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## Premier of Western Australia

Our Reference: 59-151811/DA

Mr Nick Cox  
Director  
Nous Group  
[uanpreview@nousgroup.com.au](mailto:uanpreview@nousgroup.com.au)

Dear Mr Cox

Thank you for the opportunity for the Western Australian Government to provide a formal submission to the Review of the National Partnership on Universal Access to Early Childhood Education, which will inform future national early childhood education funding and policy arrangements beyond December 2020, when the current National Partnership Agreement for Universal Access to Early Childhood Education - 2018-20 expires.

The Western Australian Government remains committed to ensuring that all children in Western Australia have access to, and participate in, high-quality early childhood education in the year before full-time school. The attached submission provides insights into Western Australia's current position, and shares opportunities for improvement in relation to the Review Discussion Paper's five questions.

I look forward to positive outcomes from this Review, and in particular, equitable, long term funding arrangements beyond 2020.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'Mark McGowan'.

Mark McGowan MLA  
**PREMIER**

29 JAN 2020

## Western Australia's Submission to the Universal Access National Partnership Review

### Western Australia's context for the Universal Access National Partnership

In Western Australia, the early childhood education program provided for children in the year before full-time school is called Kindergarten.

Western Australia is Australia's largest state, occupying one-third of our continent's land mass. It is the fourth most populous jurisdiction and ranks third in relation to the number and proportion of Aboriginal and Torres Strait Islander residents. Approximately 90% of Western Australia's population resides in its south-west corner, with the remainder dispersed across sparsely populated rural and remote localities. In these localities, the cost of service provision is extreme and Australian Early Development Census (AEDC) data demonstrates that early childhood developmental vulnerability is most prevalent. This should be a key consideration for the UANP.

It was in this context in the early 1990s that widespread public consultation was undertaken through the Scott Taskforce to determine the most effective and cost-efficient model by which high quality early childhood education could be provided to children across Western Australia's vast expanse. The decision was made to consolidate early childhood education provision in the school sector with full-time Pre-primary for all five-year-olds, and a year of part-time Kindergarten for 11 hours per week for all four-year-olds. This change was introduced as the *Good Start* initiative in the mid-90s, and formalised in the *School Education Act 1999*. Under that Act, children whose fourth birthday falls on or before 30 June (i.e. four-year-olds) are entitled to enrol for free at a public school<sup>1</sup> for Kindergarten. Further, in the absence of Commonwealth preschool funding at that time, the Western Australian Government resolved to pay an average of 75% of the costs of Kindergarten for four-year-olds in non-government schools to ensure parent choice, commensurate with all other years of schooling.

Through the Universal Access National Partnership (UANP) the hours of Kindergarten were progressively increased in all public and non-government schools, achieving the target of 15 hours per week for all children by the start of 2013. This was only possible because of the massive State investment in early childhood infrastructure and workforce in the school sector that occurred across Western Australia in the preceding decade. Kindergarten for 15 hours per week at the school of their choice is now understood by Western Australian families to be the 'new normal', leading seamlessly to full-time Pre-primary at the same school the following year.

Kindergarten in schools must be delivered in its entirety by qualified teachers. The very high rates of Kindergarten participation in Western Australian schools indicates that, despite its non-compulsory status, it is very affordable, convenient and valued by families. In 2008 when the UANP commenced, 97% of Western Australia's four-year-olds participated in Kindergarten. This has been maintained, with Western Australia consistently meeting or exceeding all UANP performance targets since inception. The most recent Report on Government Services (RoGS) data show that at least 97.9% of Western Australia's year before full-time school cohort

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<sup>1</sup> Throughout this submission, public schools are taken to include community kindergartens which are staffed and funded by the Department of Education. In 2019, there are 18 community kindergartens.

participated in school-based Kindergarten in 2017, and fewer than 2.1% accessed preschool through a centre-based childcare service (RoGS 2019, Table 3A.18).

Given the backdrop of Western Australia's geographical and policy context outlined above, the rest of this submission will address questions posed in the Review Discussion Paper.

