



The First Five Years: What makes a difference?

3.2 Quality of child care

Key findings

In this section we describe the associations between child care quality and developmental outcomes for different subgroups of the population.

- Children who attended above standard quality child care had lower rates of developmental vulnerability than children attending services assessed as not yet at standard quality child care.
- Children who attended preschool were more likely to be developmentally on track on all domains than those who did not attend preschool, and this held for children attending any given quality of child care.
- For all Socio-Economic Indexes for Areas (SEIFA) quintiles, children who attended above standard quality child care were more likely to be developmentally on track on all domains than those who attended not yet at standard quality child care.
- The difference in rates of being on track on all domains between SEIFA quintiles was generally larger than the difference in rates of being on track on all domains between child care quality categories within a SEIFA quintile. Children from the most advantaged SEIFA quintile who attended not yet at standard quality child care had lower rates of developmental vulnerability than those from least advantaged SEIFA quintile attending above standard quality child care.
- When the analysis compared all children from the same SEIFA quintile, children who attended preschool but not formal child care generally had the highest rate of being developmentally on track on all domains. For children from equity groups including Aboriginal and Torres Strait Islander children, children from a language background other than English (LBOTE) and children from single parent households, those who attended above standard quality child care had the highest rate of being developmentally on track on all domains.

Access to high quality child care has been shown to improve developmental outcomes in children. Carers with higher qualifications and lower child-carer ratios have been linked to improved

cognition, language, and social skills in the first three years (Vandell and Wolfe 2000, Yamauchi and Leigh 2011).

The National Quality Standard (NQS) sets a high benchmark for early childhood education and care and outside school hours care services in Australia. Services are assessed and rated by their regulatory authority against the NQS and given a rating for each of the 7 quality areas and an overall rating based on these results (ACECQA 2021).

We created a quality factor to simplify the overall quality rating into four categories (see *Methodology* section for details):

- not yet at standard: overall rating of Significant Improvement Required or Working Towards National Quality Standard (NQS)
- at standard: overall rating that met the NQS
- above standard: overall rating of Excellent or Exceeding NQS
- provisional: child care quality not assessed by the NQF.

For each child, we identified child care quality as the most frequently occurring, non-missing, quarterly quality rating of all child care service providers attended by a child.

Figure 1 shows the rates of developmental vulnerability on one or more domains versus the quality of child care. We found that children who attended at standard services showed the same rates of developmental vulnerability as children who attended no child care. Children who attended not yet at standard child care had the highest rates of developmental vulnerability and children who attended above standard child care had the lowest rates. Quality indicators were not available for all child care providers; approximately 20 per cent of children attended child care with a provisional rating (see *Methodology* section for more details).

Figure 1. Proportion (%) of children who are developmentally vulnerable on one or more domains, by child care quality, 2018 AEDC cohort.



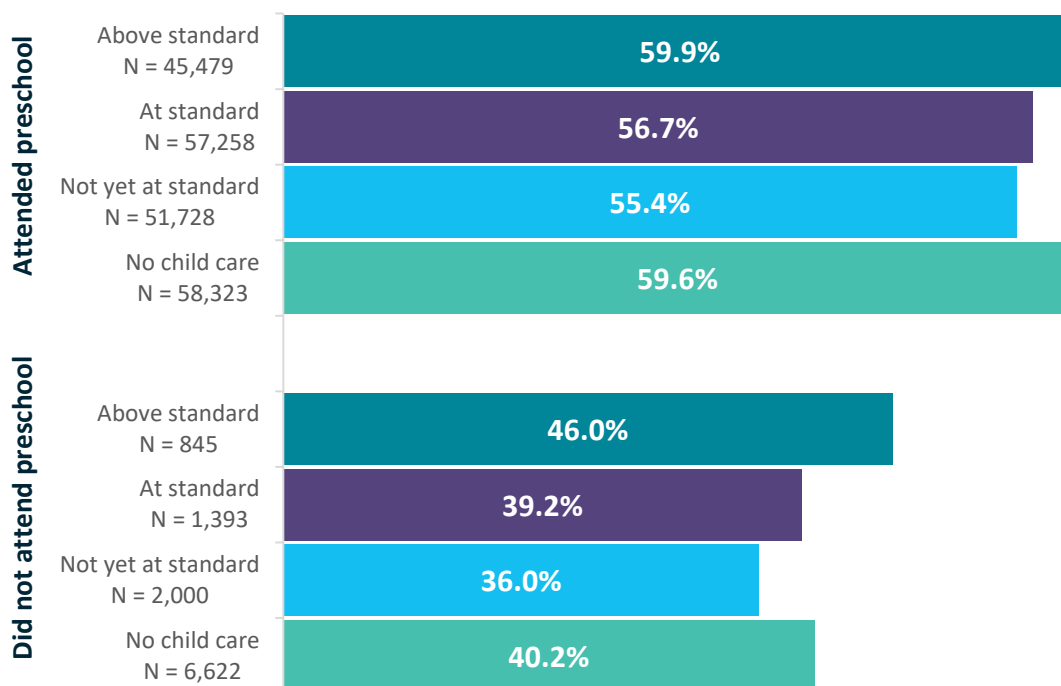
Source: Customised 'First Five Years' extract from the Multi-Agency Data Integration Project.

