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The Hon Amanda Rishworth MP, Minister for Social Services
The Hon Dr Anne Aly MP, Minister for Early Childhood Education and Minister for Youth

Dear Ministers

The Centre for Policy Development (CPD) welcomes the opportunity to make a submission to the Early Years Strategy. The Commonwealth's explicit commitment to a new integrated, holistic, whole-of-government approach to the early years is an important step towards achieving a universal early childhood development system that can support multiple generations of Australian children and families to thrive. The Early Years Strategy is a unique opportunity to set out an ambitious, long-term national vision that will guide government decision-making and chart a course towards Australia being the best place in the world to be and raise a child.

CPD is an independent, non-partisan policy institute. Since 2020, we have been working with partners and the Council on Early Childhood Development on how to turn Australia's fragmented approach to early childhood development into a system that supports all children to thrive no matter their circumstances. Our work has highlighted the importance of an integrated system to enhancing the wellbeing of children, parents and the ECD workforce, as well as delivering profound social and economic benefits for Australian society. CPD's work is also strongly focussed on wellbeing approaches to government and the economy where government priorities, policy design and implementation are focused on improving the wellbeing of people and the planet.

There is a great deal of momentum around both wellbeing and the early years in Australia, and these two agendas have much to offer each other. Child wellbeing has been researched extensively, and there is already a strong understanding that supporting young children and families to thrive necessarily involves holistic, preventative, long-term approaches to policy. Early years policy could draw on the learning of wellbeing approaches and can also be a demonstration site for wellbeing approaches in action.

We have four recommendations for the Early Years Strategy:

1. Create a bold vision of the Australia we want for current and future generations of children.
2. Guarantee a universal entitlement to the services and supports that are critical for children in the early years to deliver on this bold vision.
3. Design a high-quality universal early childhood education and care (ECEC) system, as an essential backbone of a well-connected early childhood system, alongside universal health services.
4. Adopt new ways of working to deliver the Early Years Strategy, demonstrating a wellbeing approach to government policy and decision-making.

Recommendations

1. Create a bold vision of the Australia we want for current and future generations of children.

The *purpose* of the Early Years Strategy should be to establish a bold vision that takes a preventative, long-term, holistic approach to the early years. It is important that the Strategy is founded on a long-term approach, and does not hamper ambition through a focus on small, short-term measures. This vision should clearly articulate what we want for current and future generations of children, drawing on extensive existing evidence of what child wellbeing looks like, such as ARACY's child wellbeing framework.¹

The Strategy is an opportunity to create a vision that actively drives the coordination, collaboration and reform needed to build a well-connected early childhood system. This bold, long-term vision should be a beacon that governments and community work towards. The Strategy could provide a unifying framework for current government reform processes and greater clarity about how they fit together.²

It is important to enshrine the goals of the Strategy in legislation, create strong cross-agency governance arrangements, and put accountability mechanisms in place to embed the Strategy in government decision-making and actions.³ While the Strategy is currently intended to exclusively address Commonwealth policy and programs, shaping a bold, long-term vision that holistically supports children and families to thrive necessitates the involvement of a broader range of actors, including States and Territories, local governments, non-government organisations, and communities.

As a starting point, our *Starting Now* report recommended that the government establish a taskforce that brings together all critical Commonwealth portfolios including education, social services, health, employment and skills to develop the Early Years Strategy and oversee its implementation.⁴ Over time, the Strategy can grow and expand to be the overarching and underpinning framework for all national activity related to the early years.

This submission will address some of what this vision could encompass and deliver, including:

- a) a universal entitlement to a suite of services in the early years; and
- b) universal high-quality early childhood education and care (ECEC) as an essential backbone of a well-connected early childhood system.

Our submission also addresses ways of working to support these reforms, notably an innovative and preventative approach to early years policy making, whereby government decision-making and action drive towards advancing the wellbeing of children and families.

¹ Goodhue, Dakin, and Noble (2021) [What's in the Nest? Exploring Australia's Wellbeing Framework for Children and Young People](#), ARACY, Canberra.

