

# Working through the NSW and Victorian early education reforms

Paper 1 – Balancing ambitious growth with equity and quality

November 2022



dandolopartners



# About this series

New South Wales (NSW) and Victoria are embarking on the biggest early education reform agenda in a generation. The Australian Government has also flagged significant ambitions in ECEC. We'd like to contribute to making it a spectacular success.

## Rationale for this series

In June 2022, the Premiers of NSW and Victoria announced “the greatest transformation of early education in a generation” (Perrottet and Andrews, 2022) and committed to a combined investment of \$25 billion over the next decade.

These reforms can be transformative for children and families, amplifying children’s learning and unlocking additional workforce participation by making it easier to balance work and care responsibilities.

But there will be formidable implementation challenges to overcome and a heightened need to ensure sector funding and operating models are fit-for-purpose for the contemporary context.

Although NSW and Victoria have different...

- starting points
- strengths to build from
- challenges to overcome, and
- sector, policy and political dynamics

...there are many commonalities and opportunities for shared learning, joint approaches, and testing innovations.

We are interested in the opportunities that stem from the joint announcement, the shared reform journey both states have embarked on, and the implications for the wider early childhood education and care (ECEC) sector, particularly for the Australian Government and other jurisdictions.

## About the partnership between dandolo and Gowrie

dandolo, Gowrie Victoria and Gowrie NSW have collaborated on this series because of a shared belief in the huge opportunity the reforms represent to improve outcomes for children and families and an interest in better understanding the implications.

This series sets out some of the big questions raised by the reform directions set by NSW and Victoria, including:

- **Paper 1:** Balancing ambitious growth with equity and quality
- **Paper 2:** Navigating constraints on growth
- **Paper 3:** Implications for the size and shape of the sector

We aim to unpack the questions, be honest about the challenges, reflect some of the excitement about the reforms, and identify some of the opportunities before us.

We hope the series will:

- Support productive conversations within the sector about what’s possible and what’s necessary.
- Contribute to emerging thinking for all governments as they work through design and delivery.
- Raise some ideas that we think should be part of the ongoing conversation.

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**dandolopartners:** dandolo is a specialist public policy consulting firm with significant experience in ECEC policy and research. We seek to contribute to public good outcomes through pro- and low-bono work as well as our commercial engagements



**Gowrie Victoria:** Since 1939, Gowrie Victoria has been a leader in the ECEC sector and a strong advocate for children. We believe that children flourish as active members of society, and place a high importance on developing strong partnerships with our families and communities.



**Gowrie NSW:** Gowrie NSW is a non-profit-organisation founded in 1940, providing diverse education and care, family support and professional development services to the early and middle childhood sector across NSW and ACT.

*We use the term ‘early education’ in this report to include terminology inclusive of NSW (preschool and pre-kinder) and Victoria (kindergarten and pre-prep) – it refers to an early learning program delivered in the two years before school by an Early Childhood Teacher (ECT).*

# Context

NSW and Victoria's early education reforms are nationally significant.

**Investment on this scale and at this level of ambition is a welcome sign that governments can still lead and collaborate on future-focused reform.**

The opportunity and the investment is similar in scale to other nation-leading reforms like the Gonski school education reforms and reflects a funding level more usually associated with significant infrastructure investment, like the airport rail link in Melbourne (\$10 billion) or the Snowy Hydro 2.0 scheme (\$10 billion).

In their joint statement, the NSW and Victorian premiers said that the reforms would take a decade to be realised, reflecting a commitment to long-term and future-focused reforms.

And they represent a step-change for the early education sector.

Together, NSW and Victoria are home to nearly 60% of Australia's 3- to 5-year-olds, and the reforms they have committed to will fundamentally change:

- **How much early education children have access to:** An increase in early education delivery for 4-year-olds, from part-time (15 hours a week) to full-time (30 hours a week), and the introduction of 15 hours a week of early education for all 3-year-olds.
- **What families pay:** A commitment to free / affordable early education for all children.
- **How early education is positioned:** Reframing early education as pre-kindergarten (NSW) and pre-prep (Victoria), plus 3-year-old preschool / kindergarten.
- **The role of state governments:** Both NSW and Victoria have signaled that they are taking a stronger system stewardship stance, and appear to be conceiving their role and scope of interest differently. This includes:
  - A more active role in supply and demand. NSW is establishing a flexible fund to increase the supply of places and trial new service delivery models, and Victoria has committed to building and running 50 services.
  - Enhancing their data capabilities to guide policy and funding settings.
  - Building a stronger understanding of the market dynamics of the ECEC sector.
- **How state and federal governments work together:** The reforms heighten the importance of alignment between federal and state policy goals and funding settings.

These reforms also demonstrate a renewed commitment to a universal early education system, an approach that ensures early education programs are available in every community, at every service, and for every child.

They also reflect a heightened interest from the States in using levers for economic growth, with the announcements framed around cost of living and growing workforce participation. This is a departure from the traditional split in policy responsibilities in early education, where states and territories have focused on education and the Australian Government has focused on workforce participation – contributing to different models of delivery and, at times, a misalignment of policy objectives.

*The reforms are outlined in more detail in Appendix A.*

# Context

The reforms promise transformation. But it won't be easy to deliver.

Effectively tripling the amount of teacher-led early education children receive will:

- radically shift the demand and supply equation,
- change the shape and requirements of the workforce, services and the sector,
- require a different role for all levels of government in the ECEC market.

