



the
Front
Project

2023-24

PRE-BUDGET SUBMISSION

An opportunity to shape a child's direction through life with universal access to ECEC, addressing disadvantage, ensuring all children, families and communities thrive from the advantages of a high-quality, accessible, and affordable ECEC system.

ABOUT THE FRONT PROJECT

The Front Project is an independent, national enterprise working to improve quality and create positive change in Australia's early childhood education and care (ECEC) system. We work with government, business and the early education sector to address disadvantage, improve outcomes for children and increase the short and long-term gains for Australia. We find innovative solutions that create impact in all parts of the system so that all children can thrive, regardless of the different challenges they experience.

We know high quality early education lays foundations for children that can last a lifetime, and at the same time provides significant benefits to our society and the future prosperity of Australia. Our society will see the full benefits of investment in the early years when the system is geared toward ensuring all children can access high quality education and take advantage of the opportunities this presents.

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Acknowledgement of Country

The Front Project respectfully acknowledges the Traditional Owners of the land on which we work and learn, and pay respect to First Nations Peoples and their Elders, past, present and emerging.

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SUMMARY OF RECOMMENDATIONS



Recommendation 1:

Invest 15.5M over 10 years to scale up the Front Project's Upskill Program and support an additional 3289 students into a career as an early childhood teacher (ECT), alongside fully funding the initiatives in the National ECEC Workforce Strategy – Implementation Plan.



Recommendation 2:

Invest in an interim 15 per cent Commonwealth funded wage supplement for ECEC educators and early childhood teachers (ECTs) and consider actions to support ongoing wage growth to boost attraction, retention and sustainable growth in the ECEC workforce.



Recommendation 3:

Revise, or remove, the Child Care Subsidy (CCS) activity test to make sure no child misses out on ECEC, regardless of their parents' working circumstances.



Recommendation 4:

Build on the Family Assistance Legislation Amendment (Cheaper Child Care) Bill 2022 by expanding the Additional Child Care Subsidy (ACCS), working with communities to encourage more families to access the help they need to access ECEC and consider changes to Child Wellbeing determinations.



Recommendation 5:

Explore a system stewardship approach to governance for the ECEC system and review funding and investment mechanisms to assess the affordability of assessing ECEC to ensure equity for all families and children.



Recommendation 6:

Expand the Commonwealth funding within the Preschool Reform Agreement to support planning and readiness in all jurisdictions to progressively deliver universal three-year old preschool nationwide.

Early childhood education is critical to tackling developmental vulnerability and increasing social equity.

Early childhood education and care (ECEC) serves as a critical foundation for determining a child's trajectory in life, and for supporting families to work, study and participate in their community.

The Front Project congratulates the Australian Government on the delivery of last year's budget – a budget that puts the future of ECEC access and workforce participation firmly on the national agenda and that will see more families able to experience the benefits of ECEC more holistically. However, there is still more to be done to ensure the benefits of ECEC reach children universally across Australia.

Australian Early Development Census (AEDC) data from 2021 shows that 42.3 per cent of Aboriginal and Torres Strait Islander children and 25.3 per cent of children from a language background other than English are considered developmentally vulnerable in one or more children's development domains by the time they start school (AEDC 2021). Furthermore, when compared to children living in areas of high levels of advantage, children in the most socio-economically disadvantaged communities are three times more likely to be vulnerable on two or more domains (AEDC 2021).

The effects of developmental vulnerability can persist for life, impacting children's ability to thrive at school and beyond (Heckman et al, 2010). Overall, 22 per cent of children in their first year of school experienced developmental vulnerability in 2021, an increase from 21.7 per cent in 2018 (AEDC 2021). This data also showed that the further away from the city a child lives, the higher their risk of developmental vulnerability. In very remote areas, nearly one in two children are vulnerable in one domain (46.2 per cent) compared to one in five children (20.8 per cent) in major cities.

Additionally, data shows that by the time those who were developmentally vulnerable starting school reach Grade 3, they are a year behind their peers in NAPLAN, and this increases to two years behind by Grade 5 (The Front Project, 2022). Furthermore, half of the total children who started school behind never catch up (The Front Project, 2022).