### QUESTION 1:

#### To what extent have the UANP policy objectives, outcomes and outputs been achieved?

*The objective of the UANP is to "maintain universal access to, and improve participation in, affordable, quality early childhood education programs for all children". Specifically, the purpose is to ensure that every child in Australia has access to a minimum of 600 hours per year of preschool delivered by a qualified early childhood teacher in the year before full-time school, in a way that meets the needs of families and while ensuring that cost is not a barrier.*

*We are interested in your views about whether and how this objective has been met.*

In Western Australia, the UANP objectives, outcomes and outputs have been achieved:

- Western Australia has consistently met or exceeded all performance targets since UANP inception in 2008, including for the Indigenous and the vulnerable and disadvantaged sub-groups. Central to this achievement was the significant investment made by this State towards Kindergarten in schools in the decade before the UANP so that, even in 2008 when the UANP was agreed, Kindergarten was:
  - free of compulsory charges in public schools;
  - available in every town and community across our state, including very small remote communities in Western Australia's vast Kimberley, Pilbara, Goldfields and MidWest regions;
  - widely understood as the 'first year of school', with participation normalised for over 20 years;
  - delivered by degree-qualified teachers in every school;
  - a full year of transition at school, in advance of full-time Pre-primary, to which children usually progress at the same school the following year; and
  - quality assured through rigorous school regulatory and governance arrangements, including community review through School Boards or School Councils and (since 2014) incorporation of the National Quality Standard, which also applies to the following years of schooling to Year 2 in Western Australia.
- Given the geographic and demographic context of Kindergarten provision across this vast State, the significance of Western Australia's sustained performance since 2008 cannot be overstated.
- The table below details Western Australia's assessed 2018 performance, noting that the UANP target in each cell is 95%:

	All children	Indigenous	Vulnerable and Disadvantaged
Performance indicator 2: The proportion of children enrolled in the year before full-time school in quality early childhood education programme(s)	100%	100%	96%
Performance indicator 3: The proportion of enrolled children enrolled in the year before full-time school in quality early childhood education programme(s) available for 600 hours per year	96%	97%	97%

- Since 2009, the number and proportion of Western Australian children commencing full-time school developmentally vulnerable on one or more Australian Early Development Census (AEDC) domains has dropped from an estimated 25% in 2009 to 19.4% in 2018. Further, despite our geographical challenges, Western Australia now leads the nation with respect to the proportion of children assessed as 'on track' across all five domains.
- The additional four hours per week of Kindergarten at school mean that the preschool 'dosage' for Western Australian children has increased by 36% due to the UANP.
- Western Australian legislation requires that all educational programs provided by schools are delivered by degree-qualified, registered teachers. This requirement applies to the entirety of the 15 hours of Kindergarten at school.
- The UANP funded a quality improvement strategy in all public and non-government schools to incorporate the National Quality Standard (NQS) across the early years of schooling to Year 2. This included scholarships for all education assistants working in Kindergarten to acquire a recognised Certificate III qualification.
- Prior to the UANP, it was sometimes necessary for public schools to redirect several children to other public schools in neighbouring suburbs because they did not have capacity to accommodate all local children. Through capital works funded by the UANP (and by the Building the Education Revolution in 2011-12), additional early childhood facilities have been built at public schools under accommodation pressure. This has reduced the number of children redirected to other schools, and significantly improved access and convenience for families. It means that nearly all children can seamlessly transition to full-time Pre-primary at the same school, with the same peer group and early childhood teaching team, as they attended for Kindergarten. This has important benefits for the continuity and cohesion of young children's learning programs, and their ongoing sense of belonging at school.
- Kindergarten at public schools is free of compulsory charges, so it is very affordable. If parents prefer to send their children to a non-government school, the State funds an average of 75% of the cost of Kindergarten so school fees for Kindergarten are commensurate with those payable for subsequent years of schooling. If families do not wish to avail themselves of free or heavily subsidised Kindergarten at a school, they may also choose a centre-based childcare centre for which the Commonwealth Child Care Subsidy is payable.
- If Commonwealth funding support for preschool were to cease, the gains made over the past decade as detailed above may be at risk, and the political and financial implications would need to be considered by all jurisdictions.

