Public investment, fragmentation and quality early education and care – existing challenges and future options
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Introduction

This chapter seeks to outline, critique and challenge Australia’s current approach to the provision of education and care services to children and their families. In doing so, the chapter highlights the complexities and fragmentation of the current system so that advocates and policy makers might avoid the temptation to proffer overly simplistic solutions that fail to address the ‘real world’ contexts that families must negotiate and children are left to experience.

In examining Australia’s current approach to the provision of education and care services to children and their families, the chapter draws upon the Organisation for Economic Cooperation and Development’s (OECD) Thematic Review of Early Childhood Education and Care (ECEC) including the Australian Background Report (Press & Hayes 2000); the OECD Country Note on Early Childhood Education and Care Policy in Australia (2001a); and the OECD Comparative Report Starting Strong: Early childhood education and care (2001b). The chapter also canvasses a range of other relevant national reports, including the recent policy paper What about the kids? Policy directions for improving the experiences of infants and young children in a changing world produced by the author for the Commissions for Children and Young People in NSW and Queensland and the National Investment for the Early Years (NIFTeY) (Press 2006), as well as trends such as the rapid corporatisation of the long day care sector.

The Thematic Review (OECD 2001a) raised a number of fundamental questions about Australia’s approach to early childhood education and care which remain outstanding and primarily arise out of the fragmented nature of policy and programs for children and their families. Subsequent to the conclusion of the Thematic Review process in Australia, the early childhood
landscape has witnessed the rapid incursion of the corporate sector into the provision of long day care. Arguably, the current policy landscape for Australian early childhood education and care is, on the one hand, too constrained by the weight of history and, on the other, subject to an unprecedented transformation by market forces in a way that limits deep thinking about what we want to achieve for all children. Current policy discussions are too often constrained by ‘what is’ rather than motivated by ‘what could be’; policies and practices do not always match rhetoric; and policies are not sufficiently informed by research or led by a vision of what we want for children. Corporatisation and the dominance of a major player have generated a number of new considerations for policy.

A starting point for a reconsideration of current policies and programs are the findings from the Comparative Report of 12 OECD member nations arising out of the Thematic Review. The eight key elements of successful early childhood education and care policy propounded by the OECD in *Starting Strong* are as follows:

- A systemic and integrated approach to policy development and implementation
- A strong and equal partnership with the education system
- A universal approach to access, with particular attention to children in need of special support
- Substantial public investment in services and infrastructure
- A participatory approach to quality improvement and assurance
- Appropriate training and working conditions for staff in all forms of provision
- Systemic attention to monitoring and data collection
- A stable framework and long-term agenda for research and evaluation (OECDb 2001).

It is not the intention here to explicitly evaluate Australia’s provision of early childhood education and care along each of these dimensions. However, the development of a systemic, integrated
approach to children’s education and care, as highlighted by the first point, underpins the achievement of the subsequent elements. In providing an overview of the myriad policy fragmentations evident in current policy and provision, this chapter hopes to generate a commitment to holistic reform that will result in a systemic approach to children’s education and care framed around the central aim of supporting children.

Greater cross-disciplinary attention on, and understanding of, the importance of children’s early development, and a contemporary research base that provides a better understanding of the structures and practices that support children and their development in out-of-home settings, should be informing the extent and nature of government intervention. An equally important impetus to ‘get it right’ is that to neglect the insights from research runs the risk of ‘getting it wrong’, exacerbating disadvantage, and perpetuating and facilitating the poor developmental outcomes that erode social cohesion and community wellbeing. A central project in the conceptualisation and implementation of such reform is to envision a new future for the provision of early childhood education and care by asking ‘how it can become an expression of a society that values children?’

What services make up the early childhood education and care landscape?

While much of the public debate centres on child care, there is a burning need to locate child care in the broader context of education and care services for children. Failure to do so means we risk perpetuating the fragmentation that hampers the system at the current time. Formal education and care services are a mixed bunch and comprise regulated and/or accredited government funded children’s services such as preschool, long day care, family day care, regulated home-based care, occasional care, in-home care and outside school hours care.

