



## Encouraging Quality in Early Childhood Education and Care (ECEC)

### STRATEGIES TO TACKLE CHALLENGES IN DESIGNING AND IMPLEMENTING QUALITY REGULATIONS AND STANDARDS

#### Challenge 5: Managing private provision

Private provision can bring benefits, as well as challenges, for policy makers because the leverage of public policy is limited for data collection and quality control over unsubsidised private providers. When the private market delivers a significant proportion of ECEC services, a caution is needed for cases of “market failure”. Action can be taken through regulation, giving incentives and monitoring.

#### *Streamlining different standards for public and private ECEC provisions*

- To ensure an equal level of quality across public and private institutions, in the Nordic countries, including **Finland**, **Norway** and **Sweden**, private providers must meet the same quality standards as publicly run institutions. The requirements are stated in the legislation and financing mechanisms.
- In **Korea**, most kindergartens offer various extracurricular activity programmes and programmes aimed at preparing children for elementary school curricula. However, there are no regulations on the teaching methodology or teacher qualifications of such extracurricular activity programmes. As a result, the quality of these programmes tends to vary considerably. Hence, the government decided to pilot the “Extracurricular activity programme recommendation system for full-day kindergartens” (2010-12) for quality management of such programmes, aligning the curricula of extracurricular programmes more with the regular kindergarten curriculum. Under this system, the appropriateness of extracurricular activity programmes for young children is being evaluated, and kindergartens are notified of the results. The pilot programme focuses on four areas: culture and arts; science and creativity; daily physical education; and language development.

#### *Steering private provisions through public funding*

- In 2009, the Seoul city government in **Korea** initiated a semi-public child care system (Seoul Childcare Centre) to enhance the service quality of private child care centres by providing financial support for the labour costs as well as applying the regulations and policies of public child care centres. As of 2011, there are 2 592 Seoul Childcare Centres, which make up 45.6% of child care centres in Seoul.

- Government subsidies in **Australia** are largely in the form of fee reimbursements to parents whose children participate in services that meet quality assurance requirements. These services may be operated by government authorities (local councils) or non-government providers (both for profit and not-for-profit).

#### *Managing private provisions through regulating the market entry, monitoring and penalty*

- Child care provision in **Australia** has a strong emphasis on provision by private-for-profit and not-for-profit providers. One of the largest private providers used to be ABC Developmental Learning Centres, which was founded in 1998 and targeted long day care centres with children ages zero to five. By 2008, it made up 25% of long day care market. Due to financial difficulties, ABC was placed in voluntary administration in late 2008. Because of this, many children and families faced the prospect of losing their place in ECEC, and staff members faced losing their job and income. The government intervened to keep the services operating until alternative operators could be secured through a sale process. The government also provided a loan – to be fully repaid at no cost to taxpayers – to GoodStart, a consortium of not-for-profit organisations who acquired the majority of these services and are now the largest single child care provider in Australia. To prevent this from happening again, Australia set new regulations for private provisions seeking to enter the market. New private operators now need to demonstrate that they are suitable (also financially) to operate a child care centre; operators must give 42 days’ notice before closing a child care centre; providers are monitored more often; and a new civil penalty regime has been introduced. Additionally, large long day care providers with 25 or more services must report annually on their financial situation.

#### *Setting up an information system to help parents make informed choices*

- As part of the Plan for the Advancement of Early Childhood Education, **Korea** is currently establishing the “information disclosure system” to help parents choose a quality kindergarten based on correct information.
- The Early Childhood Development Association of **Prince Edward Island (PEI) (Canada)** has published “A Parents’ Guide to Quality Child Care on PEI”. This guide assists parents in selecting the best possible match for them and their child when selecting child care.

#### *Conducting analyses on private providers*

- **Australia’s** National Quality Agenda sets out to encompass all types of services, whether delivered by government or non-government (for profit and not-for-profit) providers. Given the diversity of services in the ECEC sector, however, the agenda will incrementally incorporate service types starting with the largest and most regulated. Non-mainstream services such as indigenous playgroups and rural care services are often provided by non-profit organisations in communities where the market would otherwise fail to deliver. These services are generally subject to relevant children’s services state and territory regulations, but they were not affected by the proposed national staff qualifications or staff-child ratio in the initial stages implementing the National Quality Framework. It was decided that governments would undertake work to determine how other ECEC services, such as non-mainstream services, will be incorporated into the National Quality Framework over a number of years.