**These are complex reforms, and the states don't hold all the levers they need to achieve it, because:**

## Early education doesn't exist in isolation

State-funded early education is part of a wider ECEC system in which all levels of government hold key levers, play different roles, and sometimes optimise for different outcomes. NSW and Victoria's policy ambitions have significant interactions with:

- Australian Government funding mechanisms, including the Child Care Subsidy (CCS), which will reach more than \$12bn over the forward estimates, and the Preschool Reform Agreement (PRA).
- A shared national regulatory framework.
- Local government planning priorities.
- Upcoming inquiries from the Australian Competition and Consumer Commission (ACCC) and Productivity Commission (PC), as well as a new Early Years Strategy. These are likely to lead to fundamental changes to the funding and operating models for ECEC services.

## There are different levels of readiness for change

The early education sector is diverse and complex. The sector is a mixed market, with providers spanning standalone services run by volunteer parent committees, to small family businesses, to local governments, to large national corporations. These providers have different incentives, operating models, levels of capability, and differences in appetite for the changes required.

## Not everyone is on-board

While there's been a groundswell of support from the community to fix a system that is complex, costly and hard to navigate, full-time early education hasn't been part of the advocacy agenda and there's variable levels of support in the community and in the sector.

# Strategic questions

There are big questions to work through on the pathway to delivery. Some are pragmatic questions about implementation. Others are larger questions about how to fix some of the fundamental problems with how the early education system is structured. There may also be opportunities to maximise the impact of the investment to realise some long-held aspirations for quality, equity and impact.

This series steps through three key issues:



**The ECEC sector is complex and dynamic. We have chosen to address these issues separately for clarity, but recognise that they are fundamentally interrelated. For example, quality is directly impacted by workforce and influenced by the shape of the sector.**



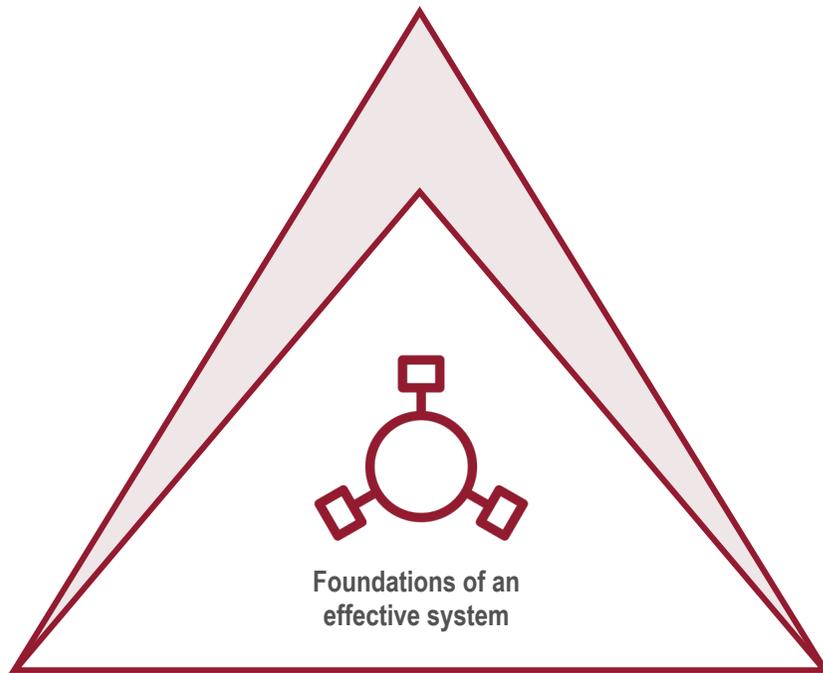
**There are also opportunities for innovation:** The reforms also create the opportunity not just to expand access to early education, but to innovate, transform and better leverage this significant investment in social infrastructure to drive outcomes for children, families and communities.

# Balancing ambitious growth with equity and quality

Significant and rapid growth in demand and provision could force trade-offs with equity and quality – but this is a risk, not an inevitability. It's possible to drive growth in a way that strengthens the foundations that support and enable both equity and quality.

## Access

*Increasing the 'dose' and 'duration' of early education and growing the number of children who access it*



**Equity**

*Ensuring levels of access and support that are proportionate to need*

**Quality**

*Learning environments that deliver substantial and sustained benefits for children*

It's possible that the focus on growing access could come at the expense of the other goals. For example, compromising on the quality of the workforce in the race to attract enough teachers and educators to meet delivery goals.

The growth ambition creates both the opportunity and imperative to address some of the structural factors that get in the ways of quality and equity.

This paper addresses:

- Equity in a universal system – why it matters, what's at risk, and what it takes to build for equity
- Driving growth while sustaining and growing quality – why it matters, what's at risk, and how to build the system architecture that supports quality

For each, we identify ideas that should be part of the ongoing conversation.

# Equity in a universal system

# Equity in a universal system

Expanding early education provides an opportunity to design for equity of access, quality and outcomes.

**Early education is a proven strategy for reducing the learning gaps between advantaged and disadvantaged children.**

However, the design of the current system results in:



- Barriers to access.
- Gaps in attendance, quality and outcomes.

