

# the FrontProject



## SUBMISSION

Quality and safety of  
Australia's early childhood  
education and care system

**SEPTEMBER 2025**

Education and Employment References  
Committee

## About the Front Project

The Front Project is a national, philanthropically-funded organisation that puts children and families at the centre. We work with the early childhood sector, government and business leaders to ensure the early childhood system lives up to what children and families want from it.

We believe in matching the quality of our nation's early childhood system with the high expectations we hold for all children. We want all families to have the opportunity to thrive, regardless of the challenges they face.

The Front Project works systematically to develop evidence-based, meaningful, and pragmatic policy solutions that create deep, sustained, and long-term change for greater impact.

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## Acknowledgement of Country

The Front Project respectfully acknowledges the Traditional Owners of the land on which we work and learn, and pay respect to Elders, past and present. Sovereignty has never been ceded.

It always was and always will be, Aboriginal land.

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## 1. Introduction

Every child has the right to be safe, cared for, and thriving. Safety, rights, and wellbeing must be at the heart of Australia's early childhood education and care (ECEC) system, not something we only focus on when things go wrong. The Victorian Rapid Child Safety Review put it simply: "*The safety, rights and best interests of children must underpin all decision making in the ECEC system, from staff on the floor, right up to the boardrooms of service providers.*"<sup>1</sup> The agreement at the Education Ministers' August meeting to make the safety and protection of children the highest priority for all governments was welcome.

The challenge now is to make sure these commitments turn into consistent, practical action, so that safety is built into every decision, every practice, and every level of accountability across the system.

The Front Project welcomes the opportunity to contribute to this Senate Inquiry. We are a national organisation focused on improving outcomes for young children, and we support reforms that make services safer for every child.

Child safety is about more than compliance; it depends on how the whole system is structured, funded, and supported. Safe environments rely on high-quality services, a well-trained and stable workforce, and funding that is deliberately designed to support safety, inclusion, and strong relationships.



Figure 1: The Front Project, Safety Explainer, 2025<sup>2</sup>.

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<sup>1</sup>Jay Weatherill AO and Pam White PSM (2025) [Rapid Child Safety Review](#), 4.

<sup>2</sup> The Front Project (2025) Safety Explainer: Making sense of the current safety crisis in early childhood education and care, 4.

Right now, the system continues to face pressure from workforce shortages, high turnover and casualisation, over-reliance on regulatory waivers, uneven access across communities, and rising demand from families under cost-of-living pressure. Educators and leaders are working hard to meet expectations, often with limited resources. Recent reforms are an important step forward, but without national stewardship and coordination, these pressures risk undermining both quality and safety for children.

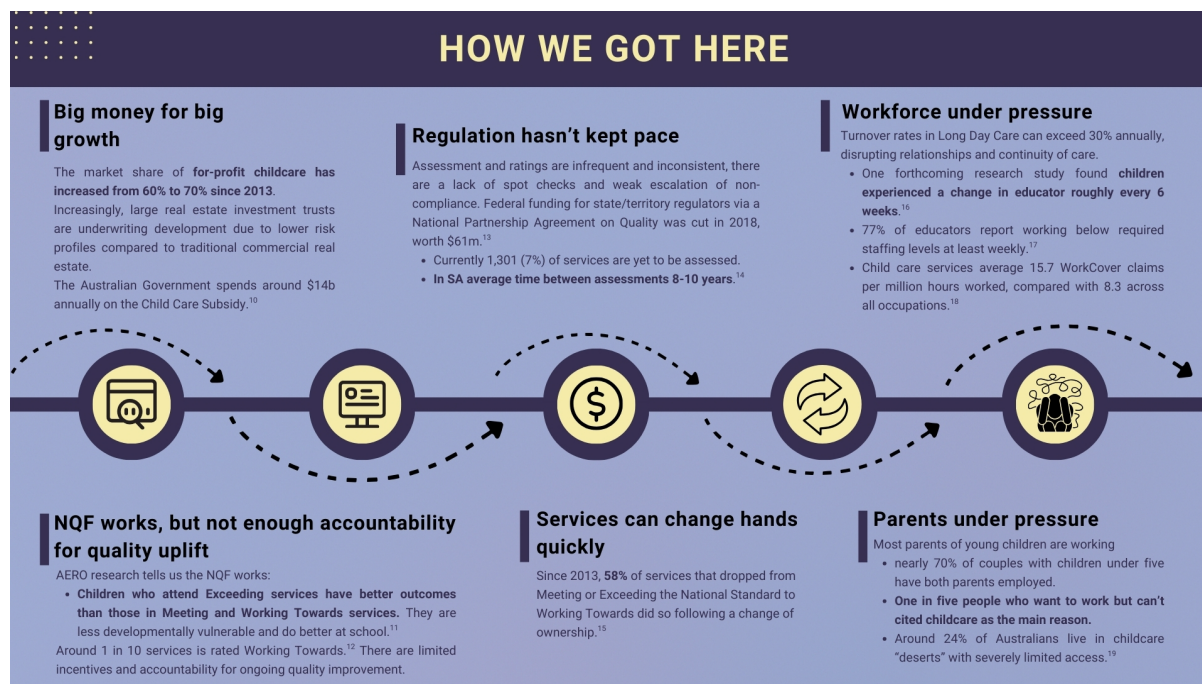


Figure 2: The Front Project, Safety Explainer, 2025<sup>3</sup>.

A key lesson from reviews and inquiries is that safety cannot be achieved through transactional, tick-a-box compliance alone. Children thrive in environments where they have strong, consistent and trusting relationships with educators, and where educators have strong relationships with families and each other. Relational approaches, where regulators, governments, providers, and families work together in partnership, are far more effective than compliance regimes that focus only on minimum standards.

But our current patchwork system has left major gaps. No single body takes responsibility for the overall performance of the ECEC system. As the Productivity Commission has noted, there are many government entities operating across jurisdictions, but no dedicated body with a comprehensive national view of ECEC availability, quality, and outcomes<sup>4</sup>. The result is fragmented governance, reactive responses to crises, and an accountability vacuum.