Notes: This figure compares children from the 2018 cohort of the Australian Early Development Census. N = 272,626. Children in all of the groups may have separately attended preschool..

Preschool and quality of child care

Figure 2 shows the rates of children developmentally on track on all domains versus the overall quality of the child care in a child's history of child care attendance, split by preschool attendance. As reported in chapter 3.1, a small proportion of children (4.8%) did not attend preschool.

Figure 2: Proportion (%) of children who were on track on all domains, by overall child care quality and preschool attendance, 2018 AEDC cohort.



Source: 'First Five Years' extract from the Multi-Agency Data Integration Project.

Notes: This figure compares children from the 2018 cohort of the Australian Early Development Census. The size of the cohort is slightly different to that on DV1 due to the differing requirements of having a valid "DV1" score or "on track on all domains" score. Only children with known preschool attendance status are shown. Preschool attendance was identified through AEDC data or 600 hours of Long-Day Care attendance as per CCMS in year before school (see *Methodology* section).

Children who attended preschool and either above standard quality child care or no child care were the most likely to be developmentally on track on all domains.

Children who attended higher quality child care were more likely to be developmentally on track on all domains, regardless of whether they attended preschool or not. However, the effect of different child care quality varies according to preschool attendance. For children who attended preschool the difference in rates of being developmentally on track on all domains between above standard and not yet at standard quality child care was approximately 5 percentage points, whereas for children who did not attend preschool the difference was approximately 10 percentage points (Figure 2).

Children who attended preschool were more likely to be developmentally on track on all domains for all quality categories than children in the same quality category who did not attend preschool. Children who attended child care but not preschool were most likely to attend not yet at standard

quality child care (with the not yet at standard group having the largest attendance of around 2,000 children). This subgroup of children was the least likely to be developmentally on track on all domains.