## **QUESTION 2:**

### **What should the UANP target and measure, and how should data be collected and used?**

*The UANP's performance indicators, benchmarks and targets focus effort on maintaining universal access to and improving participation in affordable, quality preschool, particularly for Aboriginal and Torres Strait Islander children and children experiencing vulnerability and disadvantage.*

*We are interested in your views about the focus of the UANP funding agreement and whether performance or success is being tracked and measured in the right way.*

A clear strength of the UANP is that its performance monitoring framework permits flexibility for states and territories to implement model/s of preschool delivery that incorporate legacy factors and local circumstances, reflecting the 'best fit' for varied contexts across states and territories. This includes options to use the UANP funds for capital works to provide facilities

that enhance local access and more targeted programs as required. Despite the need for data improvements, which are outlined below, this operational flexibility, which is a key feature of the UANP, should be retained.

The current targets and performance measures that are tied to UANP funding are fit for purpose, and have a clear program logic. However, improvements to the degree of transparency and national consistency of the data used to inform those measures are required.

The national consistency and transparency of performance measures would be significantly improved by:

- Calculating preschool enrolment rates using the same method used in the RoGS and the National Indigenous Reform Agreement.
- Ensuring the enrolment 'count' each year only includes children who are in the year (not year or two) before full-time school.
- Continuing the national effort to develop or adopt a better measure of childhood vulnerability and disadvantage than the Index of Relative Socio-Economic Disadvantage of the Socio-Economic Indices for Areas (IRSD – SEIFA). This index relies too heavily on the economic circumstances of the community in which the school or service is located. A better alternative could be the Index of Community Socio-Educational Advantage (ICSEA) used within the school sector as an indication of students' socio-educational circumstances. It is derived from a combination of family factors (parent education and income) and school factors (geographical location and proportion of Indigenous enrolments) and is a better predictor of educational outcomes than the IRSD – SEIFA.
- Overhauling the way preschool participation (enrolment and attendance) is measured, because the current approach of extrapolating participation from a single week during mid-winter, shortly after the mid-year holiday, has significant flaws. The following data illustrate this point:
  - 25,276 children attended Kindergarten at a Western Australian public school during 2018 Semester 1, whereas only 24,903 (373 fewer) of them could be included in the Western Australia's 2018 National Early Childhood Education and Care Collection (NECECC) data set because it specifies enrolment in a particular reference week.
  - Using the National Standards for (school) Student Attendance Data counting rules, Western Australia's public school Kindergarten students had a 2018 Semester 1 attendance rate of 91.4%, which is very similar to their Pre-primary peers in the first year of compulsory full-time school (91.5% in 2018). Using the NECECC counting rules for the same Kindergarten cohort at the same time, the rate was 84.4%.
  - Using the National Standards for (school) Student Attendance Data counting rules, 70.7% (17,871) of Western Australia's public school Kindergarten students attended 90% or more of their available half-days in 2018 Semester 1, compared to only 54.0% (13,437) as measured by the NECECC counting rules.
- Currently, the 90% attendance target for the UANP Performance Indicator 4 (using the NECECC) is not linked to UANP funding to jurisdictions. The target of 90% is too high to be linked. Should attendance remain a performance indicator, it should continue to **not** be linked to funding and should be collected and reported as per the National Standards for (school) Student Attendance Data.
- The Australian Bureau of Statistics' estimated residential population (ERP) data, used to calculate the denominators for performance indicators 2.1, 2.2 and 2.3, are forward projections based on the five-yearly national Census of Population and Housing (CPH). The accuracy of the ERPs wanes over time, prior to the next CPH, and this issue is especially acute for Indigenous persons and population counts – data which the latest

UANP national report described as 'volatile'. This creates the risk that states and territories could be assessed as not achieving the funding-related 95% targets due to uncontrollable statistical errors in the ERPs. The current targets do not permit sufficient tolerance to address potential statistical errors, so states and territories bear all of the financial risk associated with these population estimates. This should be addressed with increased tolerance built into the performance targets.

