



Municipal Association of Victoria

**Submission to Review of the Universal Access National
Partnership – Discussion Paper**

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While this paper aims to broadly reflect the views of local government in Victoria, it does not purport to reflect the exact views of individual councils.

1. Introduction

The Municipal Association of Victoria (MAV) is the legislated peak body for local government in Victoria. Victorian councils remain critically interested and involved in the provision of early childhood education and care services. MAV has been working closely with the Victorian and Australian Governments to ensure the successful implementation of key national reform priorities in early childhood since the Child Care Act of 1972. MAV welcomes the opportunity to contribute to the Review of the Universal Access National Partnership (UANP).

Councils are the leading provider of children's services and early years infrastructure in Victoria. All Victorian councils are committed to the aim of providing children in the municipality with the best possible start in life through effective planning, development and provision of services that improve health, connectedness, education and care of children and their families. Local government has responsibilities for local planning around all these services as well as providing a strong local early years platform that includes Maternal and Child Health, Municipal Early Years Plans and provision and support of early years services.

The work local government has undertaken particularly over the last ten years with the implementation of universal access to 15 hours of kindergarten has shown that the provision of early childhood education and care (ECEC) in Victoria is a core part of the economic and social fabric of communities and municipalities.

2. Background

Australian Government investment in preschool education is not new. In 1938 Commonwealth funding established preschool demonstration sites in each State and Territory. In 1972, Commonwealth funding covered preschool teachers' salaries until there was a policy shift in funding childcare.¹ Since 2008, the Australian Government has invested in a number of national early childhood education and care reforms initiated through Council of Australian Governments (COAG). Of these reforms, the National Partnership on Universal Access to Early Childhood Education aimed to provide, by 2013, 15 hours of preschool per week to all four-year old children in the year before they start primary school. This reform was supported by a substantial body of research that pointed to the important benefits of early childhood education on a child's trajectory throughout life, particularly for children who experience disadvantage.

Victoria has a unique community model of preschool education. It has been built on a partnership across three levels of government with the addition of support of communities and parents over many decades. This model has resulted in very high participation rates. Since 2009 the Australian Government has provided operational funding for five hours of preschool, while the Victorian Government contributes towards ten hours operational funding for the program. To meet government funding shortfalls, the community provides a further 35 percent through parent fees and fundraising.

Local government in Victoria represents approximately 20 per cent of the ECEC system across both centre-based and home-based care. Victorian councils invest in early years planning, community capacity building and infrastructure provision, and many councils deliver early childhood education services and programs.

Since 2010, Victorian councils have received:

¹ OECD Thematic Review of Early Childhood Education and Care Policy, Australian background Report, Australian Government Department of Education, Training and Youth Affairs, 2000

- \$5.5 million in federal funding for operation planning and assessment
- \$4 million to support change management
- \$300 million of state/federal funds for capital investment in kindergarten facilities
- \$6.4 million to strengthen and set up kindergarten central registration and enrolment schemes

In the same period Victorian councils have invested \$300 million of ratepayer funds towards capital investment in facilities, with a further \$478 million to meet the growth and to extend/modernise facilities.

Approximately 80% of Victorian community-based kindergartens operate from council-owned buildings. Most Victorian kindergartens are operated on a not-for-profit basis by community organisations, councils, early years managers or parent cooperatives.

Commonwealth funding for the additional five hours operational costs of the national reform has been provided on a year-to-year basis, and yet a long-term funding agreement has not been agreed. The current National Partnership arrangement has recently been extended to December 2020.

The MAV welcomes the decision of the Education Council to undertake this Review to consider an enduring funding arrangement beyond 2020. Recent reports have highlighted the need for a stable funding and quality base for our youngest children, with national oversight and investment for example: *Lifting Our Game* (December 2017), *Gonski Report to the Australian Government* (April 2018) and *Royal Commission's report into institutional child sexual abuse* (December 2017).

3. Kindergarten – A Rite of Passage

Governments have a mutual interest and responsibility for improving the outcomes for Australian children in all areas of their lives including health, wellbeing and education. The evidence and research are overwhelming and points to strong links to a nation's economic and prosperity.

