



# Budget Submission: to the Victorian Government 2015–2016



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The voice for parents and service providers

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### About Early Learning Association Australia

The vision of Early Learning Association Australia is “excellence in early learning for every child”.

We strive to realise our vision by supporting our members to provide quality, affordable and accessible early childhood services; through our advocacy and contribution to policy debates on the social and economic value of early learning; and through our collaboration with all levels of government and the education sector to share knowledge and champion high quality early learning outcomes for all Australian children.

ELAA represents over 1200 service providers in Victoria and across Australia. Our diverse membership base includes independent kindergartens; cluster managers; local governments; integrated services; long day care services; government and independent schools; and out of school hours care programs.

For over twenty three years, ELAA (formerly Kindergarten Parents Victoria) has worked with members, peak bodies, Commonwealth, State and local governments, and other stakeholders to promote and support the provision of quality early childhood services to children, and to help ensure that these services are accessible and affordable for families.

ELAA's membership base and our long-term relationships with government, make our organisation an effective advocate for the sector, able to identify opportunities for realistic funding and support to ensure the sector is able to deliver high quality early childhood education services to children.

Working with our members and partners, ELAA is an influential voice for reform and development in the early childhood sector. Our collaborative approach has involved positive working relationships with a diverse range of organisations and peak bodies from across the education and community sectors.

# Our Priorities: Programs, Policy and People



Early Learning Association Australia congratulates the new Victorian Government on coming to office.

The early learning sector in Victoria is passionate about quality programs, progressive policy – and most importantly about our people: service providers, educators, families and children.

ELAA is committed to working in partnership with the Government, our members and other organisations in the education and community sectors to progress our priorities and to explore additional opportunities to strengthen quality service delivery in all settings.



**Shane Lucas**  
CEO, ELAA



**Jo Geurts**  
President, ELAA

# Priority actions

We believe the new Victorian Government should address the following priorities to ensure that high quality early learning continues to enrich the development and wellbeing of all children and improve outcomes throughout their lives.

We ask that the new Government focus on the following actions within our identified priorities:

## Programs – Minimum of 15 hours of kindergarten

- Negotiate a long-term and transparent funding agreement with the Commonwealth that will ensure that funding for 15 hours of quality early learning continues to be available to children in the year before school – beyond 2015.

## Policy – Support the NQF

- Ensure that the National Quality Framework in Victoria is not diluted and continues to deliver quality early learning outcomes.

## People – Resolve the industrial dispute

- Act promptly to help resolve the ongoing industrial dispute between not-for-profit and local government kindergarten providers, and the Australian Education Union.

# Additional opportunities

We also ask that the new Government consider the additional opportunities detailed below in order to strengthen the early learning sector in Victoria, and to provide children with the best possible start in life. The additional opportunities we have identified are:

## Programs

- **Strengthen kindergarten cluster management (KCM)** by:
  - providing stewardship and a transparent and accountable framework for the future development of KCM
  - creating incentives for existing KCMs to invest in growth and expansion
  - providing a stable, more flexible operating environment for KCMs
  - supporting the ongoing viability of KCMs through appropriate funding
- **Review the per capita funding model**, and develop a realistic funding model for kindergarten services that takes into account the actual costs of providing the service in the existing policy environment
- **Review the quantum of the rural funding supplement**, the criteria to access this supplement, and continue to fund the small rural grants initiative that is due to expire in December 2014
- **Work with the sector to halve the gap in developmental outcomes** (as defined in the AEDC), by 2020 for children from Victoria's most disadvantaged communities, by implementing a range of initiatives identified in this submission
- **Support children with disabilities and additional needs** to access early learning services and receive the additional assistance they require post enrolment.

## Policy

- **Make kindergarten genuinely universally accessible** by fully funding the provision of 15 hours of kindergarten for all children in the year before school, and 5 hours of kindergarten for all three-year-old children
- **Work with the Commonwealth Government to ensure the full implementation of the NQF** and in particular maintain current minimum:
  - staffing qualification requirements for education and care services – including Diploma level qualifications for 50% of educators working with children under 3 years
  - educator: child ratios in education and care services and moving to a ratio of 1: 11 for children 3–5 years by 2016.

