

Policy Brief

Synthesising research evidence to inform decision making



Centre for Community Child Health

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The future of early childhood education and care services in Australia

The past decade has seen an unprecedented policy focus in Australia upon services for children during the early years. This has occurred in response to a growing body of research highlighting the importance of the early years. Progress in regards to early childhood education and care (ECEC) services in the policy arena is often overshadowed by simplistic views and debates in the broader public arena regarding young children. For example, the misconception that child care is 'bad' for young children disrupts attempts to move public debate towards how we can build a high quality ECEC service system.

In this Policy Brief, we explore four key issues pertaining to the future of early childhood education and care in Australia: the importance of early childhood, quality early childhood education and care, service integration, and the inclusion of children with disability and developmental delays. Although significant improvements have been made recently in Australia in regards to ECEC, it is important that as a nation we carefully consider decisions regarding the ECEC service system and do not lose sight of the profound role that the service system plays in building the foundation for Australia's future prosperity.

Why is this issue important?

Australia's ECEC services and the ECEC service system are at a critical turning point. A range of positive developments have been introduced, including high level strategies and initiatives such as the National Early Childhood Development Strategy and the National Quality Agenda*. The Australian Productivity Commission is about to release the results of its child care and early learning inquiry and there has been heightened media interest in issues such as the role of ECEC services in supporting women in the workforce.

These initiatives and activities represent good progress towards essential ECEC service system reform. However, it is important to highlight that this is a starting point and not an end point; there continues to be a need for economic and policy reform around our ECEC system. Such reform will have implications for young children and their families, as well as implications for Australia's social and economic future.

* Also known as the National Partnership Agreement on the National Quality Agenda for Early Childhood Education and Care.

What does the research tell us?

The importance of the early years

There is a growing acceptance among scholars, professionals and policy makers regarding the importance of the early years.¹ As we learn more about the way in which experiences in the early years shape health, development and well-being and the extent of these influences over the life course, the fundamental importance of these years becomes increasingly apparent.

Experiences during the early years – including in-utero – have life-long effects on later achievements, social adjustment, mental and physical health and life expectancy.² Chronic exposure to adverse experiences such as child abuse and neglect causes physiological disruptions that affect the developing brain and other biological systems in ways that can lead to long-term impairment and a range of problems throughout the life course and into adult life.³

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Differences between children from advantaged and disadvantaged backgrounds are present from birth.⁴ These developmental discrepancies appear across cognitive, social, behavioural, and health outcomes. Developmental discrepancies increase over time, and advantages and disadvantages accumulate.⁵

The importance of high quality ECEC

Attendance at high quality early childhood services has positive impacts on children's cognitive development and learning, both in the short- and long-term.⁶ When early childhood education and care programs are high quality, they make a positive contribution to the development and school readiness of all children who participate.⁷ High quality preschool education delivers positive academic and social-behavioural outcomes well into the later years of school, particularly for young children with a poor home learning environment.⁸

Numerous studies have shown that high quality ECEC services lead to large returns on investment.⁹ Some of the most dramatic cost benefits of individual early childhood programs have been those that target disadvantaged families. However, ECEC services benefit all families when they enable participation in the workforce; contributing indirectly to economic benefits for families and society as a whole through, higher productivity and life-time earnings and increased taxation revenues.¹⁰

High quality early childhood programs yield more positive benefits than those of lesser quality, especially for children from disadvantaged backgrounds.¹¹ Nevertheless in Australia, access to and utilisation of ECEC services by families from disadvantaged backgrounds is lower than families from more advantaged backgrounds. The Longitudinal Study of Australian Children found 10-12 per cent of children from the lowest income quartile did not attend any form of preschool education compared with approximately 2 per cent of children from the highest quartile.¹²

One response to limited access and utilisation of services is a targeted approach (i.e. providing services to a specific group of people, rather than universal provision). However, in universal systems, coverage is greater for all children (including for targeted groups) and service quality tends to be better.¹³

The importance of integrated ECEC services

Traditionally, ECEC services have been conceptualised and run as services for children only, with little or no involvement of, or consideration of parents' needs. While this model may work reasonably well for those children whose home environments are appropriately nurturing and

stimulating, it does not work well for those who come from homes that are less able to provide such care.

The needs of children cannot be separated from the needs of their families because children – especially young children – are profoundly influenced by their families and the family environment.¹⁴ Many Australian children and families face complex or 'wicked' problems, with multiple, interconnected causes that are beyond the capacity of any one organisation.¹⁵ This is why integrated services that can respond to the diverse and changing needs of children and families are important.¹⁶ By merging or integrating, services can provide a more holistic approach and improve access to services for families.