Trends in the use of children’s services

In considering the future direction for child care it is worth noting the following trends in families’ use of early childhood services. As children’s age increases so too does the use of care, rising from 34
per cent for children under one year, to 88 per cent of children at age four (AIHW 2003, p. 229). However, there are significant variations as to whether children are using informal or formal care. Informal care is predominant for children under one (79 per cent) but its use drops to only 6 per cent of children by the time they are aged four (AIHW 2003, p. 229). In short, for children aged between birth to school age, the use of informal care decreases and the use of formal care increases with age. However, it also appears that the number of children who use only formal care is increasing. Between 1993 and 2002, the number of children aged from birth to four years using only formal care increased by 39% while the number of children using only informal care fell by 28 per cent (AIHW 2003, p. 229).

While participation in long day care more than doubled between June 1993 and June 2002, preschool participation did not significantly change, though a slight downward trend can be detected in some states and territories. It is pertinent to note who is using preschool and who is missing out. Preschool participation is higher in major cities (58 per cent); for non-Indigenous families (57 per cent) and for families with the highest incomes (65.9 per cent). Not only are high income families 1.4 times more likely to have children who attend preschool than families on the lowest incomes (48.5 per cent), children from a non-English speaking background, children with no employed parents and children who have parents without a post-school qualification are less likely to attend preschool (AIHW 2005, pp. 65–6).

Against the backdrop of a trend towards a greater use of formal care and education options, we see a relatively static use of preschool, with the latter more likely to be used by urban middle class families. For some children, preschool has been supplanted by formal child care, while many other children have no access to a formal early childhood program in the years before school. Early childhood education and care is highly regarded as an effective strategy to redress the educational disadvantage that many children will encounter upon entering school (Sylva, Meluish, Sammons, Siraj-Blatchford, Taggart & Elliot, 2003); hence the populations of children who are missing out on a good quality early childhood program are of serious concern.
Early childhood education and care in Australia involves at least two and sometimes three layers of government. Responsibilities are divided between the federal government and state and territory governments, with local government playing a significant role in some (but not all) jurisdictions. Provision of services is reliant upon a mix of government, non-profit and for-profit providers.

The federal government, through the Department of Family, Community Services and Indigenous Affairs (FaCSIA), takes policy responsibility for long day care, family day care, outside school hours care and some occasional care. It administers a fee subsidy to eligible families using approved services (Child Care Benefit), and provides some funding to eligible services for specific purposes. The Minister for FaCSIA appoints the National Childcare Accreditation Council (NCAC) which oversees quality accreditation systems for long day care, family day care and outside school hours care. The Department of Education, Science and Training (DEST) is a major source of funding for Indigenous early childhood programs.

State and territory governments are responsible for preschools and the regulation of early childhood education and care services, with some also providing funding to ECEC services other than preschool. Within each state and territory, responsibility for early childhood education and care may rest with either the portfolios of community services or education or be divided between them. Preschools are often aligned with education portfolios and other early childhood education and care aligned with the portfolios of family, health or community services. However, there is no uniform pattern and significant differences can be discerned in each jurisdiction.

Each state and territory has its own approach to the provision of preschool. Variations can be found in terminology (for example, it may be known as preschool, kindergarten or transition depending upon where you live), the age range of children eligible to attend preschool, hours of operation, patterns of utilisation, availability, cost, relationship to school entry, location and management of programs (Press, Rice & Hayes 2002).
Similarly, each has its own approach to the regulation of children’s services and there are significant differences in content and the types of services subject to regulation. Many jurisdictions have also introduced early childhood curricula. Again, there are substantial variations in the age range covered by these documents, the services and staff to which they apply, and philosophical approach.

Early childhood education and care is thus affected by a complex interplay of government policy, involving a number of federal, state and territory ministries. As policy objectives change according to level of government and portfolio, and many early childhood services are accountable to more than one layer of government, services can be subject to different and at times competing objectives. In policy terms early childhood education and care has been associated with labour market intervention; providing family support; providing support and intervention for ‘children at risk’ and children with additional needs; enhancing children’s learning and development; preparing children for school; and community capacity building. The lack of coherence between these objectives and consequent regulatory and funding mechanisms creates a complex and unfocused system for services and families.