## People

- **Develop standards for training providers in Victoria** to ensure they produce early childhood staff fully equipped for work in services.



## Priority

## Programs



### Minimum of 15 hours of kindergarten per week in the year before school

#### Our successes

Victoria currently has the highest rate of kindergarten attendance in the country with over 98% of eligible children attending a program in the year before school.

#### The threat to 15 hours

In spite of these outstanding results the future of quality preschool programs in Victoria is under threat with a lack of clarity around future funding arrangements. The Commonwealth Government has not committed to long term funding of Victoria's 15 hour kindergarten program. And while strenuous lobbying by the early childhood sector, State and local governments, service providers, educators and families has seen an extension of this funding to the end of 2015, there is no commitment for 2016 and beyond.

In response, the previous Victorian Government has consistently said that if the Commonwealth withdraws funding – leaving a shortfall of \$109 million – it will not step in to bridge the gap.

#### The risk

This would see Victorian kindergarten programs reduced to 10 hours per week. This is simply unacceptable. Our children's future – and the many long-term social and economic benefits 15 hours of quality early learning provides – is too important to be caught up in the Commonwealth – State "blame game".

Without a long-term funding commitment:

- families face the prospect of higher fees and lower quality programs
- some services face serious viability issues and may need to reduce the number of places offered or close their doors permanently
- services will have to reduce their staff or cut their hours of work. Conservative estimates by many service providers indicate that the cuts would amount to a third of their workforce
- worse still, early childhood education will be the only service sector that will be unable to offer full-time employment for its existing employees and new graduates entering the field, further exacerbating recruitment and retention issues that services are already experiencing.

The evidence supporting 15 hour programs (as a minimum) is compelling. The research showing the importance of the dosage and duration of early learning programs is clear (refer to The Evidence page 14).

Our children's future – and the many long-term social and economic benefits 15 hours of quality early learning provides – is too important to be caught up in the Commonwealth – State "blame game".

### The sector's views about this issue

What is also clear is the overwhelming evidence coming from early childhood educators, parents and service providers about the value of 15 hour programs. In the 2014 survey of 568 ELAA members<sup>i</sup>, **over 86% wanted 15 hours of preschool retained**, regardless of where the money comes from.

In an overwhelming response, the importance of 15 hour programs for children's learning and development was detailed in 168 pages of comments received from ELAA members. The benefits of a 15 hour program for children articulated by ELAA members are:

- it provides the best possible start to learning with increased skill development, concentration and confidence
- there is demonstrable improvement in cognitive ability, pre-literacy and pre-numeracy skills
- there is an increase in independence and social competence
- children showed improved school readiness enabling a smoother transition to school.

Wider benefits attributed to 15 hour programs included:

- for vulnerable children, children with disabilities and additional needs and children from a non-English speaking background, it allows extra time to provide more intensive early support
- in rural settings where there is limited access to services, 15 hour programs enrich children's lives by providing much needed opportunities to grow and learn
- 15 hour programs better suit working families.

### The solution

While it would clearly be preferable for the Commonwealth and State governments to reach a long-term agreement to ensure the continuation of funding for 15 hours of kindergarten into the future, ultimately where the funding comes from matters less than the continuation of 15 hour programs.

ELAA believes that the Victorian Government should negotiate a long-term and transparent funding agreement with the Commonwealth that will ensure that funding for 15 hours of quality early learning continues to be available to children in the year before school – beyond 2015.



## Priority

## Policy

### Support the National Quality Framework (NQF)

#### Our successes

Federal, State and Territory governments have worked together over many years to develop and implement the National Quality Framework (NQF) to improve outcomes for Australian children. Now reaching the end of its third year of operation, it is clear that the national reforms have already led to significant quality improvements across the sector – in kindergartens, long day care, family day care and out of school hours settings.