**There is a risk of increasing rather than reducing gaps between advantaged and disadvantaged children.**

If the design and implementation of a new approach to early education simply replicates the existing system, the gap between advantaged and disadvantaged children may get even larger.

- Currently, the children who aren't enrolled in early education experience at least 600 fewer hours of education than children who are enrolled and attend regularly.
- Under the new reforms, that gap will grow by at least 1800 hours.

In this scenario, the benefits of the investment may not be fully realised.

**We know what it takes to address barriers for children experiencing disadvantage.**

There are clear examples of this happening in practice – but currently these bright spots are the exception rather than the norm.



In part, this is because current funding models do not reflect the full cost of achieving high-quality in disadvantaged contexts.

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Slide 7

Slide 8-10



# Addressing inequity

Early education is a powerful tool for reducing the gap between advantaged and disadvantaged children.

A high proportion of children start school with developmental vulnerabilities that impact their ability to thrive, achieve at school and succeed throughout life.

Access to a sufficient 'dose' of high-quality early education has been proven to reduce the gap (Lifting our Game, 2017; Fox and Geddes, 2016; Brookings Institute, 2020).

Children experiencing disadvantage have often had less opportunity to develop foundational skills of:

- **Self-regulation** – managing emotions and impulses, paying attention and focusing, and persevering on challenging tasks.
- **Social relationships** – getting along well with others, showing empathy, and possessing self-confidence.
- **Language and communication** – listening, articulating, and communicating well.

Early education provides a learning environment and intentional scaffolding that accelerates the development of these core social, emotional and cognitive skills.

This reduces the gap between advantaged and disadvantaged children, and helps ensure all children have the foundational skills they need throughout their lives.

However, the current system isn't delivering equity. There are inequities in access, attendance, quality and outcomes.

Australia's education systems are some of the least equitable in the OECD (Gonski, 2011) and this challenge starts in early education.

Children experiencing disadvantage:

- **Have less access and lower attendance:** Children in disadvantaged communities are less likely to be enrolled in early education, and tend to have lower rates of attendance.
- **Receive lower quality services:** Across the system, service quality is variable and often lowest in disadvantaged communities. One study showed that only 7% of children in the most disadvantaged communities received the highest levels of quality teaching (Torii et al, 2017).
- **Achieve poorer outcomes in both early education and through their life:** The impact of disadvantage is well-established before children start school, and the educational and developmental gap continues to widen at school.



**One in five** children start school with significant developmental vulnerabilities (AEDC, 2021).

Children in disadvantaged communities are **three times** more likely to experience vulnerabilities (AEDC, 2021).



**Only 12%** of the children who start school developmentally vulnerable are on track by Year 3 (Pascoe & Brennan, 2017).

Children who are in the **bottom 20%** of NAPLAN in Year 3 tend to stay in the lower bands throughout primary school (Brinkman, 2014).



Children who are in the **bottom 20% of NAPLAN** in Year 9 only have a **9% chance** of getting an ATAR above 50 (Houng & Justman, 2014).

# The risk of exacerbating inequity



There is a significant risk that just extending the existing system will increase, rather than reduce, inequity.

Currently, not all eligible children attend early education and many don't attend for the hours they're eligible for, or the optimum number of hours to impact their development. We don't have quality data on how many, but it's likely that up to 15% of children aren't enrolled in early education when they could be (ROGS, 2022). It is very likely that that many of these children are experiencing disadvantage.

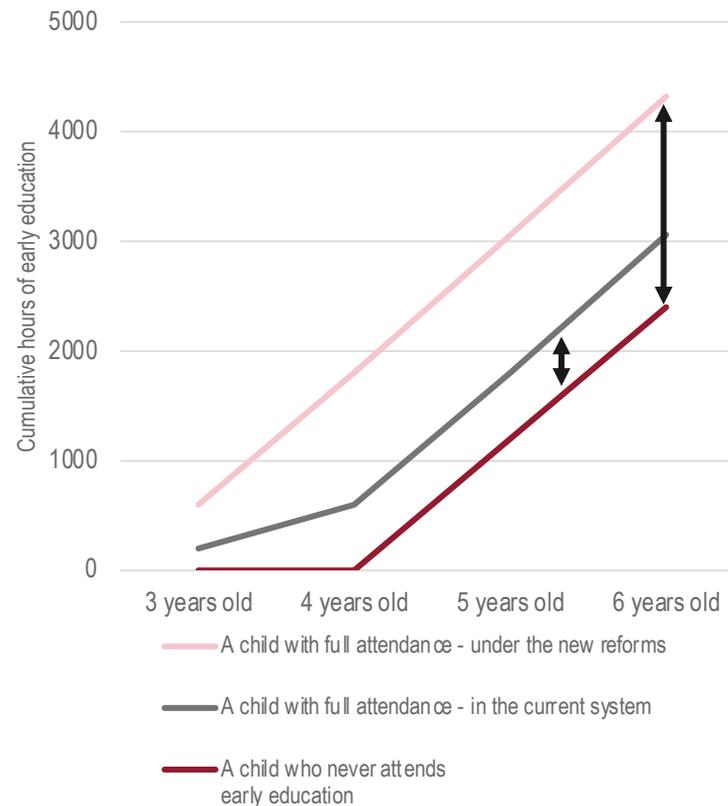
If the design and implementation of a new approach to early education simply replicates the existing system, the gap between advantaged and disadvantaged children may get even larger.

