

**What next in the Education Revolution?  
An Early Childhood Development strategy that can achieve positive return on  
investment?**

**Professor Collette Tayler  
Melbourne Graduate School of Education  
The University of Melbourne  
6 November, 2009.**

## **What was the early childhood education and care (ECEC) problem and why a new strategy?**

I begin this story of Australian Early Childhood provision in January 2008. At that time it is a tale of hope and ambition, of a Commonwealth Government's determination to do better than the ratings we had been receiving in international and national settings. Through the Council of Australian Governments (COAG), Australia set a course to redevelop early childhood provision under a stronger 'education-oriented' strategy - one grounded in the human capital development agenda.

The OECD Starting Strong II review in late 2006 had revealed relatively low investment, low access, questionable quality, apparently poor equity, policy and administrative incoherence and no clear vision or focus in addressing children's development and learning. Australian Early Childhood Education and Care (ECEC) as a system looked unhealthy when assessed on international standards. And again in late 2008, the UNICEF league table rating the standard of Australian ECEC provision across 26 developed countries showed Australia meeting only two of the ten basic standards (UNICEF, 2008). In OECD context we are also relatively low on workforce participation rates, especially so for mothers of children under school age (OECD, 2009).

Furthermore, in early 2008 in Australia public discussion on ECEC was heavily focused on child care provision, mainly about "getting places", and the size of fees relative to Child Care Benefit. There was much less 'media air play' given to the type, the focus and the quality of the programs in which children engaged, whether in child care or preschool settings.

So at the start of this story it was clear in Australia that a wealthy country was not nurturing its very young well or ensuring optimal development and learning opportunities for a good start in life. This applied especially so for children living in disadvantaged circumstances. Fiona Stanley and many others had been drawing attention for many years to the plight of young indigenous children, children failing to be supported in families, children in the child protection systems, and children who could not access early childhood or specialist early intervention programs because of geo-location or lack of services to meet the demand (Stanley, Richardson & Prior, 2005).

So in early 2008 it was with energy and commitment to do better, to invest in the human capital development of Australians from birth, that the COAG set out to rebuild an Australian Early Childhood strategy and set new policies - to transform

ECEC provision and produce a cohesive system for child development that delivered valuable returns to individuals, communities and the society at large.

### **Where was the energy placed in 2008?**

An Early Childhood Development COAG sub-group, consultants, expert working parties and across-government policy teams began work to develop:

- An early childhood development strategy linking health, education and care, and social inclusion,
- a new national ECEC quality standard,
- for the first time an early childhood workforce strategy,
- enhanced regulatory arrangements to ensure better programs,
- a new quality-rating system and
- an early years learning framework to give direction on what children are expected to know and do as a result of participation in any EC program receiving public funding.

Australian ECEC developments in 2008 and 2009 have attracted international attention. Experts from abroad, particularly from the UK and North America, have affirmed the merits of improving the ECEC system, the boldness of Australia as a federated country cooperating to create a more coordinated, less complex, more quality-focused and more transparent ECEC system – indeed to create a *system* from disparate care, education and family support activities. International researchers have been gratified by the attention given in Australia to their work: research that has been conducted over time, on other populations, in different contexts (for example studies by Melhuish, Sylva, Siraj- Blatchford, Schiewnhart, Barnett, Sparling, Phillips, Shonkoff, Reynolds and others). Important and valuable evidence from abroad has been used to fill large gaps, particularly in Australian ECEC research. And in 2009, some new Australian research on typical ECEC programs has been commissioned that can help direct policy, investments and program decision-making into the future (ARC, 2009).

### **What is the profile of this work in light of an altered fiscal context in 2009?**

How far the Australian community at large has engaged in the development of the early childhood strategy is an open question. There have been many consultations on the early years learning framework, for example, and the options for raising quality standards across jurisdictions. Many of these consultations have captured the

interest of professionals in the field. Yet it remains a question what parents of young children at large, or the person the street, might say when asked what has been happening to early childhood in Australia in the past couple of years. Perhaps the most salient information from government into the community about the ECD strategy at large is about 15hrs per week of kindergarten for 4 year olds, and trained early childhood teachers to lead the programs. I judge this to be a small part of the activity, too small an initiative to make major systemic difference to ECEC and the outcomes promised by earlier investment in human capital development. But the most salient matter on ECEC in the community is likely to be the recent demise of ABC Learning and the shock waves of taxpayers securing failed centres in the midst of the crises, parents seeking stable care for their young children and questions about the merit of a market approach to early childhood education and care.

What does the Australian community now expect of a system that needs to ensure that children receive optimal early childhood development and a successful start in life – a system that effectively supports families in the education, care and upbringing of children? Unless the community strongly argues for a better system of development programs before school, for the envisaged quality improvements to early childhood provision, for better early access by vulnerable children to high-quality experiences and support, for providing solid foundations for early development and learning for every child, for programs that address problems early to help prevent bigger problems occurring later, then not much may come of the current ECEC reform documents. But it would be at the peril of Commonwealth Government to back away from investing in this area and making renewed effort to build a cohesive national system. It would also be denying the science that sets the foundations of human capital development in the earliest phase of life.