A key pillar of supporting children in the early years is ensuring that all children have access to affordable high quality ECEC. Research shows that children, families, governments and businesses all benefit from the returns that ECEC provides. Paving the way toward universal ECEC access can therefore serve as "...a collective investment in Australia's economic and social wellbeing" (CPD, 2021 p. 3).

However, high ECEC costs are a significant and complex barrier for families to access ECEC. Research with families found that 52 per cent of families agreed that 'once the cost of childcare is factored in, it is hardly worth working' (The Front Project, 2021). This disproportionately impacts women and workforce participation.

The Australian Government's Cheaper Child Care reforms represent an important step in addressing the cost barriers for many families, but more can be done to remove other barriers to access and address ongoing challenges to the sector.

Such challenges include:

- **Equity in access:** across Australia, many children and families, particularly those in regional and remote areas, and families experiencing disadvantage are unable to access quality ECEC due to a myriad of other financial and non-financial barriers. This unequal access to, and participation in, quality ECEC alongside unequal geographic and demographic provision means that the system can perpetuate disadvantage.
- **Sustaining a qualified workforce:** workforce shortages, high levels of attrition, difficulties in providing professional development, and challenges in recruitment and training in regional and rural areas are inhibiting the delivery of quality ECEC in many areas across Australia.
- **Variable quality:** quality varies significantly across the ECEC system, and research has shown that while parents want quality early learning for their children, they find identifying quality difficult.
- **A complex system:** many families and providers find navigating the system complex, including accessing various forms of support and eligibility requirements.

Over the past year the Australian Government has made significant and meaningful changes to ECEC. Such achievements have included the passage of the Cheaper Child Care Legislation highlighted above, the introduction of Paid Parental Leave amendments into the Commonwealth Parliament, the Australian Competition and Consumer Commission Childcare Inquiry, the Productivity Commission review and actions to protect the Child Care Subsidy (CCS) against fraud and non-compliance.

However, for these changes to have the most impact, the Australian Government should focus on several key areas:

- Ensuring that the ECEC workforce is grown, supported and retained.
- Existing instruments such as the CCS activity test and the ACCS are not inhibiting access for those facing most disadvantage.
- There is an appropriate governance framework in place so the ECEC system can achieve its objectives.
- There is equal movement across jurisdictions to implement two years of preschool for all children before they start school.

The 2023-24 Budget is an opportunity address these challenges and to take advantage of the great strides made in ECEC policy over the last 12 months. This budget must work to ensure no child, family or community misses out on the advantages of a high-quality, accessible and affordable ECEC system.

In the submission, we make **six recommendations:**

RECOMMENDATION 1

Invest 15.5M over 10 years to scale-up the Front Project's Upskill Program and support an additional 3289 students into a career as an early childhood teacher (ECT), alongside fully funding the initiatives in the National ECEC Workforce Strategy – Implementation Plan.

The opportunity

As the ECEC system evolves in Australia, there are a range of reforms taking place nationally and across multiple states and territories. These reforms include the Best Start, Best Life reforms in Victoria, the Early Years Commitment in New South Wales and the South Australian Royal Commission which will look at options for implementing three-year-old kinder. Furthermore, changes to the CCS will open opportunities for more families to take advantage of the benefits of ECEC and to drive workforce participation.

To realise the full impact of these reforms, a well provisioned, skilled and motivated workforce is fundamental. However, challenges in attraction, retention and building a quality workforce have persisted over recent years. Workforce shortages are impacting significantly on the sector, leaving a gap in meeting the workforce needs and the momentum of reform.

Demand for ECTs will increase significantly over the coming decade. A 2021 report co-authored by several peak ECEC bodies estimated that the national demand for educators is expected to increase by 11 per cent and for ECTs by 17 per cent by 2025 (Investing in Our Future, 2021) - figures well above the national projected employment growth of 7.8 per cent for all occupations for the same period (Education Services Australia, 2021).