- Currently, the children who aren't enrolled in early education experience at least 600 fewer hours of education than children who are enrolled and attend regularly.
- Under the new reforms, that gap will grow by at least 1800 hours.

The compounding effects of less dose, fewer years and lower quality carries significant risk – including exacerbating the gap in children's capabilities on school entry and the scale of the missed opportunity to identify developmental challenges early.

A large part of the return on investment from this reform will be driven by reducing the proportion of children with significant developmental vulnerabilities at the start of school. These benefits will not be realised if the inequities of the current system are reproduced rather than resolved.

## Potential impact of early learning reforms on the gap in access to education



Note: this is indicative analysis that only considers preschool participation and not broader attendance at other early learning services and does not reflect actual hours of attendance.

We can mitigate the risk of increasing the gap between advantaged and disadvantaged children by proactively addressing barriers to enrolling in early education, sustaining attendance and benefiting from a service that meets their needs.

NSW and Victoria have committed to free or affordable early education in the year before school. This transformative change will deliver substantial improvements in equity and address one of the most significant barriers to enrolment and attendance – the cost of participation.

However, cost is not the only barrier to ensuring all children can benefit from early education. Some children and families need additional support, resources and intentional effort to achieve equitable access, participation and outcomes. Further, there are elements of the Child Care Subsidy (CCS) system that mean that children's access will still be tied to their family's income and work status.



**Barriers to access are created by the complexity of the system, challenging life circumstances, and the capacity of providers to deliver inclusive services that families trust.**

**Administrative complexity:** Understanding differences between service types, processes for checking availability and securing a place, navigating the CCS system and 'activity test' requirements, meeting administrative requirements (like having a birth certificate), and filling in multiple forms.

**Complex life circumstances:** Families grappling with challenges like poor mental health, family violence, housing insecurity, or those with limited means prioritising access to 'the basics' for children.

**Access and transport:** Fewer services in thin markets, hours of operation that don't align with parent's work commitments, and poor public transport networks that make access challenging.

**Inclusion:** Insufficient support and resourcing for children with additional needs, which makes it hard for families to find a place or more likely for services to turn away children with additional needs.

**Cultural safety and trust:** Not all families have confidence in the cultural safety of their local service, or access to a service that recognises and reflects families' culture and values (The Smith Family, 2019).



**We know what it takes to address these barriers and there are some resources available – but these ways of working aren't yet 'baked in' to the system.**

**Building trust with families:** Ensuring time and effort to build relationships in a way that fosters trust, undertaking active outreach to support enrolment and ongoing attendance, and possessing the skills and confidence to form partnerships around children's learning.

**Proactively removing practical barriers:** Responding to family needs, including providing transport for children, good nutrition, and help to navigate administrative requirements.

**Connecting early education to wider supports for children and families:** Enabling collaboration and connection with other services, including maternal and child health services, family support services, and allied health practitioners.

**Additional support to provide a positive learning environment that is responsive to the needs of individual children:** Enabling educators to create positive learning environments, especially for children who have experienced trauma, who exhibit challenging behaviours, or who require additional support.

**Effective use of data:** Collecting more granular data on attendance to better understand patterns of attendance and priority cohorts and geographies, and information sharing to support focused outreach.

# Equity in a universal system: Case studies



Equity within a universal early education system is achievable. There are many examples of good practice; the challenge is embedding these structures and ways of working within and across the whole early education system.



## Gowrie Broadmeadows

Gowrie Victoria commenced service delivery at their Broadmeadows Valley service in 2016, aiming to demonstrate high-quality ECEC in a complex community at an affordable price. To ensure that the level of high-quality provision is sustained, Gowrie invests additional resources into the operating model, such as:

- **Staffing profile:** Most staff hold Diploma qualifications or above and the service also employs: additional educators to work with small groups of children in targeted ways, a family practitioner for outreach and supporting, additional administrative staff to support families to enrol and access funding, and a family practitioner and Koorie Assistant to support outreach and attendance.
- **Leadership:** The service has a leadership structure that ensures leaders have dedicated time, resources and opportunities for relationship building with the local community and for working with the team to support the needs of children and families. There are also dedicated roles focused on operations, compliance, pedagogy, and partnerships.
- **Roles and responsibilities:** There are dual leadership roles in the kindergarten programs to ensure the teacher is focused on implementing strong educational programs and practice, and the Diploma-qualified leader is focused on engaging with other professionals to support individual children, access inclusion support, and leading the team.
- **Professional learning:** There is additional funding for professional learning and professional support through: supervision sessions for staff, an embedded coach, a focus on assessing children's learning outcomes, and the development of culturally responsive learning environments.

Gowrie has achieved its objectives for the service to be:

- **High-quality:** In September 2022, Gowrie Broadmeadows Valley was awarded a second Excellent rating by ACECQA.
- **Affordable:** Fees at Gowrie Broadmeadows Valley are affordable, with the higher cost of delivery supported by Victoria's School Readiness Funding and cross-subsidisation from other services.
- **Accessible:** The service supports families experiencing disadvantage – two-thirds of families speak English as an additional language, 37% have inclusion support plans, and 64% of children have identified complex needs and are involved with the child protection or other family services systems.



## Early Learning Linkers

The early education system can be difficult to navigate. A recent innovation is the emergence of 'linkers', who work systematically to remove the barriers some families experience finding an early learning service, enrolling their child and sustaining their attendance.