According to data published by ACECQA, Victoria has the highest percentage of assessed services meeting or exceeding the National Quality Standard. As at October 2014, 78% of assessed services in Victoria were meeting or exceeding the National Quality Standard.<sup>ii</sup>

#### The threat to NQF

However, this critical early childhood initiative is now threatened by two Federal Inquiries undertaken in 2014 – the Productivity Commission Inquiry into Childcare and Early Childhood Learning and the Review of the National Partnership Agreement on the National Quality Agenda for Early Childhood Education and Care (NQF Review) – have made recommendations that threaten quality for children. Of particular concern are the following recommendations made by the Productivity Commission in its draft report:

- the removal of dedicated preschools from the NQF
- dilution of qualification and ratio requirements for teachers of children aged 0–3
- watering down of the National Quality Standard and the assessment and rating process.

#### The risk

Removing dedicated preschools from the NQF while kindergarten programs within LDCs remain under the NQF will set up a two-tier system of kindergarten for families. Reducing qualification and ratio requirements for educators of children under 3 will also directly impact the quality of the program delivered to these children. Refer also to page 12.

If these changes are implemented, the early learning system will revert to the old model of differential quality standards across various early learning settings, an artificial divide based solely on which tier of government provides the funding for the program.

The national reforms have already led to significant quality improvements across the sector – in kindergartens, long day care, family day care and out of school hours settings.

#### The sector's views about this issue

The introduction of the NQF has been strongly supported by the early learning sector in Victoria, who after three years of implementing it in their services, are seeing the difference it makes to the learning outcomes of children. These changes appear premature, coming as they do before all services have undergone the first assessment cycle.

ELAA is currently in the process of consulting with members about the likely impact of changes proposed in the Regulation Impact Statement released in November 2014. Preliminary discussions with our members show a strong level of support for maintaining the standards, without dilution, to ensure that programs delivered are of high quality, but to continue to look for ways to streamline the administration of the NQF.

### The solution

- ELAA calls on the Government to ensure that dedicated preschools remain within the National Quality Framework.
- ELAA also urges the State Government to work closely with the Commonwealth Government to:
  - maintain the integrity of the NQF, particularly the provisions relating to increased qualification requirements for educators, and improved educator to child ratios, and
  - ensure that the NQF and standards are not diluted intentionally or otherwise in an attempt to address a perceived administrative or regulatory burden on services.



## Priority

## People

### Resolve the industrial dispute with the AEU

#### Our successes

A professional, well qualified workforce is critical for the delivery of high quality early learning programs to children. The long awaited recognition of early childhood teachers as professionals will eventuate from 30 September 2015, when early childhood teachers in Victoria will have their professionalism recognised through eligibility for Victorian Institute of Teaching registration.

#### The threat to recruitment and retention of a professional workforce

ELAA and the Municipal Association of Victoria, as the two main peak bodies representing the employers of early childhood employees, have been negotiating with the Australian Education Union to reach a new enterprise agreement covering early childhood teachers and educators. The union is currently engaged in industrial action to seek, among other things, salary parity for early childhood teachers and educators with their primary school counterparts by August 2015.

The costs of operating a kindergarten in Victoria are met partially through fees raised from parents and fundraising efforts (one-third) and funding provided by the State Government (two-thirds). Government provides an increase to the per capita funding each year based on CPI, which in 2014 was set at 2.5 per cent. It is unaffordable within this funding envelope to meet the union's demand for salary parity, unless the Victoria Government provides more funding.

#### The risk

This ongoing industrial dispute is likely to:

- impact on the ability of services to attract and retain quality early childhood teachers and educators; and
- adversely impact children and families should further stop-work actions be undertaken in 2015.

ELAA members are seeking an expeditious resolution to the negotiations that acknowledges teachers as professionals and the critical role they play in the education of young Victorian children.

#### The sector's views about this issue

ELAA members highly value the work our educators do and want to support their employees in delivering quality educational outcomes for children. ELAA members are seeking an expeditious resolution to the negotiations that acknowledges teachers as professionals and the critical role they play in the education of young Victorian children.

#### The solution

- The Government should act promptly to help resolve the ongoing industrial dispute between not-for-profit and local government kindergarten providers, and the Australian Education Union.



# Additional opportunities for the new Government

There are further opportunities that present themselves in relation to strengthening the delivery of early learning services in Victoria and the service system that underpins the delivery of these services. ELAA presents these opportunities for further consideration by the new Government.