Adding to this complexity, there is a mix of private, government and not-for-profit provision across the sector. Most state and territory governments directly administer preschools (Tasmania, South Australia, Western Australia, the Australian Capital Territory and the Northern Territory). In Queensland, New South Wales and Victoria, governments fund non-profit preschool providers. The private sector dominates the provision of long day care services (69.4 per cent) throughout Australia (AIHW 2005); while community-based services and local government are responsible for providing most other formal early childhood education and care settings.

The uneasy positioning of early childhood policy in Australia is perhaps evidenced by the number of reviews to which it has been subject, particularly during the 1990s. From 1993 to 1998 there
were six national reviews of early childhood policy.\textsuperscript{1} In 2000, all
domestic governments participated in the OECD Thematic
Review. In 2001 the Commonwealth’s Ministerial Child Care
Advisory Council released its report, \textit{Child Care beyond 2001}. Yet
arguably, the resulting modifications to policy from all these review
processes have often been piecemeal and have not developed as
strategic responses to the needs of infants and young children.

The Thematic Review provided the impetus to put together a
comprehensive picture of early childhood education and care in
Australia that encompassed all levels of government and relevant
key portfolio areas. This exercise brought into focus the complex
jurisdictional arrangements in the sector. Not surprisingly,
fragmentation and lack of coherence were identified as
characteristics of the system (Press & Hayes 2000; OECD 2001a). As
a result, key recommendations from the \textit{Background Report}
focused upon the need for governments to cooperatively work
towards building more coherence across the sector (Press & Hayes
2000). The call for greater integration and coherence was echoed
by both the \textit{Country Note} (OECD 2001a) and the \textit{Comparative
Report} (OECD 2001b). A similar call arose out of the
Commonwealth Child Care Advisory Council (CCCAC) Report
\textit{Child Care: Beyond 2001} which advocated for greater cross-
portfolio cooperation, a Ministerial Children’s Council to address
‘national issues relating to children and children’s services’
(CCCAC 2001, p. 9) and the development of a National Agenda for
Children. While moves towards the latter did emerge with the \textit{draft

\textsuperscript{1} Australian National Audit Office, No.42 1993-94, \textit{Mind the children},
AGPS 1994; Australia. Law Reform Commission, \textit{Child Care for Kids:}
\textit{Review of legislation administered by Department of Human Services and
Health}, Interim Report No. 70, Commonwealth of Australia 1994; Council
of Australian Governments, \textit{A Proposed National Framework for Children’s
Services in Australia}, AGPS, 1995; Senate Employment, Education and
Training Reference Committee, \textit{Childhood Matters: the report on the
inquiry into early childhood education}, Commonwealth of Australia, July
Senate. Community Affairs Reference Committee, \textit{Report on Child Care
National Agenda for Early Childhood in 2003, the agenda was never finalised, and much of the momentum and good will which greeted the government’s move in this direction has since dissipated.

Privatisation and corporatisation – confounding the policy mix

The shift in emphasis towards private sector provision of child care that occurred in the early 1990s has added another layer of complexity to early childhood education and care services. Not only did funding changes successfully stimulate private sector investment in child care, the rhetoric of business and business management replaced that of community service. Child care services (in the non-profit sector as well as the commercial sector) were encouraged to operate as small businesses. Government assistance to non-profit services struggling to survive funding cuts was often focused on providing marketing and budgeting advice. Priorities became financial survival rather than responsiveness to community needs. As direct funding was taken from service providers, many found their capacity to flexibly respond to their communities diminish (see, for instance, Leppert 2000).

The requirements for business viability and the capacity of childcare centres to respond to community needs have, at times, been in competition and this has been evident in many of the policy debates surrounding early childhood education and care. Private sector domination of long day care has sometimes shifted policy attention away from the question of children’s needs to that of business profitability. Elements of the private sector have actively lobbied against policy mechanisms aimed at improving quality for children, because of financial cost. For example, in the review of children’s services regulations in NSW, the lowering of staff to child ratios for children less than two years of age was actively opposed by private sector lobby groups (Wood 2003; Cox 2003) despite extensive research to support the benefits to children of having smaller numbers of children to staff (Lally 1994; NICHD 1996).

