

Thought Leadership

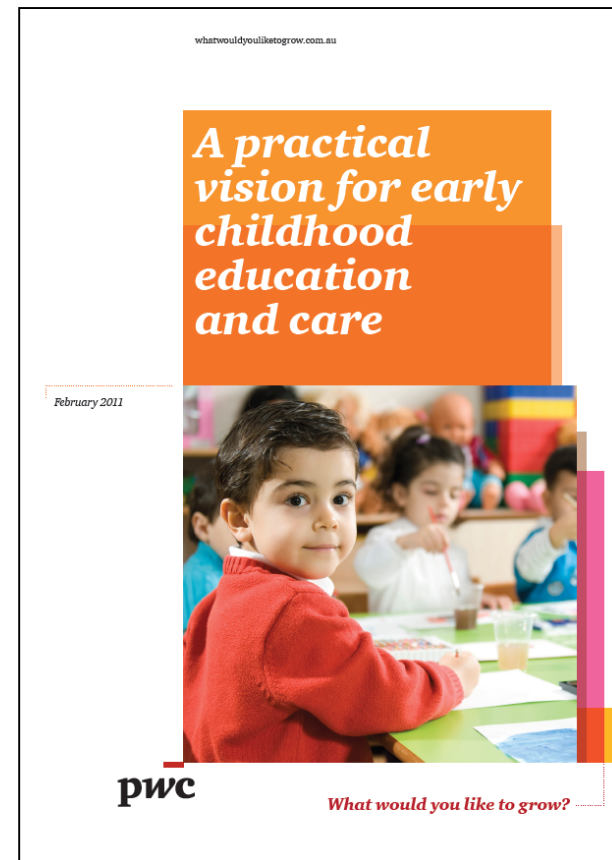
A practical vision for early
childhood education and care



A practical vision

PwC aims to contribute to the ECEC policy debate

- Workshops and discussions with leading early childhood policy thinkers
- Members participating as individuals, rather than representatives of their organisations
- Research, analysis and report drafting by PwC
- Objective is to make a thoughtful, insightful contribution to the debate that will influence and shape policy directions



The importance of ECEC

The early years are critical for child development ...

“Virtually every aspect of early human development, from the brain’s evolving circuitry to the child’s capacity for empathy, is affected by the environments and experiences that are encountered in a cumulative fashion, beginning in the prenatal period and extending throughout the early years.”

Shonkoff, J. P., and Phillips, D. A. (Eds) (2000) *From Neurons to Neighbourhoods: The Science of Early Childhood Development*.

The importance of ECEC

... and more women are spending more time in the workforce.

“Today’s rising generation in the countries of the OECD is the first in which a majority are spending a large part of their early childhoods, not in their own homes with their own families, but in some form of child care.”

UNICEF (2008), ‘The child care transition’, Innocenti Report Card 8’.

By 2006 the workforce participation rate of Australian women aged 18-44 had risen to 70 per cent, compared to 84 per cent for men.

In 2005 over 50 per cent of women with a child under the age of 5 were in the workforce. 16.2% were employed full-time and a further 35.5 per cent employed part-time.

Organisation for Economic Co-operation and Development (OECD) (2006) ‘Starting Strong II, Early Childhood Education and Care

’ OECD Publications, Paris (page 265).

The importance of ECEC

... and more children are spending more time in ECEC services.

“Today’s rising generation in the countries of the OECD is the first in which a majority are spending a large part of their early childhoods, not in their own homes with their own families, but in some form of child care.”

UNICEF (2008), ‘The child care transition’, Innocenti Report Card 8’.

| Age | % participating in child care |
|------------|--------------------------------------|
| 0 years | 7.5 |
| 1 year | 31.2 |
| 2 years | 48.1 |
| 3 years | 55.8 |
| 4 years | 48.6 |

SCRGSP (2011), Report on Government Services 2011, Productivity Commission, Canberra.

