

# **SUBMISSION TO PRODUCTIVITY COMMISSION INQUIRY INTO CHILDCARE AND EARLY CHILDHOOD LEARNING <sup>1</sup>**

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## **Objective of submission**

This submission

- a. underlines the importance for Australian families and the national economy of the delivery of *quality* preschool and other early childhood education in the childcare and early childhood learning services market which operates across the country;
- b. draws attention to the role of the childcare sector in the delivery of preschool to Australia's children and therefore its significance to preparing Australian children to be ready for a successful school transition ("school readiness"); and therefore
- c. argues for the retention of the National Quality Framework and Standards in a form that ensures that quality preschool and other early childhood education programs will be delivered in long day care centres, and are accessed by other forms of before-school childcare funded now or in the future by the Australian Government.

## **Background**

Due to a combination of its federal nature and historical circumstances, Australia has developed complex delivery arrangements for childcare and early childhood learning services based on diversity in service types, terminology and funding provision and involving all 3 tiers of government as well as non government, community and private providers (Brennan, 2011). Since 2006, when the Council of Australian Governments (COAG) first included early childhood in its human capital reform agenda, the national significance of the importance of early childhood education services in ensuring a successful transition to school has been recognised by the country's leaders. This reflected the overwhelming international evidence as to the importance of brain development in early years for later skills formation and the impressive investment return from early childhood for human capital development, particularly for disadvantaged children (OECD 2006a,37).

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Many children do not come from families with strong parental engagement. For these children, childcare/preschool/family day care offers probably their last opportunity to become school ready and not start school behind their more privileged peers.

In consequence, COAG has adopted a number of reforms regarding early childhood in recent years, notably a *National Partnership Agreement for Early Childhood Education* (to achieve universal access to 15 hours of preschool for 4 year old children delivered by a qualified teacher in the year before formal schooling) and the development of a *National Partnership Agreement on National Standards for Early Childhood Education and Care*, which established National Quality Standards to apply to long day care, family day care, outside school-hours care and preschool. These new standards have established a new regulatory system including a new institution (the Australian Children's Education & Care Quality Authority (ACECQA)) to monitor its implementation and support providers through the process of adjusting to these new arrangements. They have incorporated the national Early Years Learning Framework curriculum and the requirement (under phased in arrangements) for appropriately qualified staff, including the employment of a preschool teacher in long day care centres above a certain size. Inevitably, given the significance of these changes, the process of adjustment has raised concerns about the impact of the new regulatory arrangements on certain providers within the childcare market and any flow on effect for families in terms of affordability and access (ACECQA, 2013).

These changes have begun to address serious deficiencies in the availability and quality of Australia's educational provision for the early years and in particular for the provision of preschool for children (generally 4 year olds) in the year before they enter formal schooling.

### **Growth in preschool provision in Australia including in long day care.**

Due to poor data collection in the 1990s, it is not possible to accurately quantify the improvement in preschool enrolment and attendance since the COAG agreements; however, up to 30% of children may not have been receiving preschool in the mid 2000s and the proportion of disadvantaged children such as Indigenous children who were missing out was disproportionately high (Steering Committee RoGS, 2009, vol 1 exhibit 2). The Australian Bureau of Statistics now reports that in 2012 89% of children were attending preschool, across government, non government and community preschools and long day care centres (DEEWR 2013). There has been particular success with enrolments of remote Indigenous children: by 2012 88% of Indigenous children in remote communities were enrolled in a preschool program in the year before formal schooling (Steering Committee RoGS 2014, Table 3A.18).

This improvement in preschool provision has been noted in a report by *The Economist Intelligence Unit* which, using 2011 data, ranked Australia as coming 28 out of 45 countries in its preschool provision (Watson 2012) – still an underperforming country, but it is a somewhat better ranking than its previous status as being the bottom ranked amongst OECD countries for ‘pre-primary expenditure’ (OECD 2006b).

The improvement in preschool attendance has arisen due to the COAG focus on preschool delivery, the funding provided by the Commonwealth to the States and Territories and the introduction of the national quality framework. As noted in the Commission’s issues paper, in 2012 some one-third of preschool enrolments now occur in long day care centres, underlining the significance of the formal childcare sector for preschool delivery. Presumably the existence of Commonwealth funding (\$660 over 18 months in the current national partnership) has been critical in this development, in particular in states such as Queensland and Victoria, where national partnership funding helps to support preschool in long day care. There is uncertainty around the future Australian government funding, as the long term provision of preschool funding from the Commonwealth has not been secured in an ongoing national agreement (unlike the *National Education Agreement* which covers schools).

## **The role of preschool in improving Australia’s educational performance**

International studies have consistently shown that early childhood education, particularly preschool, is very important for both the school readiness and school attainment of children, particularly the disadvantaged. The PIRLS reading report for 2011 showed that children who did not attend preschool had much lower average reading achievement at Grade 4 than others (Mullis et al 2012, 140). The OECD has reported that children who attended preschool for one year or more scored more than 30 points higher in reading than those who did not (that is, they benefitted by the equivalent of one extra year’s schooling by age 15)(OECD 2012b).

The Commission is clearly well acquainted with the evidence of improved educational and social outcomes from children attending preschool programs, and in particular the benefits for children from disadvantaged backgrounds. There is now some Australian evidence on the association between preschool attendance and higher Year 3 NAPLAN scores in reading, spelling and numeracy. But this analysis also showed that it has to be quality preschool – for example children whose pre-school teacher had only a certificate level qualification in childcare or early childhood teaching or had no relevant childcare qualification showed no significant benefit from attendance at preschool (Warren and Haisken-DeNew 2013).

