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## Submission to the 2018-19 ACT Budget Consultation

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November 2017

## Children First Alliance Founding Members



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Chief Executive Officer



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Chief Executive Officer



**Communities@Work**

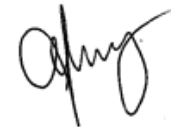
Lorcan Murphy  
Chief Executive Officer



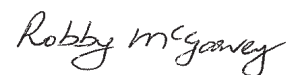
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# About the Children First Alliance

## About the Children First Alliance

The ACT Children First Alliance (the Alliance) is a network of longstanding not-for-profit providers of children's service in the Australian Capital Territory (ACT), including early learning centres (ELCs), family day care, preschool and after school care.

There is a significant body of research that demonstrates the importance of Early Childhood Education and Care (ECEC) on a child's social, emotional, educational and economic wellbeing across the lifespan. Despite this, more than one in five ACT children were developmentally vulnerable when entering school.

The Alliance was established to develop and communicate a shared vision for ECEC in the ACT and to ensure that all children have access to ECEC.

The ten community ECEC providers that make up this Alliance operate 46 ELCs with 3,543 places. The Alliance has ten Founding Members:

- Anglicare NSW South, NSW West & ACT
- Belconnen Community Service
- Communities@Work
- Community Services #1
- Goodstart Early Learning ACT
- MOCCA
- Northside Community Service
- Woden Community Service
- YMCA Canberra
- YWCA Canberra

The Alliance's approach will involve:

- Developing policy and program priorities based on the evidence-base and experience of Alliance members;
- Working with the ACT Government to progress these reforms;
- Working collaboratively with like-minded stakeholders; and
- Communicating information about these reforms with the ACT community.

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# Introduction

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## Introduction

The Children First Alliance welcomes the opportunity to provide a submission to the 2018-19 Australian Capital Territory (ACT) Budget Consultation.

In the lead up to the 2016 ACT election, the Chief Minister affirmed that ‘every Canberran deserves the best quality education to get the most out of life – to pursue knowledge, build a career and contribute to their community’.<sup>1</sup> The ACT Government is currently engaging in a comprehensive consultation process on the Future of Education in the ACT, including the development of an Early Childhood Strategy. The ACT Government should be commended for their work in this area.

While this consultation occurs, the Early Childhood Education and Care (ECEC) sector in the ACT and across Australia, is undergoing significant policy change and uncertainty. In July 2018 sweeping changes will be made to the Childcare Benefit (CCB) and Childcare Rebate (CCR), with the payments being combined into one Child Care Subsidy (CCS). The Australian Government Early Childhood Education and Care Workforce Strategy for Australia 2012–2016 expired in 2016 and has not been renewed.<sup>2</sup> In addition to this, two Australian Government sources of funding for professional development: the Professional Support Coordinators (PSC) and the Long Day Care Professional Development Program (LDCPDP) also ceased in 2016 and 2017 respectively. Finally, the National Partnership Agreement on Early Childhood Education (Agreement) which provides funding for 15 hours per week of preschool education to all ACT Children, continues to be funded through short term arrangements, with the current Agreement set to expire in December 2018.

All of these policy changes have direct impacts on children in the ACT and their families. Unfortunately the children who are impacted the most by these changes are children experiencing disadvantage. For example, modelling of the replacement of CCB and CCR with the CCS is estimated to result in one in three or 330,000 families being worse off, including 150,000 who will receive less support because of the more stringent ‘activity test’.<sup>3</sup> The changes to the ‘activity test’ will also halve the hours available to children who have one parent that is working less than eight hours a week. Further, any cuts to funding for preschool for four year old children will also disproportionately affect children whose parents are unable to afford enrolment.

These policy changes and their potential impacts should be of grave concern to all Canberrans, as one in five ACT children are already entering school developmentally vulnerable and this figure is two and a half times higher for children experiencing disadvantage.<sup>4</sup>

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1 ACT Labor (2016) ACT Labor’s Education Platform: Making Canberra’s education system even better

2 Australian Government Department of Ageing (2012) Early Years Workforce Strategy, <https://docs.education.gov.au/node/2918>

3 ABC, One in three families are worse off under planned childcare changes, modelling predicts, <http://www.abc.net.au/news/2016-03-04/modelling-has-1-in-3-families-worse-off-under-childcare-changes/7218550>

4 Emerging trends from the AEDC, Fact sheet on AEDC results for the 2009, 2012 and 2015 collection, <https://www.aedc.gov.au/resources/detail/fact-sheet--emerging-trends-from-the-aedc>