### Links to Early Learning

Uniting's Links to Early Learning program in South Western Sydney includes: active outreach to families not enrolled in early education; working with families to understand their priorities for early education and the kind of service that will best support them and their children; and working through all the barriers – from helping with CCS applications, ensuring children have shoes and a lunch box, figuring out public transport routes, and helping families feel confident in their local service.

dandolo's [evaluation](#) of Links to Early Learning found it was an effective and efficient model for increasing access to early learning for the children most likely to miss out.

### The Hive's Early Learning Linkers

The Hive is a place-based collective impact initiative in Mount Druitt. The Hive's early learning and child health Linkers work to help families navigate the barriers to early education, and also focus on building the capacity of local services to work effectively with families experiencing disadvantage.

### How Linkers work

dandolo analysed the skills and attributes of Linkers working in early education, schools, health and justice contexts, and the conditions that enabled them to be effective.

We found that they were highly skilled relationship-builders and problem-solvers, with a unique skillset that enabled them to work through multiple and complex systemic barriers.



Navigation and flexible support



Client-led goals and aspirations



Relationship and trust-building



Community knowledge and relationships

Flexible service model  
Capacity to work with families over time  
Caseload that affords time and space for relationships  
Supportive management in a small team

# Funding models



It costs more to provide high-quality early education in communities experiencing disadvantage.

It is possible to provide accessible and high-quality early learning for children from all backgrounds and in all communities. We know a lot about what it takes, and there are many examples of where it is already happening. But we *also* know that it is more expensive to provide high quality early education in communities experiencing disadvantage. These costs include additional:

- **Staffing**, including coaching roles, expanded scope and requirements for leadership, staffing over-ratio to support children's learning or children who have experienced trauma, and the time and resources required to complete funding applications for inclusion support or fund inclusion support educators where children fall outside of funding guidelines.
- **Staff support**, including clinical supervision for staff working with children and families experiencing trauma, and the additional support for staff who may themselves have experienced trauma.
- **Administrative resources** to support families in enrolment processes, onsite translation, and support for accessing CCS and Additional Child Care Subsidy (ACCS).
- **Safety measures** to ensure staff safety in difficult situations, such as when parents with Apprehended Violence Orders (AVOs) attend the service
- **Time for partner engagement**, including coordinating on-site services like maternal and child health, family violence, playgroups, and allied health; and collaborating with external partners like allied health providers, local government, and community services.
- **Capital costs**, including maintaining or upgrading facilities and resources to support the inclusion of children with additional needs, investments and upgrades in IT needed to coordinate integrated services and access to housing in regional/remote areas.

Where we're seeing barriers to access being proactively addressed, it's often because of:

- extraordinary, beyond 'business as usual' efforts from teachers, educators and services
- cross-subsidisation between services in advantaged and disadvantaged communities, and / or
- additional resourcing from philanthropy.

These ways of working are not 'baked in' across the system – they are bright spots of excellent practice that are not available to all children and families who need them.

Current funding models do not fully reflect the cost of delivery in different contexts.

Equity elements are built into early education funding models, but these do not always reflect the full cost of delivering quality early education.

- The CCS improves affordability for low-income households and the ACCS supports participation for the most vulnerable children. But the CCS solves for affordability for families, not for the additional cost of delivery for children and families with complex needs.
- The Inclusion Support Program funded by the Australian Government provides a contribution towards the costs of an additional educator to support children with additional needs but the hourly rate funded is below minimum wage and the hours are capped so don't cover all hours a child may attend a service.
- NSW and Victoria have made some significant strides in the provision of equity funding:
  - In NSW, there are solid equity loadings built into the funding model for sessional services for regional, remote, and low socio-economic services.
  - In Victoria, School Readiness Funding is provided on an equity basis, with the greatest resources flowing to services with high proportions of children experiencing disadvantage.

However, its important to consider what new efforts might be needed:

- in the context of a rapidly expanding early education system
- with the heightened risk of further entrenching gaps between advantaged and disadvantaged children
- where there's a real risk that small / moderate underfunding in a smaller system becomes a much larger gap in an expanded system, and
- to take the opportunity to fully resource the sector and put the system on a sustainable footing going forward.



# Ideas that should be part of the ongoing conversation

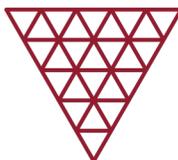
There are three key ideas that deserve further inquiry in considering how to build equity into the design of the early education system – linker models, needs-based funding, and wrap-around models.



## Linker models

Driving enrolment and supporting attendance by scaling up Linker models to target communities or cohorts with lower rates of participation in early education and where families are at risk of missing out.

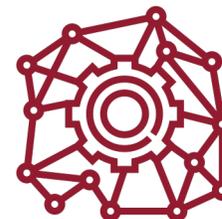
Building trust with families and connecting them with early learning and other services is skilled work – and the design of Linker models should consider the balance between skilling up staff within services and partnering with external roles.



## Needs-based funding

Ensuring early education meets the need of all children via a needs-based funding model that:

- Reflects the cost of delivering quality early education, particularly for children experiencing disadvantage, and
- Equips all early education services (sessional services and long day care) to meet child and family needs well – including resources like outreach roles, administrative support and working over-ratio as core rather than add-on.



