

RESTACKING THE ODDS



October 2023

Independent Pricing and Regulatory Tribunal
PO Box K35
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NSW 12405

RE: Early childhood education and care Independent Market Monitoring Review

Thank you for inviting feedback on this Early childhood education and care Independent Market Monitoring Review methodology paper.

This feedback is provided on behalf of the [Restacking the Odds](#) initiative (RSTO). RSTO is a collaboration between the Centre for Community Child Health at Murdoch Children's Research Institute, Social Ventures Australia and Bain & Company.

Restacking the Odds has identified and tested the use of evidence-based lead indicators in early childhood education and care (ECEC) to improve equitable access to high quality ECEC. Our lead indicators share similarities to those in your proposed methodology for reviewing the childcare sector market. Through the development and testing of the Restacking the Odds indicators, we have evidence and insights that can inform the further refinement of your proposed methodology.

About Restacking the Odds

RSTO's aim is to improve equity in early childhood. We work toward an early childhood system where children and families can and do access a combination of high-quality, evidence-informed services where and when they need them. Our focus is on five key early childhood services with the greatest potential to improve children's development, including Early Childhood Education and Care (ECEC).

RSTO uses evidence-based lead indicators which show how to work differently to improve outcomes for children. The project has identified practical lead indicators for each service across three domains: Quality (access), Participation ('dose') and Quantity.

See attached:

Restacking the Odds Indicator Guide

Restacking the Odds technical report: early childhood education and care: an evidence based review of indicators to assess quality, quantity and participation.

RSTO is now working closely with ECEC service provider partners to test real-world implications for collecting, interpreting and acting on these lead indicator data. This puts information in the hands of those who can act quickly and directly in the system to respond to identified system gaps.

This work has revealed some data gaps and practice challenges in the early childhood system and informs our feedback below.

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Feedback

We commend IPART's development of this methodology and the potential for this to serve as a model for other states. We are pleased to see that IPART's methodology uses lead indicators, which include dimensions of quantity, quality and participation.

Broadly, the use of lead indicator data is not commonly used in ECEC in a way that best informs timely information about children and families who face additional barriers to access, or who experience disadvantage and therefore stand to benefit the most from participation. IPART's proposed methodology, through use of lead indicators is well positioned to include dimensions to provide critical and timely information to inform the planning of ECEC strategy and provision to benefit children and families.

Q1. We seek your feedback on the dimensions proposed in Table 2.1 for reviewing aspects of early childhood education and care services in NSW. Are there others that should be considered? What are your views on the level of detail?

Q2. Are there gaps in the data collected for early childhood education and care services? If so, what are these and how can they be addressed?

Through RSTO we have identified system and service data collection gaps that are also relevant for this methodology.

IPART's proposal to review and report data at SA2 level for age, service type, and priority groups (Table 2.1) has potential to address a current information gap for service providers and other decision makers. Presently, these stakeholders may be unable to access regular, sector level data on number of places that is broken down by age and service type.

While the National Partnership Agreements to date have aimed to lift preschool participation for specific cohorts – such as Aboriginal and Torres Strait Islander children and children from vulnerable and disadvantaged backgrounds – there remain some key vulnerable cohorts that have not been captured. In particular, data on children with disability and children from linguistically diverse backgrounds are not collected as a part of the Preschool National Collection. As noted in your report, while some data is collected on these priority groups, there is not consistent guidance about which children should be captured. Also, in most instances, the definitions do not align to inclusive, contemporary practice for defining the cohorts.

Q3. We seek your feedback on the dimensions proposed in Table 2.2 for reviewing the supply and demand for early childhood education and care services in NSW. Are there others that should be considered? What are your views on the level of detail?

We commend the proposed supply quantity indicators. This provides a more detailed view of supply than we had considered and is valuable to support use and action. We will explore adoption of these indicators as we continue to refine the RSTO lead indicator set.

However, we note that the number of approved places may not be indicative of the number of hours of care available and that this is a further dimension of supply that is relevant. We encourage consideration of the potential to report the number of available *15 hour per week* places ECEC places, broken down by age groups and by service type. This will assist in understanding that there are adequate number of places for children to participate in ECEC at the recommended dose for their age group.

Q9. We seek your feedback on the proposed indicators and KPIs to address affordability and accessibility in Table 2.5

Enrolment data is not an accurate indicator of children's access to and participation in ECEC. RSTO has found substantial divergence between ECEC enrolment and attendance. A 2019 analysis of 688 Australian centres caring for over 10,000 children found just 56% of children who were enrolled were attending for the recommended 15 hours per week.¹

Children who experience disadvantage are most likely to miss out on the benefits of early education. They have poorer access to high quality services, have lower overall attendance and attend less regularly or for insufficient time to receive the recommended 'dose' (that is, of 15 hours per week of quality early childhood education and care per year, in the formative 2 years before starting school for universal populations and 3 years before school for priority populations).

Data capturing daily and longitudinal attendance is required to ensure numbers of 'active' children within the service are understood. This is critical to understand which families may face additional accessibility barriers and ensure system improvements can be made for children and families who need this most. The 'Count of available places' indicator alone is likely mask under-attendance and areas where families may experience barriers to access. It also does not provide any insight into who is missing out on accessing quality ECEC.

Additional indicators could be included to capture participation, including participation of children from priority populations. Ideally this should look at participation daily, and monitor participation trends over time to ensure adequate dose. Based on evidence on what is most important for child development outcomes and constitutes 'accessible and equitable', RSTO has identified two participation indicators for these purposes:

- Universal: Proportion of all children attending ECEC for 15 hours or more per week for the two years before starting formal school
- Targeted: Proportion of children from priority groups who attend ECEC for 15 hours or more per week at least three years before starting formal school. We define priority populations as refugees or asylum seeker populations, disability populations, Aboriginal and Torres Strait Islander populations, Health Care Card holders, children in out-of-home care, and culturally and linguistically diverse populations.

Refer to page 25 of the attached Restacking the Odds Indicator Guide.

Including real attendance indicators will add important dimensions to these data, and provides opportunities to illustrate:

- rate at which children are accessing the recommended dose of 15 hours per week of early childhood education before school
- potential inefficiencies in the use and distribution of places
- patterns which may indicate sporadic or chronic accessibility barriers for families by service type, location or provider
- patterns which may indicated accessibility barriers for children from priority populations.

While attendance is not currently widely reported, it is collected at the service level and steps are in place to improve reporting to meet obligations under the Preschool Reform Agreement.

Thank you. We look forward to your final report.

¹ C Molloy, S Goldfeld, C Harrop, N Perini, *Early childhood education: A study of the barriers, facilitators, & strategies to improve participation*, 2022, accessed 26 April 2023 at <https://www.rsto.org.au/resources/publications/>.