This Pre-Budget Submission outlines the immediate areas for action for strengthening ECEC in the ACT in the 2018-19 ACT Budget, alongside the longer term strategic work that is being undertaken by the ACT Government. The policies outlined in this Pre-Budget Submission are necessary, reasonable and absolutely vital to ensure that the ACT has a strong quality ECEC sector that prepares our children for the future in school and beyond. Three areas have been identified for immediate action:

- 1.** Develop an Early Childhood Education and Care Innovation Fund and Co-Lab to support programs that improve access to ECEC for children experiencing disadvantage.
- 2.** Create an ACT Early Childhood Educators Professional Development Fund to support the ongoing need for professional development in the ECEC sector.
- 3.** Commission modelling into the cost of extending funded preschool access to three year olds, as part of the Future of Education review process.





# 2018-19 Budget Priorities

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## 2018-19 Budget Priorities

### 1. Develop an Early Childhood Education and Care Innovation Fund and Co-Lab to support programs that improve access to ECEC for children experiencing disadvantage.

#### The current policy environment

Across the ACT, 22.5 per cent of children were developmentally vulnerable on at least one measure when entering school. This figure varies across Canberra with parts of Canberra having higher rates of vulnerability. For example 25.1 per cent of children from the Belconnen region are developmentally vulnerable in at least one area. Within the Belconnen region, particular suburbs have higher rates of vulnerability also, for example Belconnen itself and Giralang (both above 40 per cent).<sup>1</sup> Also 41.9 per cent of Aboriginal and Torres Strait Islander children are developmentally vulnerable on at least one measure.

The ACT has high rates of enrolment in preschool in the year before school, with 100 per cent of children enrolled in a preschool program. While 91 per cent of children are enrolled for 15 or more hours, far fewer (74 per cent) attend 15 or more hours.<sup>2</sup>

Both the AEDC data and ECEC access data provide an indication of the current provision of and access to ECEC and areas where additional supports may be needed. This data should be used to inform targeted programs for children in the community who are experiencing barriers to accessing ECEC.

AEDC data shows that children who attend ECEC are less likely to be developmentally vulnerable on all five developmental domains (physical, social, emotional, language and communication). However there are a number of barriers to children and families accessing ECEC including limited access to specialist supports for children with additional needs, complex paper work and enrolment processes, lack of trust and access and availability.<sup>3</sup>

Engaging children and families who experience these barriers in ECEC involves ELCs being linked in with their communities and with services that support people experiencing disadvantage. ELCs can be best placed to identify early learning or health issues, provide information on strategies to support early learning at home, build supportive relationships with families who aren't engaging with other services and connect families with other support services.

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1 Emerging trends from the AEDC, Fact sheet on AEDC results for the 2009, 2012 and 2015 collection, <https://www.aedc.gov.au/resources/detail/fact-sheet--emerging-trends-from-the-aedc>

2 Two years are better than one: Preschool programs in the ACT: Fact Sheet, October 2016, Available from: [www.mitchellinstitute.org.au/wp-content/uploads/2016/.../ACT-Fact-Sheet-FINAL.pdf](http://www.mitchellinstitute.org.au/wp-content/uploads/2016/.../ACT-Fact-Sheet-FINAL.pdf)

3 O'Connell M, Fox S, Hinz B and Cole H (2016). 'Quality Education for All: Fostering creative, entrepreneurial, resilient and capable learners' Mitchell Institute policy paper No. 01/2016. Mitchell Institute, Melbourne. Available from [www.mitchellinstitute.org.au](http://www.mitchellinstitute.org.au)

Community ECEC providers often provide other community services and are connected with a range of other community organisations. This makes them best placed to provide and connect people with the wrap around services needed to identify problems early, intervene and refer to appropriate services.

The ACT Government currently provides funding for ECEC places through the Children's Services Program, usually for children who are experiencing significant hardship or who are in the care and protection system. These places are limited and temporary. Community ECEC providers understand that despite the subsidies in place, price and administrative burden will always be a barrier for some people in engaging in ECEC.

### **Areas for action in the 2018-19 Budget**

Equity Scholarships could go part of the way to addressing this, by providing funding for people experiencing disadvantage or hardship. Through a partnership approach, Community ECEC Providers could provide matched funding with the ACT Government to deliver two Equity Scholarships per ELC to provide ongoing ECEC for 15 hours per week for children experiencing disadvantage. This funding could also be used to top-up existing funding provision where additional ECEC may significantly benefit the child experiencing disadvantage. This will also be important with the introduction of the CCS resulting in children whose parents aren't meeting the activity test receiving access to less ECEC.