<sup>3</sup> Ibid, 6.

<sup>4</sup> Productivity Commission (2024) [A path to universal early childhood education and care](#), Inquiry Report – volume 1, 51.

This has real consequences. What no government has systematically taken responsibility for are the two things most critical to lifting outcomes: supporting continuous quality improvement and sustaining a stable, skilled workforce. This vacuum increases the risk of short-sighted “quick fixes” that do not solve underlying problems and erode public confidence in the system. What is needed is an entity that can say out loud what we want from the ECEC system, identify the levers available at every level of government, and hold governments accountable for delivering.

This is a chance to go further than “closing loopholes” and to set a new benchmark for system governance and accountability. Ultimately, achieving a safe, high-quality ECEC system requires more than incremental fixes. It demands a clear settlement of national responsibilities: one that brings coherence to who does what, ensures mutual accountability between governments, and invests in the missing pieces of quality improvement and workforce development.

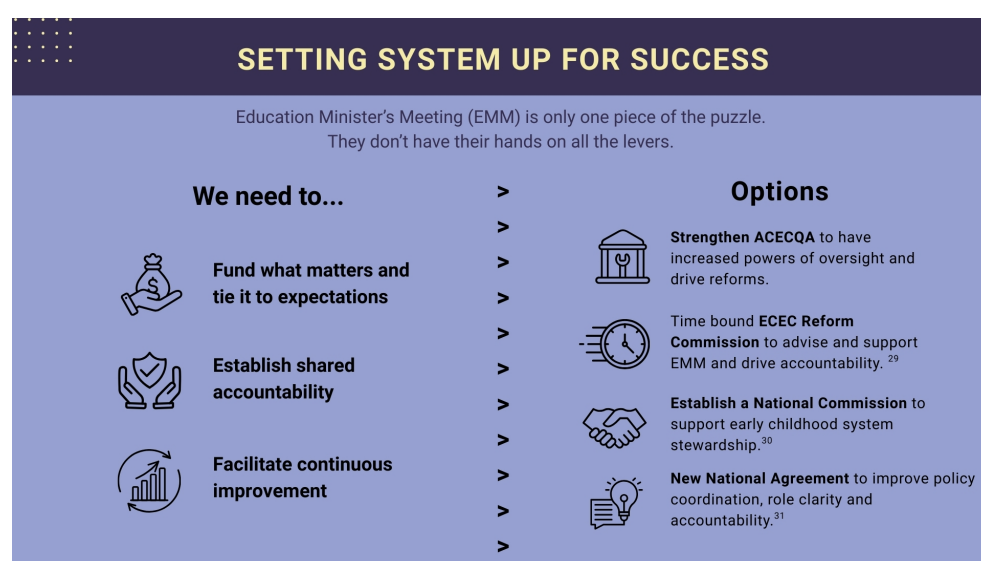


Figure 3: The Front Project, Safety Explainer, 2025<sup>5</sup>.

This Inquiry is an opportunity to chart that path, whether through a new National Partnership, an independent Early Childhood Commission, or other stewardship arrangements. A Commission could help restore public confidence and ensure every child, in every community, can rely on a system that is cohesive, accountable, and built for their safety and wellbeing.

## 2. The health and safety of children in childcare services across the country

The health and safety of children in early learning can be understood along a spectrum, from the most serious and reportable incidents through to the everyday practices that keep children safe. At one end are the most serious incidents: injury, trauma or illness requiring medical

<sup>5</sup> Ibid, 10.

attention, a child going missing, or a death. These must be reported to the regulator and are published through the Report on Government Services (RoGS) and ACECQA's regulatory data.

Nationally in 2023–24, there were 148.1 serious incidents per 100 NQF-approved services, up from 139.4 in 2022–23<sup>6</sup>. The majority involved serious injury or trauma to, or illness of, a child (77.4% of all serious incidents), followed by incidents where emergency services were sought (or ought reasonably to have been sought) (12.5%)<sup>7</sup>. The rise in reported serious incidents may reflect either an actual increase in incidents or improved compliance with reporting requirements. Higher numbers don't necessarily mean services are less safe, but that they may be more consistent in meeting their obligations.

At the other end, the Assessment and Rating (A&R) process provides a point-in-time judgement of a service's compliance with the National Quality Standard (NQS), including practices for supervision, health management, and child protection. In Q1 2025, 94 per cent of services with a published quality rating achieved Meeting NQS or Exceeding for Quality Area 2: Children's Health and Safety, the highest proportion since the NQF was introduced in 2012<sup>8</sup>.

While these sources are valuable, they offer only snapshots. What remains missing is a consistent national picture of everyday practice and less severe but still significant health and safety events. This gap makes it difficult to fully understand the safety environment children experience on a daily basis, even as compliance ratings appear high.

Moreover, the detail beneath the broad ratings tells a more complex story. Among all seven Quality Areas, Standard 2.2 (Safety) is one of the top three most likely to be rated Working Towards, with 4 per cent of all services not yet meeting this standard<sup>9</sup>. At the Element level, Supervision is the fourth most frequently unmet requirement nationally (3.4% of services), followed by Health practices and procedures (3.2%) and Incident and emergency management (2.0%).<sup>10</sup> Out of all 40 NQS elements, these three all sit within the top ten most likely to be unmet. In other words, even as overall QA2 ratings trend upwards, persistent gaps remain in the core practices most directly linked to children's safety and wellbeing.

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<sup>6</sup> Productivity Commission (June 2025) [Report on Government Services](#), table 3A.

<sup>7</sup> Ibid.

<sup>8</sup> Productivity Commission (2024) [NQF Annual Performance Report](#), 16.

<sup>9</sup> ACECQA, [NQF Snapshot Q2 2025](#), 16.