## Opportunity

## Programs

### a) Kindergarten Cluster Management

Kindergarten cluster management was introduced over a decade ago in Victoria *to reduce the administrative and management burden on kindergarten parent committees, strengthen the management and delivery of community-based kindergarten programs and provide kindergarten staff with professional employment arrangements* (DEECD, Kindergarten Cluster Management Policy Framework).

Since its introduction, KCM has grown and matured into a key platform to deliver a stronger, more responsive and effective kindergarten system in Victoria. The growth of KCM and the critical role it plays in the delivery of high quality kindergarten services in Victoria is evidenced by the fact that over half of all funded kindergarten programs in Victoria are currently delivered by Cluster Managers.

The 2013 report of a review undertaken by Deloitte Access Economics (DAE) on behalf of the Government highlighted a shortfall in funding for KCMs of between \$15–\$20K. A recent funding increase provided by the government saw an increase in base funding of 10 per cent and a doubling of the start-up grant. This still leaves a shortfall in funding using the estimates in the DAE report.

The KCM strengthening project that is currently underway provides an opportunity for Government to work with the sector to develop a joint vision for the future of the KCM system in Victoria. In this consolidation phase, it is also a great opportunity for government to work with the sector to strengthen the KCM system by:

- providing stewardship and creating a transparent and accountable framework for the future development of KCM
- creating incentives for existing KCMs to invest in growth and expansion
- providing a stable and flexible operating environment for KCMs
- supporting the ongoing viability of KCMs through appropriate funding.

### b) Per capita funding

The current per capita funding model was developed in 1994 and has not kept pace with major policy changes in recent times such as the National Quality Framework and Universal Access. The current funding model is based on a funding formula where two thirds of the cost of providing the service is funded by government and the balance is met through fees, and other fund-raising efforts from service providers.

Increased educator qualifications, child to staff ratio requirements and additional program hours while increasing program quality for children, add additional costs for services, highlighting the need for:

- a review of the per capita funding model; and
- the development of a realistic funding model that takes into account the actual costs of providing the service in the current policy environment.

### c) Rural Services

In rural settings where there is limited access to services, kindergarten programs enrich children's lives by providing much needed opportunities to grow and learn. These programs are highly valued by their communities and yet face challenges to their very survival. The struggle to remain viable in the face of small and often fluctuating enrolments is a key challenge for many. The rural funding supplement provided by the government has been essential to help meet this challenge. A review of the quantum of the rural funding supplement and the criteria to access this supplement is long overdue.

Additionally, the small rural grants initiative that has provided extra funding of up to \$20,000 per year to support access to kindergarten programs in small rural communities is due to cease at the end of 2014. Based on enrolments, and with smaller services receiving larger payments, this funding has been vital to ensuring service viability for some very small communities. Continuation of this funding on an ongoing basis is essential to ensure the viability of programs offered in rural Victoria.



### Opportunity

### Programs

#### d) Vulnerable children and families

For some children, inequality begins before birth and without remediation, continues through early childhood, into school and beyond. Vulnerability can be brought about by poverty; disability and illness; low skills; domestic violence, abuse and neglect.

“In Victoria, over one-third of substantiated cases of child abuse involve children four years and under, and the proportion of children in this age category admitted to care and protection orders is over 40%.”<sup>iii</sup> The incidence is particularly high for Aboriginal children.

It is widely understood that vulnerable children and their families have lower levels of participation in universal services, including in early learning programs, than other members of the community. There is great opportunity for government and the sector to work together to halve the gap in developmental outcomes (as defined in the AEDC) by 2020 for children from Victoria’s most disadvantaged communities. This calls for a prioritisation of investment to increase access to quality education and care services for vulnerable and disadvantaged families and children.

