

# Victorian Government submission to the Review of the National Partnership on Universal Access to Early Childhood Education



## VICTORIAN GOVERNMENT SUBMISSION TO THE REVIEW OF THE NATIONAL PARTNERSHIP ON UNIVERSAL ACCESS TO EARLY CHILDHOOD EDUCATION

The Victorian and the Commonwealth Governments, along with other jurisdictions, have shared a commitment and partnership for more than a decade to invest in the futures of our children. Through this partnership we are committed to the aspiration that children have access to the support, care and education throughout early childhood that equips them for life and learning, delivered in a way that actively engages families and communities, and meets the workforce participation needs of parents.<sup>1</sup>

The intention of the initial *National Partnership on Universal Access to Early Childhood Education* (NP UAECE) was to develop a National Agreement on Early Childhood Development that would provide funding to States and Territories after 2012–13 for both universal access to early childhood education and the regulation and quality of early childhood education and care services.<sup>2</sup> While a National Agreement on Early Childhood Development was never developed, the NP UAECE has been instrumental to the delivery of 15 hours per week for 40 weeks per year of quality early childhood education in the year before school. These features of the national education system are important, but not properly embedded.

Victoria welcomes this Review as an opportunity for Australian governments to consider ways to embed and enhance the effectiveness of the NP UAECE and, importantly, to shape the next phase of national investment and reform in early childhood education. Victoria has been an active participant in the Review and looks forward to working with all jurisdictions to continue and enhance our shared investment in quality early childhood education.

Victoria has a comprehensive Education State reform agenda that sets the vision across the whole learning pathway – early childhood, school, training and tertiary education. The Education State *Early Childhood Reform Plan* recognises that investment in the early years is crucial. Victoria's early childhood education reforms are helping every Victorian child and family access high quality, equitable and inclusive services, and providing additional support for those who need it.

Victoria considers national leadership and investment in the future of Australian children should continue in an enduring agreement for the delivery of quality early childhood education. The Council of Australian Governments (COAG) recognises quality learning in the early years of life has an important influence on educational and whole-of-life outcomes. Future reforms should be underpinned by the COAG-agreed *Early Learning Reform Principles*.

## THE IMPORTANCE AND VALUE OF QUALITY EARLY CHILDHOOD EDUCATION ARE WELL-ESTABLISHED

Learning starts at birth. A positive start in life – through a safe and supportive home environment and participation in high quality early childhood education – contributes to a happy childhood, but also to success in later school performance, and long-term employment, health and wellbeing outcomes. Children who start school with strong learning foundations (such as language, early literacy and numeracy, communication, and social and emotional skills) are more likely to be motivated, confident learners in school and beyond. Higher educational attainment has the flow-on

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<sup>1</sup> Clause 15 of the National Partnership Agreement on Early Childhood Education, 2009 – 2012

<sup>2</sup> Clause 3 of the National Partnership Agreement on Early Childhood Education, 2009 – 2012

effect of higher lifetime earnings and other social benefits and cost savings for government (due to a reduction in crime and health care costs).<sup>3</sup>

Australian and international research finds that the return on investment for every dollar invested in high quality early childhood education returns between two and four dollars over a child's lifetime, and the return grows to double digits for children from families experiencing disadvantage.<sup>4</sup> These benefits are reaped by children, families, businesses, communities and governments. Indeed, economist and Nobel Laureate James Heckman has shown that early childhood investment is generally less costly than later interventions during school or early adulthood, and more effective in improving the social and economic participation of citizens.<sup>5</sup>

In 2018, the Commonwealth Government commissioned Mr David Gonski AO to lead the *Review to Achieve Educational Excellence in Australian Schools*. The review found high quality early childhood learning lays the foundations for future learning and is an equitable and cost-effective way to narrow the gap between advantaged and disadvantaged students. It found:

Early childhood education makes a significant contribution to school outcomes. The transition between preschool and school education should be seamless. Ongoing reforms that lay the foundations in the early years for future learning, and close the learning differential between advantaged and disadvantaged students, are essential to ensure all children have the best start in life.<sup>6</sup>

Research also shows that high quality and universal programs are most beneficial to vulnerable and disadvantaged children. Access to universal programs normalises and encourages participation for all, whereas targeted programs can stigmatise participation. High quality programs are also essential, as demonstrated by the Effective Early Educational Experiences study (known as E4Kids). E4Kids is an extensive Australian longitudinal study conducted in order to investigate the impact and effectiveness of early childhood education and care. It provides strong evidence that the *quality* of educator-child interactions makes the critical difference to children's outcomes.<sup>7</sup> Importantly in the context of the NP UAECE, it also confirmed the link between higher qualified staff and improved child cognitive outcomes, consistent with other national and international evidence.<sup>8</sup>

In partnership with the Commonwealth, through the NP UAECE, Victoria has supported the national priorities to increase participation rates in the year before school, particularly for Aboriginal children and vulnerable and disadvantaged children. All Victorian children have access to a high quality kindergarten program delivered by a degree-qualified early childhood teacher for 15 hours per week, an increase from 10 hours per week prior to the NP UAECE. Under the National Quality Framework,

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<sup>3</sup> PricewaterhouseCoopers (PwC) 2019, *A Smart Investment for a Smarter Australia: Economic analysis of universal early childhood education in the year before school in Australia*.

<sup>4</sup> Pascoe, S & Brennan, D 2017, *Lifting Our Game: Report of the Review to Achieve Educational Excellence in Australian Schools through Early Childhood Interventions*; Alexander, C & Ignjatovic, D 2012, 'Early childhood education has widespread and long lasting benefits'.

<sup>5</sup> Heckman, JJ 2008, 'The case for investing in disadvantaged young children' in First Focus, Big ideas for children: Investing in our nation's future.

<sup>6</sup> Australian Department of Education and Training 2018, *Through Growth to Achievement: The Report of The Review to Achieve Educational Excellence in Australian Schools*.

<sup>7</sup> Tayler, C (on behalf of the E4Kids research team) 2016, *The E4Kids study: Assessing the effectiveness of Australian early childhood education and care programs*.

<sup>8</sup> See, for example, Sylva, K et al, 2004, *The Effective Provision of Pre-school Education (EPPE) Project: Final Report. A longitudinal study funded by the DfES 1997- 2004*. Nottingham, UK: The Institute of Education and Warren, D., & Haisken-DeNew, J. P. (2013). *Early bird catches the worm: The causal impact of pre-school participation and teacher qualifications on year 3 national NAPLAN cognitive tests*. Melbourne Institute Working Paper Series Working Paper No. 34/13.



Victoria continues to strengthen program quality and consistency. The national priorities have created the foundation for further investment by the Victorian Government into additional evidence-based early childhood reforms.

## VICTORIA IS INVESTING IN THE EARLY YEARS TO GIVE EVERY CHILD THE BEST START IN LIFE

The Victorian Government recognises the evidence around the benefits of quality early childhood education. We have a long history of investing in the early years and are pushing forward with reforms to deliver a higher quality, more equitable and inclusive early childhood system.

Victoria has been a committed participant of the NP UAECE since its introduction in 2009. Victoria takes a setting-neutral funding approach by funding kindergarten programs in both standalone services and long day care services, supporting choice for families as required under the NP UAECE. Victoria has worked closely with the sector to increase participation in kindergarten programs and has invested in early childhood infrastructure and supported early childhood teachers and educators through professional development.

Over the course of the various NP UAECE agreements and extensions, Victoria has invested over \$2 billion in kindergarten delivery, including targeted supports for vulnerable children and workforce and infrastructure development, despite the ongoing uncertainty of the NP UAECE. The NP UAECE has contributed to helping families with cost of living pressures by providing affordable access to quality early childhood education. Victoria also funds the Kindergarten Fee Subsidy, which provides up to 15 hours of free or low cost kindergarten programs for eligible families, so cost is not a barrier to access.