### **QUESTION 3:**

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

*Notwithstanding progress to date under the UANP, there may be opportunities to improve the impact of this national funding for preschool in the year before full-time school, particularly for Aboriginal and Torres Strait Islander children, children in regional and remote areas, and children experiencing vulnerability and disadvantage.*

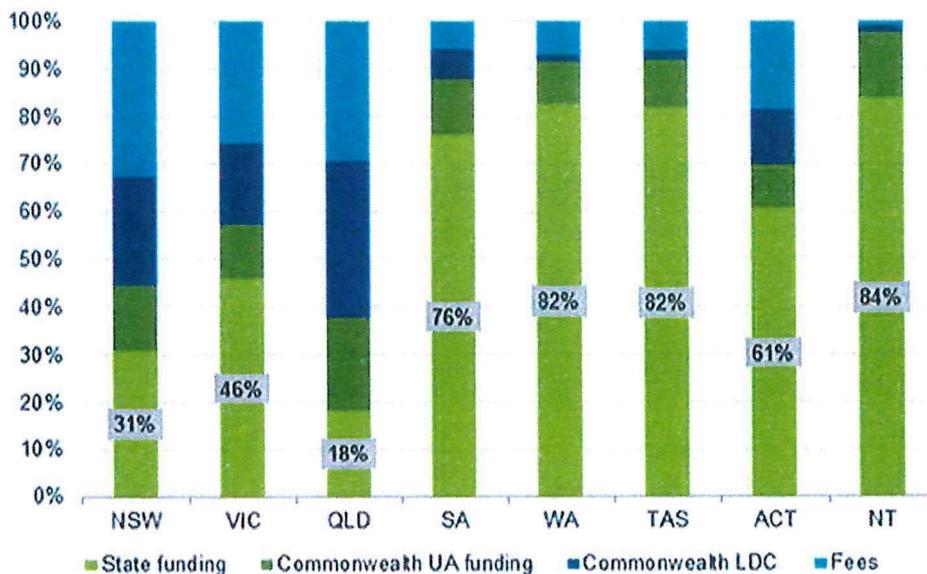
*We are interested in your views on the use of UANP funding, based on your own experience and knowledge of the system either within your local community or more broadly. We also welcome your perspectives on the appropriateness of a performance tied funding framework*

Arrangements for the current UANP were designed for a different time and circumstance. In 2008 when most features of the current UANP were agreed, the extent to which children had universal access to preschool varied across the nation, the National Quality Agenda had not commenced, the first AEDC collection had yet to occur, and there was limited understanding across jurisdictions of preschool funding and delivery models in each state and territory. In the intervening decade, a series of short-term UANP extensions have largely reproduced preceding versions, and have not reflected these changing circumstances. This UANP Review presents a welcome opportunity to address shortcomings in current arrangements, many of which have been evident for some time.

One important strength of current UANP funding arrangements is the flexibility afforded to states and territories to leverage legacy factors and local circumstances to implement model/s of preschool delivery and complementary initiatives that optimise local efficiency, effectiveness and equity. Restrictions have not been placed on the use of UANP funds, enabling states and territories to flexibly allocate the funding to the areas of most critical need, including capital works.

- Despite the inclusion of a clause in the original UANP stating that a National Agreement would be established after June 2013, states and territories have yet to achieve long-term Commonwealth funding surety for preschool provision. This has limited the extent to which Western Australia has been able to commit to bold and innovative reforms that would entail long-term recurrent commitments. For example:
  - expansion of the very successful KindiLink initiative for Aboriginal children beyond the 38 pilot sites; and
  - increasing the level of support provided to Education and Care Networks, which seek to bridge the gap between educators in schools and centre-based childcare services.
- The majority of UANP payments occurring in arrears is problematic, with the entire burden of risk resting with states and territories. Significant State expenditure occurs each year to ensure all children have access to 15 hours per week of high quality Kindergarten. However, if more than 5% of families exercise the option of not enrolling their children in this non-compulsory year of schooling, there is no capacity to recoup these costs. This risk is exacerbated (as noted earlier) by the lack of tolerance in the performance targets when we know that not meeting a target may be the product of statistical error rather actual performance. This risk is especially acute for performance targets relating to the Indigenous, vulnerable and disadvantaged sub-groups.

- Western Australia is significantly disadvantaged in the Commonwealth's funding arrangements for preschool. We are aware of three dimensions to the current inequity:
  - Deloitte Access Economics conducted the 2014 Review of the UANP and found significant funding disparity across states and territories (see the graph below). Most of this disparity arose from preschool delivery models. In states where preschool is mainly delivered through centre-based childcare services, the provision attracts two sources of Commonwealth funding: the Child Care Subsidy, as well as UANP funding. Provision that occurs through a school (as in Western Australia) does not attract the Child Care Subsidy. As a result, the level of Commonwealth preschool funding provided for children in Western Australia is considerably lower than in some other states. This difference is made up by the State.