Association between child care quality and developmental domains

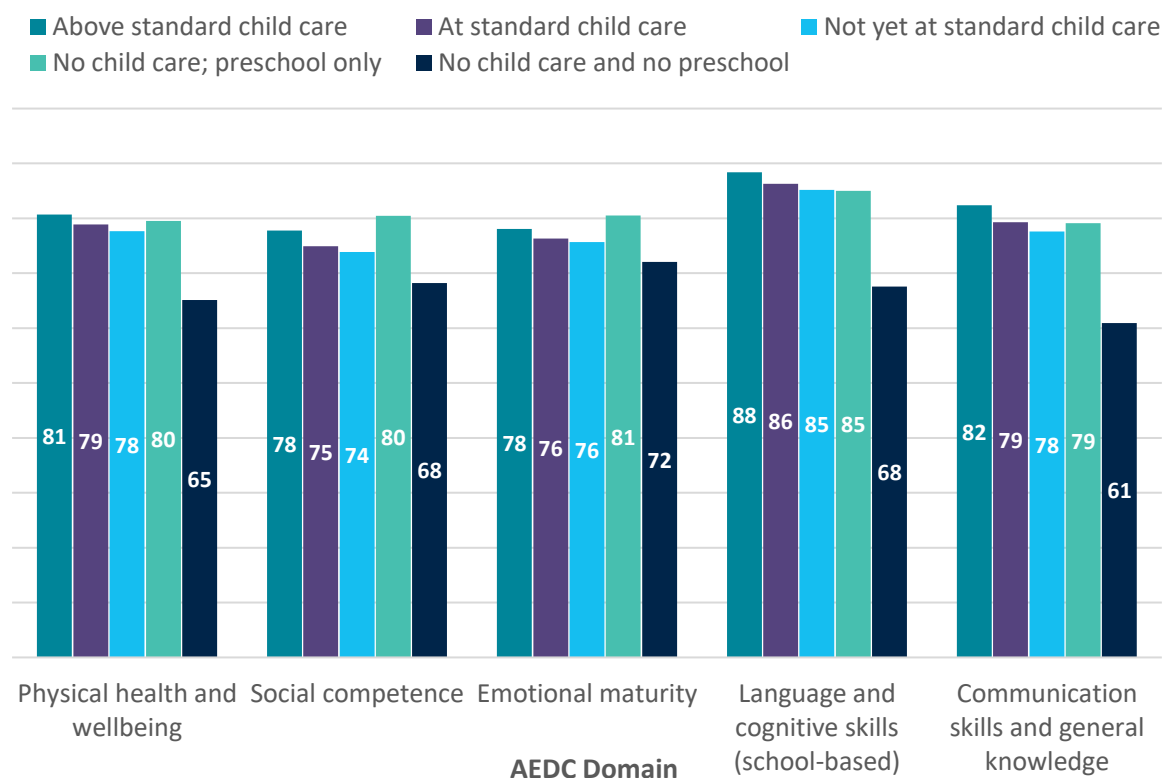
For each AEDC domain, children who attended above standard quality child care were more likely to be developmentally on track than those who attended not yet at standard quality child care (Figure 3). The largest difference between rates for above standard and not yet at standard quality ratings occurred for the communication skills and general knowledge, and social competence domains (4 percentage points), while the lowest difference occurred for the emotional maturity domain (2 percentage points).

For all AEDC domains, children who attended neither child care nor preschool were the least likely to be developmentally on track. The largest differences were observed in the cognitive domains (language and cognitive skills (school-based) and communication skills and general knowledge), and in physical health and wellbeing.

Children who attended above standard child care had the highest rate of being developmentally on track on all domains (Figure 2). When considering each developmental domain separately, the results change between domains. Children who attended preschool but not formal child care were the most likely to be developmentally on track in the social competence and emotional maturity domains. For the cognitive domains (language and cognitive skills (school-based) and communication skills and general knowledge), children attending above and at standard child care (and who may or may not have attended preschool) had the highest rate of being developmentally on track.



Figure 3: Proportion (%) of children who were developmentally on track, by AEDC domain and overall child care quality, 2018 AEDC cohort.



Source: 'First Five Years' extract from the Multi-Agency Data Integration Project.

Notes: This figure compares children from the 2018 cohort of the Australian Early Development Census. Only children with known preschool attendance status are shown. Preschool attendance was identified through AEDC data or 600 hours of Long-Day Care attendance as per CCMS in year before school (see *Methodology* section).

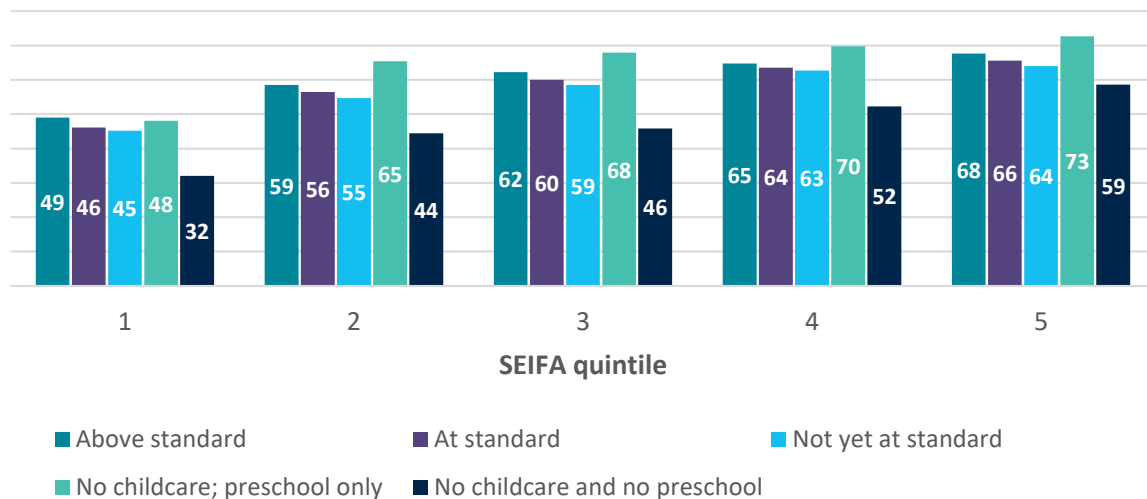
Child care quality and area-based socio-economic status