As a result of our significant investment and effort, Victoria achieved full implementation of the NP UAECE from the beginning of 2014. All Victorian funded kindergarten providers offer a 15 hour program. Achieving the objectives of the NP UAECE has required major sector transformation, significant investment in infrastructure, and attracting and upskilling of the early childhood workforce. Victoria is focused on making kindergarten programs accessible and inclusive to all, including Aboriginal children (through the Koorie Kids Shine program) and children with a disability, developmental delay or complex medical needs (through the Kindergarten Inclusion Support program). The number of Aboriginal children enrolled in a Victorian Government funded kindergarten program increased by 42 per cent between 2014 and 2018, from 1,053 children to 1,499 children. The participation rate for Aboriginal children in funded kindergarten programs has now reached parity with the participation rate for all children in the year before school.

In an Australian first, Victorian services delivering a kindergarten program are receiving around \$160 million over the next four years in School Readiness Funding, so that children can receive more support where needed. Services can use this needs-based funding to access high quality programs and supports that benefit children in the priority areas of communication (language development), wellbeing (social and emotional), and access and inclusion. This may include engaging allied health professionals such as speech pathologists and child psychologists, to work with educators to strengthen their knowledge, skills and expertise to benefit children every day. School Readiness Funding is a permanent part of the Victorian kindergarten system and will boost kindergarten funding by about 10 per cent when fully rolled out.

Victoria is also leading the way by committing funding for two years of early childhood education prior to school. As part of the largest early childhood reform ever undertaken in our state's history, we are investing almost \$5 billion over ten years to ensure every three-year-old has access to at least five hours per week of a funded kindergarten program by 2022 – increasing to 15 hours per

week over the next decade. At its heart, introducing Three-Year-Old Kindergarten is about giving children every possible opportunity to succeed and build the skills that make a difference to how they thrive in early learning environments, at school and in later life.

Victoria's investment and reform efforts are built on the foundation of the NP UAECE. This foundation needs to be on solid footing – any fundamental changes to this joint partnership may jeopardise access to high quality kindergarten programs delivered by a degree-qualified early childhood teacher, stifling innovation and further reforms to improve quality. Stable, ongoing funding is essential. The lack of ongoing funding places children's access to kindergarten at risk. Without funding certainty, services (including the many small, community providers in Victoria) struggle to remain viable and plan ahead. Governments and providers need funding certainty to continue to plan for, and invest in, the delivery of quality outcomes for children.

## CONTINUED NATIONAL LEADERSHIP AND A COMMONWEALTH COMMITMENT TO ADEQUATE, ONGOING FUNDING ARE ESSENTIAL

National leadership and permanent, ongoing and sustainable national investment in early childhood education are vital. A unified set of national objectives provides a vision for governments, the sector and families. It sends a strong message about the importance of quality early childhood education and supports our young children to learn, grow and reach their full potential. This in turn underpins their future contributions to our community and ensures Australia's ongoing economic prosperity. But ongoing uncertainty over future arrangements makes it difficult for parents, services and governments to plan for the future. Victoria has a track record of reform, innovation and investment, but we cannot do this alone.

Australian governments must consider early childhood education as part of the broader education system. The 2018 *Review to Achieve Educational Excellence in Australian Schools* reiterates the role of high quality early education and learning in later life educational achievement and success. Given the long-term effects of educational disparities, 'investing in early childhood education is generally more effective and economic than trying to close developmental gaps later'.<sup>9</sup> Our national commitment to ambitious investment and reform initiatives in schooling must be matched by our vision for, and investment in, early childhood education.