² For example, the Australian Competition and Consumer Commission (ACCC) childcare inquiry, the Productivity Commission (PC) inquiry into ECEC, the SA Royal Commission into ECEC, the National Cabinet Vision for ECEC.

³ For a successful example of legislating a visionary umbrella strategy that has shaped decisions across governments and society, see Wales' ['Well-being of Future Generations \(Wales\) Act 2015'](#). The Act provides a legally-binding common purpose for all levels of government and other specified public bodies, with the goals broad enough to connect with all sectors and disciplines within governments and society.

⁴ Centre for Policy Development (2022) [Starting Now: The first steps to delivering the best early childhood system for Australia](#).

2. Guarantee a universal entitlement to the services and supports that are critical for children in the early years to deliver on this bold vision.

Through extensive research, consultation and work with the Council on Early Childhood Development, CPD developed the *Starting Better guarantee*: an entitlement for all children and families to a set of high-quality, affordable and connected services in the early years, with additional targeted support for those who need it most.⁵ It is based on evidence that a strong, well-connected ECD system will lift educational outcomes, tackle entrenched disadvantage, improve gender equality, boost productivity, and grow our national economic competitiveness.

The Early Years Strategy should create a guarantee for every Australian child that entitles them to a suite of critical services and supports and delivers on a long-term vision of child and family wellbeing. The guarantee entitles all children and families to a set of services on which they can rely, spanning early childhood education and care, health, paid parental leave, and other supports for parents and families from prenatal to school age. The core elements of the guarantee are:

- more paid parental leave (up to 52 weeks per family), shared between partners;
- universal access to maternal and child health (MCH) care, consistent across all states and territories, with additional support for families who need it;
- universal access to 30 hours or three days of free or low-cost quality education and care before children start school, including two years of preschool education;
- extra support for families to navigate the system; and
- more effective transitions from early learning to primary school.

All components of the early childhood guarantee are critical to supporting thriving children and a well-connected ECD system ensures each component of the system supports the other. A holistic approach to early years policy reform addresses all of these areas of the system in a coherent and coordinated way. For example, providing families with one year of paid parental leave would support the sustainability of the ECEC system. Approximately 37,500 children under the age of one currently attend formal care, and children under two make up the greatest proportion of children on ECEC waiting lists.⁶ A more generous PPL system would facilitate more ECEC attendance for children over 12 months of age. Similarly, high-quality MCH services support the quality of care parents can provide their children during paid parental leave and beyond.

There are a number of critical principles to ensure the guarantee is delivered in a way that supports Australia's vision for children and families.

- a) **Improving integration and accessibility starts with the experiences of children and families.** Services should connect seamlessly for children and families, responding to their diverse needs and building their connections to the community. This integration should be reflected in the way government agencies work together, however should be guided by what works for those using and working directly in the system. Accessibility involves structural changes like removing administrative and cost barriers, however it also involves shaping a system of high trust, where people

⁵ Centre for Policy Development (2021) [Starting Better: A guarantee for young children and families](#).

⁶ Australian Bureau of Statistics (2017) [Childhood Education and Care: high quality, accessible and resilient](#); Australian Community Children's Services (2020) [Not-for-profit education and care: high quality, accessible and resilient. Findings of the 2019 Trends in Community Children's Services Survey](#).

on the ground that know children and families best can determine whether children and families should access a service. This also requires collective accountability mechanisms so that children don't fall through the cracks.

- b) **Universal systems** have critical benefits, particularly for children and families experiencing disadvantage. Universal services must be the platform upon which the guaranteed suite of services and supports is provided, and tailored services are stacked. Universal services are effective in removing obstacles to entry by reducing administrative barriers, reducing stigma, and creating a simple and reliable system that families understand and feel confident to rely upon.⁷ However, universality need not mean uniformity. Services should be available to all children, but delivered with an intensity and a scale that is proportionate to their level of need and using a delivery model that works for their circumstances. This is also known as “progressive universalism”.
- c) **Quality is vital** for children and families to receive the full benefit from services and supports. Service quality should be improved in tandem with accessibility and connectedness. A high quality system is underpinned by a highly skilled and valued workforce. The pay, conditions and career development for early childhood teachers, educators, nurses and other early years professionals should reflect the important role they play, and governments should work together to build the workforce pipeline. Without skilled early childhood professionals, we cannot realise our ambition for the early years.

