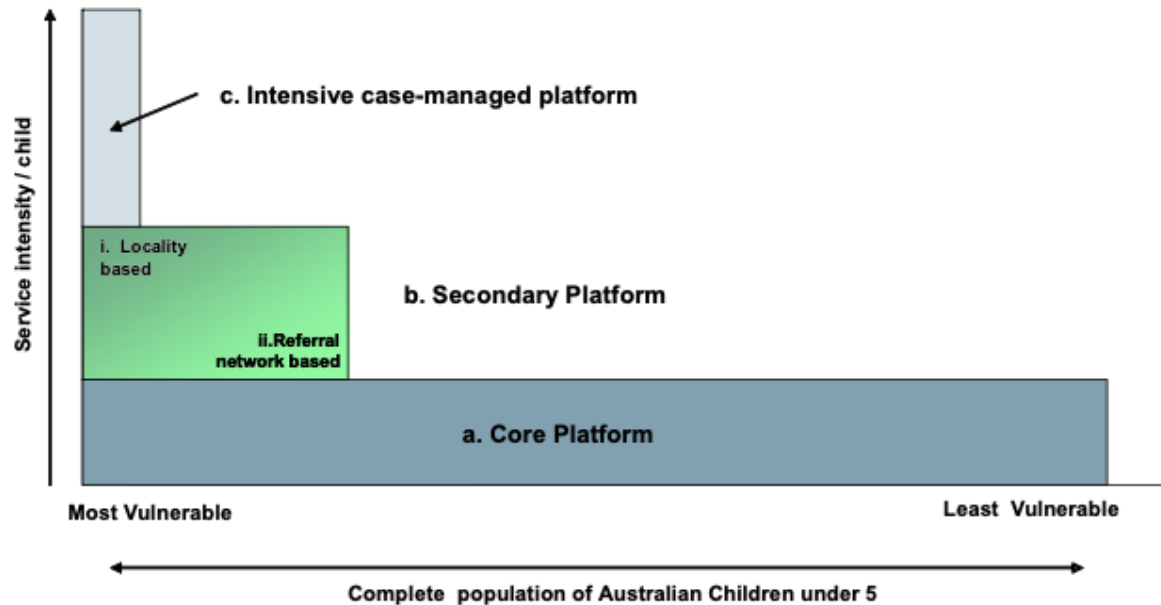
Different 'lenses' for systems thinking have been applied to ECD systems:

1. Building on a universal platform
2. Restacking the existing system
3. Placing the child and family at the centre
4. Reimagining complexity

These examples are illustrated on the following slides.

1. Building on a universal platform: pursuing 'progressive universalism'

Example of a progressive system built on a universal platform



Source: Unpublished report produced by BCG for PM&C in 2008, provided in confidence.

Core 'universal' platform

- Universal ECEC and health services, building on existing child and maternal health and GP services
- Information provided to families to support decision making, reduce stress and enable them to make their own decisions about workforce participation
- Allow for identification of at risk children and their families through referral pathways to secondary platform

Secondary platform

- Proactive identification of at-risk children through local outreach and a streamlined referral system (as above)
- Comprehensive and integrated support system to ensure families can access services when needed
- Additional support to at-risk children and their families, generally in the form of more intensive versions of the services available in the core platform, as well as additional elements including speech therapy and family counselling