<sup>10</sup> Ibid.

| Quality element                           | % Not Met |
|-------------------------------------------|-----------|
| 1.3.2 (Critical reflection)               | 4.5%      |
| 1.3.1 (Assessment and planning cycle)     | 4.4%      |
| 7.1.2 (Management systems)                | 3.7%      |
| 2.2.1 (Supervision)                       | 3.4%      |
| 2.1.2 (Health practices and procedures)   | 3.2%      |
| 7.2.2 (Educational leadership)            | 3.2%      |
| 7.2.3 (Development of professionals)      | 2.6%      |
| 1.1.3 (Program learning opportunities)    | 2.3%      |
| 2.2.2 (Incident and emergency management) | 2.0%      |
| 4.1.1 (Organisation of educators)         | 1.8%      |

Figure 4: Top 10 NQS elements not met<sup>11</sup>.

The paradox is clear: overall ratings are improving steadily and are at their highest point since the NQF began, yet serious incidents are rising, and systemic weaknesses remain in supervision, health practices, and emergency preparedness. This signals growing systemic challenges that may not be captured in high-level quality ratings alone. Without more frequent and comprehensive monitoring, policymakers and families alike cannot be confident that everyday practices consistently meet the standard of safety that children deserve.

### 3. The effectiveness of Australia's childcare regulatory system

The effectiveness of Australia's childcare regulatory system, including the performance and resourcing of state and territory regulators and the ACECQA, rests on its ability to keep children safe and well supported. While the NQF provides a strong foundation, it remains under-resourced, inconsistent, and too slow to detect risks.

An important measure of quality improvement is the percentage of services that improve their rating upon reassessment. The good news is that in ACECQA's Q1 2025 snapshot, two-thirds (66%) of services previously rated Working Towards NQS improved their overall rating on reassessment, moving up to Meeting or Exceeding.<sup>12</sup> However, a substantial number of services, around one-third, remain at Working Towards even after reassessment.<sup>13</sup> This means

<sup>11</sup> ACECQA, [Q1 2025](#), 17.

<sup>12</sup> Ibid.

<sup>13</sup> Ibid.

that thousands of services are still delivering education and care that falls short of the national benchmark, with no demonstrated improvement in practice or outcomes for children.

|                            |                                  | Rating after reassessment        |                     |             |               | Improvement rate |
|----------------------------|----------------------------------|----------------------------------|---------------------|-------------|---------------|------------------|
|                            |                                  | Significant Improvement Required | Working Towards NQS | Meeting NQS | Exceeding NQS |                  |
| Rating before reassessment | Significant Improvement Required | 17%                              | 69%                 | 14%         | 0%            | 83%              |
|                            | Working Towards NQS              | 1%                               | 30%                 | 59%         | 10%           | 69%              |
|                            | Meeting NQS                      | 0%                               | 14%                 | 73%         | 13%           | 13%              |
|                            | Exceeding NQS                    | 0%                               | 8%                  | 44%         | 48%           | -                |

Figure 5. Rating after reassessment, Q1 2025<sup>14</sup>.

### Why does this matter?

The Australian Education Research Organisation's analysis of quality rating and child development showed a clear connection: children attending Meeting services have better outcomes than those attending Working Towards.<sup>15</sup> And children attending Exceeding services have better outcomes than those in Meeting Services<sup>16</sup>. Children need a system and services that invest in sustained quality uplift.

### Regulatory capacity and resourcing

The effectiveness of the regulatory system is undermined by long gaps between Assessment and Rating visits, which currently average around 3.5 years<sup>17</sup> and in some cases (South Australia) stretch out to 8-10 years<sup>18</sup>. This means regulators are not providing timely oversight and are instead forced to rely heavily on complaints rather than proactive monitoring.

This was raised by the Productivity Commission, which noted that in some jurisdictions the timeframes become "unacceptably long," undermining the credibility of quality ratings. The Victorian Rapid Review also found that regulatory oversight is both inconsistent and under-resourced and criticised the withdrawal of Commonwealth funding for state and territory regulators in 2018.

<sup>14</sup> Ibid, 12.

<sup>15</sup> Australian Education Research Organisation (June 2024) [Linking quality and child development in early childhood education and care](#), 13.

<sup>16</sup> Ibid.

<sup>17</sup> [Rapid Safety Review](#) (2025) 52.

<sup>18</sup> Government of South Australia, Education Standards Board (2023) [Assessment and Rating in South Australia](#).

That decision cut \$61 million in joint commonwealth–state/territory funding under the National Partnership on the National Quality Agenda for ECEC, just as the sector was expanding and ownership structures were becoming more complex.

The current arrangements leave accountability fragmented. With no clear settlement of responsibilities between the Commonwealth and the states and territories, oversight is stretched and inconsistent. States and territories carry the bulk of the regulatory task, yet they do so without a coherent line of sight to Commonwealth leadership or investment. Meanwhile, the Commonwealth sets national ambitions but has limited mechanisms to ensure that regulatory practice on the ground aligns with those ambitions.

What is missing is not only funding, but mutual accountability: the Commonwealth putting forward national stewardship and investment, while states and territories provide consistent, effective regulatory oversight. Without this shared responsibility, the system risks remaining reactive and piecemeal, rather than cohesive and nationally accountable.

### **Balance of compliance and quality improvement**

Parts of the regulatory system have leaned too heavily on a tick-box approach to compliance, rather than fostering a culture of continuous improvement. At present, Australia's ECEC architecture is missing a middle layer of quality improvement. On one end, we have a regulatory baseline enforced by states and territories and on the other, Commonwealth incentives to drive market entry and supply. In between, there is limited and uneven quality support, focused mainly on preschool, and only partially extended to long day care through small state and territory initiatives. The Commonwealth also provides insufficient inclusion support, and while recent workforce retention measures are welcome, they do not amount to a sustained system of quality improvement.

The result is a patchwork of responsibilities where each level of government takes on part of the task: states and territories regulate, the Commonwealth funds childcare and part of preschool, states and territories run preschool, but no one holds responsibility for embedding continuous quality improvement across the whole system. A national quality improvement program for long day care would begin to close this “missing middle” and ensure that quality uplift is not left to chance.