## Wrap-around supports

Realising the potential for early intervention by considering options for incentivising and sustainably funding more wrap-around, integrated hubs and networks – to ensure early education services are embedded within the wider network of supports for children and families.

Support for an Aboriginal Community Controlled ECEC sector would also support these objectives.

Driving growth while sustaining and growing quality



# Balancing growth and quality

A high-quality early education system is essential for children's outcomes and for driving increased uptake from parents. Rapid growth in demand and provision may put the system under strain, and risks compromising quality.

## Only high-quality early education delivers substantial and sustained benefits for children.

It is the quality of the learning environment and the interactions between teachers, educators and children that drives the impact of early education (Torii et al, 2017; Brookings Institute, 2017).

Families also need to have confidence in the early education system and its educational benefits for their children. Without this, the reforms are unlikely to achieve the increased uptake and increased workforce participation they are aiming for.

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## Rapid expansion of the system can put quality under strain.

We can anticipate a range of factors that contribute to this risk profile:



An influx of new teachers and educators



A significant change to practice for teachers and educators



An increase in new services and new providers



Variability in capacity to manage change

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## ... but there is also an opportunity to build systemic architecture that enables quality provision.

These enablers include:



Embedded support for quality improvement



Governance and administration support



Strengthening regulation



Strengthening the underpinning data infrastructure

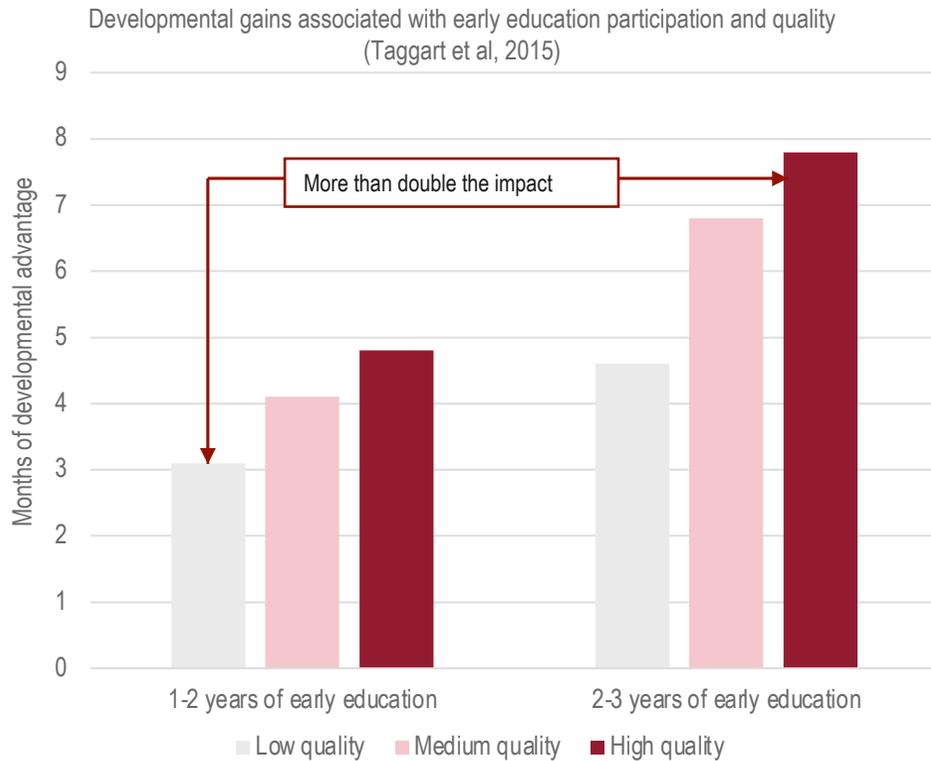
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Only quality early education delivers substantial and sustained benefits for children.

## Without quality, the benefits of investment can be wasted.

Evidence is unequivocal that early education needs to be high quality to deliver substantial and sustained benefits (OECD, 2021, Tayler et al, 2016). The benefits of two or more years of high-quality early education are more than double a single year of low-quality early education (Taggart et al, 2015). Shifting services from low to medium quality delivers an additional two months of developmental advantage to children.



## And the drivers of quality are known and well understood.

Effective early years pedagogy is shaped by the interests and perspectives of children and responds to their diverse needs. It is highly intentional and carefully differentiated for each child's learning and developmental journey (Ishimine et al 2009; Taggart et al. 2014; Vandell and Woolfe 2000).

Children's learning is shaped by two aspects of quality, both of which are critical:

- **Process quality** – the way teachers and educators foster opportunities and environments that enable children to develop new skills, extend their capabilities, and learn – particularly interactions between children and teachers that extend concepts, model language, and support social and emotional learning (OECD, 2018).
- **Structural quality** – the conditions for effective early years pedagogy, which can be regulated for and established in policy. They include educator to child ratios, the size of each group of children, and the education and training of teachers and educators (O'Connell et al. 2016; Vandell et al 2010).

The key levers for influencing quality are:

- A strong and stable workforce – including building the skills, capability and confidence of teachers and educators and ensuring strong staff retention.
- Creating the conditions that support effective pedagogy – including appropriate ratios, qualified staff and positive workplaces.
- Strong leadership within services – including whole of service leadership, educational leadership and room leaders.

The National Quality Framework includes process and structural quality, and has been successful at lifting quality across the system. However, there is still significant variability in quality across the system, and too many services not yet meeting the standard.



