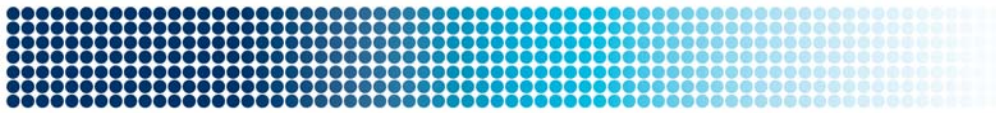


Investing in Early Childhood—the future of early childhood education and care in Australia

Australia's early childhood experts respond to the Productivity Commission's draft report

Centre for Community Child Health



The following document summarises the key issues raised by early childhood experts who discussed the draft report at a national seminar held at The Royal Children's Hospital in Melbourne on Friday 25 July.

The summary does not represent all views and topics covered by panellists and audience members. A video recording of the entire seminar is available. To watch it go to www.rch.org.au/ccch/for_professionals/Productivity_Commission_Inquiry

The case for reform welcomed by seminar participants

The Commission's commitment to create a simpler, more affordable, accessible, flexible and integrated service sector for families was warmly welcomed.

Especially the recommendations to continue the National Quality Framework (the NQF), to streamline benefits into a single early learning benefit, to provide extra subsidies for disadvantaged children and those with extra needs, to continue the policy of 15 hours of free pre-school for children in the year before they start school and to introduce regulations to monitor in-home carers such as nannies.

However, seminar participants were alarmed that some recommendations ignored the weight of research evidence about the importance of high quality early experiences for children aged 0-3. They also raised concerns that some key recommendations contained details that contradicted or undermined the Commission's aim of making the system more accessible for families.

The main areas of concern were:

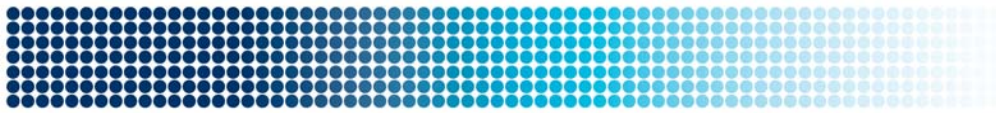
Educators working with children under 3 only required to have a Certificate 111 qualification.

This proposal by the Commission was met with deep dismay and even anger from service sector representatives and researchers. Service providers warned the change would cause chaos and uncertainty among their members, who are proud to have raised professional standards and service in the context of the NQF.