ACECQA's National Workforce Strategy Implementation Plan sets a ten-year blueprint for ensuring a sustainable, high-quality education and care workforce that will drive the wide-ranging reform in the sector and boost equity, accessibility and quality for all children. The Government must fully fund all initiatives under all focus areas of this plan including in attraction and retention, professional recognition, leadership and capability, wellbeing, qualifications and career pathways and data and evidence.

As ACEQA's plan illustrates, there are a range of responses needed to address these workforce challenges.

One proven opportunity to develop a pipeline of highly trained ECTs can be realised through federal government investment in the Front Project's Upskill Program.

The Upskill Program addresses the barriers to upskilling and provides educators with the support they need to complete their journey to becoming an ECT. The program blends support between the university, the employer and the Front Project and is designed to help educators move confidently through their early childhood teaching degree and into their first years as a qualified teacher.

The Front Project is not a registered training provider, rather we work with universities and the educators directly to provide them with wrap-around support while they are undertaking their degree.

Since 2019, the Upskill Program has supported 389 students into an ECT career. The Upskill Program has also seen a consistent retention rate of 72 per cent over four years. This rate is significantly higher than the 15 per cent completion rate for domestic students over both four- and six-year ITE Early Childhood Teaching degrees according to ACARA data. It is also higher than the completion rate of both domestic and international students from all undergraduate education degrees according to Federal Department of Education data.

The Recommended Solution

The Front Project recommends the Australian Government fully fund the initiatives in the National ECEC workforce strategy – Implementation Plan. Alongside this work, the federal government should address immediate workforce shortages and longer-term workforce issues through investment of 15.5M over 10 years to expand the Upskill Program across the country. This investment would support an additional 3289 students over 10 years into ECT careers.

The Australian Government should also help employers fund the backfill of Upskill students to remove the barrier facing them as they go on professional practice rounds through an investment of 20.1M over 10 years.

Indicative cost and benefits of recommended solution

TFP modelling completed in late 2022 shows that an investment of \$15.5M from the Australian Government to scale up the Upskill Program could bring savings of 44.5M by 2032. And 3289 additional graduates to the sector by 2032.

This investment from the Government can work to ensure that students looking to upskill in ECEC can be supported with an integrated approach. The Front Project has found that an integrated approach where we collaborate with a students' university and their employer, combined with the support from the Front Project, offers the student a broad-based approach. This integrated approach provides students with:

- Access to the Upskill Program, including transition support, co-designed mentoring program, study support and a professionally moderated online community
- Guided access to university academics and student support from the broader university support system.
- Integrated support with employer.

Evidence shows that there is an increased completion rate when students are supported in all three domains outlined above. Therefore, Government funding to help employers fund the backfill of Upskill students will remove the barrier facing them as they go on professional practice rounds. Backfill pay to employers means they can afford to financially support their upskilling student during professional practice.

Students remain responsible for the student contribution of their university placement and have access to the Higher Education Loan Program where eligible.

The Upskill program is a proven initiative that supports students to complete their qualifications as ECTs and confidently enter the high demand ECEC sector. If scaled up, this initiative can continue to serve as an important approach to boosting workforce growth and development in ECEC.



RECOMMENDATION 2

Invest in an interim 15 per cent Commonwealth funded wage supplement for ECEC educators and early childhood teachers (ECTs) and consider actions to support ongoing wage growth to boost attraction, retention and sustainable growth in the ECEC workforce.

The opportunity

Wages and conditions are seen as a barrier to attracting and retaining staff. Wages in the ECEC workforce are low relative to other sectors, with average weekly earnings for early childhood teachers at 10 per cent less than the national weekly average (ABS, 2022). The ECEC workforce are experiencing the nationwide impacts of ongoing CPI increases and stagnant wage growth, while already trailing behind on wages.

The inability to retain workers in the long term also has implications on quality. High workforce turnover and a lack of retention of skilled and experienced ECEC teachers and educators was cited as a key barrier to services exceeding the National Quality Framework (NQF) and maintaining an excellent rating. In addition, factors including low pay and professional status and the lack of pay parity with teachers employed in schools serve as disincentives for pre-service ECTs to work in ECEC (Fenech et al 2020).