3. Design a high-quality universal early childhood education and care (ECEC) system as an essential backbone of a well-connected early childhood system, alongside universal health services.

A universal service that children regularly attend is an ideal “backbone” to connect children with other services, reducing parents and carers’ work, confusion and stress of navigating complex services and supports. The concept of universal ECEC has gained significant traction in Australia over the last 12 months. The Prime Minister made this clear in his 2022 election night speech and the Productivity Commission has started its inquiry into ‘solutions that will chart the course for universal, affordable ECEC’.⁸

Universal, high-quality ECEC could be an ideal backbone of a strong, integrated ECD system for several reasons. Families tend to have high trust in ECEC educators because of their ongoing relationship with them.⁹ This puts ECEC services in a strong position to be a “soft entry point” to connect children and families to other supports. Parents perceive additional support as part of a service they already trust.

The majority of children and families are likely to spend far greater amounts of time interacting with ECEC services relative to other early childhood services, particularly if a universal entitlement is introduced. Population-wide attendance means that potential vulnerabilities are more likely to be identified. Educators are familiar with the signs to look

⁷ See, for example, Fox and Geddes (2016) *Preschool - Two Years are Better than One*, Mitchell Institute, McIsaac et al. (2022) *The Perceived Value of a Universal Early Learning Program: A Parent Perspective*, *Journal of Child and Family Studies*, Cleveland (2022) *Accessibility and quality of child care services in Quebec*.

⁸ Productivity Commission (2023) *Terms of Reference, Productivity Inquiry into Early Childhood Education and Care*.

⁹ Supported by CPD (2022) *Private interviews with early childhood educators and service providers*.

out for, and can connect children and families with additional support. Other services, for example health specialists like speech pathologists and paediatricians, can be brought into an ECEC setting to ensure that children are assessed and reduce the burden on families to navigate a complex system of referrals, waiting lists and travel time.

Many ECEC services already offer additional support to families, with the South Australian Royal Commission into Early Childhood Education and Care Interim report finding that most ECEC centres already offer additional services, particularly services that support families in need.¹⁰ One in three long day care services, for example, provide access to a food bank.¹¹ Programs such as Goodstart's Enhancing Children's Outcomes (EChO) centres are a strong example of the ways in which services can provide additional support.¹² However, ECEC services are often overstretched and do not have the resources, training, or professional support to offer this support.¹³ In order for ECEC to function as a high-quality backbone, there needs to be appropriate resourcing to ensure that educators and staff have the capacity to offer additional support.

Before a child begins ECEC, health care is the primary universal system that families interact with, including antenatal care and maternal and child health checks. In developing the Early Years Strategy, supporting the integration of health, ECEC, and other services is paramount. Co-location of child and family centres and early education services has been associated with greater collaboration between professionals and improved engagement and access for children and families.¹⁴ Child and Family Hubs are also worth considering in creating a well-connected early childhood system, offering 'a non-stigmatising "front door" for families to access a range of co-located and virtual services and supports'.¹⁵ Co-location is not always possible, however, and alternative solutions include core backbone teams coordinating service connections and network referral pathways.¹⁶

¹⁰Government preschools were found to offer one to four additional services per year and long day care providers offering an average of 8.3 additional activities per year. See Government of South Australia (2023) [Royal Commission into Early Childhood Education and Care Interim Report](#) p.35.

¹¹Deloitte Access Economics (2023) [Mapping long day care and non-government preschool in South Australia](#). Commissioned report for the Royal Commission into Early Childhood Education and Care, South Australia, p.4.

¹²The Enhancing Children's Outcomes (EChO) program is an approach developed by Goodstart to provide additional investment and support in communities where there are a high number of children who are developmentally vulnerable. In addition to Long Day Care and preschool, these services provide teachers, speech pathologists, occupational therapists, playgroups, connections to other community supports, additional resources and programming time, and professional supervision for the centres, as well as ongoing investment in professional development for educators. See Goodstart (2022) [What is a Goodstart EChO Centre?](#)

¹³See, for example, Government of South Australia (2023) [Royal Commission into Early Childhood Education and Care Interim Report](#) p.35, Early Childhood Education Directorate Sector and Workforce (2017) [Early Childhood Education Workforce issues in Australian and international contexts](#).

