



## Early Childhood Education and Care Future Directions for Australia

Access to quality early education is one of the most important determinants of a child's life outcomes. The same is true for Australia. The future shape of our early education system will have a large impact on the strength of our society and the success of our national economy in a fast-changing world.

Every Australian has a stake in our early childhood education and care system. There are now decades of research which shows effective investment more than pays for itself – from better education and employment outcomes, to reduced crime and lower social welfare costs. In addition, there are significant workforce participation benefits when parents are enabled to return to the workforce or increase their hours of work.

In the Australian context, even modest improvements to the early education system will have significant dividends. Improved access for vulnerable children and increased quality would result in a cumulative improvement in GDP of \$23.6 billion by 2050<sup>1</sup>. Over the same time period, workforce participation benefits are estimated to be in the order of \$6 billion.

*“Early childhood education and care brings a wide range of benefits, for example, better child wellbeing and learning outcomes as a foundation for lifelong learning; more equitable child outcomes and reduction of poverty; increased intergenerational social mobility; more female labour market participation; increased fertility rates; and better social and economic development for the society at large.”*

[Starting Strong III, OECD, 2012]

90 per cent of a child's brain development occurs in the first five years. This makes the early years the most efficient and effective time to invest in the human potential of our country, and one of the best ways to fulfill our moral duty to improve the life chances of every Australian child.

### THE NEED FOR FURTHER REFORM

Australia's early education and care system has been transformed in recent decades. From baby-sitting to education.

We have led the world in quality reforms through the National Quality Framework. Labor also introduced the Universal Access preschool program for four year olds. As a result, 87 per cent of preschoolers are enrolled in at least 15 hours early education a week – up from just 23 per cent in 2009.

However, reform has stalled. The Government's recent changes do not address key systemic issues. There is nothing to deal with waiting lists in some areas and oversupply in others. There will be no limit on out of pocket costs for parents, only caps on government assistance. Professional development and quality programs have been cut. Most worryingly, the changes will strip back access to early education for many children, including the most disadvantaged.

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<sup>1</sup> *Putting a value on early childhood education and care in Australia*, PwC, 2014.



Australia is being left behind as other countries charge ahead with reforms that increase access to early education, at the same time as making the system simpler and more affordable for parents. This includes countries like Ireland, the United Kingdom, New Zealand, China, Canada, Germany, Finland, and Sweden.

Serious reform has never been more important – or more urgent. It's time government, experts, stakeholders and families worked together to define Australia's long-term policy goals and the steps needed to achieve them.

Over the next four years over \$35 billion of taxpayers' money will be invested in early childhood education and care. This is two thirds of the total investment in the sector. It's crucial this public investment is leveraged to get the best outcomes for children, families and Australia.

## QUESTIONS FOR CONSIDERATION

Following consultation with experts and the early education sector, the following key policy questions have been identified.

### Reform goals

1. What should the 10-year vision for Australia's early childhood education and care system be?

### Putting children's development first

2. Are there particular cohorts of children who are being let down by our current system?
3. Are there ways that the federal early childhood education and care budget could more effectively focus on the needs and development of Australian children?

*E.g. Using Australian Early Development Census data, or other information, to better target investment and meet the specific needs of children and communities.*

4. How can early education outcomes be improved for all children?
5. Should children have to access an early learning entitlement?

*E.g. In the United Kingdom children can access up to 30 hours a week free early education and care. In New Zealand children can access up to 20 hours a week free.*

### More accessible early childhood education and care

6. How could the early childhood education and care system be made simpler for parents to navigate?
7. What action should government take to address accessibility and waiting list issues?

*E.g. In parts of Canada waiting lists are regionally coordinated. In Norway's mixed market, providers work with municipal governments to make sure every child has a local place.*



8. Should government incentivise new places being created in areas of need? What might that look like?

*E.g. City of Sydney scheme to support operation of more centres in inner-city locations.*

9. How could local places be guaranteed for children and parents?

*E.g. In Germany, Finland and Sweden every child has a legal right to a local place.*

10. What information should be made available to providers to assist them in better meeting the needs of parents and the community?

11. What lessons should be learnt from the flexible options that have been trailed in recent years?

### More affordable early childhood education and care

12. Are there effective ways to improve affordability for Australians families which are not being utilised?

13. How could government cap the out of pocket costs of parents, not just the government subsidy?

*E.g. In Denmark, parts of Canada and other jurisdictions there are caps on fees.*

14. Is there a way to avoid unreasonable profits, including in the child care-linked property sector?

*E.g. In Norway, maximum fees are linked to the real cost of delivering services.*

15. Are there areas of wastage where current investment could be better used?

### Sector structure and reform

16. Which early childhood education and care systems around the world stand out as best practice? Why?

17. Are there different models of delivery that should be investigated in the Australian context?

18. How could integrated services for children and families be supported and incentivised to improve outcomes for children and families?

*E.g. Permanently implementing the lessons from wrap-around service trials.*

19. What should the sector mix be in terms of operation and ownership? What role should government play in implementing this?

20. Are there models of government directly purchasing places that would be effective at leveraging public investment to achieve better outcomes for children and parents?

21. Are there jurisdictional issues between local, state and federal government which are impeding the effectiveness of our early childhood education and care system? How might these be addressed?

22. Is reform to planning, development and provider approval processes needed?

*E.g. A closer link between supply and community need as in the aged care and disability care systems.*



23. Are there problems with the market, or predatory practices threatening viability, choice and diversity? How could this best be addressed?
24. Are there any instances of sharp practices, gaming or predatory behavior threatening the quality, diversity and the viability of services?

### Supporting the early education workforce

25. How could government most effectively address the issues affecting the early childhood education and care workforce?

### Implementation of the Government's child care changes

26. What implementation issues are expected with the Government's child care changes? How could these concerns be best addressed?

## **HAVING YOUR SAY**

Labor values all contributions as part of our policy development process. Experts, stakeholders, parents, educators, employers, sector representatives and children are encouraged to share their thoughts.

Please provide feedback in relation to as many or as few questions as you wish. Submissions addressing any other ideas, suggestions or evidence that will help improve Australia's early education and care system are also encouraged.

### **Initial feedback is sought by Friday 16 June 2017.**

To make a submission, or for more information, please email [kate.ellis.mp@aph.gov.au](mailto:kate.ellis.mp@aph.gov.au) or call 08 8269 2433.

## **BACKGROUND**

For further information about Labor's vision for early childhood education and care, and our goals for policy reform, please see the recent Press Club address by Kate Ellis, Shadow Minister for Early Childhood Education and Development – available [HERE](#).