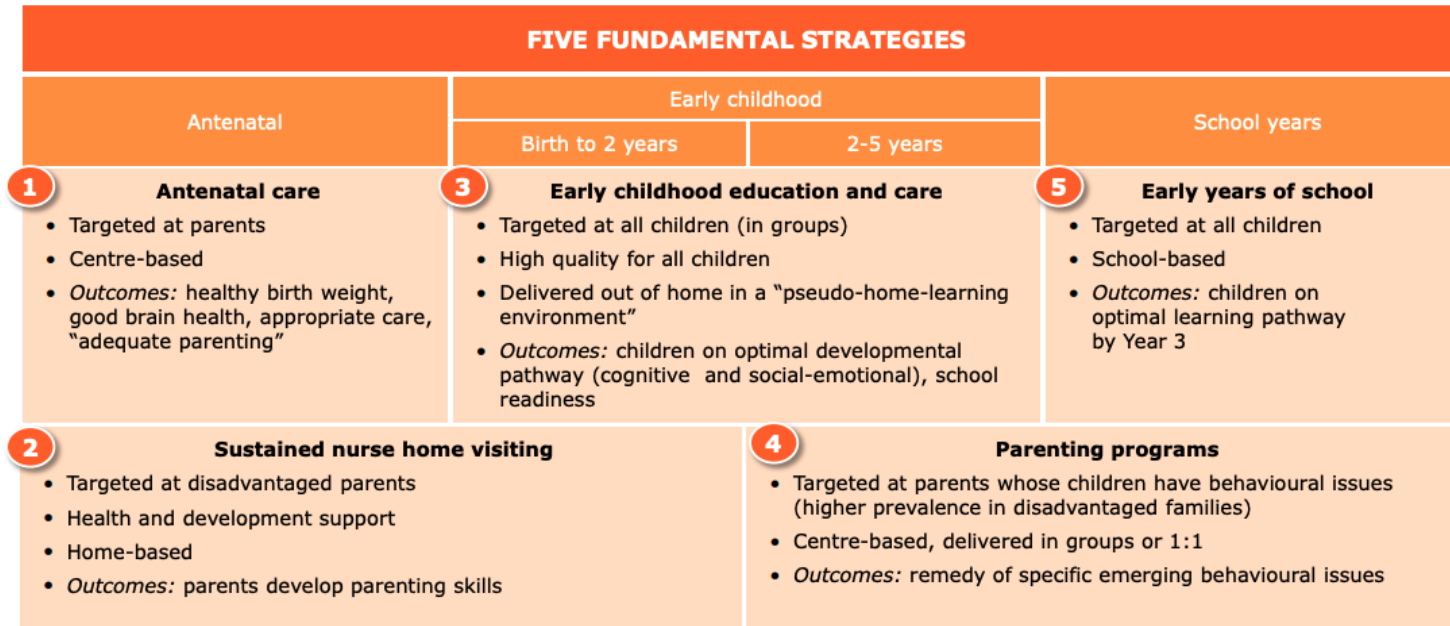
Intensive case managed platform

- For children and families with established, ongoing issues needing specialised support
- Includes a dedicated case manager to support child and their family

The above represents one way to imagine the system, however there are other ways to adapt it. Many elements of the secondary platform could also be built into a universal/core platform, for example. Further, the success of the Early Years Education Program (EYEP) demonstrates that intensive versions of core services can have positive impacts on vulnerable children and their families.

2. 'Restacking' existing services: getting the best out of our current system

A 'restacking' approach is similar to building on a universal platform, but focuses on how existing services can be 'restacked' to ensure that children and families receive the services that they need, **at home and in all kinds of ECD services**. In relation to the broader ECD system, **Restacking the Odds** recommends focusing on five key evidence-based interventions, and makes proposals for 'restacking' these interventions to achieve better outcomes with the existing components of the ECD system in Australia.



On ECEC, **Restacking the Odds** also reviewed the existing evidence base in relation to the starting age, duration and day/hours of ECEC programs, to inform system design:

| STARTING AGE | DURATION | DAYS/HOURS OF ATTENDANCE |
|--|---|--|
| A starting age between 3 and 4 years is recommended for the universal ECEC system, while the evidence supports targeted provision from 0-2 for children from at risk backgrounds | On balance the evidence supports engagement in quality programs of two years , and at least three for targeted or at risk populations | The evidence best supports part-time provision for universal ECEC services , with full-time or part-time provision for children from disadvantaged backgrounds |

3. Placing the child and family at the centre: Scotland's approach

Scotland's 'Getting It Right For Every Child' (GIRFEC) is recognised as a world-leading approach to connecting services for young children and families, developed across the country since 2006.

Marking a shift from 'welfare to well-being', the system puts the child and family 'at the centre' and aims to make Scotland the best place in the world to be a child. The GIRFEC approach:

- is child-focused
- is based on an understanding of the wellbeing of a child in their current situation
- is based on tackling needs early
- requires joined-up working.

Initiatives such as a Named Person for every child, and a Child's Plan for coordinating services for vulnerable children, help families to navigate available services and get what they need.

GIRFEC guarantees universal basic services and intensive support, with a tiered structure of additional services in between