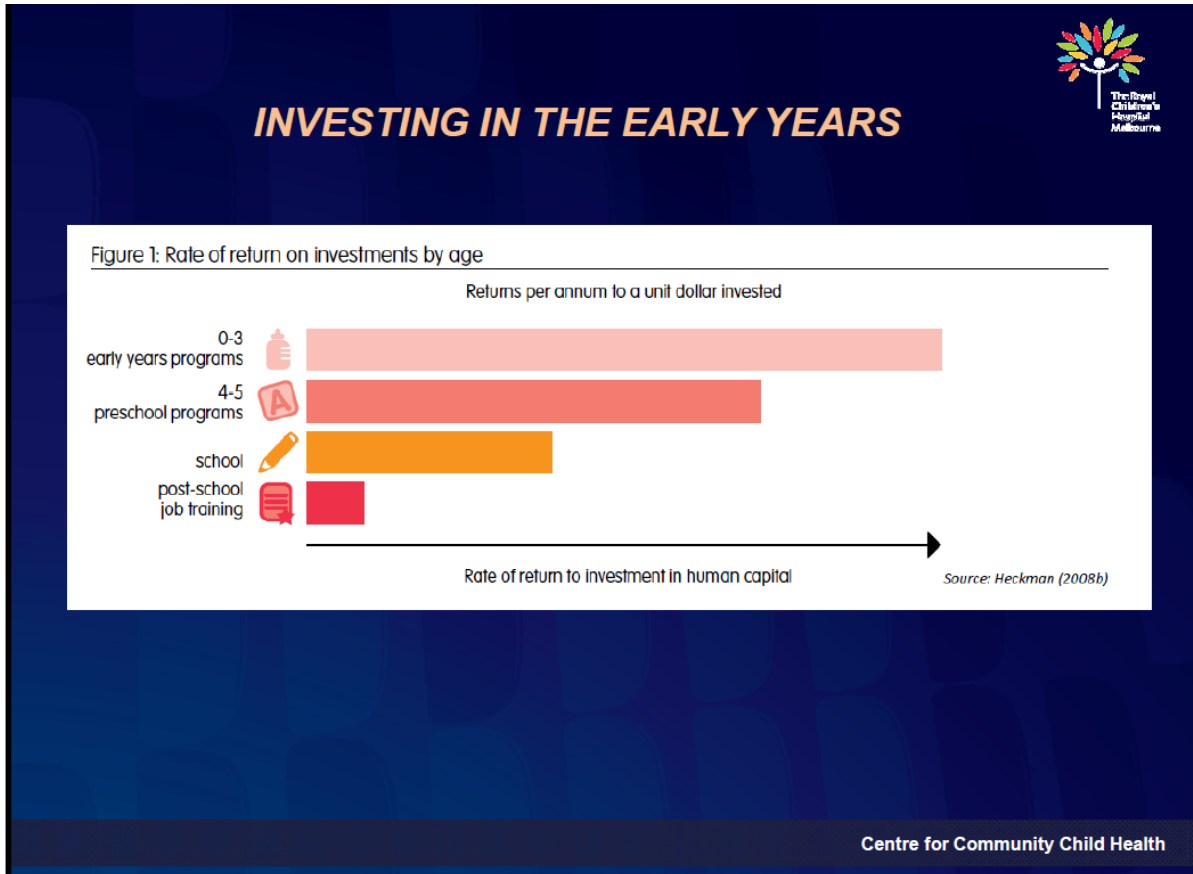
The proposal contradicts the broader narrative promoted by Australian governments and business leaders that Australia needs a more highly skilled workforce to lift productivity.

It weakens quality of care by contradicting the NQF requirements for early child development services. It contradicts what parents want. One of the most common complaints from parents that the Commission received were complaints about poor quality childcare, according to Commissioner Wendy Craik.

Seminar participants were surprised by the Commission's assertion that it was yet to be convinced that the staffing qualification threshold for quality of care for children under three should be a university degree qualification rather than the notion of a warm, nurturing relationship with a child.



There is robust and undisputed research evidence that shows high quality learning environments for all children aged 0-5 lead to cumulative biological and educational benefits for children that stretch into adulthood. The graph below, from Dr Tim Moore’s keynote presentation to the seminar, shows the rate of investment by age.

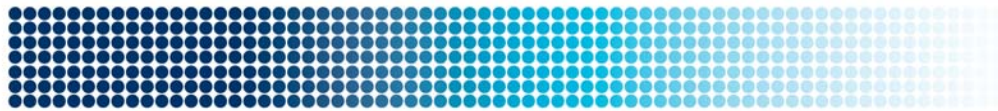


University-trained educators are fundamental in providing a high quality learning environment for children aged 0-3. Their professional skills also play a crucial role in early intervention, making them better equipped than Certificate 111 staff to identify children’s learning or emotional difficulties and refer families to specialist services if needed.

Dr Moore noted that schools are struggling to cope with the 22 per cent of Australian children arriving at school with developmental vulnerabilities, many of which are preventable. The developmental vulnerabilities do not suddenly appear in children aged 4-5. They are evident in the 0-3 age group.

The response to the Commission’s proposal is best summed up by the following quotes:

“Children under three have the same right to rich and diverse learning experiences delivered by qualified, talented people working in stable jobs, as children aged 4-5 do.” Samantha Page, CEO, Early Learning Australia



Improving workforce participation – not just for parents

Seminar participants said they had to do a better job explaining to the Commission and the wider community why Australia needs high quality early child development services for children aged 0-5 and what the purpose of these services is.

The reasons are straightforward in the context of the Commission's task. **Australia needs to invest in high quality early child development services to give all children the best start in life and hence ensure Australia's future prosperity. Early services amplify children's development by strengthening children's cognitive skills and their communication, social and physical skills.**

The Commission's report has outlined how the services create an immediate economic benefit to the nation by lifting parental workforce participation rates.

But another important economic benefit is often overlooked: the crucial role that early child development services play in providing Australia's next generation of successful learners and productive workers.