Source: Chart 2.3 (page 12), *Review of the National Partnership Agreement on Universal Access to Early Childhood Education*, Deloitte Access Economics (2014)

While the Review to which the above data applies was conducted five years ago, the data remain current because the funding arrangements that applied at that time remain largely unchanged. Arrangements under the UANP have been perpetuated through a series of short-term extensions that have not addressed the above discrepancy, and similar service-level eligibility criteria for the Child Care Subsidy continue to apply.

- For the 2018 extension of the UANP, the Commonwealth introduced a new allocative methodology, based on actual preschool enrolments the previous year. This new method was introduced without consultation, as a replacement for the previously agreed method, which was based on the four-year-old ERP. Distributing funds according to 'actual enrolments the previous year' favours jurisdictions that have many children who repeat preschool. This treatment of 'repeaters' is inequitable because the prevalence of repeaters systematically varies across jurisdictions. It is also at odds with the UANP which refers to 'the year before full-time school'; not 'the year or two'. Repeating Kindergarten in Western Australia is rare because the following year of full-time school (i.e.: Pre-primary for five-year-olds) is compulsory schooling. Instead of repeating, teachers make adjustments to properly cater for individual student needs, and needs-based funding is provided to public schools to facilitate such adjustments. The base allocation for the UANP should revert to the four-year-old ERP.

3. There is no provision in the current allocative methodology for the additional cost of provision in rural, remote and very remote localities. There are well-established metrics to reflect these additional costs, and they should be used to 'weight' per capita allocations according to pro rata numbers of children in such localities in each state and territory.
- The current funding allocative methodology needs review. There is currently no recognition of the additional cost of provision in rural and remote localities. Western Australia's landscape includes a high proportion of Australia's most remote and very remote communities, and the AEDC data show that Australia's most vulnerable children reside in such communities. The high cost of Kindergarten provision in rural and remote localities is an ongoing challenge for Western Australia. For example, to attract and retain properly qualified staff to remote and very remote localities, it is necessary to provide incentives (additional pay, travel, and holidays), which are very costly.
  - Western Australia advocates that the Commonwealth addresses the above funding discrepancies to ensure transparency and consistency such that each child attracts an equitable amount of base Commonwealth preschool funding, regardless of the state or territory in which they reside, with appropriate weightings for remoteness and additional needs.
  - There is currently a lack of transparency regarding the total funding provided by the Commonwealth to each state and territory for preschool through a combination of the Child Care Subsidy and the UANP, so it is not possible to determine the extent to which funding differs across states and territories. For example, a combination of RoGS tables 3A.6, 3A.7 and 3A.8 (which respectively report Commonwealth childcare funding to age 12 years, state/territory preschool expenditure and Commonwealth UANP funding), does not reveal the total Commonwealth funding for preschool provided to each state and territory from various sources for children in the year before full-time school.
  - Western Australia is aware of a view expressed by some stakeholders that school funding provided by the Commonwealth to states and territories duplicates UANP preschool funding in states such as Western Australia where Kindergarten is delivered through schools. This is not the case. Commonwealth school education funding is strictly limited to the years of full-time schooling from Pre-primary to Year 12, and does not include any allowance for the direct or overhead costs of preschool provision in schools. It is not reasonable to expect states and territories that deliver preschool through school settings to use funding they receive for their full-time school students to pay for the delivery and/or overheads for preschool, when the same is not expected of states and territories that predominantly deliver preschool through centre-based childcare settings.

#### **QUESTION 4:**

#### **How does the preschool system operate across States and Territories and settings?**

*The context in which the National Partnership agreement operates is important to understanding its achievements and future directions. The UANP allows for flexibility in how and where preschool is delivered; it can be delivered in schools, stand-alone preschools or within centre-based day care. It can reflect different approaches and involve connections to other services – as long as it is delivered by a teacher whose qualifications meet National Quality Framework requirements.*

*The Review is interested in understanding more about how models of delivery vary to meet the contexts and needs of different communities or different cohorts of children. This includes understanding how that UANP funding complements other government funding (local government, State and Territory, and Australian Government) and any private investment, particularly with respect to lifting participation in quality preschool.*

*Please note that the Review is not reviewing the specific funding and delivery arrangements in States and Territories, but how the UANP complements existing models of preschool delivery*

Western Australia's pre-existing universal Kindergarten provision for 11 hours per week through the schooling sector dates back to the 1990s, when significant State investment in school infrastructure, workforce and regulatory arrangements occurred. This platform facilitated Western Australia's efficient extension to 15 hours per week within the school sector, and its consistent achievement of all performance targets since UANP inception.