At a more fundamental level, early learning and care services simply cannot operate (to capacity, or at all) without the requisite number of educators.

Furthermore, over 90 per cent of the ECEC workforce are women (DESE, 2016). By supporting the ECEC workforce, a significant impact in women's economic security can be achieved. This has many benefits including increasing immediate income earned and overall household income, improving gender equality at home and at work, and more equal contributions to superannuation and financial security for later in life (Wood et al 2020).

The recommended solution

The Front Project recommends the Australian Government invest in an immediate 15 per cent Government funded supplement for the ECEC workforce. This supplement will assist in addressing the immediate needs and voices of educators and early childhood teachers. This response will also mitigate current and projected costs for providers (who often cite the cost of labour as a significant operational cost) in maintaining affordable and accessible ECEC for all families.

Benefits of the recommended solution

Investment and support for higher wages will address one of the major barriers to workforce retention and attraction in the ECEC sector – a sector in significant need of a workforce that keeps pace with current and planned reform and delivers quality education and care for all children.

Alongside serving as integral lever for attraction and retention in the growing ECEC system, higher wages can also shape feelings of value. An immediate wage supplement of 15 per cent will also support providers who are facing a likely boost in demand following the CCS changes set to come into effect July of this year. Providers can look to stabilise their workforce and seek to attract more educators and early childhood teachers to meet the ongoing demand.



RECOMMENDATION 3

Revise or remove the CCS activity test to make sure no child misses out on ECEC, regardless of their parents' working circumstances

The opportunity

Removing barriers to ECEC for those most in need will break the cycle of disadvantage and increase workforce participation. The Child Care Subsidy (CCS) system, specifically the activity test, limits access to ECEC for families who do not qualify for a minimum level of subsidised access due to their work/life situation, such as not having regular workforce participation.

While the activity test aims to encourage participation in the workforce, it can function to do the opposite by creating significant uncertainty for parents in casual employment due to the ongoing risk that they will fail to meet the test and generate overpayment debts.

The Australian Institute of Family Studies (AIFS) Evaluation of the Child Care Package (2022) found that halving the minimum hours of subsidised care in 2018 has disproportionately impacted children that are in more disadvantaged circumstances (AIFS, 2022). For many families not meeting the activity test, the 24-hour per fortnight minimum equates to only one day of access to subsidised care for these children (AIFS, 2022). Furthermore, the 24-hour limit is not serving as a particularly significant cost constraint on program spending or as a factor to change service and family behaviour (AIFS, 2022).

Recent changes which increase minimum hours for First Nations families form an important positive shift in addressing disadvantage, promoting ECEC access for children in a vulnerable cohort and advancing Close the Gap commitments. There is further opportunity for vulnerable and disadvantaged families to access the benefits of ECEC through further revision or removal of the activity test.

Children from non-working families can be more at risk of developmental vulnerability – children who have much to gain from participation in quality ECEC (Productivity Commission 2015). Furthermore, recent research by Impact Economics and Policy (2022) found that a number of vulnerable family groups, when compared to families earning over \$200,000 per year, are more likely to be subject to the Activity Test limiting access to subsidised care, including:

- Single parent families are over three times more likely to be limited to one day of subsidised childcare per week;
- Non-English-speaking families are over six times more likely to be limited to one day of subsidised childcare per week; and
- Low-income families earning between \$50,000 and \$100,000 are over six times more likely to be limited to one day of subsidised childcare per week.

In 2018-19, 52.6 per cent of families had some unsubsidised hours (AIFS, 2022). Incidences of unsubsidised hours of care use varies, however also persists across all income distribution points, including those on low income (AIFS, 2022). Therefore, families with already limited economic means are paying out of pocket for completely unsubsidised hours.

The activity test for access to the CCS currently stands in the way of universal access to childcare, and its removal would deliver significant benefits:

- Greater access for children from low-income families to early education and care.
- Improved participation for low-income parents that are currently dissuaded from work. due to the uncertainty created by the activity test and risk of incurring debts with Centrelink.
- Reduced red tape for Government and providers, improving the efficiency of the system.