The importance of ECEC

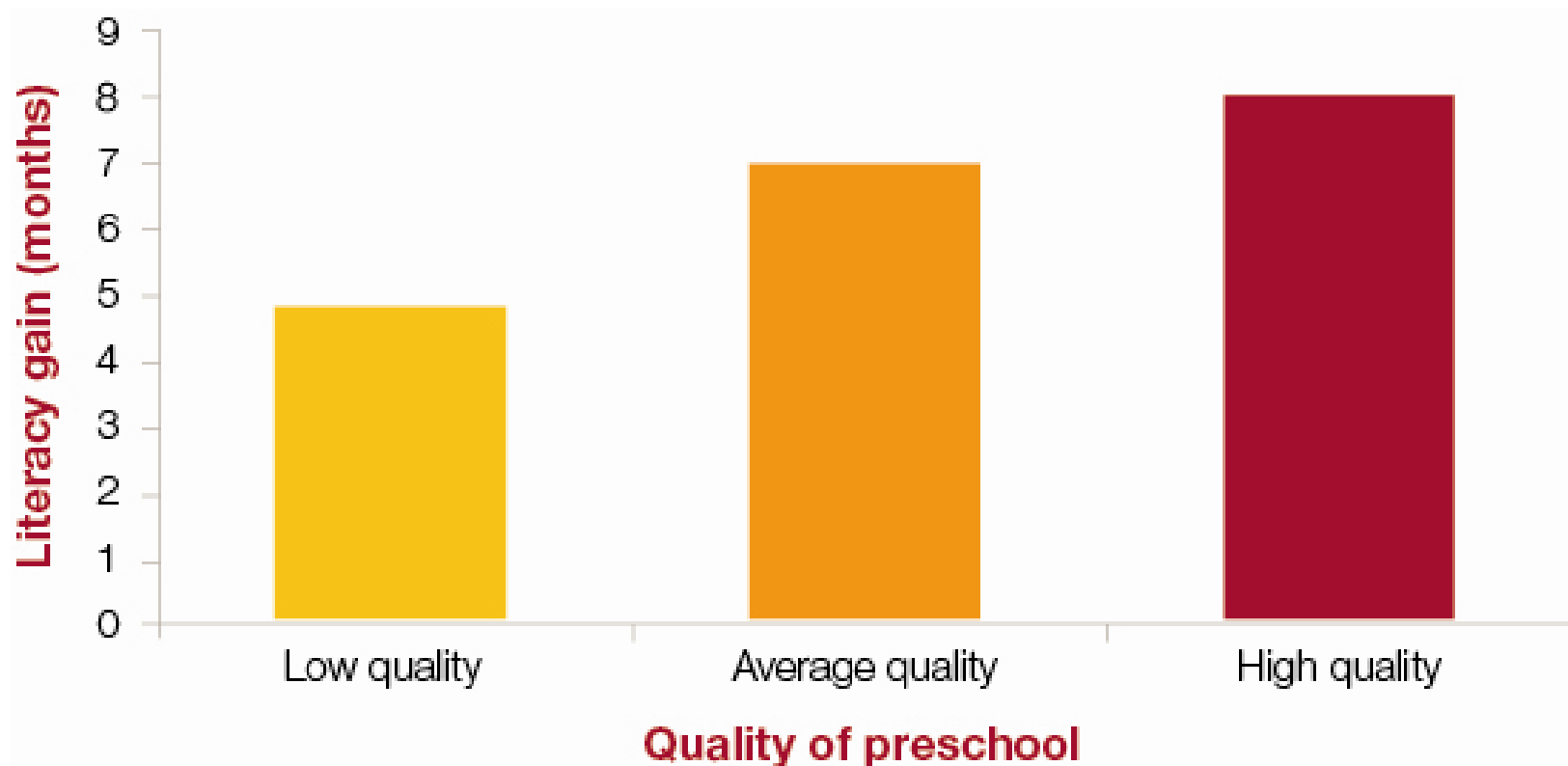
The benefits of public investment in early childhood are clear.