The Government funding for the scholarship would equate to 50 per cent of the cost of 15 hours of care at \$120 per child for the 46 centres that form part of this Alliance. The funding would also support the administrative requirements of implementing this program.

An ECEC Innovation Fund is also needed to provide greater access by children experiencing disadvantage. The Fund should be targeted and informed by the information available on socio-economic status, access to ECEC and AEDC data on vulnerability. The fund would provide ten grants of up to \$30,000 to ECEC providers to implement evidence-based and innovative programs that improve engagement of children experiencing disadvantage. This would be trialled over a two year period. In applying for grants, ECEC providers should be required to demonstrate the need for the program and the evidence supporting their intended approach for engagement of children and families.

A Co-Lab process could be developed to support the application process for the Early Intervention Fund. The Co-lab would provide training to potential applicants and support the development of innovative applications that are embedded in the evidence-base. The process would involve potential applicants being called to provide an Expression of Interest and then being supported through workshops and coaching to develop an application that is innovative. This could be modelled on the NSW Domestic and Family Violence Innovation Fund which supports applicants through two workshops on topics such as business case development and social innovation, alongside particular feedback being provided on draft applications.<sup>1</sup>

	2018-19	2019-20	2020-21	2021-22
<b>Partnership Equity Scholarships for ECEC access</b>	\$563,040	\$563,040	-	-
<b>Early Childhood Education and Care Innovation Fund and Co-Lab</b>	\$370,000*	\$370,000	-	-

\* Amounts also include administration, Co-Lab support (\$40,000) and evaluation (\$30,000) per annum.

<sup>1</sup> NSW Department of Family and Community Services (2017) Domestic and Family Violence Innovation Fund, [http://www.women.nsw.gov.au/violence\\_prevention/innovation-fund](http://www.women.nsw.gov.au/violence_prevention/innovation-fund)

## 2. Create an ACT Early Childhood Educators Professional Development Fund to support the ongoing need for professional development in the ECEC sector.

### The current policy environment

Both the strategy and funding for professional development for ECEC professionals in Australia has lapsed, with no plan for further policy development or support. The Australian Government Early Childhood Education and Care Workforce Strategy for Australia 2012–2016 expired in 2016 and has not been renewed.<sup>1</sup> Two Australian Government sources of funding for professional development: the Professional Support Coordinators (PSC) and the Long Day Care Professional Development Program (LDCPDP) also ceased in 2016 and 2017 respectively.

The PSC was funded by the Australian Government to provide professional development to the ECEC sector in the ACT. The PSC was a single organisation selected through a tender process and provided with funding to support sector-wide professional development.

The LDCPDP was another Australian Government investment of \$200 million to support ECECs with the cost of accessing professional development and upskilling educators to meet the requirements of the National Quality Framework.

### Areas for action in the 2018-19 Budget

Professional Development for ECEC educators is vital to ensuring that ECEC is high quality and results in outcomes that prepare children for school and beyond. In particular, research has drawn a direct link between the quality of teachers and educators and positive outcomes for children. Professor Edward Melhuish, a world leading expert on ECEC, indicated that an effective and efficient way to improve the quality of ECEC is to provide in-house professional development to educators.<sup>2</sup> This funding will support ECEC's to access the necessary skills to provide this training to their staff and to backfill positions while staff are accessing this professional development.

A grants program for professional development should be established by the ACT Government to demonstrate its ongoing commitment to quality ECEC. The program could offer 50 grants valued up to \$5,000 per Early Learning Centre to seek in-house professional development support.

	2018-19	2019-20	2020-21	2021-22
<b>ECEC Professional Development Fund</b>	\$300,000	\$300,000	-	-

<sup>1</sup> Australian Government Department of Ageing (2012) Early Years Workforce Strategy, <https://docs.education.gov.au/node/2918>

<sup>2</sup> Professor Melhuish presentation to ACT Members of The Legislative Assembly, 6 October 2017

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### 3. Commission modelling into the cost of extending funded preschool access to three year olds, as part of the Future of Education review process.

#### The current environment

In 1998 the United Kingdom (UK) Government introduced subsidised preschool for four year olds. This was later extended to three year olds in 2004 and two year olds experiencing disadvantage in 2013. In September 2017, this was increased from 15 hours per week to 30 hours per week. Sweden offers all three to five year old children 15 hours of free ECEC per week and Italy offers 40 hours of free ECEC for all three to six year olds.