Intensifying the trend to privatisation has been the rapid corporatisation of the sector. This has been one of the most rapid and potentially far reaching changes in early childhood education in recent years. In one year ABC Learning has gone from providing
17 per cent of long day care centres to an estimated 25 per cent of places (Rush 2006). In 2005–2006 ABC’s operating profit after tax was reported at $81 million (ABC Learning 2006), much of this subsidised by government. As well as directly running centres it has its own staff training college (National Institute of Early Childhood Education) and it offers loans to parents (Peatling 2005). It has been fiercely competitive in terms of gaining and retaining ‘market’ share and has challenged the power of the state as regulator in the courts (Farouque 2006). The corporatisation of child care represents a concentration of privatisation with the same potential conflicts and tensions between profitability and children’s best interests, but with an added dimension. A corporation’s primary responsibility to maximise profits for its shareholders will almost inevitably come into conflict with the creation of inclusive, high quality early childhood infrastructure, as the latter is expensive to provide. However, one of the biggest concerns is the potential power of such large corporations making and breaking policy because of their size of market share.

Confounding these issues still further is the lack of planning that has characterised the growth of the childcare sector over the past decade. The expansion of commercial long day care centres has been permitted to occur with little reference to pre-existing supply, or the capacity of the planned service to deliver quality. While some regions are characterised by centres with long waiting lists, others are half empty because of oversupply (Horin 2006).

Such tensions raise a number of important questions. Corporate success is being underpinned by government funding, but is this public money being invested wisely? To what extent can governments expect business to fulfil the range of social policy objectives that are sought from the early childhood sector? Given the size of the commercial sector we need to move towards policy frameworks that will facilitate and sustain good quality services across the board, while at the same time direct significant public investment into infrastructure that aims to ensure universal access to reinvigorated and re-envisioned early childhood services for children and families.
Where to from here?

How can Australia move forward? Of fundamental importance is the need to implement systemic reform. To date, the fragmentation of the Australian system of early childhood education and care has worked against a comprehensive re-evaluation of policy across all levels of government.

The OECD Country Note described the issue thus in the following observation about the provision of early childhood education and care in Australia:

The ad hoc development of early childhood policy over the years in relation to the needs of parents, the workplace, and the economy, has tended to subsume the interests of children as being synonymous. There are tensions in this, and it is opportune to reflect on current policy priorities from a perspective that places the interests and needs of children to the fore (OECD 2001a p. 37).

Despite the myriad of pilot programs and policy initiatives that have occurred in recent years, individual policy changes at the federal and state/territory level have fallen short of engendering the intergovernmental cooperation and commitment needed to effectively challenge historically constructed frameworks and systematically incorporate an understanding of the service structures and practices that enhance children’s learning and development.

In What about the kids? (Press 2006) NIFTEY and the Commissions for Children and Young People in NSW and Queensland call for a multi-pronged approach to the development of an integrated and coherent system that recognises and incorporates the nexus between maternity/parental leave and the provision of early childhood education and care. These recommendations build upon the eight key elements of successful ECEC policy set out in the report Starting Strong (OECD 2001b), in particular the finding that a comprehensive and universal high quality early childhood education and care sector needs to be a
central plank of broader policy reform aimed at supporting children and families. *What about the kids?* argues that future directions for early childhood:

- *be guided by a vision* which engages community commitment to children’s wellbeing

- *strive for congruence and alignment* across key policy domains including education, health, work and family, and social welfare

- *develop a cohesive and universal approach* to early childhood which has as its primary focus children’s wellbeing.

**A systems approach starts from birth**

As the use of early childhood education and care has expanded, the research base concerning the impact of early childhood programs upon children’s development has also grown and provides insight into the effectiveness of current policies and programs in supporting children’s wellbeing and development. Research establishes that good quality programs are associated with positive benefits for children and families in terms of concurrent outcomes and outcomes over time (see for instance NICHD 1999; Peisner-Feinberg & Burchinal 1997; Schweinhart 2003; Sylva et al. 2003). Shonkoff and Phillips (2001) assert that the foundation laid in the early years influences the effectiveness of all subsequent education efforts. Interventions in the first three years have been described as ‘especially fruitful’ (Council of Economic Advisors, cited in Danziger et al. 2000, p. 4) because successful interventions at this time lay the groundwork for later success. Thus ongoing benefits are cumulative and ‘are compounded over time’ (Danziger 2000, p.14).