“There is good evidence that many programs aimed at alleviating disadvantage during the early years of life are both effective for improving child outcomes and often yield higher returns on investment than remedial interventions later in life.”

Council of Australian Governments (2009), ‘Investing in the early years – A National Early Childhood Development Strategy’.

ECEC in Australia

Participation is crucial, but so is quality



A practical vision

4 design principles underpin a potential future system

1. The interests of the child are paramount.
2. Parents have the primary role in their child's development.
3. ECEC services should be universally accessible.
4. All ECEC services should be of sufficient quality to support good developmental outcomes.

ECEC in Australia

The Challenge

Australia faces two major challenges in creating a world class education and care system:

- › Integrating the split care and education systems which are our historical legacy
- › Managing the diverse range of government, non-government and for profit providers.

ECEC in Australia

Service are fragmented ...

Child care

- Traditionally a private concern
- Largely a private, for-profit market
- Subsidised by Commonwealth government payments to parents
- Majority of staff do not have early childhood qualifications

Pre-school/kindergarten

- Traditionally a government responsibility
- Largely funded by government
- Most programs are sessional – difficult for working parents to access

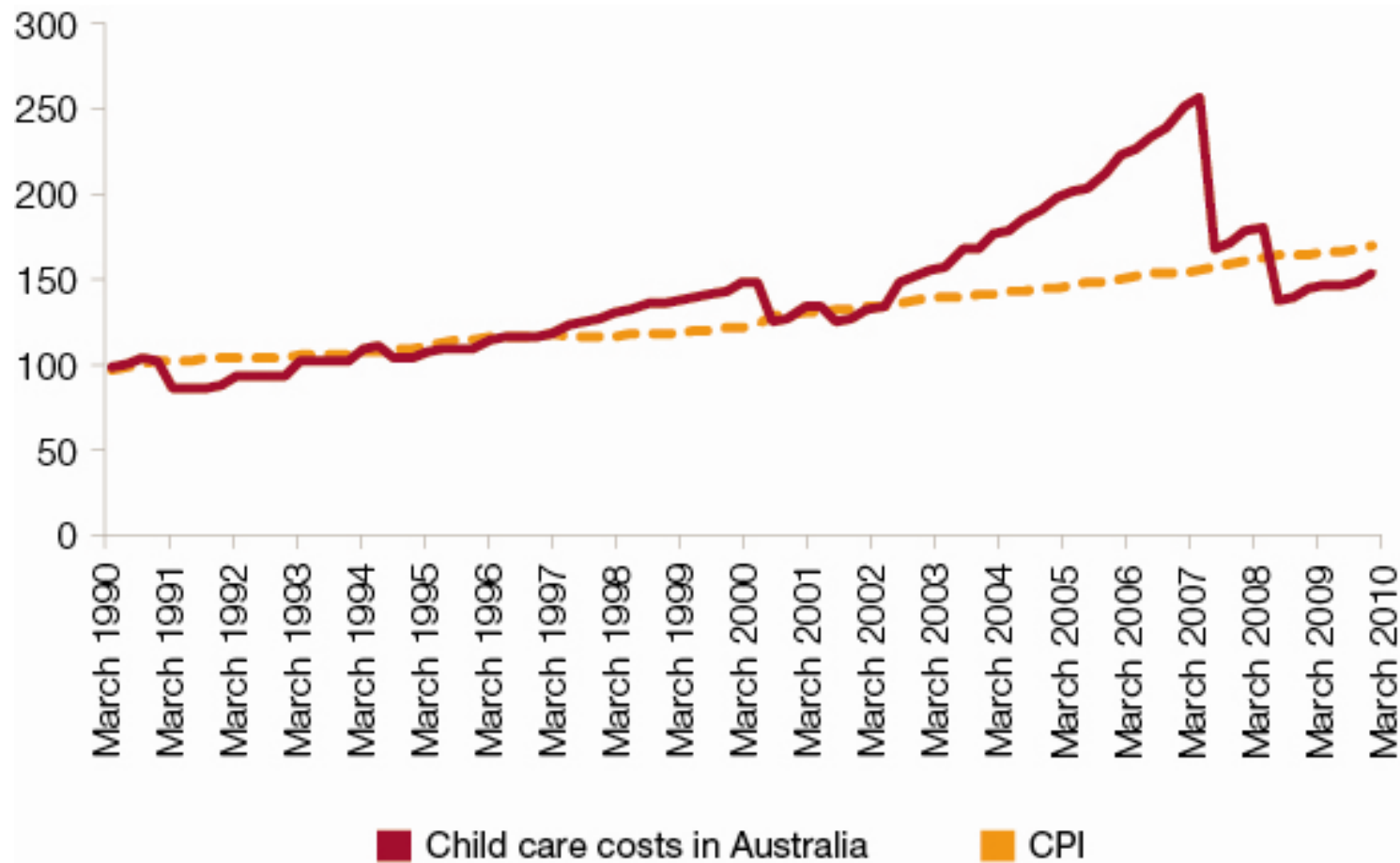
ECEC in Australia

Complex mix of providers

- Commonwealth, State and local governments are all providing, funding, regulating and managing services.
- Non-government operators are key players in delivery and,
- For-profit sector is also a major provider of services.
 - › Australia uses the private for-profit sector to deliver human services in health and aged care.
 - › In delivering through the for-profit sector governments must actively manage to ensure policy goals are met and financial and quality control is good.

ECEC in Australia

Child care fees have grown faster than CPI



A practical vision

Managing the complexity to deliver something new

- Key role of government is to use policy instruments to combine public and private resources to achieve policy objectives
- Government can intervene to shape the existing landscape in 4 ways:
 - › Quality Assurance
 - › Funding mechanism
 - › Planning and Management of the Industry
 - › Increased total investment.

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Building a high quality system

- As a regulator government needs to establish standards and to implement an effective monitoring procedure to ensure those standards are met.