### **Fragmentation and coordination**

Oversight of ECEC is fragmented across ACECQA, state and territory regulators, and working with children checks and reportable conduct schemes sitting elsewhere. This creates duplication, blurred roles, and inconsistent escalation pathways. The Productivity Commission endorsed the establishment of a new independent ECEC Commission, charged with steering Australia's transition to universal, high-quality early learning<sup>19</sup>. Such a body would be pivotal in

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<sup>19</sup> Productivity Commission, [A path to universal early childhood education and care](#), 3.

ensuring consistent reform delivery, data coherence, and regulatory accountability across all jurisdictions. The Victorian Review identified this lack of coordination as a significant weakness in safeguarding children.

## 4. Compliance with quality standards and legislative requirements

### Compliance trends and systemic weaknesses

National compliance data suggests a system that is performing well in many respects, while still facing persistent challenges. While the *Report on Government Services*<sup>20</sup> shows reported serious incidents are rising, the quality profile of services has steadily improved. As of early 2025, around 91% of NQF-approved services with a published quality rating were Meeting or Exceeding the National Quality Standard (NQS), up from 79% five years earlier<sup>21</sup> and 62% a decade ago<sup>22</sup>.

Performance, however, is uneven across service types. Preschools and kindergartens consistently perform most strongly, with the highest proportion rated Exceeding. Long day care services have steadily improved, but the majority are rated Meeting. Family Day Care has made progress with 76% Meeting or above compared with 50% six years ago.<sup>23</sup> However, Family Day Care still records the highest share of Working Towards ratings and disproportionate levels of regulatory enforcement activity<sup>24</sup>.

The proportion of services rated Meeting or Exceeding the NQS also varies across jurisdictions. Services in the Australian Capital Territory and South Australia consistently record the highest share of Exceeding ratings. For example, currently more than one-third of ACT services are rated Exceeding, compared with around one-quarter nationally.<sup>25</sup> These jurisdictions often highlight strong traditions of integrated preschool programs and relatively stable workforce supply, which support higher-quality practice.

New South Wales and Queensland show slightly higher proportions of services rated Working Towards, particularly in the quality areas of Governance and Leadership and Educational Program and Practice. Larger service numbers, rapid population growth, and workforce shortages may be contributing factors in these states.

Victoria, Tasmania, Western Australia and the Northern Territory sit closer to the national average, but within these there are localised differences, for instance, rural and remote

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<sup>20</sup> [Report on Government Services](#), 2025, NQF quality and compliance.

<sup>21</sup> ACECQA (December 2019) [NQF Annual Performance Report](#), 4.

<sup>22</sup> ACECQA, (November 2023) [NQF Annual Performance Report](#), 3.

<sup>23</sup> ACECQA, [Snapshot Q2 2025](#), 14.

<sup>24</sup> Ibid.

<sup>25</sup> Ibid, 19.

services are more likely to be rated Working Towards, reflecting the additional challenges of workforce attraction and resource availability.

These variations are not simply reflections of service quality alone, but of broader structural factors. Policy settings, such as preschool delivery models, workforce initiatives and funding arrangements, shape services' capacity to meet standards. Assessment and Rating practices differ across jurisdictions, with variation in assessor resourcing, scheduling, and calibration affecting consistency of judgments.

Socioeconomic context is also critical. ACECQA's *Occasional Paper 7*<sup>26</sup> found services in disadvantaged communities are disproportionately rated Working Towards NQS with the greatest concentration in QA1 (Educational Program and Practice) and QA7 (Governance and Leadership), reflecting the added challenges of higher operating costs, workforce instability, and greater family support needs.

When these structural pressures intersect with provider-type differences, the risk of non-compliance becomes more acute. Data collated by the United Workers Union in their *Unsafe and Non-Compliant* report<sup>27</sup> shows that since 2015, around 74% of more than 12,000 enforcement actions have involved for-profit services, despite these representing only half of the sector. ACECQA snapshot data also shows that community-managed not-for-profit services and those operated by governments are consistently more likely to be rated Exceeding, while for-profit services are more often rated Meeting or Working Towards.<sup>28</sup> These differences highlight that governance structures and profit motives shape compliance outcomes, underscoring the importance of targeted regulatory oversight, with more attention on higher-risk providers.

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<sup>26</sup> ACECQA (2020) [Quality ratings by socio-economic status of areas](#).

<sup>27</sup> United Workers Union (2021) [Unsafe and uncompliant: Profits above Safety in Australia's early learning sector](#), 3.

<sup>28</sup> ACECQA, [Quarterly snapshot Q2 2025](#), 14.

