

The NQF Works!

Implications of AERO's study linking quality and child development

Policy Explainer

The Front Project in partnership with Deloitte Access Economics

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The NQF Works! Implications of AERO's study linking quality and child development

Australian Education Research Organisation's recent analysis linking quality early childhood education and care and child development is significant. For the first time we have reliable evidence that Australia's approach to quality is making a difference. It shows:

Children attending Meeting services have better outcomes than those attending Working Towards.

Children attending Exceeding services have better outcomes than those in Meeting Services.

This holds true for children from all backgrounds.

Our key takeaways from this work



Australia's Quality Standards can deliver outcomes and at scale

Children who attended services exceeding the NQS in particular quality areas had measurably improved early child development outcomes.



Early development outcomes make a difference

Other analyses have shown that positive outcomes measured through the AEDC track through to positive NAPLAN results and through to lifelong outcomes.



We need to prioritise quality for children experiencing disadvantage

Children from disadvantaged neighbourhoods are less likely to be in services delivering the right level of quality.



Don't trade quality for access

*Access alone won't deliver outcomes – quality **and** access are needed to deliver outcomes for children.*

'Meeting' the NQS won't get us all the way

Where to act

Reinforce the NQF – improve the frequency, quality and consistency of assessment and rating – target areas that support outcomes.

Ensure quality underpins sector expansion – increase access to quality services.

Target support to children facing the greatest developmental risk to access higher quality services and targeted models.

Lay foundations for quality firmly in workforce growth and development strategies.

Policy explainer: AERO Linking Quality and Child Development in ECEC

Since 2009, Australia has made a significant investment in improving quality in early childhood education and care through the introduction of the National Quality Framework.

This has involved building an internationally leading system of setting standards for quality, and assessing and rating every provider in the nation.

To date, however, valid, reliable connections between NQS ratings and actual childhood outcomes have been hard to come by.

Australian Education Research Organisation's recent analysis uses the power of big data to track whether Australia's investment in quality early childhood education and care is making a difference for developmental outcomes for children.

We don't attempt to reproduce the findings here, rather we present key messages from our reading of the work. We also encourage policy makers to read them with confidence because they deliver important and instructive messages based on solid analysis and data.

AERO partnered with the Queensland Brain Institute (QBI) Child Development and Early Education Group at The University of Queensland to examine how elements of ECEC quality relate to children's developmental outcomes in Australia.

This study analysed population datasets (Person Level Integrated Data Asset (PLIDA) and the Effective Early Educational Experiences (E4Kids) longitudinal study) that track developmental outcomes to draw out the relationship between children's outcomes and quality ECEC (as measured by the National Quality Standard).

Two key findings of the research were:

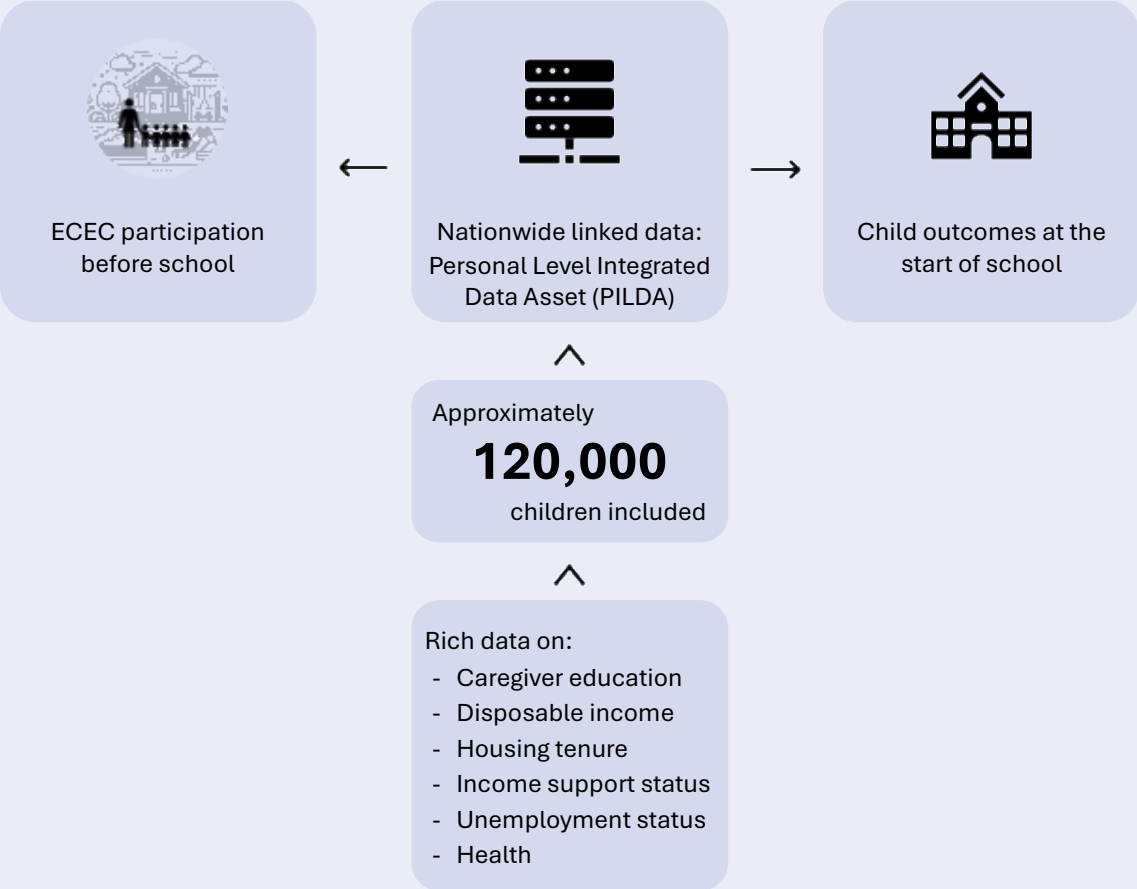
- Children in services Exceeding NQS had consistently lower rates of developmental vulnerability than those in Meeting and Working Towards NQS (or below) services.*
- The quality of educational program and practice (QA 1), physical environments (QA 3) and relationships with children (QA5) most strongly predict children's development at school entry.



* Children in services exceeding individual quality areas were less vulnerable in specific domains compared to those in services not exceeding in those areas.

Why is this study important?

The study is extensive. It uses national data to link children’s attendance in ECEC, the quality of the service they attended, and their outcomes at school.



This controls for potential confounding factors which are likely to impact child development outcomes at the start of school.

This creates a strong link between government investment in quality and child outcomes.



What is surprising?

Gains were not limited to disadvantaged cohorts

Improvements in quality as measured by the NQF were also associated with reductions in developmental vulnerability for high income families (defined as those not in receipt of income support).

Some quality areas had more impact than others

Quality areas 1 (Educational program and practice), 3 (Physical environment) and 5 (Relationships with children) were strongly and consistently associated with reduced developmental vulnerability.

Quality area 6 (Collaborative partnerships with families and communities) had a more moderate impact on reducing developmental vulnerability while other quality areas were less likely to have a statistically significant impact in reducing vulnerability.

What is important to understand?



Selection effects

The PLIDA data set takes into account most of the background factors that we understand impact child development outcomes, including parental income, caregiver education, location, home language and so on.

However, there might be some factors we cannot observe that might cause children who are less developmentally vulnerable to attend higher quality centres.

For example, parents with a stronger interest in home learning might choose higher quality services.



Quality ECEC is important, but won't eliminate developmental vulnerability on its own

Improvements in ECEC quality significantly reduce the risk of developmental vulnerability in children when they start school. This won't remove the risk of children being developmentally vulnerable in their first year of school.

The relative risk of being developmentally vulnerable in a given AEDC domain is reduced by between 8% and 15% by attending a centre that exceeds the NQS overall (compared to one that is working towards), which equates to an absolute risk reduction of approximately 1 percentage point.