In this regard, the improvement in the results recorded by the Australian Early Development Index (AEDI) of school readiness between its 2009 and 2012 reports are certainly suggestive that expanded preschool attendance has increased the school readiness of children, particularly as the largest improvement was made in the cognitive and language domain (Australian government 2013). Moreover, we note that the State which recorded the biggest preschool increase (Queensland), where preschool participation rose from around 30% to 80% from 2007 to 2012, also recorded the **largest increase** in the school readiness of its children between 2009 and 2012, as measured through the AEDI. This improvement was again in the cognitive and language domain where the proportion of children in Queensland reported as developmentally vulnerable declined from 15.6% to 9.1% (Australian government, 2013,32). It is worth noting here that there is emerging evidence of the association between the AEDI of school readiness and subsequent numeracy and literacy outcomes as measured through NAPLAN (Brinkman et al 2013).

Australia's international school test rankings have been declining. For example, there were significant declines in the mean mathematical literacy performance as measured by the Programme for International Student Assessment (PISA), between 2003 and 2012 and in the mean reading literacy performance between 2000 and 2012 (Thomson et al, 2013). Given this, continuing to improve preschool enrolment and attendance should be considered as a core part of the strategy to improve Australia's educational competitiveness.

## **The significance of the teacher in delivering quality early childhood education**

The emphasis in the current national standards on educator qualifications is based on international evidence. International research has clearly established the significance of the *quality* of early childhood staff in addressing disadvantage and achieving improved school readiness for young children. The issue of qualifications is complex (OECD 2012a, 3). Of all the studies, the Effective Provision of Preschool Education (EPPE) study by the Institute of Education, University of London, is the most authoritative on the relationship between qualifications, provider quality and child literacy and numeracy outcomes in primary school. This longitudinal study of 3,000 children from 1997 to 2004 concluded that staff qualifications are the strongest determinant of quality and the strongest determinant of child school outcomes. In addition, this study demonstrated the central importance of the manager of the preschool/childcare/other centre having a formal early childhood teacher qualification (Siraj-Blatchford et al 2003, Selva et al, 2004).

There is much less research in Australia, although the Warren and Haisken-DeNew study mentioned previously showed that the highest increases in NAPLAN scores

were attained by children whose pre-school teachers had Diploma or Degree level qualifications, “identifying for the first time the crucial nature of teacher qualification in driving nationally representative long-run pre-school treatment outcomes” (Warren and Haisken-DeNew 2013) .

The teaching qualifications required under the current national standards should therefore be regarded as a necessary precondition for the delivery of preschool and other quality early childhood education in long day care and dedicated preschools.

With regard to the **administrative requirements** to document educational programs, and assess children’s progress, we note that providers consider these to be the costliest of ongoing administrative activities (ACEQA, 2013, p12). We urge that any temptation to weaken these provisions however be approached cautiously, given that documenting a child’s progress, and having individual development plans in place for children, are also regarded by providers as key quality practices to achieve child development outcomes.

We recognise that, given the current economic environment, there are difficult decisions facing the Australian government as to the priorities for its very substantial investment in early childhood care and learning. Moreover, workforce shortages, associated to a large extent with low pay and the status of the industry, will make achieving current standards very difficult in the short term (Productivity Commission 2011). We support the Commission's interest in exploring innovative strategies to address these critical workforce issues. It is also clearly important to continue the phasing in of the quality standards in order to enable the sector and families to adapt to the new requirements, without compromising the commitment to quality which is embodied in the Commonwealth/State approach to regulating this sector.

## **Nannies**

In considering extending Australian government funding support for alternative arrangements for childcare, such as provision of care in registered home settings, for example by nannies, we urge that any new arrangement ensure that children at the very least have access to quality preschool in the year before formal schooling and come within the purview of the nationally established system for quality assurance of early childhood education provision.

## **Parents’ understanding of the importance of early childhood education**

The importance of the neural development in the early childhood years for children’s later educational attainments is still not well understood by many parents. This was highlighted in recent research based on interviews with early childhood experts and parents and released in August 2013 by the Centre for

Community Child Health, which indicated that parents, in contrast to experts' view of childcare as a key phase for children's development, see childcare as "a custodial institution where physical safety is the primary concern" (*The Weekend Australian* 3-4 August 2013).

Such research findings imply that parents, when asked about the relative importance of quality, access and affordability of childcare arrangements, may be likely to discount the value of quality, for example in educational offerings. It points to the significance of Australian government leadership to continue the implementation of quality standards in which quality early childhood education is delivered in childcare settings.

An effective communication strategy to parents, by governments in partnership with the sector, would help to convey the importance of quality in early childhood education and care to parents and the wider community. This could be linked to communication activities about parents as first teachers, given the critical role of parents in terms of their reading to children, and other early literacy activities and the subsequent child outcomes in school (Mullis et al 2012, 109).

## Conclusion

This Inquiry has been established to examine and identify future options for a childcare and early childhood learning system which *inter alia*

"addresses children's learning and development needs, including the transition to schooling" and "is based on appropriate and fiscally sustainable funding arrangements that better support flexible, affordable and accessible **quality** [emphasis added] childcare and early childhood learning."

This submission has presented some of the evidence as to the importance of quality early childhood education in ensuring the school readiness of Australian children and their subsequent school performance.

Australian governments have worked together with providers to introduce a framework and standards which promote consistency and quality across the diverse sector of early education and care. In the search for more accessible, affordable and flexible care and learning, it is important this quality agenda retain its centrality as a shared objective for the delivery of childcare and early childhood education in this mixed market.

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