# Risks to quality from rapid expansion

The expansion of early education will stress the sector and could compromise quality.



## An influx of new teachers and educators

The ratio of experienced to inexperienced teachers and educators will grow, which may impact:

- **Quality of teaching** – teacher experience is positively associated with improved student outcomes (Knill and Podolsky, 2016).
- **Support for professional learning** – availability of mentors is already a challenge, and support from more experienced mentors is important for building the confidence and skills of new teachers and educators.
- **Initial Teacher Education and VET providers** – there is doubt about the readiness and capability of training providers to adequately prepare significant numbers of new teachers and educators.

This may be exacerbated by current high rates of turnover, meaning the pool of experienced teachers and educators is eroding.



## A significant change to practice for teachers and educators

Delivering two years of early education, including a year of full-time participation will involve:

- **Changes in how learning programs are designed and delivered** – including an increased need to plan for learning across two years, to plan for full year attendance, and to consider more structured curricula
- **Different patterns of attendance for children** – this could result in longer days, and potentially a move away from consistent groups of children for sessional services.

It may also contribute to heightened expectations for teachers, including:

- How teachers and educators articulate and demonstrate the impact of their teaching practice on children's outcomes, and
- A shift to more rigorous formative and summative assessment practices ('assessment for learning' and 'assessment of learning') and embedding outcomes measurement into practice.



## An increase in new services and new providers

The increase in demand will require new and expanded services, and the change in the economics of service provision may bring new providers into the market.

### The risks of this include:

- Quality takes time to develop, and new services often take time to attract good staff, build an effective team, and develop ways of working together.
- Changes in ownership and leadership are key risk factors for changes in quality.
- A high proportion of new services are already being built by providers delivering below-average levels of quality, which is likely to continue in an expansionary environment.
- New providers may be attracted into the market – this could be beneficial but inexperience may also bring risk.



## Variability in capacity to manage change

Implementing these reforms will be complex and bringing teachers and educators along is central to effective change management.

### Risks to consider include:

- Leadership capability is variable, given investment in leadership in early childhood education is limited in scope and reach.
- Readiness for change is variable, and may be particularly challenging in the large proportion of small, standalone services that aren't part of a wider network.
- Teachers and educators are fatigued, some can be resistant to change, and not all are convinced of the merits of the reforms.



# The opportunity to strengthen the foundations for quality

To avoid compromising quality in the scale up, we suggest embedded support for quality improvement, enhanced governance, more proactive regulatory responses, and strengthening the underpinning data infrastructure.

There are four critical system foundations



## Embedded support for quality improvement

Ensuring all services, teachers and educators have the support and incentives they need to support continuous quality improvement is critical. But this is hard to achieve in a mixed market, and with providers of different sizes and capacity. This requires a new approach and different role for government.

The challenge is to design an approach that delivers the foundations for quality for all service types, including:

- **Professional learning:** Access to professional learning and professional networks, embedded reflection and learning, and ongoing support for access to mentors (especially for Teacher Registration).
- **Leadership development:** Leadership and management support for centre directors and room leaders, including strengthening change management capabilities and improving career pathways.
- **Capacity to meet complex needs:** Access to specialist support and resources for meeting the needs of children and families with complex needs, including streamlining access to allied health and early intervention services.



## Governance and administration support and efficiencies

Some governance and management models in early education are under strain. Some service types developed in a different historical context, business-as-usual has become more complex, and many are already struggling with the increased demands of reforms.

There is an opportunity to consider how to enable effective governance and administration in the sector, particularly for standalone services.

Considerations include:

- The most appropriate way to deliver 'back-end' HR, finance and compliance functions
- How to support change management, implementation and innovation at the service and system levels.
- Effective models of enabling parents and communities to engage with their local services.
- How to achieve the efficiencies of operating at scale.
- Streamlining CCS and inclusion support applications.

Currently, these issues are addressed differently in Victoria and NSW, and there's an opportunity to consider the strengths and gaps of these approaches. For example, opportunities to strengthen the EYM model in Victoria and introduce a similar approach in NSW.



## Optimising regulatory responses

Increases in demand will introduce new and greater risks to the system, with more providers, new providers and changes in practice. However, it isn't necessarily clear where these risks are or who they will be greatest for, highlighting the importance of an effective and responsive regulatory system.

Early education has a world-leading framework for risk management and for assessing quality, but the pace of assessments is slower than originally intended. Currently, there is an average of seven years between quality assessments. The NSW and Victorian reforms are an opportunity to:

- Fully and explicitly implement the risk-based regulatory model long aspired to, with much more frequent assessments for services that are Working Towards or Meeting the NQS.
- Create incentives for quality improvement, so there is:
  - lower tolerance for services that are persistently Working Towards or Meeting the standard and not progressing towards an Exceeding rating, and
  - clear incentives to pursue Exceeding and Excellent ratings, without disadvantaging services with fewer resources.

## Underpinning data infrastructure



**System intelligence:** Systems and processes for collecting, analysing and sharing data (particularly enrolment and attendance data), to provide insights into how the system and market are operating, and the extent to which policy settings are delivering their intended outcomes.

**Using formative assessment to plan and guide children's learning:** Support to adopt formative and summative assessment tools, use insights from data to inform programming and pedagogical decisions, and generate practice-based evidence.