Figure 12: Overall quality ratings by provider management type<sup>1</sup>

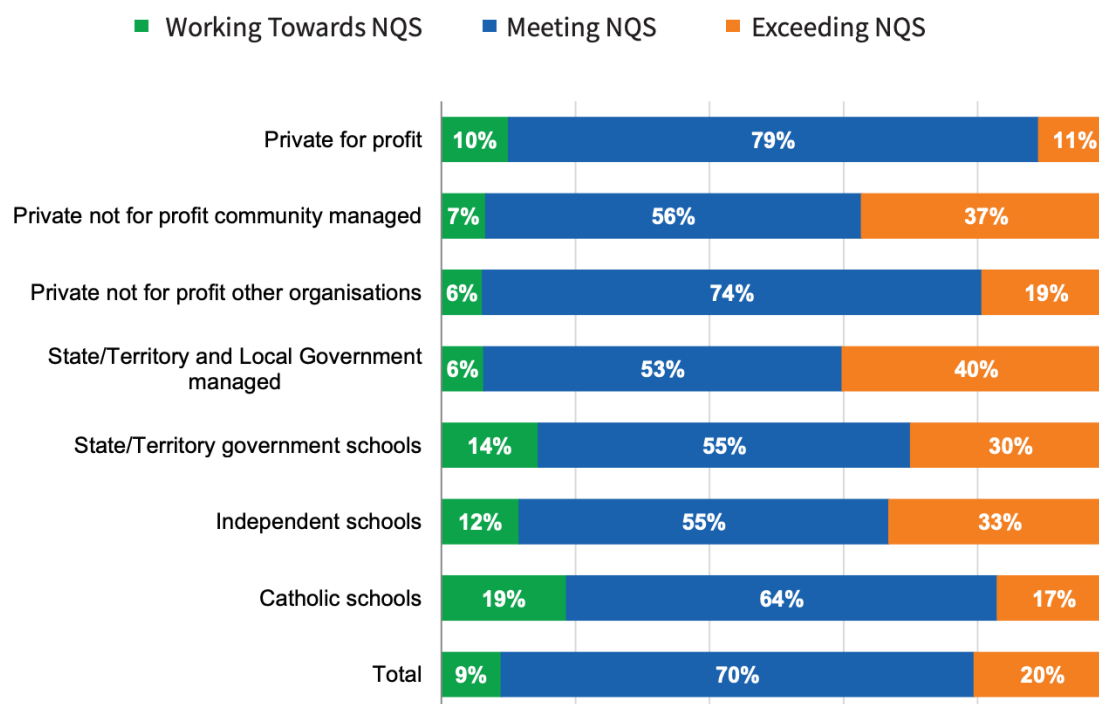


Figure 6. ACECQA Q2 2025 Snapshot<sup>29</sup>

## 5. Impact of childcare providers' employment practices

The quality and safety of ECEC services are inseparable from the employment practices of providers. Workforce conditions, staffing arrangements, and stability directly shape children's experiences, service quality, and child safety outcomes.

### Workforce sustainability pressures

Workforce instability is one of the most pressing risks to quality and safety in ECEC. High turnover, casualisation, and reliance on agency staff undermine continuity of relationships for children, increase pressure on permanent educators, and weaken regulatory compliance. According to the 2021 National Workforce Census, around 24 per cent of the ECEC workforce were employed on a casual basis (similar data from the 2024 census has not been made public)<sup>30</sup>. Constantly changing staff makes it harder for children to build secure attachments and for colleagues to recognise patterns of behaviour or harm.

<sup>29</sup> ACECQA, [NQF Snapshot Q2 2025](#), 14.

<sup>30</sup> Department of Education (2021) [2021 National Early Childhood Education and Care Workforce Census](#).

The Jobs and Skills Australia *Future of the ECE Profession*<sup>31</sup> report highlighted several additional concerning trends:

- High and increasing use of waivers for staffing requirements under the National Regulations, reflecting shortages of qualified educators.
- Evidence of overtime being worked to meet ratios and service needs.
- Insufficient time and resourcing for professional development.
- Increasing reliance on trainees, who must spend 20 per cent of paid time in off-the-job learning, creating pressure on services.
- Significant time spent by experienced staff in recruitment, onboarding, and supervising trainees.

## Staffing Waivers

The use of staffing waivers remains a clear indicator of underlying workforce shortages in the ECEC sector. Waivers are intended as a temporary measure to allow services to operate when they cannot meet required staffing ratios or qualification requirements.

Encouragingly, the latest quarterly NQF Snapshot shows signs of improvement, with the proportion of services holding a staffing waiver continuing to decrease. The proportion of services with a staffing waiver has decreased from:

- 10% in Q3 2023
- 9.2 % in Q2 2024
- 7.4% in Q2 2025<sup>32</sup>.

This downward trend indicates that recent workforce initiatives and retention measures may be beginning to have an effect. However, waiver rates remain disproportionately high in certain jurisdictions and service types, particularly in long day care and in rural and remote communities, where attracting and retaining qualified educators, especially early childhood teachers, continues to be a significant challenge.

A child's right to safe, stable, and high-quality care cannot be compromised by regulatory exemptions. Waivers should remain short-term, exceptional measures, with clear timelines for resolution, transparent public reporting, and active regulatory monitoring. Sustained investment in educator supply, retention, and workforce conditions is essential to ensure services can move away from waiver reliance and meet staffing requirements in full.

## “Under the roofline” leaves staff and children vulnerable

Another issue arises from the way regulatory compliance can be assessed “across the service” or “under the roofline.” This approach allows services to meet ratios, qualification

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<sup>31</sup> Jobs and Skills Australia (2024) [The Future of the Early Childhood Profession](#).

<sup>32</sup> ACECQA, [NQF Snapshots Q2, 2025](#).

requirements, and early childhood teacher provisions at the service level, rather than within each room. While this flexibility is intended to support practicality, it carries risks if used primarily as a rostering or cost-saving tool.

“Under the roofline” rostering often means educators are floated between rooms to maintain overall compliance, leaving some rooms stretched or under-supported, particularly at busy times of day. Safety incidents can occur when staff are moved too frequently or when handovers are poorly managed. For children, this can disrupt secure attachments and reduce the quality of interactions, especially in rooms already affected by high turnover or reliance on agency staff. Regulators have cautioned that while services may technically meet legal minimums, they may still fall short on quality ratings in areas such as Children’s Health and Safety or Staffing Arrangements, and Adequate Supervision.

In a United Workers Union survey<sup>33</sup> of 3,000 educators released in July 2025, 77 per cent of educators said they were operating below minimum staffing levels in their rooms at least weekly, and 42 per cent said it was occurring daily, indicating widespread misuse of the loophole. In the same survey, 83% of educators strongly agreed the loophole compromises the safety and wellbeing of children.<sup>34</sup>

Education Ministers have agreed that ACECQA will review the application of the “across the service/under the roofline” approach. This is an important step to close potential loopholes and restore confidence that regulatory requirements are not being met on paper at the expense of practice on the floor.

Ultimately, the “across the service” principle must not become a loophole for chronic understaffing. Approved Providers remain legally responsible for the safety and wellbeing of every child in every room, regardless of whether overall numbers on paper appear compliant. Services that rely heavily on “under the roofline” staffing to cover shortages risk eroding both quality and safety, undermining trust in the regulatory system and leaving children more vulnerable.

