



MEDIA RELEASE

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GROUND-BREAKING STUDY: EARLY CHILDHOOD EDUCATION INVESTMENT DELIVERS ECONOMIC BOOST TO THE NATION, BUT MORE WORK NEEDED

- Landmark Australian study shows **for every dollar invested into quality early childhood education, Australia receives \$2 back over a child's life.**
- Universal access to quality education in the year before school delivers the following:
 - **Families** see a collective **\$1,463 million** boost in earnings for parents who can return to work or increase their hours of work.
 - **Business** and the economy see **\$319 million** boost in productivity from a more educated workforce.
 - **Children** see a **\$997 million** increase in lifetime earnings, educational achievement and employment, and better health and wellbeing.
 - **Governments** see increased tax revenue of **\$313 million** every year and decreased spending on health, welfare and justice worth **\$1,194 million.**

In an Australian first, a new study shows that investment in early childhood education boosts productivity and increases workforce participation, while addressing developmental vulnerability in children.

A Smart Investment for a Smarter Australia, commissioned by The Front Project and conducted by PwC, has for the first time analysed the benefits to the nation of early learning in the year before school.

CEO of The Front Project, Jane Hunt, said the report highlights the importance of investing in quality early education for business, governments and families.

“We all want our children to be more and have more than we had, and this report demonstrates that early learning is a vital part of making this possible,” Ms Hunt said.

“It’s also vital to our economic stability as the world of work becomes more complex.

“We know that 65 per cent of children today will do jobs that have not been invented yet, so the reality is that our children will need to learn how to learn – early education does this.

“Early learning develops the skills needed to engage in life-long education and succeed through career changes, and we now have the data that shows Australia’s universal early childhood education policy could double the return on investment.

“That’s higher than many of our nation-building infrastructure projects. The benefits of early education can be seen immediately, and returns continue as those kids become adults.

“This data highlights the importance of governments committing to ongoing funding for the National Partnership Agreement.

“The report also highlights the need to address the variability of quality in early childhood education, particularly the quarter of services not yet meeting the National Quality Standard.

“As well as that, the report bolsters the argument quality early education should be expanded to children two years out from school.



“We now have the data that demonstrates the potential for more children and families to live healthier, happier and more productive lives alongside dividends that will benefit the nation.”

The report also shows significant benefits for families, business and the broader economy, with parents able to return to work sooner or increase their hours.

“Early childhood education leads to higher household earnings, as well as the advantage of a reduced career gap,” Ms Hunt said.

“Parents keep their skills relevant and improve their employability as well as contributing to their superannuation, and all this occurs while providing the best foundation for their child.”

PwC Chief Economist Jeremy Thorpe said the research also analyses the substantial impact early learning has on children’s development.

“Using the best available Australian and international research we were able to estimate the impact of early childhood education on early school achievement, and then the likely uplift in achievement at Year 3 and throughout the rest of their education,” Mr Thorpe said.

“The evidence suggests that if early childhood education puts students ahead at the start of primary school, the benefits will increase as they progress through the education system.”

Lisa Chung, Chair of The Front Project’s Board said the report reveals the enormous opportunities created later in life when we invest in the early years.

“Succeeding in future workplaces will require agile, lifelong learners, who are comfortable with continuous adaptation and a willingness to change industries or sectors,” Ms Chung said.

“It’s possible to train people in new information and contexts, but without teams who can learn and re-learn, innovation and efficiency suffer.”

Zac Hatzantonis, PwC’s early childhood practice leader, added: “The report demonstrates that better investment in early childhood education will also help reduce escalating social welfare, health and justice costs.”

Download the full report at: <https://www.thefrontproject.org.au/initiatives/economic-analysis>

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About The Front Project

The Front Project is an independent national enterprise working to improve quality and create positive change in Australia’s early childhood education system.

Our vision is that all Australian children are thriving from the start and driving our future prosperity.

We work with government, business and the early education sector to improve outcomes for children and in turn increase the short and long-term gains for Australia.

We improve quality and create positive change across Australia’s early childhood education system through:



- research and policy development that supports a high-quality early learning system so all children benefit and progress
- convening and equipping leaders from the early learning sector to ignite change and improve the quality of early learning for all children
- campaigning for universal access to high quality early education programs that suit families,
- co-designing and implementing innovative program solutions that address gaps and strengthen the early learning system
- activating a network of influential business and community leaders to boldly advocate for high quality early learning.