To describe the socio-economic status of a child's area of residence, we used one of the ABS' SEIFA measures – the Index of Relative Socio-Economic Advantage and Disadvantage (IRSAD) (ABS 2018). SEIFA quintiles were used, where quintile 5 represents the areas with the highest socio-economic status and quintile 1 represents the lowest. By splitting the cohort in this way, the analysis is effectively controlling for differences between SEIFA quintiles.

For all SEIFA quintiles, children who attended above standard quality child care were more likely to be developmentally on track on all domains than those who attended not yet at standard quality child care. The difference in rates between high and low quality child care was similar across SEIFA quintiles (2-4 percentage points). For all SEIFA quintiles, children who attended neither preschool nor child care were the least likely to be developmentally on track on all domains.

For all quality categories, rates of being developmentally on track on all domains increased as the SEIFA quintile increased. Even the lowest rate for SEIFA quintile 5 (59% for no child care and no preschool) was greater than the highest rate for SEIFA quintile 1 (49% for above standard child care).

Figure 4: Proportion (%) of children who were developmentally on track on all domains, by household SEIFA quintile and overall child care quality, 2018 AEDC cohort.

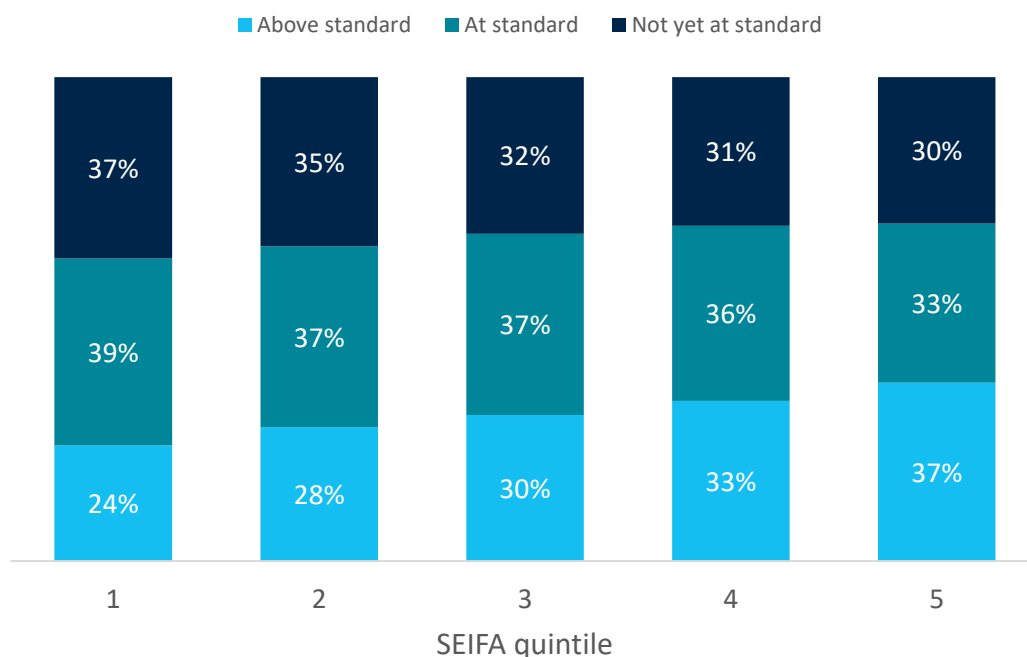


Source: 'First Five Years' extract from the Multi-Agency Data Integration Project.