# Ideas that should be part of the ongoing conversation



There are three key ideas that deserve further inquiry in considering how to build quality into the design of the early education system – structures that support quality improvement, strengthening governance, optimising regulation and the data infrastructure.



## Structures that support quality improvement

Addressing the critical questions of:

- **What** kinds of supports and resources are most important to support quality improvement in early education – for example:
  - Local professional learning networks that bring teachers and educators from different services together and provide tailored support to service.
  - Developing a career progression framework for early education – including opportunities for specialisation (for example, in inclusion support, leadership, self-regulation, or literacy).
  - Provision of tools, training, and curriculum resources to continue the adoption of formative assessment approaches.
  - Adopting leadership development models like those offered to aspiring and new school leaders.
- **How** to provide the kind of scaffolding that supports services to improve quality – in the context of a mixed market with providers of vastly different scale and needs, and shared responsibilities between providers and government.



## Strengthening governance and administration

Victoria and NSW have taken different approaches to supporting governance and administration for early education providers – particularly for sessional services.

It's a timely moment to consider what's needed to support reforms going forward, and the kinds of models and approaches that are most effective in a mixed and diverse market.

Additionally, reducing the complexity of existing administrative processes (especially inclusion support) is a priority.



## Optimising regulation

The impact of the NQF could be strengthened by increasing the pace and risk focus of NQS Assessment and Rating processes, ensuring regulators are using all the levers available to them to drive quality, and creating stronger incentives for improving quality – for example, creating 'sticks and carrots' for improvement.

This would require collaboration between the Australian Government and states and territories.



## Data infrastructure

Ensuring we are collecting the data that's needed to:

- Understand how the system and market are functioning.
- Support effective formative and summative assessment of children's learning.

# Appendix A – Summary of NSW and Victorian reforms

# Victoria early childhood reforms

Victoria's commitments extend the planned roll-out of 3 year old kinder – committing to free early education, introducing 'pre-prep' in the year before school and key infrastructure investments.

The Victorian Government has now committed \$9 billion to expand the provision of kinder, which includes:

- **Continuing 3-year-old kinder rollout:** Ongoing funding for 3-year-old kinder.
- **Increasing 4-year-old kinder:** Increase in funding to cover 30 hours kinder for the 4-year-olds, commencing 2025. Four-year-old kinder will be recast as 'pre-prep'.
- **Introducing free 3- and 4-year-old kinder:** Covering the full cost of kinder so parents will no longer pay fees.
- **Establishing 50 new centres.** Establishment of 50 government operated centres in areas of unmet demand, including those with long waiting lists. The first of the centres will open in 2025 and, when all are completed, it is estimated that the new centres will boost the overall supply of places by between 3 and 5 per cent.
- **Infrastructure investments:** Committing to expanding or building 180 new kindergartens.

The new reform announcements build on earlier commitments to universal 3-year-old kinder, quality improvement initiatives, and a raft of workforce incentives. These include:

- **Workforce initiatives:** Scholarships to study Bachelor's degrees, incentives to work at 'hard-to-staff' centres, relocation incentives for teachers to move to Victoria, and Grants up to \$30k to support workplace initiatives that improve retention.
- **Infrastructure investment:** A \$1.6b investment on infrastructure, to build new kindergartens, upgrade or expand existing services.
- **School Readiness Funding:** Introduction of additional funding, based on need, to provide additional resources to support services to support children with higher levels of need.
- **Kindergarten Quality Improvement Program:** Targeted support to services in need of quality improvement support, providing diagnostic tools, intensive mentoring support, online and in person professional development, networking opportunities and a facilitated community of practice. This support is provided to educators, Approved Providers and leadership teams.
- **Kindergarten Improvement Advisors:** Establishing new roles in Department of Education and Training Regional/Area offices to support improvement, help coordinate Industry Forums and Network events, and provide targeted support for services.

# New South Wales early childhood reforms

The NSW Government has committed to extend the provision of affordable early education within the State, alongside a range of complimentary initiatives to support implementation.

NSW Government has now committed \$15.9 billion to ECEC over the next decade. This includes:

## Increasing 4-year-old kinder provision

Investing \$5.8 billion to introduce a universal pre-kindergarten year for children in the year before primary school by 2030.

## The Affordable Childcare Fund

Investing \$5 billion over 10 years to make ECEC more accessible and affordable. Specifically, the Fund will provide incentives to providers to extend the services they offer to families, improve the quality and viability of existing services, and help attract and retain the next generation of early childhood teachers and educators.

## Affordable Preschool initiative

- Investing \$1.3 billion over four years for preschool fee relief for 4- and 5-year-old children in long day care services
- Investing \$64.1 million for a trial of 3-year-old preschool delivery in long day care services over 2 years.

Implementation for both will commence in early 2023.

## Brighter Beginnings

Investing \$376.5 million over four years to scale up the suite of evidence-based programs that support children from prenatal to age 5, including developmental checks in all early learning services.

## Workforce investment

Investing \$281.6 million over four years in a package of measures to attract more staff to the sector and retain current teachers and educators. The commitment is expected to benefit over 18,000 future and current early childhood teachers and educators.

## Sector review

NSW Government has commissioned the Independent Pricing and Regulatory Tribunal (IPART) to review the sector. IPART will consult the public and sector on the review's terms of reference to inform its findings.

## Appendix B - References

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