Early childhood education is much more than what happens in the year or two before school. In its Thematic Review, the OECD deliberately uses the term early childhood education and care (ECEC) to indicate an integrated and coherent approach to children’s early development and learning (2001b). The emphasis on integration has arisen as a response to a perceived dichotomy between children’s care, seemingly exemplified by services such as
day care, and children’s education, seemingly exemplified by preschool (Wangmann 1995). This dichotomy, which shapes policy development in Australia as well as community perceptions and understandings, is the product of historical policy decisions regarding the purposes and funding of such services. But it does not reflect current knowledge about the needs of children in out of home settings (Wangmann 1995). Gammage draws upon his experience as an early childhood educator, researcher and psychologist to assert that ‘we have to recognise that care and education are interwoven to such an extent that it no longer makes sense to see them as anything but thoroughly interdependent’ (in Hayden 2000, p. 42). The New South Wales Curriculum Framework for Children’s Services states that the interwoven nature of care and education make it ‘inappropriate to label some services, or even parts of the day in a program, as educational and others as care’ (n.d., p.16). The OECD (2001b) argues that in countries where early childhood policy is based upon a foundational understanding that children are competent learners from birth, divisions between ‘care’ and ‘education’ become meaningless. The necessity of promoting the education and care relationship has been underscored by brain research emphasising the importance of nurturing, responsive relationships in children’s lives in the early years and these years as a foundational period in children’s development and learning (Shonkoff & Phillips 2000; Watson & Moore 2002).

**Negotiating the pathway to integration**

While integrating the concepts of care and education through the terminology of ‘education and care’ represents an important symbolic step toward the creation of a coherent sector for children, it does not of itself lead to a shared understanding of, or commitment to, common goals. Currently, the early childhood education and care sector is uneasily positioned between the conceptual and jurisdictional frameworks of education, health and social welfare and there is a gap between a rhetorical commitment to the interrelationship between care and education and the practice of differentiation through policy. The issue of integration is bound up with questions of policy and program alignment and there is no consensus about where policy responsibility should rest.
The OECD (2001b) advocates for a strong and equal partnership with the education system, with strong policy linkages with sectors such as health and social welfare. From his work on the OECD Thematic Review, Bennett (2003) offers an optimistic view for the potential of early childhood pedagogy to exert a positive upward influence on the school sector. Other commentators warn against the ‘schoolification’ of early childhood, stating that an overemphasis on narrowly defined academic skills would undermine the potential benefits of integration with the school sector (Cohen et al. 2003).

Many advocates emphasise the need for expanded programs which also address the broader health and welfare of children and their families. For instance, Hertzman (2002) and Halfon et al. (2004) regard early childhood education and care as a potential basis for programs that either integrate, or become an entry point, for health and other social services.

A systemic approach, by definition, necessitates moving beyond a focus upon individual programs and sectors. Moving to a functional integration that primarily focuses upon attending to the needs and interests of children is one of the biggest challenges that face us. Successful systemic reform requires the development of a unifying principle and common understanding of what the system should achieve. The rapporteurs from other nations who visited Australia as part of the Thematic Review were struck by the absence of a strong philosophical underpinning for ECEC in Australia and in the OECD Country Note they argued that taking the issue of children’s rights seriously would enable the development of a vision for Australian early childhood education and care which could give ‘structures, policy and practice…a reference point which begins with the child’ (2001a).

The United Nations Convention on the Rights of the Child (UNCROC) states that the primary consideration, in actions concerning children, is the best interests of the child (Article 3.1). Surely ‘actions concerning children’ are intrinsic to any childcare and preschool system and their centrality needs to be matched by the content of policy. Although ‘the best interests of the child’ can be at times a contested concept, children’s rights to rest, leisure and play (article 31.1), and to an education which is directed to ‘the development of the child’s personality, talents and mental and
physical abilities to their fullest potential’ (article 29) are tangible touchstones for policy and practice.

Working towards a vision for children requires attending to the values upon which we believe a system of care and education for young children should be based. The achievement of a vision depends upon robust structural support, grounded in an understanding of children’s learning and development. In this chapter I argue that significant reform is required and must be driven by a serious and articulated commitment to children. This is not easily achieved. But we can no longer continue to cobble together bits and pieces of existing programs over a shifting foundation. To ignore the challenge is to squander opportunity.
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