### **Health, safety, and wellbeing impacts on staff**

Workforce strain is also reflected in injury and workers’ compensation data. According to Safe Work Australia<sup>35</sup>, childcare service workers have a claim rate of 15.7 per 1,000,000 hours worked, almost double the average across all industries (8.3), and significantly higher than construction (11.0) or machinery and equipment manufacturing (11.3). By comparison, preschool teachers (3.4) and centre managers (3.3) recorded much lower claim rates, underscoring the risks connected to differing industrial conditions between

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<sup>33</sup> United Workers Union (2025) [Safer staffing action plan for a stronger early childhood education sector](#), 9.

<sup>34</sup> Ibid.

<sup>35</sup> Safe Work Australia (2024) [Workers Compensation Data](#).

preschools/kindergartens and long day care.<sup>36</sup> These figures highlight that early childhood educators face some of the most hazardous working conditions of any comparable profession. Elevated rates of physical injury, stress, and burnout not only harm the workforce, but also compromise service quality and place children at greater risk, demonstrating that improving employment practices is a direct child safety measure.

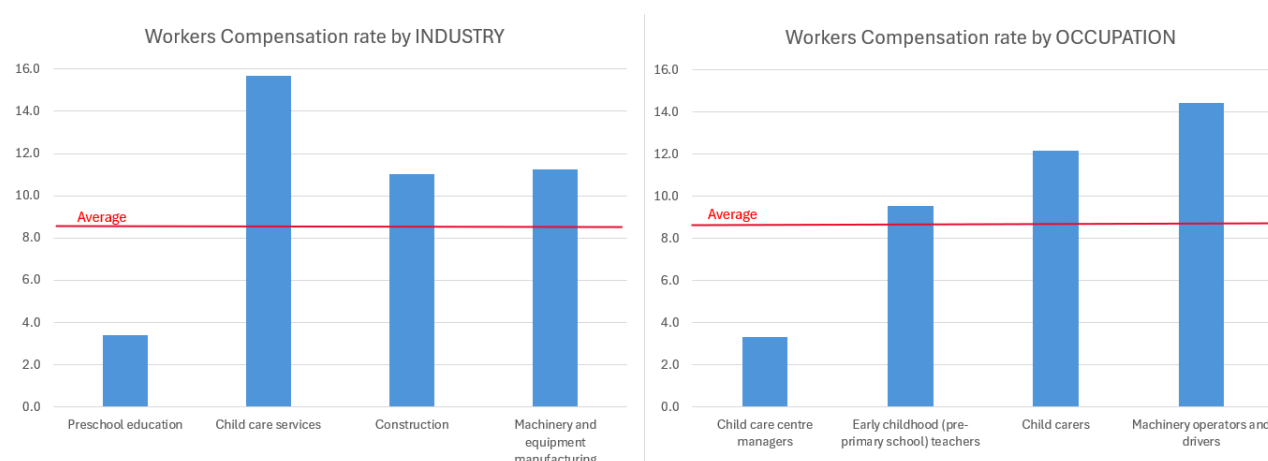


Figure 7. Safe Work Australia workers' compensation data<sup>37</sup>

## 6. The role of worker compensation and pay on childcare quality and safety

The pay and conditions of early childhood educators are central to quality and child safety. Wages, job security, and workload are directly linked to staff turnover, workforce stability, and the ability of services to provide safe, nurturing environments for children.

### Pay and quality

The Commonwealth's analysis of the latest ECEC Workforce Census data for the Victorian Rapid Review<sup>38</sup> found a direct link between wages and service quality, concluding that "services with higher quality ratings paid educators and teachers higher wages." Large not-for-profit providers, which are more likely to pay above award rates, also had lower vacancies, lower turnover, and higher proportions of full-time staff.<sup>39</sup> It found that long day care services where more than half of paid contact workers were paid above the award were more likely to be rated

<sup>36</sup> Ibid.

<sup>37</sup> Ibid.

<sup>38</sup> Weatherill and White, [Rapid Safety Review](#), 88.

<sup>39</sup> Ibid.

Exceeding the National Quality Standard and less likely to be rated Working Towards than services where fewer than half of staff received above-award pay.<sup>40</sup>

The Review recommended that fair pay and conditions be treated as essential to safeguarding children, including through funded child safety training delivered within paid hours.<sup>41</sup> This reinforces the conclusion that pay and quality are inseparable: services that invest in educators through higher wages achieve stronger outcomes for children and are better placed to provide safe, stable learning environments.

## Industrial agreements and quality outcomes

The Front Project's *Hidden Lever: how pay and conditions support child outcomes in low SES early childhood and education services*<sup>42</sup> report provides further evidence of this link with two-thirds of Exceeding or Excellent services in disadvantaged (SEIFA 1) communities found to be covered by an enterprise bargaining agreement, compared with just 29.7 per cent across the sector. EBAs, particularly multi-employer agreements, deliver more generous staffing conditions than award-reliant services, strengthening workforce stability and service quality.