The introduction of funding for a *National Partnership Agreement on Universal Access for Early Childhood Education* (UAECE) was predicated on evidence found in extensive international literature about the benefits of early childhood education for children prior to full-time schooling. The body of evidence and research has only increased since 2009 with further evidence being provided from Australian research such as the Mitchell Institute at Victoria University, PwC and the work undertaken by Professor Deb Brennan and Susan Pascoe AM.

In Victoria, kindergarten holds a particular place as an important step in preparing children for school. For children from "disadvantaged" families, the link between quality programs and outcomes is even more pronounced, with "high quality education and care [offering] a direct strategy for maximising developmental outcomes, especially for young children from vulnerable families" (Urbis Social Policy, 2011, p. 29).

An opportunity exists for the Australian Government to cement its funding proportion of investment by providing ongoing funding for UAECE. This would create the opportunity for maintaining continued financial investment by all parties which in turn will drive better outcomes for children, ensure Australian children can achieve well alongside their OECD country counterparts and promotes a long-term return for government investment.

4. MAV response to key consultation questions related to the Review's Terms of Reference

i. To what extent have UNAP policy objectives, outcomes and outputs been achieved?

Arguably the objective of the UNAP – being to “maintain universal access to, and improve participation in, affordable, quality early childhood education programs for all children” has not been fully achieved due to the short term nature of National Partnership Agreements which impact the ability of State and Territory Governments to have certainty beyond the life of the Agreement and thus ‘maintain’ universal access.

MAV and local government along with many other service providers and peak bodies in Victoria have had to invest a significant amount of resources and time into ongoing advocacy to the Commonwealth to ‘maintain universal access’. The National Partnership Agreements have all been a series of time limited arrangements which have caused disruption for children, families, educators, councils and the State and Territory Governments. There have been six successive agreements over ten years. These continual short-term funding arrangements have made it very difficult for governments, councils and kindergartens to plan and provide services. MAV has consistently advocated for the Commonwealth to commit to an enduring role in a partnership funding in order to maintain universal access for all children. Despite these short-term arrangements Victoria has had a consistent participation rate of children accessing kindergarten above the national average.

MAV recommends that an enduring partnership arrangement is provided in a way that maximises the investment of all three levels of government to retain a stable base for the first educational platform for our Australian citizens.

As well as the continual short-term funding agreements for the participation and access of children in 15 hours of kindergarten, in 2018 the Australian Government withdrew funding for the National Quality Agenda which initially complemented the National ECEC Reforms. Without any consultation, the Commonwealth de-funded the quality function it had supported in every state and territory as part of the National Partnership on the National Quality Agenda for Early Childhood Education and Care leaving the State and Territory Governments to review their position on national consistency. Presumably all states and territories do want to continue the implementation and support of the Quality Agenda, however the withdrawal of the contributory funding from the Commonwealth to the National Partnership Agreement which provided support for the staff and resources needed to assess and rate every service in the State and Territories means the issue of Quality may be impacted.

ii. What should the UANP target and measure, and how should data be collected and used?

Again, the performance indicators, benchmarks and targets are supposed to focus effort on maintaining universal access to kindergarten. There is still a fundamental question of what constitutes ‘maintenance’ of universal access. The funding agreement and its performance success could be improved if the early years sector could reliably plan for the ongoing delivery of 15 hours of kindergarten, rather than frequently having to direct resources into advocating for ongoing and enduring funding arrangements.

Successive agreements have refined and clarified objectives and outcomes with data, targets and measures largely measuring inputs and outputs rather than outcomes. The short-term nature of the agreements has hindered the long-term view of a ‘return on investment’.

A 2010 study by Heckmaan (Heckmaan, J, 2010) found that focussed investment in early childhood education represents the best and most economically efficient period of life for

such an outlay – returning at least eight dollars for every one dollar spent in areas such as – higher wages, increased tax revenue, reduced school expenditure and reduced criminal justice expenditure. Further analysis undertaken by Price Waterhouse Coopers (PwC, 2014) identified cumulative benefits of between six billion dollars and thirteen billion dollars in increased female workforce participation and increased participation of vulnerable children in ECEC services. Clearly there is considerable short term and long-term financial returns to Government through the continuation of this investment on preschool education in Australia on an ongoing basis. Therefore, the data, targets and measures need to be designed and refined to take a longer-term view of the impacts of the investment.

iii. Are the current UANP arrangements efficient and effective and how could the efficiency, effectiveness and equity of UANP funding be improved?