The next iteration of Commonwealth support for early childhood education across Australia should achieve surety of long-term funding, consolidate gains achieved to date, and retain the operational flexibility afforded to states and territories through the original UANP.

Consideration should be given to performance targets and measures that strategically reflect the early learning reform principles agreed by COAG in 2018. In particular, these would be initiatives that:

- Enhance the home learning environments of children, with enduring benefits that last long after the preschool years. This could include investment in complementary and informal models of early learning, such as playgroups (educator-delivered supported playgroups and parent-run community playgroups) and legitimisation of the part these programs play in the development and learning of young children.
- Recognise that different children, families and communities require different levels and forms of support.
- Combine universal services with targeted initiatives that address place-based needs.
- Maintain a dual focus on program quality as well as program access. This necessarily includes services and initiatives that are culturally responsive.
- Seek to improve access through various mechanisms, including reduced cost, increased proximity, broader service scope and collocation with child health services.

#### **QUESTION 5:**

**Based on your experiences, should changes be made to future national policy on preschool for children in the year before full-time school, and why?**

- **What improvements would these changes make?**
- **What works well with the current UANP arrangements?**

*This is an opportunity to provide any additional comments that you think are relevant to the design of future preschool arrangements, including taking into account each State and Territory's context and the interaction of the UANP funding and other funding including Child Care Subsidy payments. For example, we would appreciate any further views on how funding might be better used to maintain and improve universal access to preschool and learning outcomes for children, particularly for Aboriginal and Torres Strait Islander children, children in regional and remote areas, and children experiencing vulnerability and disadvantage. We would also welcome suggestions on changes that could usefully be made to the UANP agreement itself (e.g. its objective, outcomes, outputs indicators, benchmarks and targets) to ensure children receive the full benefits of accessible, affordable quality preschool.*

Before lifting our gaze to suggest changes for the future, Western Australia wishes to emphasise the importance of retaining core strengths of the current arrangements:

- Shared investment in the early learning of children prior to school entry is vitally important, so enduring funding from the Australian Government on top of state and territory preschool funding should continue. This reflects compelling economic research which shows that the greatest return on educational investment occurs in the early years.
- Related to the above, a clear policy focus on children's early learning is important and should be retained in future funding arrangements. While there are clear interactions between children's health, development and learning, the UANP was the first national effort to specifically address early childhood learning. In parallel (and interacting with) complementary funding through the Health sector to improve child health outcomes

across Australia, it is important that targeted funding continues to be specifically directed towards children's learning prior to school entry.

- The UANP has been characterised by a spirit of collaboration where strengths in each state and territory have been shared and local, evidence-based solutions to local challenges have been supported. Central to this has been the UANP's performance monitoring framework which, notwithstanding the data limitations addressed earlier, permits operational flexibility to states and territories to implement programs and initiatives that best fit their context – legacy factors as well as their geographical and demographic make-up – for as long as the agreed objectives, outcomes and outputs are being achieved.

The most significant change required for future national policy on preschool for children in the year before full-time school is to agree on arrangements which are more enduring and equitable. This would provide the impetus for Western Australia to pursue bold and innovative reforms that entail long-term recurrent commitments, and improve the ability of states and territories to attract and retain high-quality practitioners to implement the agreed objectives, outcomes and outputs, both at strategic and local levels.

It is also important for the current inequities across jurisdictions to be resolved. The level of Commonwealth funding that a child attracts to his/her state or territory for 600 hours of preschool in the year before full-time school should not differ according to the state/territory of residence, nor according to decisions made about preschool delivery models in each state or territory. The allocation methodology should not penalise states and territories with high levels of pre-existing preschool investment. Per-child variations in the level of future preschool funding should be pegged to the unavoidable additional cost of provision in rural and remote localities or needs-based weightings according to the concentration and number of Indigenous, vulnerable and disadvantaged children.