¹⁴See, for example, Jose et. al (2021) [The Impact on Service Collaboration of Co-location of Early Childhood Services in Tasmanian Child and Family Centres: An Ethnographic Study](#). *International Journal of Integrated Care* 21(2): 14, 1–13, Newman et al. (2020) [Does an integrated, wrap-around school and community service model in an early learning setting improve academic outcomes for children from low socioeconomic backgrounds?](#) *Early Child Development and Care* 192(5).

¹⁵For more information on child and family hubs, see Honisett et. al (2023) [Child and family hubs: an important 'front door' for equitable support for families across Australia](#).

¹⁶See, for example, [Rockdale Children and Families Hub](#) and [Logan Together](#).

4. Adopt new ways of working to deliver the Early Years Strategy, demonstrating a wellbeing approach to government policy and decision-making.

Delivering on the Early Years Strategy requires new ways of working for governments to develop holistic, long-term focused policy that cuts across departments and levels of government. We propose two recommendations for how the government can enhance the way it works to ensure that the bold vision in the Early Years Strategy results in tangible outcomes for children in Australia.

a) Take a preventative approach to the early years, including considering the broader conditions that support children and families to thrive.

Prioritising a preventative approach to the Early Years Strategy is as critical as addressing harms that have already occurred, and preventative approaches usually cost significantly less. Recent Australian analysis found early intervention can save up to \$15.2 billion annually otherwise spent on late intervention.¹⁷ *Starting Better* sets out major long-term societal benefits of intervening early through preventative policies, such as high-quality universal ECEC. These include higher educational attainment, improved overall health, and reduced crime. *Starting Better* modelled returns of up to \$18.8 billion from tax revenue and savings benefits, and a \$10 billion annual boost to GDP.

As the OECD Wellbeing and Child Wellbeing Frameworks included in the Early Years Strategy Discussion Paper demonstrate, supporting children and families to thrive involves broad social and economic policies.¹⁸ Like how the factors that influence an individual's health extend well beyond the healthcare system, encompassing factors including income security, the stability of housing and air pollution, the factors that shape children's ability to thrive go beyond policy directly related to the early years. Delivering on a vision for children may include considering policy that fosters the economic stability of parents and carers, access to stable, quality housing, as well as improving broader community wellbeing through urban planning and infrastructure. We recommend that the Strategy touch upon and help shape a wide suite of policy areas and engage a wide group of Ministers and government departments in its implementation.

b) Integrate a wellbeing policy approach within the Early Years Strategy

A wellbeing policy approach aims to effectively and efficiently promote wellbeing across all activities and decisions within (and often outside of) government. Taking a wellbeing policy approach to the Early Years Strategy would provide a strong framework and innovative ways of working to deliver on holistic, ambitious long-term outcomes for children. There are three key ways in which wellbeing policy approaches could be integrated into the Early Years Strategy:

- establish child wellbeing goals, in consultation with Australian children, families and the community;
- establish principles and/or ways of working that guide policy and decision-making, as well as action towards child wellbeing; and

¹⁷ Teager et al. (2019) [How Australia can invest in children and return more: A new look at the \\$15b cost of late action](#), Early Intervention Foundation, The Front Project and CoLab at the Telethon Kids Institute.

¹⁸ Australian Government (2023) [The Early Years Strategy Discussion Paper](#).

- consider policy analysis, assessment and budgeting approaches that advance wellbeing.

There are already a range of wellbeing policy approaches being adopted by governments across Australia and internationally, which can offer opportunities and lessons.

The Measuring what Matters (MWM) initiative within the Australian Treasury is seeking to develop a national framework to measure progress and wellbeing. Meeting the needs of children's wellbeing is integral in ensuring the wellbeing of broader society, future adults, and future generations and it will be important that the voices of children and families help shape our wellbeing goals through the MWM process.