The opportunities that present themselves to achieve this goal include the following:

- identifying and removing barriers for vulnerable families in accessing initiatives such as the Early Start Kindergarten program and Best Start
- effective implementation of the *Early Childhood Agreement for Children in Out-of-Home care*, including
  - effective data sharing between departments and family and community services
  - the provision of early learning places where and when they are needed
  - pilot projects with specific services to identify and establish a best practice model for engaging and supporting vulnerable children in Out-of-Home Care to participate in early learning programs
- additional supports to keep children engaged with early learning services such as meals and transport

It is widely understood that vulnerable children and their families have lower levels of participation in universal services, including in early learning programs, than other members of the community. There is a great opportunity for government and the sector to work together to halve the gap in developmental outcomes (as defined in the AEDC), by 2020 for children from Victoria’s most disadvantaged communities.

- innovative models of service provision such as Doveton College’s Early Learning Centre; the Children’s Protection Society, Child and Family Centre in West Heidelberg and the integrated service model, which provide joined-up, holistic support to children and families enabling them to achieve better outcomes in education and in life
- ensuring better links between early learning services, maternal and child health, community support services, playgroups and schools
- the creation of a *Vulnerable Children’s Fund* with an initial quantum of \$10 million to:
  - provide immediate financial assistance for vulnerable children to enable access to existing early learning programs
  - provide funding for intensive support where required, to ensure ongoing engagement with early learning programs
  - enable the development and delivery of targeted early learning programs based on identified need.

## Opportunity

## Programs

### e) Inclusion Support

*“Children with a disability have the same rights as all children and additional rights because of their disability. They share with all children the right to be valued as individuals and as contributing members of families, communities and society.”<sup>iv</sup>*

Including children with disability in universal ECEC services is “critical because children need to experience more developmentally advanced settings if they are to learn the skills for successful and independent participation in those settings. The skills cannot be taught effectively in other contexts and then transferred – skills for specific contexts are only learned by participating in those contexts.”<sup>v</sup>

And yet many children with disabilities and additional needs are unable to access early learning services or are not receiving the additional assistance they require post enrolment. There is no extra support available for children who do not have a diagnosis and early childhood educators and coordinators often struggle with inclusion with limited pre-service training in this area.

To ensure all services are able to fully include children with disability or developmental delay in programs the government can:

- resource services to appropriately support and promote inclusion
- support professional development to upskill early childhood educators to provide programs that are fully inclusive and able to be tailored to individual needs
- require appropriate undergraduate and post graduate course content for ECEC students
- facilitate access to early intervention and prevention services for children with disability and additional needs and their families.



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### Opportunity

### Policy

#### a) Making kindergarten genuinely universally accessible

With strong research evidence about the longer term social and economic benefits of early learning, there is a compelling argument for making kindergarten genuinely universally accessible for all children. This can be achieved by fully funding the delivery of kindergarten programs.

The argument for making kindergarten compulsory for all four-year-old children can also be made in this regard. It is widely acknowledged that attending a high quality early learning program, particularly in the year before children commence primary education sets them up well for life. If it is made compulsory and fully funded in the same way as primary and secondary education, the government has the opportunity to make early learning genuinely accessible for all Victorian children.

#### b) Kindergarten program for three-year-old children

*It is rare in Australia for children to enter into pre-primary education at the age of three, **with just 18% of three-year-olds enrolled, compared with 70% on average across OECD.***<sup>vii</sup>

Victoria leads the country in the provision of kindergarten programs for three-year-old children. However, not all early learning services across the state currently offer a kindergarten program for three-year-old children. The program is also not funded by government (other than for Aboriginal and Torres Strait Islander children and children known to child protection or those referred to Child FIRST through the Early Start Kindergarten program), and the cost of attendance can make it inaccessible for many families.



Victoria leads the country in the provision of kindergarten programs for three-year-old children. However, not all early learning services across the state currently offer a kindergarten program for three-year-old children.

International research shows that the dosage of kindergarten – the number of months attended over time is a critical factor in determining outcomes for children. The earlier children begin to participate in education programs the more advantageous it is for their long term development. The EPPSE research shows that “...both attendance (yes or no) and the ‘duration dose’ (in months) of early education continue to shape academic outcomes up to the end of statutory education”<sup>vii</sup> including by improving grades in the final years of schooling.

Fully-funding the provision of a quality early learning program for three-year-old children for at least 5 hours per week will have a positive impact on outcomes for children.