For children's social and educational outcomes, lack of access to ECEC could be detrimental for future development. The activity test can close the doors on ECEC access for children facing disadvantage and should be revised or removed to ensure the holistic benefits of ECEC are open to all children, regardless of their parents working arrangements.



The recommended solution

The Front Project recommends the Australian Government remove or revise the CCS activity test to ensure that all children are provided equity of access to quality ECEC regardless of their parents' engagement in work or study.

A revision of the activity test should focus on amending the minimum 24-hours per fortnight of subsidised care, thus reducing the disproportionate impacts the activity test has on children facing disadvantaged circumstances – impacts that were clearly highlighted in the AIFS 2022 Evaluation of the Child Care Package. The Australian Government should ensure that families that have both low income and activity can access ECEC by considering a 40-hour subsidised care per week entitlement.

Benefits of the recommended solution

Given the disproportionately high costs of ECEC for low-income families, additional access to subsidies could reduce the financial stress of more families experiencing disadvantage. This will boost local economies, particularly in regional, rural and remote Australia which experience higher levels of disadvantage.

Revising the CCS activity test would also remove an obstacle for accessing the Additional Child Care Subsidy (ACCS) for families experiencing disadvantage.

Revision or removal of the activity test will allow opportunity for the Australian Government to ensure families currently slipping through the cracks of our ECEC system have adequate support to send their children to high-quality ECEC services.

RECOMMENDATION 4

Build on the Family Assistance Legislation Amendment (Cheaper Child Care) Bill 2022 by expanding the Additional Child Care Subsidy (ACCS), working with communities to encourage more families to access the help they need to access ECEC and consider changes to Child Wellbeing determinations.

The opportunity

Expanding on the significant Cheaper Child Care Legislation reforms, which come into effect in July of this year, there is opportunity for Government to build on these changes to make sure no child misses out on ECEC through the Additional Child Care Subsidy (ACCS).

Approximately 285,500 Australian children under five lived in poverty in 2020 (Cassells et al, 2020). In December of the same year, only 44,200 children (30,850 families) accessed the ACCS (DESE, 2021). In the September 2021 quarter, 44,710 children were accessing the ACCS (DESE, 2022).

Furthermore, there can also be administrative burden associated with the current determination length and requirements for ACCS Child Wellbeing. This subsidy provides important assistance with the cost of childcare for families who care for a child at risk of serious abuse or neglect and is applied for by providers on behalf of a family. While Determinations can now be granted for up to 12 months for children on 'long term' child protection orders, for children on 'short term' orders there is still requirement to apply every three months for 13-week ACCS determinations, in some instances resubmitting the same documentation to access further subsidy.

Children in out-of-home care are among some of the most vulnerable and disadvantaged in our community. Their circumstances and experiences can impact them through life. Access to ECEC can form a crucial intervention for these children, providing quality care, learning and developmental gains and in supporting their families and foster carers. Determination periods for the Child Wellbeing component of this subsidy need to consider the long-term challenges and disadvantage that these children face and the burden that short determination periods can create for providers looking to ensure these families and foster carers can access subsidised ECEC for longer term periods.

The recommended solution

The Front Project recommends that the Australian Government include additional targeted funding to concentrations of disadvantage, in addition to the current per-child focus. In addition to the AEDC data, the Australian Government can identify families who are eligible for the ACCS, through families' use of the CCS, and their child's enrolment data to determine whether they are living in a priority area for the pool of ACCS funding. Families could then be notified by the Government that they are eligible for the ACCS and be given the chance to 'opt-in' to the ACCS.

Furthermore, the Front Project recommends that the Australian Government consider extending Determinations for the Child Wellbeing component out to 12 months for all children in in out of home care.

Benefits of the recommended solution

Broadly, better access to ECEC through the ACCS can lead to increased economic benefits by fostering higher workforce participation and/or study opportunities for parents and carers. Additional targeted funding for disadvantage could work to ensure the ACCS is best structured to address vulnerability and to build rather than limit the access provided. The 'opt-in' option highlighted above could both ease the process for families and remove any stigma or shame they may experience about seeking additional support.