There are some instructive international examples of wellbeing approaches to children's policy. 'Getting it Right for Every Child' in Scotland, which has been implemented since the early 2000's, comprises principles to decision-making and eight wellbeing dimensions to guide policy.¹⁹ Taking a similar approach, the New Zealand Child and Youth Wellbeing Strategy was introduced in 2018, and includes a clear vision that New Zealand is the best place in the world for children and young people, six dimensions of wellbeing, and nine principles to guide decision-making.²⁰ Through its Well-being of Future Generations Act, Wales has enshrined seven wellbeing goals and five 'ways of working' - thinking for the long-term, prevention, integration, collaboration and involvement - into legislation to drive more integrated policies for greater impact.²¹ The Act has resulted in substantial shifts in the way policy is developed in Wales, with the Wales Audit Office finding that the government had effectively applied the five ways of working through various mechanisms across government.²²

Closer to home, the Tasmanian Government has developed their own child and youth wellbeing strategy, which draws on ARACY's Nest Framework, while the ACT government has developed a broader wellbeing framework for the territory.²³

Taking a wellbeing approach can involve small, incremental changes to the way policy is developed. For example, Wellbeing Impact Assessments, which ask policymakers to consider how proposed policy or legislation will impact wellbeing, can be incorporated into budget and cabinet decision-making processes. The ACT introduced Wellbeing Impact Assessments as part of their wellbeing policy reform, including questions on the anticipated impact of a policy on the various wellbeing dimensions of the ACT wellbeing framework.²⁴ Scotland has also implemented Wellbeing Impact Assessments specifically for children's policy.²⁵ These can be used to augment more traditional and often rather narrow business cases and cost benefit analyses.

¹⁹ Scottish Government (2022). [Getting it right for every child](#).

²⁰ New Zealand Government (n.d). [Child and youth wellbeing](#).

²¹ Future Generations Commissioner for Wales (2015). [Well-being of Future Generations \(Wales\) Act 2015](#).

²² Wales Audit Office (2019). [Implementing the Well-being of Future Generations Act - Welsh Government](#).

²³ Tasmanian Government (2021). ['It Takes a Tasmanian Village' - Tasmania's first child and youth wellbeing strategy for 0-25 year olds](#); ACT Government (n.d.). [Wellbeing framework](#).

²⁴ ACT Government (n.d). [Embedding wellbeing](#).

²⁵ Scottish Government (2021). [Children's rights and wellbeing impact assessment guidelines](#).

Another way that a wellbeing approach can be embedded within decision-making is wellbeing budgeting. For example, New Zealand produces annual wellbeing budgets which align spending with wellbeing priority areas.²⁶ The Victorian Treasury provides an illustration of how single policy agendas can be integrated with broader budget processes through the Early Intervention Investment Framework.²⁷

Incorporating a wellbeing approach within the Early Years Strategy should involve in-depth consultation and engagement with the community, families, and importantly, children themselves. However, given that this approach has been tried and tested in a number of contexts, the Strategy can also take advantage of the lessons learned from other governments to ensure a wellbeing policy approach is implemented in an effective and impactful way.

The Early Years Strategy is a once-in-a-decade opportunity to be bold when it comes to what we want for current and future generations of children in Australia. The potential social and economic benefits for children, families and society are immense, and they cannot be achieved without significant investment and reform to what governments do and how they do it. The increasing interest in bold reform in the early years, such as universal ECEC and the development of a more integrated approach to the early years through the Strategy, are promising steps toward an Australia where current and future generations of children flourish. Good practice here and overseas highlights the approaches and ways of working we can take to support our bold vision for children and families to be realised.

Thank you for the opportunity to provide a submission to the Early Years Strategy. We would be happy to provide any additional information and to discuss these ideas with you further.

Yours sincerely



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Attachment 1: Starting Better: A guarantee for young children and families
Attachment 2: Starting Now: The first steps to delivering the best early childhood system for Australia
Attachment 3: Redefining Progress

²⁶ New Zealand Treasury (2022). [Wellbeing budget 2022: A secure future](#).

²⁷ Victorian Department of Treasury and Finance (2022). [The early intervention investment framework](#).