The UANP arrangements have been somewhat effective despite them not being efficient. Current data available from the *National Report- National Partnership Agreement on Universal Access to Early Childhood Education 2016-2017* shows the proportion of children that access a quality program has increased significantly since the first partnership agreement. 12 per cent of children in 2008 were enrolled in a kindergarten program with a qualified teacher compared to 2107 data of 96 percent of children nationally enrolled in 15 hours of kindergarten (nous, 2019, p2). The UANP arrangements could be made more efficient by:

- Australian Government committing to enduring funding thus removing the negative impacts and costs of uncertainty and cost of continually negotiating short term funding arrangements.
- Refocussing the arrangements on the best-interest of children and longer-term outcomes.
- Ensuring a stable funding base can improve efficiency by providing the opportunity for maintain continued financial investment of all parties.

iv. How does the preschool system operate across States and Territories and settings?

Victoria has a model of kindergarten service provision that has been built on a partnership model over many decades. It is what can be termed as a non-government model which is one where most preschools are not owned by the State or Commonwealth government but are subsidised by government contributions. Government preschools are few and are explicitly targeted at disadvantaged communities, in contrast to government schools, which aim to be comprehensive rather than residual.

Preschool programs in LDC are generally funded by the Commonwealth (through the Child Care Subsidy) and by parents' fees. The State may provide supplementary funding to community preschools and more recently in Victoria to preschool programs in LDC.² A key element of the Victorian model is that approximately 65 percent of operational costs for delivering a kindergarten program in a sessional kindergarten setting are provided by a combination of federal, state and local government with parents having to pay for the other 35 percent. In addition, Victorian councils invest significantly into the preschool sector with planning, capacity building and providing an estimated \$1.2 billion worth of existing infrastructure with further investment estimated recently at \$780 million for growth, maintenance and renewal.

² https://research.acer.edu.au/cgi/viewcontent.cgi?article=1000&context=policy_briefs

v. Based on your experiences should change be made to future national policy on preschool for children in the year before fulltime school, and why?

The Australian Government should not only commit to ensuring funding for a minimum of 15 hours of kindergarten in the year before fulltime school but should also commit to funding arrangements that support two years of preschool.

The recommendations from the December 2017 report “*Lifting our Game*”³ should form the basis of a way forward for the Australian, State and local Governments. MAV does not propose to repeat all the findings and recommendations from this report suffice to say that this piece of work and the body of evidence it builds and reports on provide the most persuasive of arguments as to why any Australian Government should invest in its youngest citizens.

The return on investment is significant, the outcomes for children and therefore our nation are significant. We know that “investments that occur early in a child’s life have the potential not only to increase health, happiness and wellbeing in the here and now but also to offset future costs associated with remediating potential negative impacts” (Pascoe, S, and Brennan, D, 2017. Pg. 19). How can this irrefutable and burgeoning body of evidence be ignored?

5. Conclusion

The MAV strongly suggests that governments at all three levels – Commonwealth, State and local must adopt a more collegiate approach to developing targeted, tailored, integrated, long-term planning, programs and strategies that can support all children but particularly disadvantaged children and their families starting with better access to high quality education and care from birth to age five and beyond.

Preschool in Australia has been in place since the early 1900s and historically over this time there has been consistent investment by the community as well as governments. We can build on the capability developed over a long time, and the more recent reform agenda to agree on arrangements that will provide every Australian child with the best start by providing access to two years of high quality, stable education and learning.

6. Recommendations

MAV recommends:

- a) That an enduring partnership arrangement is provided to ensure children have access to a minimum of 15 hours of preschool in the year before school and it is done so in a way that maximises the investment of all three levels of government to retain a stable base for the first educational platform for our children.
- b) That ongoing, adequate funding is provided to support Universal Access and the National Quality Framework.
- c) There is agreement and funding for the progressive expansion of access to quality early childhood education for all three-year-old children as this is well supported by International and Australian evidence and is the biggest gap in the system currently.

³ <https://education.nsw.gov.au/early-childhood-education/whats-happening-in-the-early-childhood-education-sector/lifting-our-game-report/Lifting-Our-Game-Final-Report.pdf>