## Opportunity

## People

### Training Providers

Improved government regulation of training providers is essential to ensure a consistent supply of high quality early childhood graduates. The demand for qualified early childhood educators has seen a proliferation of training providers offering sub-standard early learning courses, without adequate rigour in course content and in many cases, little or no practicum requirements.

Early learning services report that many of the graduates who seek recruitment are unsuitable for face-to-face work with children. The investment services are forced to make in training and mentoring these graduates to an acceptable standard, places additional stress on an already resource-strapped service system.

Tightening regulations and developing a set of standards for training providers would maximise the impact of Government initiatives. In this context, ELAA notes the review currently being undertaken by the Australian Skills Quality Authority focusing on early childhood education. This review is a follow-up to the 2011 Productivity Commission report which was highly critical of many training courses and is due to be completed by the end of 2014.

The Victorian Government must develop standards for training providers in Victoria to ensure they produce early childhood staff fully equipped for work in services.



Early learning services report that many of the graduates who seek recruitment are unsuitable for face-to-face work with children. The investment services are forced to make in training and mentoring these graduates to an acceptable standard places additional stress on an already resource-strapped service system.

# The Evidence

The evidence base supporting this budget submission includes international and Australian research into the importance of early childhood services and the long term social and economic benefits of high quality early learning programs.

## Benefits for all children

*It is no longer acceptable to have children arriving at school poorly equipped to benefit from the learning and social opportunities schools provide, and therefore at risk of not developing the skills and qualities needed in a modern economy.*<sup>viii</sup>

A child's early, formative experiences are most important in shaping his/her physical, social, emotional and cognitive development, and in shaping their life course. Dr Tim Moore's seminal paper *Investing in Early Childhood – the future of early childhood education and care in Australia* sums up the developmental evidence and demonstrates the nexus between all aspects of childhood development and quality early nurture, care and learning experiences.

Compelling evidence from the field of neuroscience suggests that the first five years matter and last a lifetime<sup>ix</sup>. Brain development begins before birth and is most rapid in the first five years when the brain's architecture is being built and increasingly complex skills and circuitry are being formed. "Through this process, early experiences create a foundation for lifelong learning, behaviour, and both physical and mental health. A strong foundation in the early years increases the probability of positive outcomes and a weak foundation increases the odds of later difficulties."<sup>x</sup>

To optimise early brain development and to improve social and economic outcomes for all children, it is essential to deliver high quality programs early in life. Australian and international research, including that undertaken in the Effective Preschool Primary and Secondary Education (EPPSE)<sup>xi</sup> project, NAPLAN<sup>xii</sup>, NATSEM<sup>xiii</sup> and AIHW<sup>xiv</sup> research indicates that early exposure to a high quality learning environment (as measured by teacher qualifications) has a direct and positive impact on educational and wellbeing outcomes for children. This positive impact is strengthened with increased hours of participation over longer periods of time (dosage) and the benefits last beyond compulsory education.

The most recent EPPSE report released in September 2014 confirmed that the legacy of preschool is enduring and positive. It found preschool attendance "was a significant predictor of higher total GCSE<sup>1</sup> scores and higher grades in GCSE English and maths. Pre-school attendance also predicted achieving five or more GCSEs at grade A\*-C, the vital 'entry ticket' to high-value A level courses that can lead to a place in a good university at age 18...Going to a pre-school of high quality (in contrast to no pre-school or low quality) showed the most positive effects."<sup>xv</sup>

If governments, communities and service providers get the early years right for **all** children, there are gains not just for individuals, but for the wider society as well. As we increase the capacity of each individual to contribute to society we also significantly reduce pressure on our health, welfare and justice systems.

## Benefits for vulnerable children

If we believe that "a society that is good to children is one with the smallest possible inequalities for children, with the vast majority of them having the same opportunities from birth for health, education, inclusion and participation,"<sup>xvi</sup> then we need to take action to ensure this happens.

Research demonstrates that high quality early learning provides a protective effect for children and improves social, cognitive and economic outcomes over the life course. It is therefore of particular benefit for vulnerable and disadvantaged children.

