

Economic and Social Outlook Conference 2008, 27 March
Education Revolution: Session 4C Copland Theatre 2:30pm

Why is Early Childhood Education and Care a new direction for Australia?

I will address three matters in my remarks today:

1. New thinking about early childhood education and care
2. The need to transform Australian ECEC policy foundations in response to new knowledge. Minor adjustments are insufficient.
3. Directions for new policy that will ensure public investment delivers real development and learning benefits to Australian children.

1 New thinking about early childhood education and care

In the past 2.5 years the OECD completed four key reports that directly speak to ECEC, and UNESCO completed one. Hence, almost every country on the planet has had its ECEC policy and provision analysed and the findings have been synthesized. As a co-author of *Starting Strong II*, the OECD report on Early Childhood Education and Care (ECEC) I will speak mainly to that. Here, we synthesized a new body of knowledge about how twenty nations 'vision' ECEC and how they support this phase of life through policy, investment and programs. When the OECD turned its gaze to this Thematic Review it acknowledged that life-long learning begins in conditions prior to a child's birth. It acknowledged that life-long learning is significantly shaped by experiences in the early environments that children encounter. It acknowledged that advanced economies depend on strong human capital, development of which begins well before formal schooling.

Researchers, academics and government officials are grappling with recent findings about the contributions of genetics and environments to children's development and learning. The key goal is to find ways to best support diverse children in diverse families and communities, and to do that equitably in the interests of both the individual and society. The new Labor Government was responding to this goal during the election campaign. It is the science behind ECEC that is leading to a re-evaluation of Australian policy now.

Starting Strong II made the case for public investment in ECEC, for a systematic and integrated approach to policy on this area, and for a strong and equal partnership with the public education system. Public participation in ECEC – the collective participation of parents, extended family, local community, professional staff and governments – is necessary to ensure effective early education, care and upbringing. A universal approach to accessing quality ECEC for all 3-6 year old children was concluded to be at the base of secure development and learning. In addition, the case was made for increasing the public provision for children under three years of age, in combination with paid parental leave for about first year of a young child's life. All of these directions were grounded both in empirical research of children's development and learning and in the evidence of effective systemic ECEC provision across the OECD group of countries. This level of engagement and public responsibility was argued because the benefits of good ECEC flow not just to the child and family receiving the service today but to society at large. The distribution of benefit, in fact, is mainly to society, justifying public investment.

Most ECEC outside the home is provided in play-based environments that, on the surface, may appear to be simple, unstructured and low-level. So long as young children appear to be clean and safe then things might be seen to be satisfactory. This is the first point where new thinking is demanded. Converging international evidence from developmental science, early education, health and economics indicates that investment in quality ECEC programs is socially, educationally and economically prudent. It is vital for children's life chances, for their long term health and wellbeing, for social cohesion and for the economy which, over time, is supplied with skilled adults.

Policies that compartmentalize young children's programs into 'childcare' and 'preschool' and separate children's home experiences into another domain reflect old thinking. Such segmented policies need major surgical intervention because they sustain separate legislation, numerous separate regulatory systems, multiple, separate and different standards, and multiple, different investment streams. The problems of ECEC quality, affordability and access remain more difficult to address. Reporting clear child development and learning outcomes in light of particular investments or directions remains deeply problematic.

Governments face on-going strategic problems if the strategies that have prevailed in the past are sustained. The recent demise of the ABC Learning corporation stocks is a symptom of system failure which prompts a very timely examination of the fundamentals of the Australian ECEC system. For example, in the case of child care, keeping direct cash subsidies to parents in pace with the price of care is demonstrably failing as prices continue to rise while quality continues to be raised as a concern. The combination of private-for-profit provision and indirect government funding of early childhood care and education services (through subsidy to parents) makes subsidy, price, revenue and profit heavily interrelated. The current strategy adds value to child care businesses but does not give government direct input into the price and the quality of care. Poor quality care for relatively high prices is a toxic combination for children and their parents, as well as for the taxpayer and for society in the long term. *Starting Strong II* argued for more attention to supply-side funding of early childhood services in order to ensure equity of access for young children and to allow control of quality.

The staff providing ECEC programs require particular skills if they are to ensure effective development and learning - the capacity to diagnose subtle as well as obvious changes in the condition of children, the skill to liaise closely with parents and colleagues to support child development and advance learning, the design competence to prepare informal yet well-structured learning and development programs and the relational skills to build, for each child, a secure engaging environment. Some 40% of Australian child care staff do not hold a minimum formal qualification. About the same percentage do not access any staff development. An instrumental view of this work as 'low-level' and 'low-skill', combined with parent and community lack of capacity to directly observe the experiences and programs that young children encounter each day allows poor quality programs to persist. Providing more cash subsidy to alleviate rising prices in child care does not ensure that staff skills are improved, despite substantial investment from government.

At present, nobody knows what differences in quality there are in Australia among the varied forms of early childhood education and care provision – for-profit long-day

care centres, community based centres, private and state preschools, home based care. Nobody can clearly quantify the long-term benefits or detriments of these types of provision in Australia, using Australian evidence. Nobody can state what effect a less buoyant private care market and a more buoyant community-based approach has of child outcomes. Longitudinal research designed to answer these questions is in Australia is embryonic.

3 *Directions for new policy*

There are plenty of reasons and a clear opportunity to create a new direction and style of early childhood education and care in Australia now. Both the Federal and Victorian governments have moved to bring the auspice and administration of ‘child care’ and ‘early childhood education’ under a single department. An integrated ECEC policy framework is at the core of ensuring children's life chances, their long term health and wellbeing, and ECEC that helps build social cohesion and skilled people. Taking overarching view of ‘education’ in addressing ECEC programs does not mean a move toward a narrow ‘schooling’ model. The commitment of 15 hours of early childhood education for all four year olds, implemented in a new integrated model of ECEC, is a promising start in advancing opportunities for young children.

Applying ‘supply-side’ funding to enable Governments to ensure value for money, given considerable spending, should result in real affordability improvement, greater cohesion of system and much higher quality. This includes consideration of paid parental leave to cover the first year of a child’s life.

Substantial improvement in participation is a key outcome if contemporary and effective ECEC provision is to be realized. This involves parents, extended family, local community, professional staff and governments to ensure that effective early childhood education and care results.

The findings set out in *Starting Strong II* lend support to the Labor Government's election goals of improving ECEC programs for all young children and making services more affordable. The mechanism of increasing the child care tax relief may not produce the desired outcome. Before adding further public funding to ECEC through this mechanism and in light of the current corporate crisis in child care the election promise to achieve new affordability goals may best be implemented by appointment of an independent expert to model and report on different methods of implementation to achieve the intended goals. A closer look at options now might help deliver affordability improvements that last as well as necessary improvements in program quality.

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