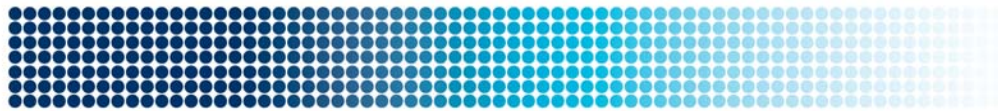
PricewaterhouseCoopers (PWC) is creating economic modelling that examines the long-term economic benefits of early learning services. The modelling, quantifying how much early child development services contribute to Australia's GDP over a 50-year period, is being done pro bono. PWC will release a report on findings from the modelling in August.

James van Smeerdijk, a PWC partner, presented the report's preliminary findings to the seminar. The modelling tests the impact of each of three variables on GDP. The variables are: a 0.9 per cent increase in female labour force participation, an increase in the number of services rated as meeting or exceeding NQF standards and an increase in the percentage of children from the lowest income brackets attending services.

Mr Smeerdijk said the preliminary results showed multi-billion dollar increases in GDP for each variable, with the service quality variable and the low-income family variable creating the biggest gains in GDP. The final figures will be released in August. He said there was also strong evidence from international studies showing that participation in high quality early child development services yields long-term educational benefits that improve a nation's productivity.

Seminar participants noted that the goal of lifting parental workforce participation rates and the quality of early child development services is unlikely to be achieved if policy makers fail to confront workforce problems that plague the early learning sector – poor retention rates, wages, recruitment and career paths.

The Commission was therefore urged to consider including an early learning workforce strategy in its report.



Vulnerable children – tougher eligibility test for early learning benefit could shut 100,000 impoverished families out of services

The Commission’s concern about the rising numbers of low income or disadvantaged families unable to afford or access services is most welcome. Its proposal to increase the subsidy thresholds and fee assistance for low- income families is a positive change.

However, the Commission’s proposal to tighten the work/study activity test for families in order for them to be eligible for the new early learning benefit contains a flaw in its design that will adversely affect many of Australia’s poorest families.

An estimated 100,000 parents on very low incomes– mainly welfare dependents such as single parents, parents with mental illnesses or disabilities – are unlikely to meet the activity test because their personal circumstances prevent them from actively seeking work or training.

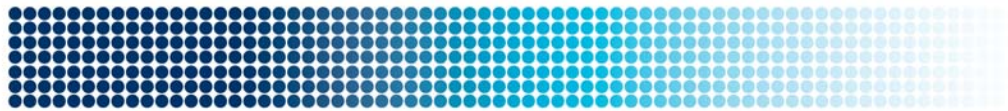
To avoid this unintended outcome, it is suggested that the Commission consider adding health care cards to the eligibility criteria for the early learning benefit.

Nannies and grandparents – part of an integrated early learning system

If early learning benefits or subsidies are to be extended to nannies and grandparents it is crucial to build a delivery model that ensures these carers are linked to, and feel part of, the family day care and centre-based early learning system.

Connecting in-home care to early learning service hubs has obvious benefits for carers and children. The advantages of wrapping a nanny/grandparent model around the formal early learning system are:

- Reduced social isolation - nannies and grandparents get professional development support and access to education programs available at centres and family day care.
- A more streamlined, integrated model of service delivery for all children and families. Builds community capacity and overcomes the “silo” approach to service delivery that bedevils many government policies.
- Greater employment options and flexibility in the formal early learning system. For example a “follow the child home” program could be devised for centre-based or family day care staff to provide extended care if parents need after hours care.



Separating preschool from 0-3 early learning – a recipe for fragmented outcomes

The Commission's proposal to transfer funding responsibility for the preschool year to state and territory education departments and its proposal to lower minimum staff qualifications for children aged 0-3 are worrying. The proposals will create a more fragmented early learning system, worsening the variability in program quality and funding between jurisdictions.

They appear to contradict the Commission's goal of creating a simpler, more streamlined service system for families. More broadly, the proposals represent devolution of the progress and common ground achieved under the NQF.

They don't take account of the scientific evidence about child development. That evidence shows all children's learning from birth is cumulative and depends on the quality and consistency of the child's immediate environment.