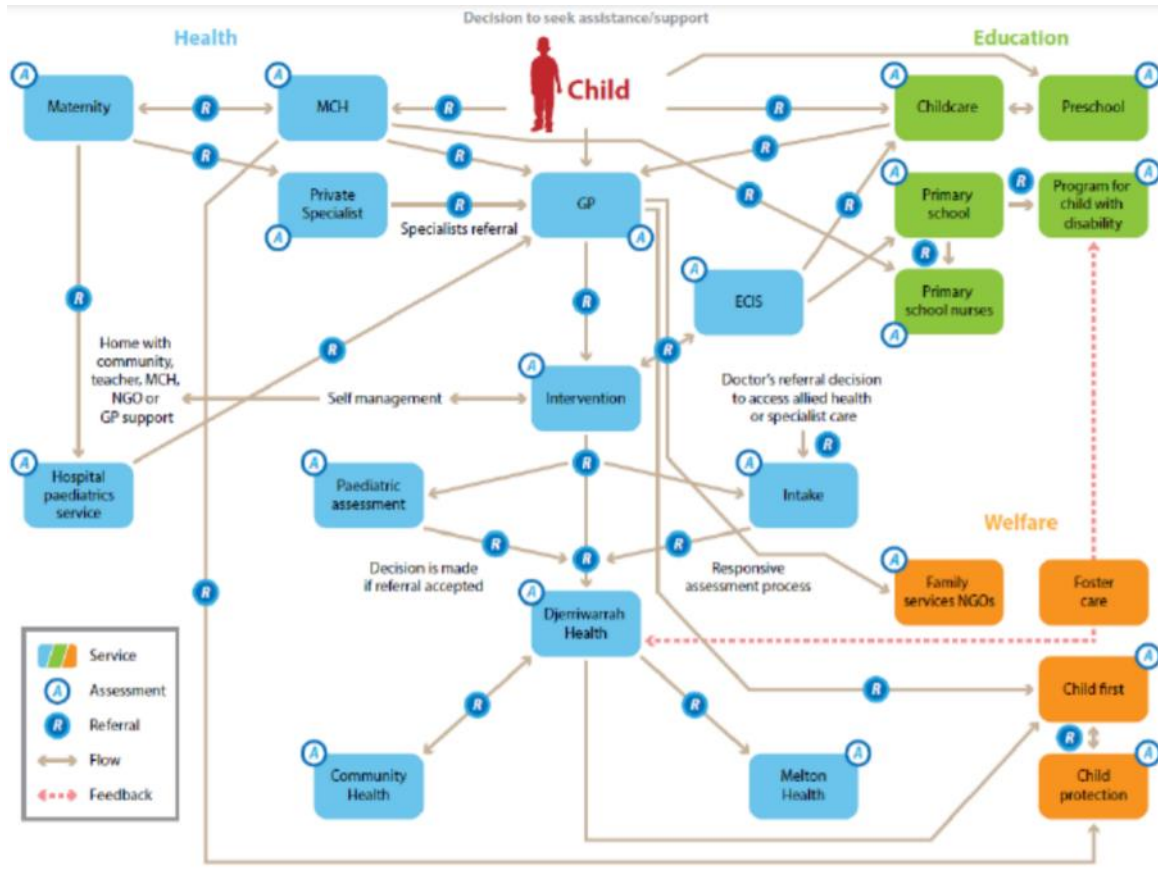
GIRFEC places the child at the centre of a clear set of guarantees and expectations, wrapped around each child born in Scotland



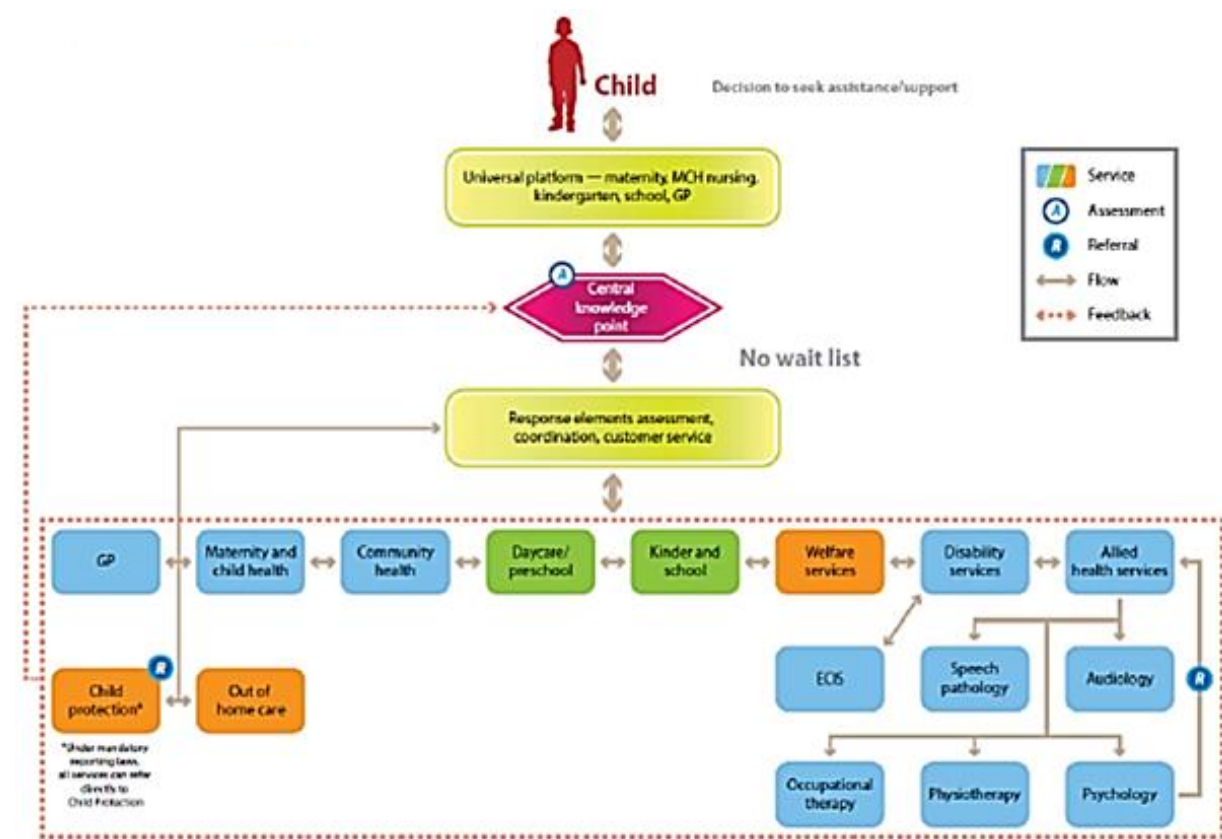
4. Reimagining the complexity: mapping the current and future service system