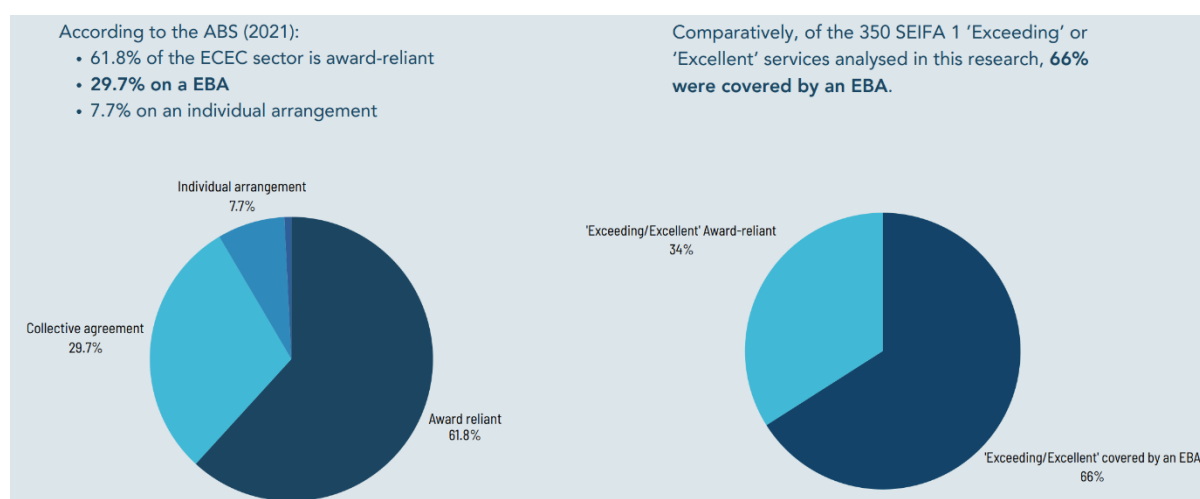


Figure 8. Types of industrial arrangements across the ECEC sector compared to high-performing centres in disadvantaged areas.<sup>43</sup>

## Pay disparities across provider types

The Australian Competition and Consumer Commission has also highlighted clear differences between for-profit and not-for-profit providers. For-profit services spend a smaller share of their costs on labour (63 per cent compared with 77 per cent for not-for-profits),<sup>44</sup> employ fewer full-

<sup>40</sup> Ibid.

<sup>41</sup> Ibid, 18.

<sup>42</sup> The Front Project (2025) [The Hidden Lever](#).

<sup>43</sup> Ibid.

<sup>44</sup> Australian Competition and Consumer Commission (September 2023) Childcare Inquiry, Interim Report, 54.

time staff (25 per cent compared with 47 per cent),<sup>45</sup> and pay fewer staff above the award (64.3 per cent compared with 94.5 per cent).<sup>46</sup> These differences translate into higher turnover (41 per cent compared with 27 per cent) and more vacancies (22 per cent compared with 9.7 per cent) in for-profit services.<sup>47</sup> High turnover undermines the stability of relationships between educators and children, making it harder for staff to detect patterns of behaviour or distress and to provide consistent supervision.

### **Award reliance and undervaluation**

Jobs and Skills Australia's Future of the Early Childhood Education Profession<sup>48</sup> study confirmed that ECEC workers are overwhelmingly reliant on award pay. More than half of the workforce are paid at award rates, with 70.1 per cent of child carers reliant on the award compared with 23.3 per cent of workers across all occupations.<sup>49</sup> Remuneration in ECEC is relatively low even when compared with sectors that require no formal qualifications, despite the significant training and responsibility expected of early educators. This undervaluation sends the wrong signal about the importance of educators' work and contributes to attrition and shortages.

There are, however, signs of progress. The Worker Retention Payment, which delivered a 15 per cent wage increase for many educators, has seen strong uptake across the sector, signalling both the urgency of the issue and the willingness of providers to engage with wage-support measures. As of May 2025, around 85% of eligible workers and 60% of eligible services had applied for the Worker Retention Payment<sup>50</sup>. In addition, more providers have signed up to the Multi-Employer Agreement, extending the benefits of collective bargaining to services that would not otherwise have the leverage to negotiate above-award conditions. As of September 2025, there are 494 employers covered by the Multi-Employer Agreement<sup>51</sup>. These developments are welcome, but they must be built upon with longer-term, structural reform to ensure educators' pay reflects their skills and responsibilities and that safe, high-quality services are sustained across the sector.

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<sup>45</sup> Ibid, 55.

<sup>46</sup> Ibid, 11.

<sup>47</sup> Ibid, 56.

<sup>48</sup> Jobs and Skills Australia (2024) [The Future of the Early Childhood Profession](#), 67.

<sup>49</sup> Ibid.

<sup>50</sup> Community Early Learning Australia (2025) [Navigating Workplace Instruments: A clear path for early childhood services](#).

<sup>51</sup> Fair Work Commission, [Early Childhood Education and Care Multi-Employer Agreement 2024-2026](#), 182.

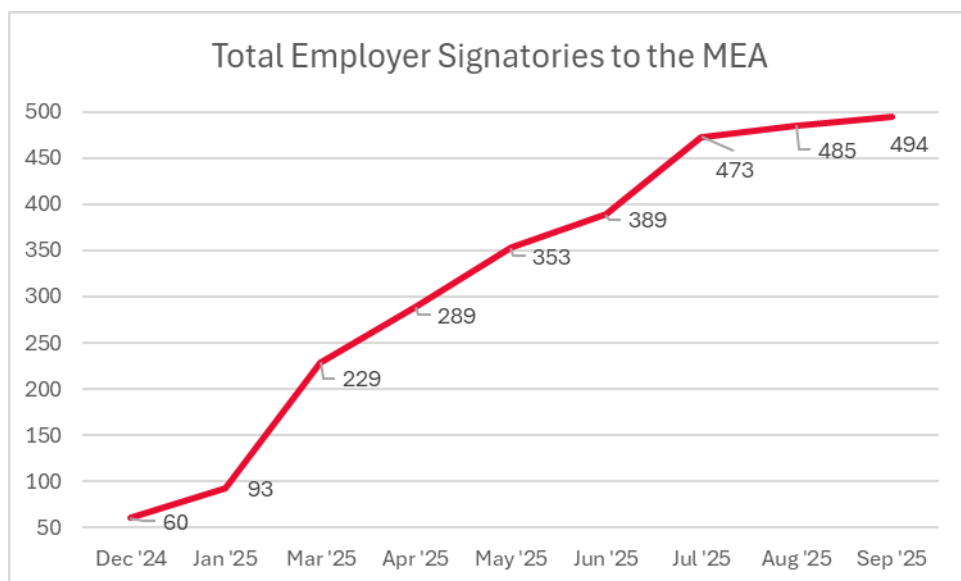


Figure 9. Rate of employer sign-up to the Early Childhood Education and Care Multi-Employer Agreement 2024-26.<sup>52</sup>

## 7. Role of private for-profit incentives

The incentives driving the ECEC market have profound implications for quality, safety, and equity. Profit motives are not inherently good or bad. They can bring access to capital and enable rapid expansion of services, but they can also create pressures that compromise quality and safety if not carefully managed. Evidence from reviews, inquiries, and sector research shows that profit-driven incentives can sometimes run counter to the conditions children need to thrive. At the same time, there are many examples of high-quality for-profit providers, just as there are not-for-profits that fall short.