Notes: This figure compares children from the 2018 cohort of the Australian Early Development Census. Only children with known preschool attendance status and SEIFA quintile are shown. Preschool attendance was identified through AEDC data or 600 hours of Long-Day Care attendance as per CCMS in year before school (see *Methodology* section).

Children from lower SEIFA quintiles were more likely to attend not yet at standard quality child care and were less likely to attend above standard quality child care (Figure 5). Only 24 per cent of children in SEIFA quintile 1 attended above standard quality child care, compared to 37 per cent of children in SEIFA quintile 5. Conversely, 37 per cent of children in the lowest SEIFA quintile attended not yet at standard child care, while only 30 per cent of children in the highest SEIFA quintile attended not yet at standard child care.

Figure 5: Proportion (%) of children who attended above, at, and not yet at standard quality child care, by household SEIFA quintile, 2018 AEDC cohort.



Source: 'First Five Years' extract from the Multi-Agency Data Integration Project.

Notes: This figure compares children from the 2018 cohort of the Australian Early Development Census. Only children with known SEIFA quintile and known child care quality are shown.

Association between child care quality and developmental outcomes for equity groups

In this section, we looked at whether child care quality and preschool attendance have different associations for different cohorts: Aboriginal and Torres Strait Islander children, children from a language background other than English, and children from single parent households. The corresponding data for the entire AEDC cohort (Figure 2) is replotted here as Figure 6A for comparison.

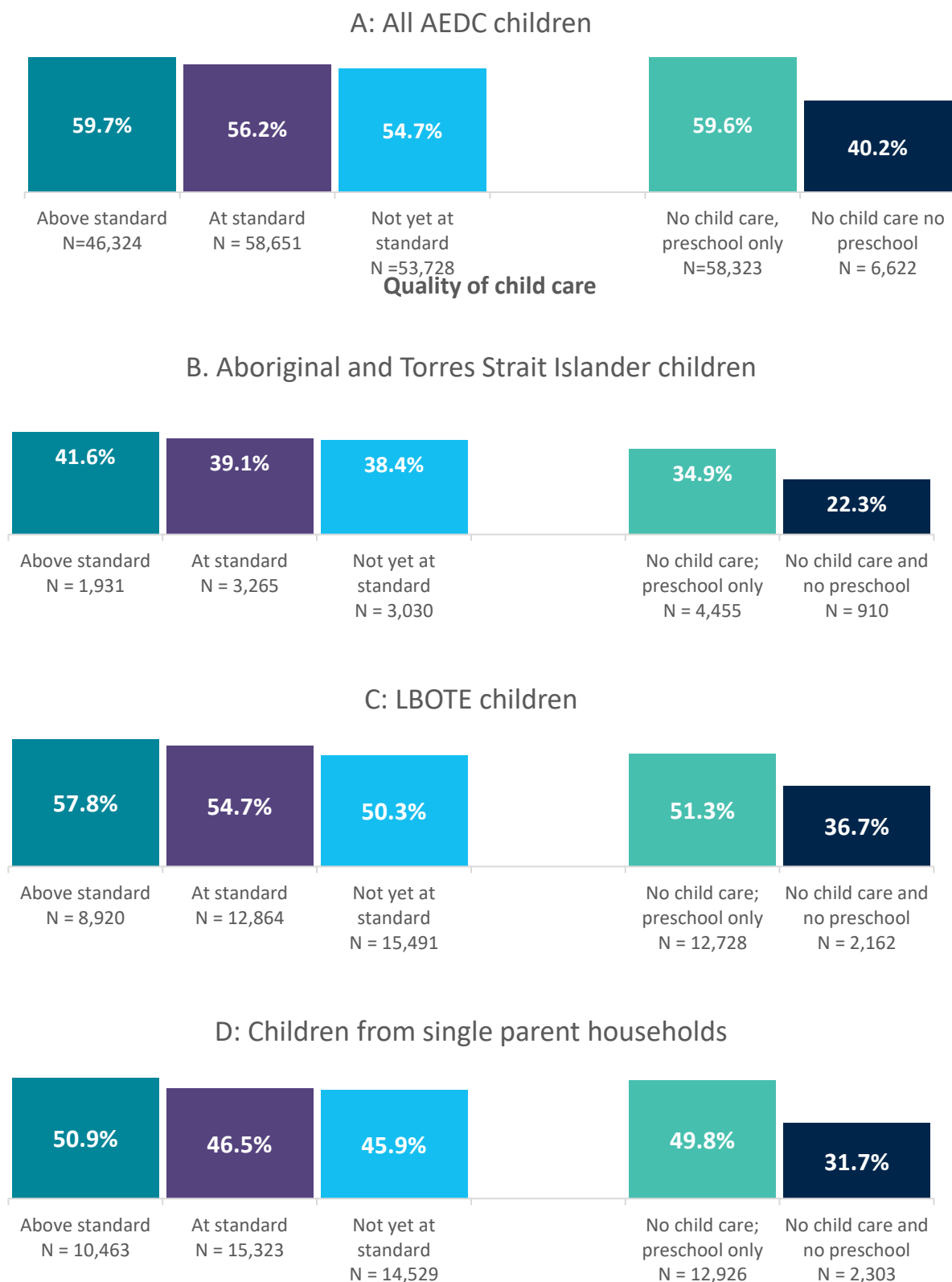
For all groups, children attending higher quality child care were more likely to be developmentally on track on all domains (Figure 6). Rates of being on track on all domains were approximately 3 percentage points higher for Aboriginal and Torres Strait Islander children who attended above standard quality child care than for those whose child care was not yet at standard quality (Figure 6B). Children from a language background other than English who attended above standard child care had rates of being developmentally on track on all domains approximately 7.5 percentage points higher than those attending not yet at standard quality child care (Figure 6C). The difference is approximately 5 percentage points for children from single parent households who attended above standard quality child care compared to those who attended at or not yet at standard quality child care (Figure 6D).