The most recent AEDI data<sup>xvii</sup> indicates that the proportion of Victorian children in their first year of primary school who were developmentally vulnerable on one or more domains was 19.5% (or 12,398 children) in 2012. While this showed a decrease from the 2009 figure of 20.3% (or 11,627 children), it nevertheless represents a large cohort of children requiring assistance. This data indicated that children more likely to be developmentally vulnerable include Indigenous children, children not proficient in English, those in very remote locations and children living in the most socio-economically disadvantaged communities.

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1 The General Certificate of Secondary Education (GCSE) is a public examination in specified subjects for 16-year-old schoolchildren in the UK.

If governments, communities and service providers get the early years right for all children, there are gains not just for individuals, but for the wider society as well. As we increase the capacity of each individual to contribute to society we also significantly reduce pressure on our health, welfare and justice systems.

According to the latest ACOSS Poverty Report<sup>xviii</sup> 13.9 per cent of all Victorians – or 650,000 people are living below the poverty line with another 420,000 living just above it. And the situation is worse in rural and regional Victoria – where the poverty rate is 14.3 per cent. Even more alarming are the figures in this report indicating that 28.8 per cent of people living in regional Victoria are at risk of poverty. This is the highest rate in the country with the exception of Tasmania.

At the 2014 ELAA AGM, Associate Professor Sharon Goldfeld outlined the way in which proportionate universalism can address the needs of all vulnerable children. Research demonstrates that programs targeting only the most disadvantaged children do not reduce inequalities adequately. “Actions must be universal but with a scale and intensity that is proportionate to the level of disadvantage.”<sup>xix</sup>

Proportionate universalism recognises that while everyone is entitled to receive a base level of service, some will require additional support to ensure they reach an equal outcome. In an early learning context this would mean that all children have access to high quality early learning programs with more vulnerable children and families receiving additional supports as needed. These supports would include access to health, family and community services to ensure the child can actively engage with an early learning program to improve their life chances.

## Benefits to the economy

The cost benefit of investment in quality early learning programs has been known for many years. In the US and other parts of the world economic modelling has shown a return of more than \$16 for every tax dollar invested in early education programs<sup>xx</sup> with the cumulative benefits of these programs continuing well into adulthood.<sup>xxi</sup>

James Heckman’s work demonstrates that the rate of return to investment is significantly greater for preschool programs than for schooling or job training. This is because “skill begets skill and early skill makes later skill acquisition easier. Remedial programs in the adolescent and young adult years are much more costly in producing the same level of skill attainment in adulthood. Most are economically inefficient.”<sup>xxii</sup>

Price Waterhouse Coopers (PwC) recently released, and long awaited research, now provides a dollar value for Australia’s investment in quality education and care programs. Their modelling shows the combined economy wide impacts of improving the quality of and access to early childhood education and care is between \$7 billion and \$9.3 billion cumulative to 2050. These benefits rely on the delivery of quality programs, increasing the participation of vulnerable children and increasing female workforce participation.<sup>xxiii</sup>

Successive Victorian governments have understood the economic benefits of investing in early learning. Most recently these were clearly articulated in the *Early Years Strategic Plan: Improving outcomes for all Victorian children 2014-2020*:

*Benefits can include increased educational achievement and labour force participation, and savings can also be achieved through reduced spending on: child welfare, health services, social welfare, remedial education programs and the criminal justice system.*<sup>xxiv</sup>

Victoria has been a strong driver of the national quality reform agenda in early childhood education and care over many years.

Rob Grunewald and Art Rolnick from the Federal Reserve Bank of Minneapolis believe that the problem is that “policymakers rarely view early childhood development as economic development. They should. Careful academic research demonstrates that tax dollars spent on ECD [Early Childhood Development] provide extraordinary returns compared with investments in the public, and even private, sector.”<sup>xxv</sup>

In Professor Frank Oberklaid’s words “...to improve outcomes in adult life, there needs to be a focus on these critical early years. *This has profound implications for public policy*, as it indicates that investing in early childhood is an important and sound investment for the future.”<sup>xxvi</sup>

There just needs to be greater political will to do so.

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