

Dr Glenn Worthington
Secretary
House Standing Committee on Education and Employment
Parliament House
CANBERRA ACT 2600
Email: ee.reps@aph.gov.au

5 June 2013

Dear Dr Worthington

Submission on the *Early Years Quality Fund Special Account Bill 2013*

Goodstart Early Learning is Australia's largest childcare and early learning provider, with 650 centres caring for 73,000 children and employing 15,000 staff.

Goodstart supports the passage of the Early Years Quality Fund Special Account Bill without amendment. The Bill is an important first step in the establishment of professional wages for Australia's early childhood educators.

Funding of professional wages for early years' sector Educators needs to be equitable across the sector, affordable from parents'/families' perspectives, affordable and workable from a provider perspective and sustainable in the longer term.

Goodstart has welcomed the increased investment into professional wages announced recently by government as it recognises the important role Educators play in the early years' learning environment for children. Goodstart also acknowledges the necessary and important transition from 'childcare' to 'early learning' across the sector. The funding of professional wages in the early years' sector is a critical and necessary step to support the attraction, and retention, of high-quality early years' Educators to provide better learning environments for our children.

The Early Years' sector needs an on-going solution beyond the current two-year funding commitment to help meet the challenges the sector faces in attracting and retaining professional Educators. Goodstart would encourage all parties to develop policy proposals that address the ongoing need to fund professional wages across the sector.

Retention of staff is critical to building strong, supportive relationships with children and their families. Strong and effective relationships cannot be established and maintained in an environment of high staff turnover.

There is currently a shortage of degree-qualified early childhood education teachers in Australia, with many teachers moving from the early years' sector into other sectors, including the schools' sectors. Without additional government funding to support professional wages for early years' learning Educators, Goodstart simply cannot compete with salaries and terms and conditions offered in those sectors 'competing' for teachers. Goodstart notes that Government funding of schools (\$40 billion in 2010-11) was almost five times the funding of pre-school/early childhood education (\$5.4 billion, table attached).

Research shows that over 80 per cent of a child's brain development occurs in the first five years of life. Exposing children to a high-quality early childhood education establishes a solid foundation for life-long learning, and particularly for those children in disadvantaged circumstances. International evidence demonstrates that if a child starts school behind their peers (and the Australian Educational Development

Index (AEDI) suggests around 22% of Australian children start school developmentally vulnerable), then a child is very likely to stay behind.

Governments around the world are investing heavily in early childhood education from birth onwards, recognising that learning starts at birth and lasts a lifetime. Nobel Prize winning economist James Heckman found that investing in early learning is the most cost efficient investment a government can make to promote future economic growth, with returns on investment as high as 17:1.

The Economist, in its landmark benchmarking study on early education published last year, concluded:

“As countries transition towards knowledge based economies, policymakers need to consider what can be done to develop their stock of human capital. Encouragingly, this Index highlights the growing global recognition of the importance of the whole of a child’s development, rather than just from the start of primary school. Those countries that do this best will position themselves well for success in the decades ahead.”

The Economist study ranked Australia a disappointing 28th out of 45 countries surveyed in its commitment to early education. Our public investment in the sector, at 0.36% of GDP, is the third lowest in the OECD.

Goodstart would further encourage all parties to undertake a full review of the funding model and the levels of investment into early learning and care, to ensure on-going affordability for providers and parents/families alike. This would ensure Australia can truly realise the significant social, developmental and economic benefits of enabling all children to access high-quality early learning from birth to age five.

Goodstart supports the passage of the Bill, the finalisation and the establishment of the Fund and all associated guidelines without delay.

Yours sincerely,

Michael Nobelen
Acting Chief Executive Officer

**ATTACHMENT:
Expenditure by Australian Governments on Education 2010-11 (2010-11 dollars) (\$'000)**

Tier of education	State/ Territory	% State/ Territory	Commonwealth	% C'th	All Government	% All Govt.
Pre-primary (a)	1,072,459	2.44	4,285,504	15.46	5,357,963	7.47
Primary & Secondary(b)	30,451,255	69.21	9,698,745	35.00	40,150,000	56.08
Tertiary(c)	12,471,775	28.35	13,730,225	49.54	26,202,000	36.54
TOTAL	43,995,489	100.00	27,714,474	100.00	71,709,963	100.00

Notes

(a) Source Report on Government Services 2012, Tables 3A.4 Australian Government real expenditure on children’s services (2010-11 dollars) and 3A.5 State and Territory government real expenditure on child care and pre-school services (2010-11 dollars). Total expenditure has been obtained by adding the Grand totals from these two tables.

(b) “All Government expenditure” comes from “ Government Operating expenses on Education by purpose”, All levels of government”, ABS 5518.0.55.001 - Government Finance Statistics, Education, Australia, 2010-11.

Expenditure by Commonwealth is from DEEWR Portfolio Budget Statement 2010-2011, Outcome 2, Table 2.2.A: Budgeted expenses and resources for Outcome 2, Total expenses for outcome 2

Total expenditure by states/territories has been estimated by subtracting Commonwealth expenditure from Total.

(c) “All government expenditure” comes from “ Government Operating expenses on Education by purpose”, All levels of government”, ABS 5518.0.55.001 - Government Finance Statistics, Education, Australia, 2010-11.

Expenditure by Commonwealth is from DEEWR Portfolio Budget Statement 2010-2011, Outcome 3, Table Table 2.3A Budgeted expenses and resources for Outcome 3, Total expenses for outcome 3

Total expenditure by states/territories has been estimated by subtracting Commonwealth expenditure from Total.