### **The timing of the financial crisis, the expenditure on education and the readiness of ECEC strategy**

ECEC largely missed out when the short-term significant funding boosts in the past year were injected into Education, primarily for capital works and short term projects. The kind of investment needed to ensure a sound foundation for learning and development in early childhood requires a cohesive and long-term financial strategy led by the federal treasury and developed in collaboration with state and local governments.

When we reviewed the work of ECEC policy and provision for the OECD Report, countries that were engaging in systemic reform, the UK being the most notable at

the time, released major papers on financing the system over 10-20 years alongside their ECEC strategy and program papers.

Australia has yet to bring the financing of Early Childhood provision into the foreground and debate how public responsibilities for early education and care are played out financially in an ECEC system – present or new. This is not only a matter of addressing under-investment but also reviewing strategy and checking mis-investment in light of ideals of life-long learning or aspirations about human capital development. How are public systemic and private family responsibilities shared optimally when financing early childhood programs? When human capital development and an early, preventative approach to education and care is driving a system there is no room for inconsistent, piecemeal approaches to financing ECEC; unclear statements about what is universal and why; naivety about what level of programs are achievable for the funding that will be committed, through the funding mechanisms used; what is to be taxpayer funded and how the effectiveness of funded programs is measured and reported; what is targeted to which areas, how and why? The majority of public funds invested in Australian ECEC provision are supplied through cash benefits to parents – child care benefit, family tax benefits. Is this the optimal mechanism for most of the funding and how does this enable the governments to achieve social and educational objectives?

ECEC strategy that is apparently part of a named “Education Revolution” is still neophyte in Australia and hence is particularly vulnerable to diminishing or disappearing when matters of budget expenditure and review are conducted in light of a global financial crisis. The upcoming COAG meeting is a key site for advancing the very good work that has been done. ECEC strategy without the necessary long-term financial strategy would make Australian ECEC reform rhetoric rather than reality.

### **Market models and ECEC**

Financing ECEC systems predominately through cash supplies to parents, as is the current strategy in Australia, places governments at arms length in relation to governance and quality assurance. This places strong reliance on parents having enough information to judge the quality of ECEC programs for young children. This assumes parents can find and afford optimal programs, and it assumes parents can switch services when programs are poor in order to drive the overall quality of programs up.

Yet demand for child care in any country is a very localised matter. Potential demanders in the market must have children from birth to age five. And because even the cost of basic quality in early care is high, local markets that have few middle and upper income families will be thin when it comes to keeping quality programs in existence (Cleveland & Krashinsky, 2009). It is also clear from the research on ECEC programs that it is the quality of program that will deliver, or not, the returns on investment in terms of child wellbeing and human capital development. Poor quality programs are not only a waste of the investment but they can do harm.

### **ECEC strategy and positive returns on investment**

So there is a case to address the financial strategy surrounding the ECEC domain of Education reform in Australia, as well as keeping on with the design of quality programs, especially programs that can be accessed first by children in greatest need of extra support. Careful consideration of how public funding is best supplied into the ECEC sector is needed, based on the evidence of what pays best dividends for the quality of programs and the distribution of support to those children in greatest need. The public funding part of an ECEC system has to be focused directly on ensuring the greatest benefits in terms of human capital development if return on investment to multiply over time.

And it is necessary to set the budget strategy over at least the span of a decade if the level of funding needed to ensure that young children experience high-quality ECEC programs is to be achieved.

ECEC programs vary widely in type – that is a good thing for responding to the needs of families. But they also vary widely in quality. Low quality programs have to be eliminated or in the very least, not given validation through the supply of public funds. ECEC program effectiveness evidence needs to be collected and reviewed for every type of program that is subsidised by public funding. Measured effects of programs on children's development and learning should be an important part of determining how an Early Childhood Development strategy for human capital development evolves. Program effectiveness should be what determines the investment strategy over the long term.

### **Conclusion**

If I step back and consider the state of ECEC provision in Australia now, I see wide differences in opportunity for young children to have a strong foundation for life-long-learning. We have highly inequitable supports surrounding children in their early years, manifest by variable quality services, no access to programs in some

locations, and too little a dosage of quality early learning and development experiences that make a difference to children at risk of later educational failure. It is apparent that Australia cannot afford to set aside reform effort at the foundations, in early childhood provision. We need to upgrade the level of attention given to financing the system that will support a well trained Early Childhood professional workforce and ensure that ECEC programs do in fact provide greater return than the initial cost of investment. The evidence of the need to invest early and invest well is compelling.

Cleveland, G. & Krashinsky, M. (2009). The non-profit advantage: producing quality in think and thin child care markets. *Journal of Policy Analysis and Management*, 28 (3), 440-462.

ARC, (2009). [http://www.arc.gov.au/media/releases/media\\_28may09.htm](http://www.arc.gov.au/media/releases/media_28may09.htm)

OECD, (2006). *Starting Strong II*, Paris: Author

OECD, (2009). Family database [www.oecd.org/els/social/family/database](http://www.oecd.org/els/social/family/database)

Stanley, F., Richardson, S., & Prior, M., (2005). *Children of the lucky country? How Australian society has turned its back on children and why children matter*. Sydney: Pan Macmillan Australia

UNICEF, (2008). *The Child Care Transition*. Innocenti Report Card 8. Florence, Italy: Innocenti Research Centre.