Moreover, changes to determination periods for the Child Wellbeing component of ACCS specifically will help to ensure greater longevity in access periods to ECEC for these children and recognises the sustained impacts and vulnerability that children can experience beyond re-unification or changing care arrangements. This would also reduce administrative burden on providers, foster carers and families as they work to ensure continued and predictable access to subsidised care.



RECOMMENDATION 5

Explore a system stewardship approach to governance for the ECEC system and review funding and investment mechanisms to assess the affordability of assessing ECEC to ensure equity for all families and children.

The opportunity

The current ECEC system is a mixed-market model of provision. However, the unique nature of human services, such as ECEC, means their system-wide management and delivery requires different approaches and capabilities, compared to a more conventional market. As such, there is an opportunity to consider another approach to governance in the ECEC system, such as that of ‘system stewardship’.

System stewardship is a holistic approach to governance. It acknowledges the complex and adaptive nature of developing policy and delivering human services in a system’s context. At its core, it involves a steward or collection of stewards steering all system participants, including service providers and users, towards high quality, long-term outcomes.

The effectiveness of system stewardship lies in the opportunity to address failings of market-based human services in the context of increasingly complex societal needs. In the context of early childhood, it is found that the market-based model is challenged by limitations to family choice, a highly diverse range of operating models, difficulty understanding quality or outcomes for children, and balancing a demand-driven market with societal benefits of participation in early childhood education.

High ECEC costs are a significant and complex barrier and limitation on choice for families when accessing ECEC in a mixed market model. Research with families found that 52 per cent of families agreed that ‘once the cost of childcare is factored in, it is hardly worth working’ (The Front Project, 2021). Moreover, high ECEC costs disproportionately impact families experiencing disadvantage, with research revealing that in 2018, low-income families spent nearly twice the proportion of their weekly income on ECEC as high-income families (Moore, 2021). Despite many efforts from Government, cost is continuing to rise, with the 2022 Report on Government Services highlighting that the cost of 50 hours of ECEC rose by 1.8 per cent over the last year (Productivity Commission, 2022).

Recent research from the Front Project in 2022 found that stakeholders across the ECEC system felt that moving to a system stewardship approach could be an opportunity to unite system participants through a common vision and support sustainable positive change. In this context, movement towards a system stewardship approach – to the extent this is characterised by a united vision, a cohesive decision-making environment, and a clear articulation of how actors are expected to work together – may help to mitigate these ECEC system challenges.

Furthermore, funding models and levers play an important role in supporting systems to achieve their objectives and influence levels of accessibility, equity and affordability in the ECEC sector. Well-designed funding arrangements support the sustainability, responsiveness, transparency, efficiency and accountability of the system by influencing the way in which funders, service providers and system participants interact with each other. Funding models must work with all components of the broader system architecture (including policy, regulation, sharing of evidence, monitoring and evaluation, and governance structures) to produce an environment which enables – and ideally drives – the desired outcomes.

The recommended solution

In order to ensure investment delivers on policy objectives for children, families and governments, we recommend the Australian Government explores different forms of governance, such as system stewardship, which will address the overarching and systemic challenges and limitations in the current ECEC system. As part of this, we urge the government to consider a stewardship framework that includes strong feedback loops which empower all actors within the system, including children, families and services. This would require data and evidence to be robust, accessible, shared and monitored to support decision making.

Alongside the exploration of a systems stewardship framework, we recommend a systemic lens is applied to review funding and investment mechanisms in ECEC.

Indicative cost and benefits of the recommended solution

To lead on this work, the Front Project would need \$250,000. However, this cost is indicative only and would depend on the parameters of the work and the needs of the Australian Government.

Throughout 2022, the Front Project conducted briefings and webinars with government and sector ECEC stakeholders at the Federal and State and Territory levels to discuss our research and also to gain insights from different perspectives into the value seen in a stewardship approach as well as where different stakeholders perceived both opportunities and barriers in this approach. With this foundation, as well as our independence and systems-wide approach, the Front Project is well placed to lead a piece of work on behalf of the Australian Government that both explores the feasibility of adopting a system stewardship approach for Australia's ECEC system, and co-designing potential stewardship frameworks.