Although there are some examples of integrated ECEC services, the Australian ECEC service system is largely not operating in an integrated way and, as a result, families often do not receive cohesive support.¹⁷ The result of a poorly integrated service system is service system inefficiency, and families have difficulties navigating the system and getting the support they need.¹⁸

One of the reasons services struggle to provide integrated responses is the fragmented nature of funding arrangements. Funding to support families with young children takes a number of forms, including paid parental leave, family tax benefits and ECEC subsidies and rebates. Policies to boost labour force participation and the rebates and subsidies relating to the use of early years services, program funding and welfare benefits, can paradoxically create disincentives for workforce participation. While there is strength in the Australian system, there are anomalies and distributional distortions that prevent the system from guaranteeing affordable, accessible, quality ECEC provision for those who need it most.¹⁹ Integration of services is not always necessary or viable, but greater integration in ECEC services can offer many benefits by reducing complexity and duplication, and being more responsive to the needs of families.

ECEC for children with disabilities and developmental delay

A 2012 study, using Australian Early Development Index data, found that 4 per cent of Australian children were reported as having established special health care needs (including developmental disabilities), and a further 18 per cent were identified by teachers as 'of concern'.²⁰ These children showed higher rates of vulnerability across all domains of development.

The national frameworks that are currently shaping early childhood services – the Early Years Learning Framework and the National Quality Agenda – are meant to apply to all children.²¹ In other words, all ECEC services should be designed so as to cater for the full diversity of children, including those with developmental disabilities.

A recent review of the Early Childhood Development workforce by the Productivity Commission (2011) noted that early childhood education and care services are not currently providing the same start in life to children with additional needs compared to those commonly available to other children.²² The Productivity Commission (2011) urged that the workforce requirements to provide appropriate services for these children must be prioritised so that the gap in outcomes between them and other children is minimised and not exacerbated.

What are the implications of the research?

- In light of the accumulating evidence regarding the importance of the early years for lifelong learning, health and wellbeing, it is clear that public perceptions and policies need to be significantly expanded; rather than the years before formal schooling being viewed as a period where the primary concern is on providing loving care and protection, we need to think of this time as also offering critical opportunities for learning and development.
- The evidence regarding the importance of early childhood provides a strong justification and incentive for government to continue its investment in high quality early childhood services as a way of ensuring Australia's long-term productivity, addressing social inequities, and fulfilling Australia's obligations under the UN Convention on the Rights of the Child.
- ECEC services can contribute to Australia's productivity in the short-term by supporting families' participation in the workforce and, in the long-term by giving young children the best possible start in life. There is a risk that the former can overshadow the latter, whereby the focus of debate regarding ECEC becomes workforce participation, rather than high quality early childhood education and care. It is important that the value of ECEC in both the short- and long-term – for parents *and* for young children – is acknowledged.
- We need integrated policy approaches to financing ECEC and other initiatives that support families and children. An effective approach will yield benefits to individuals and to society as a whole.

- Children's development is a product of all of their learning environments, and the benefits to be gained from high quality early childhood programs can be steadily undermined if the home environment continues to be chaotic, neglectful or unstimulating. ECEC services have a role to play in supporting children's development in all learning environments and in supporting parents and families. In order to achieve this, ECEC services need to be an integral part of a wider service system that is capable of addressing the additional needs and challenges that young children and their families face.
- There are significant gaps between the ECEC opportunities available to children with additional needs and those of other children. The full implications of the Early Years Learning Framework and the National Quality Agenda as they apply to children with developmental disabilities, have yet to be realised.

Considerations for policy and programs

- Continue to implement the Council of Australian Governments (COAG) National Early Childhood Development Strategy and undertake ongoing reviews of national quality reforms to ensure they are implemented as intended.
- Continue to implement initiatives that promote and encourage access to and utilisation of high quality ECEC services among disadvantaged groups.
- Continue to build the capacity of ECEC services and the ECEC service system to function in an integrated way as a means of supporting the diverse and changing needs of young children, their parents and their families.
- Structure support for ECEC on the basis of progressive universalism²³ – an approach that provides access for all children to high quality programs, with additional investment to ensure those most in need receive the most support to participate.
- Continue to emphasise initiatives that support training and professionalism of the ECEC workforce, especially those that will encourage the inclusion of children with disabilities and developmental delays.
- Consider the combined impact and distributional elements of income support, family assistance benefits and taxation with a focus on policies that finance ECEC more equitably and support inclusive growth and productivity, now and in the future.²³ Do not limit considerations for reform just to the subsidies specifically earmarked for child care.²⁴

Authors

Myfanwy McDonald, Tim Moore, Rachel Robinson
Murdoch Childrens Research Institute

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A full list of references and further reading used in the development of this Policy Brief is available from www.rch.org.au/ccch/policybrief

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About the Centre for Community Child Health

The Royal Children's Hospital Centre for Community Child Health (CCCH) has been at the forefront of Australian research into early childhood development and behaviour since 1994.

The CCCH conducts research into the many conditions and common problems faced by children that are either preventable or can be improved if recognised and managed early.

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