The study used ratings from before the NQS was updated in 2018. The share of services exceeding the NQS has subsequently fallen which could in part be related to changes in the conditions required to be classified as exceeding the NQS. While noting these caveats, the study finds a relatively consistent relationship between quality and developmental vulnerability which is likely to still hold even if changes to the NQS would result in some services' quality rating being reclassified.

There are also questions that this study has not explored that could provide valuable insights for policy and planning:

- The cumulative impact of two years of quality ECEC compared to a single year.
- The impact of preschool attendance.
- The interaction between the 2012 and 2018 versions of the National Quality Standards and the impact of changes to Assessment and Rating rules and practices.
- Comparing outcomes for children who don't attend ECEC.
- The interaction between quality areas and practices that support performance across them.
- Differences in quality for different age groups or programs within a centre. Quality ratings are based on all children, rather than those of preschool age and don't distinguish dedicated preschool programs.
- Cultural safety and responsiveness of services is a critical element of quality that is not explored in this study.

So what?



Links NQS to child outcomes

Limited research has been done to quantify whether NQS ratings connect to improved child development outcomes.



Structural and Process quality matter

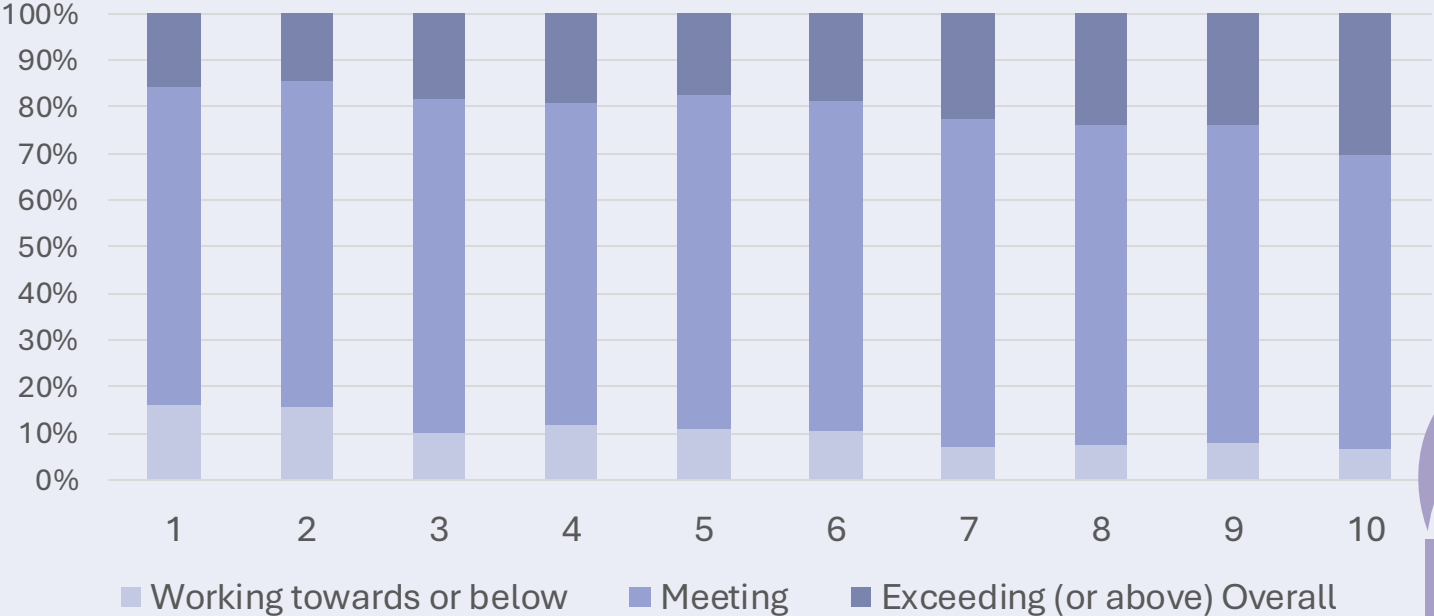
NQS quality areas that have a demonstrated connection to outcomes have elements of structural quality (ratios, qualifications and environment) and process quality (interactions and practice).