- However regulation alone will not deliver a high quality outcome and needs to be accompanied by action to create an early childhood profession capable of leading and delivering high quality services.

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Using the funding mechanism to lead change

- Parents can access services either free of charge or at a cost they can afford.
- Unified funding stream in which governments co-ordinate funding mechanisms and remove rules which prevent integration of care and education
- Funding should follow the child and reflect the parents' choices of which service they use and to what extent.
- The level of child subsidy should be determined on the basis of what a good quality service will cost and by the particular needs of the child

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Planning and managing the system

- Provision of early childhood subsidies should be based on an active data collection and planning model which enables governments to:
 - predict need,
 - identify outcomes, and
 - intervene
- Outcomes include access measures as well as child outcomes

A practical vision

Level of total investment

The community, through governments, will need to increase its level of investment.

But, until we:

- unify funding,
- clarify a service model
- and build a professional approach to early childhood services based on a costed model of a quality service,

The level of required investment will remain unclear

A practical vision For ECEC in Australia

Core messages (1)

- A high quality, world class ECEC system supports child development and workforce participation, and has significant social and economic benefits.
- Australia's ECEC services are fragmented, and often do not meet the needs of parents and children.
- We need:
 - Universal access to ECEC
 - High quality services
 - Choice and flexibility for families
 - A better designed system to make the most of existing resources

A practical vision For ECEC in Australia

Core messages (2)

- How can we achieve this?
 - An integrated, demand-side funding model for all ECEC services that ensures cost is not a barrier to access.
 - Strategic government action to ensure services meet community needs
 - Public funding that is linked to the cost of delivery
 - Continuing progress towards a regulatory framework that empowers parents and drives quality improvement



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What would you like to grow?

A practical vision for early childhood care and education

<http://www.pwc.com.au/industry/government/publications/ecec.htm>



What would you like to grow?