Previous research on Australia's ECD system has mapped the complexity of services accessed by children and families, and imagined a simpler, more navigable system. The following diagram is not exhaustive but is an indication of what that could look like:

Current system



Re-imagined system



NB: there is also strong evidence about the positive impact of supported playgroups and parenting support, particularly for disadvantaged children

The need for a guarantee to all Australian children and families

Australia's strongest service systems (such as health, education and disability) are underpinned by a guarantee from governments to the Australian community. No such guarantee exists in early childhood, meaning that the services for children and families are disconnected, and not always accessible to those who need them.

A guarantee for Australian children and families would:

- Give families **certainty about what they can expect from government for their children**, building trust and confidence that Australia supports parents (especially women), and is a great place to raise a young family.
- Enable governments to **focus their efforts on children and families who are currently missing out** on the services and opportunities they need to thrive, within a broad-based commitment to supporting all children and families.
- Enable reforms across all areas of the ECD system to be **coordinated towards a common goal**, including integrated, place-based approaches, and joint national efforts to improve outcomes for priority groups in Australian society.
- Enable reforms to **focus on parts of the ECD system that are not currently delivering desired outcomes**, or where disconnects mean families fall through the gaps, while retaining the parts of the system that are working well.
- Balance certainty and flexibility in ECD system design, **offering a range of choices to meet families' needs** to deliver on the guarantee, and continuing to allow for diverse ECD delivery models across states and territories.

CPD will work with ECD Council to develop the components of a national guarantee for children and families, building on current and previous efforts to re-imagine Australia's ECD system.

An ECD guarantee would include services and support for:



Infants



Toddlers



Preschoolers



Early school age



Parents & families

Annex: Glossary



Annex: Glossary

Key terms:

Child care services: Provide education and care services to children aged 0-12 years including: centre based day care, family day care, and outside school hours care.

Early childhood: Defined in this Initiative as birth to age eight, recognising that other definitions of early childhood are used in different policy contexts.

Educators: Early childhood practitioners who work directly with children in early childhood settings.

Preschool/Kindergarten services: Services delivering a ‘preschool program’: ie. a ‘play-based learning program, delivered by a qualified teacher, aimed at children in the year or two before full time schooling.’ Both terms are used in different jurisdictions. These materials use ‘preschool’ throughout, for clarity, as kindergarten is also used in some jurisdictions to refer to the first year of schooling.

Play-based learning: A context for learning through which children organise and make sense of their social worlds, as they engage actively with people, objects and representations.

Acronyms:

ACECQA: Australian Children’s Education and Care Quality Authority

ACCS: Additional Child Care Subsidy

AEDC: Australian Early Development Census

CCS: Child Care Subsidy

ECEC: Early Childhood Education and Care

EYLF: Early Years Learning Framework

LDC: Long Day Care

NQF: National Quality Framework

NQS: National Quality Standard

OSHC: Outside School Hours Care

UANP: Universal Access National Partnership

YBFS: Year Before School