The Front Project has produced research on funding and investment mechanisms in ECEC through their 2022 paper 'Funding models and levers for early childhood education and care' and are well placed to lead on research that reviews the current funding model to ensure the right funding mix is in place to ensure the system supports families to be able to have the right combination of work and care that best suits their individual needs.

RECOMMENDATION 6

Expand the Commonwealth funding within the Preschool Reform Agreement to support planning and readiness in all jurisdictions to progressively deliver universal three-year old preschool nationwide.

The opportunity

In 2022 the Australian Government built on the successes and progress of the Universal Access National Partnership Agreement (UANP) with the announcement of the new Preschool Reform Agreement (PRA) – supporting the delivery of 15 hours of preschool per week in all states and territories for all children in the year before they start school.

The previous agreement (UANP) saw more children enrolled in preschool in the year before school – with the proportion enrolled for the target of 600 hours increasing from 12 per cent in 2008 to 96 per cent in 2018 (Nous, 2020).

Furthermore, the Front Project (TFP) analysis shows that an ECEC program for 15 hours a week delivered by a qualified EC teacher, produces a return on investment of 1:2, boosting educational achievement, workforce participation and tax revenue (The Front Project, 2019).

Providing two years of funded ECEC before school to all children, and more for those who need it will support children's development and learning, as well as reduce the disincentives for parents, particularly mothers, to enter the workforce.

While there has been jurisdictional movement within Australia toward two years of preschool for all children and an evidence base to support this, a national approach is yet to emerge.

Extending preschool to two years before school can provide additional opportunity for children to prepare for formal schooling and early intervention to support them to start alongside their peers. As the Early Years Education Program (EYEP) showed, children experiencing the most vulnerability would benefit from intensive ECEC for more hours from an early age. Indeed, evaluation of the EYEP showed large positive impacts were found on children's cognitive and non-cognitive development – primarily IQ, and protective factors related to resilience and social-emotional development (Borland, 2019)

In Australia, a child's access to funded three-year old preschool is currently determined by where they live. While there has been a trend toward provision of fully funded or low-cost pre-school for the two years before school (for example in Victoria and New South Wales and targeted funding in Tasmania) there is still more work to be done to ensure all Australian children can access the full benefits of quality ECEC in the two years before starting school – regardless of the state or territory they call home.

The recommended solution

The Front Project recommends that the Australian Government builds on the successes of the UANP, the momentum of the new PRA and three-year old preschool reforms in States such as Victoria and New South Wales to support planning and readiness in all jurisdictions to progressively deliver three-year old preschool nationwide and therefore give all children access to two years of pre-school before they start school.

Benefits of the recommended solution

Integration of planning and readiness funding for all the jurisdictions into the PRA could enable the individual circumstances and challenges that each state and territory in terms of scaling up and expanding to be fully considered and planned for in line with a national objective. This expansion could offer opportunities for collaboration between the various jurisdictions and shared objectives in lifting preschool participation across the country.

Progression toward universal access to three-year old preschool nation-wide will address current inequity between the jurisdictions.

Providing two years of universal kindergarten will be crucial in ensuring no child or family misses out on both the social and economic benefits of ECEC, no matter where they live. This is especially important to support children and families experiencing or at risk of disadvantage.

Summary

Over recent years ECEC system has seen a wave of reform from the Federal and State and Territory Governments – these are defining changes that children, families, the economy and wider community are all set to benefit from.

The Australian Government is at a crucial crossroads to ensure that these positive developments for ECEC have optimal impact for all actors involved and don't leave children facing disadvantage behind. This Budget provides a timely opportunity to further the nation's agenda to achieve the full potential of early years education and care.

Addressing disadvantage and supporting workforce participation and prosperity via an ECEC system that is robust, equitable and affordable, and that promotes access for all families across Australia will be a fundamental determinant of our nation's future health and prosperity.

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