Areas of disadvantage

We have reviewed the latest National Quality Framework Snapshot data to review the distribution of service performance across SEIFA areas. This data shows that the largest proportion of services are meeting or exceeding the NQS across all SEIFA areas, however the proportion of services working towards or lower is largest in SEIFA deciles 1 and 2.

Given that rates developmental vulnerability are lower across AEDC domains relative to higher quality, this data provides insight into what changes are needed to make a difference for developmental vulnerability and where it could make the most difference.

By SEIFA



1. Additional results are available in a series of supplementary tables. Please contact AERO for a copy.

Our key takeaways



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We need to prioritise quality for children experiencing disadvantage

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Productivity Commission Inquiry into ECEC

Recommendation 8.2: A new review of the National Quality Framework

The Australian, state and territory governments should, through the Education Ministers Meeting, commission an independent review of the National Quality Framework (NQF), with a specific focus on the way in which services are assessed against the National Quality Standard, and if assessments could be made more accurate, consistent and efficient.

Independent NQF reviews should be conducted on a regular basis to enable regulators to incorporate feedback from ECEC providers as well as new findings from research on links between ECEC quality and children's outcomes.

Delivering high-quality ECEC requires more commitment from governments

...a proactive regulatory system is critical to ensuring quality in ECEC, through working with services to improve their quality and taking action against those who continuously fail to meet national standards...

...The role of regulators will become increasingly important as ECEC services expand to provide universal access. Examples from overseas show the risk of rapid ECEC expansion without appropriate quality regulation. In Quebec, for example, a program to offer ECEC to all families at a low flat fee led to a substantial increase in ECEC availability but many of the services were of poor quality. The expansion of access to ECEC will only yield net community benefit if the services offered are of high quality, with close monitoring and support from regulatory authorities. As a first step, ECEC services should have to demonstrate that they are meeting or exceeding the NQS before being granted funding to establish a new service in areas of persistently low supply.

Productivity Commission 2024, A path to universal early childhood education and care, Inquiry report – volume 1, Canberra, November.

The AERO study provides evidence not cited in the Productivity Commission's Inquiry Report that demonstrates the relationship between Quality and outcomes for children.

This adds weight to the Productivity Commission's findings and recommendations in relation to the benefits of high quality ECEC for children.

It also provides a solid approach for ongoing monitoring of quality and outcomes for children.

How is quality measured in Australia?

Australia's National Quality Framework is comprised of National Law and Regulations, the National Quality Standard, assessment and rating processes, and national learning frameworks that apply to early childhood education and care services. The NQF encompasses concepts of both *structural quality* (things like staffing qualifications, ratios between educators and children, and physical settings) and *process quality* (the nature of interactions between children and educators).

ECEC services are assessed and rated by state and territory authorities against quality areas in the National Quality Standard. Services receive an overall rating of working towards, meeting, or exceeding the NQS. High performing services can apply to be rated as 'excellent' while poorly performing services can receive the rating 'significant improvement required'.



Education and Care Services National Law 

Education and Care Services National Regulations 


(including improved ratios and qualifications)

Overall service ratings reflect the performance of a service against each individual quality area in the National Quality Standard. For a service to receive exceeding, it must go beyond the NQS in at least four of the seven quality areas (with at least two from quality areas 1, 5, 6 or 7). A service must meet the NQS in all seven quality areas to receive a 'meeting' rating.


National Quality Standard

- Quality Area 1: Educational program and practice
- Quality Area 2: Children's health and safety
- Quality Area 3: Physical environment
- Quality Area 4: Staffing arrangements
- Quality Area 5: Relationships with children
- Quality Area 6: Collaborative partnerships with families and communities
- Quality Area 7: Governance and leadership

Approved Learning Frameworks



Assessment and Rating



Exceeding the National Quality Standard

Quality Area 1	✓	✓*
Quality Area 2	✓	✓
Quality Area 3	✓	✓
Quality Area 4	✓	✓
Quality Area 5	✓	✓*
Quality Area 6	✓	✓*
Quality Area 7	✓	✓*
Must	At least meet all 7 QA	Exceed 4 out of 7 QA – Including 2 out of 4 from QA 1, 5, 6, or 7

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