For all equity cohorts, children who attended neither child care nor preschool were the least likely to be developmentally on track on all domains. Rates of being developmentally on track on all domains were nearly 20 percentage points higher for those who attended above standard quality child care, compared to those who attended neither child care nor preschool: for Aboriginal and Torres Strait Islander children the difference was 41.6 compared to 22.3 per cent, for children from a language background other than English: 57.8 compared to 36.7 per cent, and for children from single parent households: 50.9 compared to 31.7 per cent.

The situation is different when comparing the quality of the child care group with the preschool only group. Looking at all the AEDC children, the non-child care, preschool only group has only a slightly lower rate of being developmentally on track on all domains compared to those attending above standard child care (Figure 6A). When looking at the equity cohorts, the preschool only group has only a slightly lower rate of being developmentally on track on all domains compared to those attending above quality child care for the children from single parent households. For Aboriginal and Torres Strait Islander children, the preschool only group has a lower rate of being developmentally on track on all domains than those attending child care of any quality. Similarly for the cohort with a language background other than English, the preschool only group has a lower rate of being developmentally on track on all domains, only slightly above that of the children attending not yet at standard child care.



Figure 6: Proportion (%) of children who were developmentally on track on all domains, by quality of child care services attended, for Aboriginal and Torres Strait Islander children, children from Language background other than English, and children from single parent households, 2018 AEDC cohort.



Source: 'First Five Years' extract from the Multi-Agency Data Integration Project.

References

ABS (Australian Bureau of Statistics) (2018) [2033.0.55.001 – Census of Population and Housing: Socio-Economic Indexes for Areas \(SEIFA\), Australia, 2016](#), ABS, accessed 5 January 2021.

ACECQA (Australian Children's Education and Care Quality Authority) (2021) [National Quality Standard](#), ACECQA, accessed 10 December 2021.

Vandell D and Wolfe B (2000) '[Child Care Quality: Does It Matter and Does It Need to Be Improved?](#)', *Institute for Research on Poverty Special Report*, 78.

Yamauchi C and Leigh A (2011) 'Which children benefit from non-parental care?', *Economics of Education Review*, Elsevier 30(6):1468-1490.