Both the NP UAECE and the *National Partnership on the National Quality Agenda for Early Childhood Education and Care* (NP NQA) have been instrumental to the delivery of 15 hours of quality early childhood education. Between 2009 and 2018, the NP NQA complemented the NP UAECE by providing funding towards delivering a national approach to regulation, assessment and quality improvement for early childhood education and care and outside school hours care services across Australia. It reflected all jurisdictions' commitment to the National Quality Framework to improve educational and developmental outcomes for children, and was an important part of nation-wide quality improvement.

The *Lifting Our Game* report reiterated the importance of national leadership and recommended Australian governments agree to permanent, adequate funding for universal access to early childhood education in the year before school and the National Quality Framework.

All Australian governments recognise the importance of the early years and the significant contribution that high quality learning makes to life-long educational achievement, productivity, wellbeing and success, as reflected in the *Early Learning Reform Principles* agreed by COAG in

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<sup>9</sup> Australian Department of Education and Training 2018, *Through Growth to Achievement: The Report of The Review to Achieve Educational Excellence in Australian Schools*.

December 2018. The principles clearly support a collective commitment to the national early childhood quality and participation agendas, and should be the bedrock of future investment and reform in early childhood education.

Investing in early childhood education benefits all Australian governments, including the Commonwealth. Victorian modelling for an earlier early childhood reform proposal as part of the National Reform Agenda found that in Australia, 65 per cent of fiscal benefits would flow to the Commonwealth Government and 35 per cent to state and territory governments.<sup>10</sup> Quality early childhood education complements the Commonwealth's investment in child care and maximises the impact of its investment in schools. The *Lifting Our Game* report noted, 'the Commonwealth Government benefits significantly through higher taxes paid on earnings, and saves through reduced unemployment benefits, and other social services and health costs. This is additional to any gains from income tax received from higher parental workforce participation'.<sup>11</sup>

Funding uncertainty places equitable access to, and the quality of, kindergarten at risk. Discontinuing the NP UAECE, or reducing funding levels, could have a significant impact on children and families. This could include forcing services to reduce service levels and quality, or increase parent fees. This would increase cost of living pressures and create a barrier to access to early childhood education. This would have a detrimental impact on child outcomes and parental workforce participation.

Victoria agrees with all jurisdictions that attendance in a kindergarten program is important, particularly by vulnerable groups. Improving attendance continues to be a priority for Victoria. Present data does not provide an accurate picture of attendance, given that it is collected in a single census week and does not cover the whole early childhood system. We will continue to work together to improve attendance data, better understand why some children are not attending, and consider what level of attendance is reasonable in order to achieve the outcomes in a non-compulsory system.

The NP UAECE has achieved its goal of expanding access. Looking forward, this Review is an opportunity for Governments to embed our achievements in an enduring, permanent agreement, and use future, shorter-term national partnership agreements for new joint reform efforts. Victoria recognises the policy context has changed since the introduction of the NP UAECE in 2009. As such, we welcome a discussion of appropriate performance measures, as well as the opportunity to improve data and better align early childhood education and child care policy settings. We also welcome the opportunity to consider how state and national policy settings can be better aligned to meet shared objectives, including maximising all children's outcomes and parental workforce participation through access to early childhood education and the child care subsidy.

It is vital that all jurisdictions continue to work together to ensure the significant gains made through the NP UAECE are not lost. Victoria stands ready to work in real partnership to consolidate these achievements and look to the next phase. Building on the strengths and foundation of the current NP UAECE, there is a clear need for ongoing reform and investment in early learning to support families, as well as children's wellbeing, learning and development in the first years of life.

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<sup>10</sup> Department of Premier and Cabinet (Vic), March 2007, Council of Australian Governments' National Reform Agenda – Victoria's plan to improve outcomes in early childhood.

<sup>11</sup> Pascoe, S & Brennan, D 2017, *Lifting Our Game: Report of the Review to Achieve Educational Excellence in Australian Schools through Early Childhood Interventions*.