The EPPE study assessed the impact of ECEC on participants' longer term outcomes. The study found that the more months a child spends in quality ECEC, the better their language skills, and that an early start (aged two or three years) is linked with better intellectual attainment at school entry. The researchers concluded that two or more years in a high quality preschool environment had the biggest statistical impact on intellectual development and early literacy skills.<sup>1</sup>

As the Mitchell Institute Report Quality Early Education for All identified 'Commencing work on planning the extension of Universal Access to three year olds would bring Australia into line with international norms'. Providing two years of preschool would have the greatest impact on child outcomes and would provide greater benefits for children experiencing disadvantage for whom one year of preschool is not adequate to close the achievement gaps.<sup>2</sup>

Currently in Australia 66 per cent of three year olds and 71 per cent of ACT children access ECEC. Of the 66 per cent of three year olds accessing ECEC, just 21 per cent attend a preschool program. Preschool is described by the Mitchell Institute Report Preschool: Two years are better than one as 'A defined learning-focused program, usually with minimum hours of attendance for children in the year or two before school and delivered by a qualified Early Childhood Teacher.'<sup>3</sup> However there is no nationally defined program of preschool for three year olds in Australia.

The changes to ECEC in Australia implemented over the past decade, which include the provision of funding for 15 hours per week for four year olds to access preschool, have brought Australia in line with minimum practices among most OECD countries. This move was taken a decade after the UK. Extending preschool to three year olds would ensure that we continue to progress our ECEC policies, rather than continuing to lag behind globally.

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1 Sylva, K., Melhuish, E., Sammons, P., Siraj-Blatchford, I., & Taggart, B., (2004). The Effective Provision of PreSchool Education (EPPE) Project: final report. Institute of Education, University of London: London. [www.ioe.ac.uk/RB\\_Final\\_Report\\_3-7.pdf](http://www.ioe.ac.uk/RB_Final_Report_3-7.pdf)

2 Fox, S and Geddes, M. (2016). Preschool - Two Years are Better Than One: Developing a Preschool Program for Australian 3 Year Olds – Evidence, Policy and Implementation, Mitchell Institute

3 Fox, S and Geddes, M. (2016). Preschool - Two Years are Better Than One: Developing a Preschool Program for Australian 3 Year Olds – Evidence, Policy and Implementation, Mitchell Institute Policy Paper No. 03/2016. Mitchell Institute, Melbourne. Available from: [www.mitchellinstitute.org.au](http://www.mitchellinstitute.org.au), p 36

## Areas for action in the 2018-19 Budget

The Mitchell Institute Report *Preschool: Two years are better than one* provides a pathway for implementing a preschool program for three year olds in Australia. The pathway is a four stage process:

- ‘Designing: Defining the structural and process elements of a preschool program for three year olds and considering how a three year old program could be delivered within the existing system in each jurisdiction, based on current utilisation and capacity. Scoping and developing jurisdictional specific implementation plans in collaboration with relevant stakeholders.’
- Implementing: A phased approach to expanding capacity, delivering a workforce strategy and gradually building attendance rates.
- Embedding: Once there is adequate capacity within the sector, maintaining a focus on quality, attendance for the right dosage, and ensuring priority cohorts have equitable access.
- Sustaining: Maintaining appropriate levels of quality and funding, and responding to emerging evidence about dose, duration and quality thresholds.’<sup>1</sup>

The ACT Government now needs to undertake the work outlined above by the Mitchell Institute in the ‘Designing’ phase to determine both the possible policy for the provision of preschool to three year olds in the ACT and modelling of various scenarios to determine the costing of these policies. The policies to be modelled should consider the existing infrastructure available and ways to incorporate the provision of preschool to three year olds building on this foundation. This research should be undertaken as part of the Future of Education Review process.

	2018-19	2019-20	2020-21	2021-22
<b>Modelling into the cost of extending preschool access to three year olds</b>	\$80,000	-	-	-

<sup>1</sup> Fox, S and Geddes, M. (2016). *Preschool - Two Years are Better Than One: Developing a Preschool Program for Australian 3 Year Olds – Evidence, Policy and Implementation*, Mitchell Institute Policy Paper No. 03/2016. Mitchell Institute, Melbourne. Available from: [www.mitchellinstitute.org.au](http://www.mitchellinstitute.org.au), p.84



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