This Inquiry is an opportunity to build a more sophisticated conversation about the role of for-profit and not-for-profit providers. For-profit services play an important role in the sector, but they are overrepresented in areas associated with lower quality and higher safety risks. Governments can respond by introducing stronger transparency and accountability requirements, including public reporting on quality, governance, and workforce investment, and by using funding levers, through contracts, grants, and capital programs, to reward providers that demonstrate strong performance on safety and quality.

A balanced, evidence-based approach would go further than broad labels of “for-profit” or “not-for-profit” to examine how incentives shape provider behaviour in practice: decisions about staffing levels and rostering, workforce investment, leadership incentives, and approaches to compliance and risk management. This would give providers and their boards clearer governance signals, give regulators more targeted insights to support effective

<sup>52</sup> Ibid.

oversight, and equip policymakers to design smart, proportionate interventions that strengthen safety and quality across the whole system.

## Market-driven risks to quality, safety, and child outcomes

The Victorian Rapid Child Safety Review found that over the past decade, the market has been left to respond to financial incentives that do not drive investment in quality, safety, or a stable workforce. It highlighted that for-profit long day care services were more likely to be rated Working Towards NQS, including in Quality Area 2 (child health and safety), and concluded starkly: “While the current market-driven model for ECEC remains, the risks to quality and safety... will persist<sup>53</sup>.”

The Front Project and Mandala’s *Paving the Path* report reached similar conclusions. It found that long day care supply growth has been concentrated in wealthier metropolitan areas where families can afford higher fees.<sup>54</sup> For-profits, which now operate 70 per cent of all LDC services (up from 60 per cent in 2013), were more likely to cluster where margins were highest, leaving disadvantaged communities underserved.<sup>55</sup> The report also showed clear differences in quality by provider type: 28 per cent of not-for-profit centres were rated above NQS compared with just 15 per cent of for-profits, while for-profits were nearly twice as likely to be rated below NQS.<sup>56</sup>

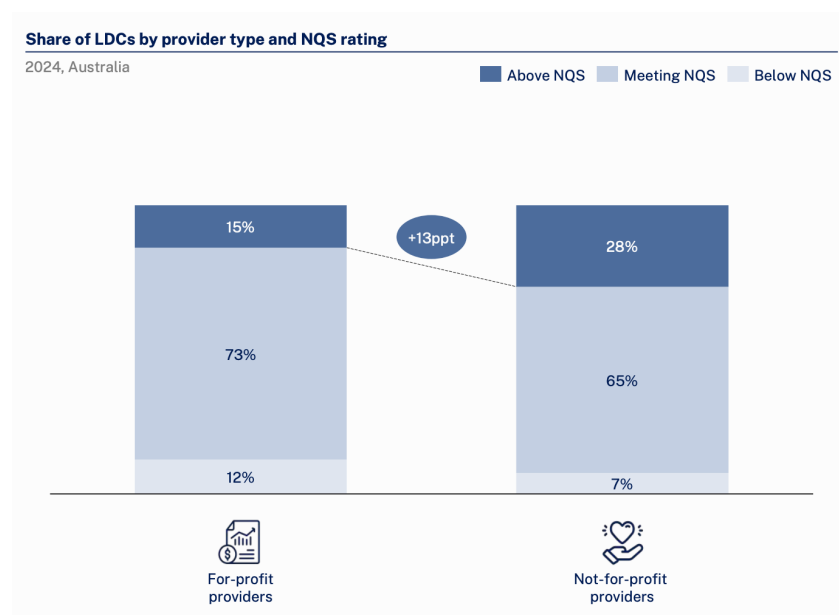


Figure 10. Long-day care NQS quality rating by provider type.<sup>57</sup>

<sup>53</sup> Weatherill and White, [Rapid Safety Review](#), 2025, 3.

<sup>54</sup> Mandala and the Front Project (October 2024) [Paving the path: addressing market imbalances to achieve quality and affordable childcare in more places](#), 9.

<sup>55</sup> Ibid, 3, 15.

<sup>56</sup> Ibid, 21.

<sup>57</sup> Ibid, 21.

Evidence from AERO's national study, summarised in the Front Project's *The NQF Works!*<sup>58</sup>, demonstrates why these findings matter. Children attending services rated Exceeding NQS had consistently lower rates of developmental vulnerability than those in Meeting or Working Towards services.<sup>59</sup>

Research also highlights how profit incentives can undermine compliance. The UWW *Unsafe and Non-Compliant* report found that since 2015, for-profit providers have overwhelmingly dominated non-compliance activity<sup>60</sup>. Of just over 12,000 enforcement actions taken against early learning centres, 74 per cent involved for-profit providers.<sup>61</sup>

Taken together, the evidence shows that the structural risks are not just theoretical, they translate into measurable differences in children's safety, wellbeing and development.

### Policy and regulatory shifts

Governments are beginning to respond. We welcome Education Ministers' commitment to tightening market entry requirements and expanding cross-jurisdictional information sharing to detect poor compliance. The federal *Early Childhood Safety Bill* gives regulators new powers to suspend or cancel Child Care Subsidy payments after serious breaches, sharpening the financial consequences of unsafe practices. These are welcome steps, but further reforms are required to realign market incentives with children's safety and wellbeing.

## 8. Transparency, including access to information and data

Transparency is essential for both family choice and system accountability, yet gaps remain in how data and information are shared across the ECEC sector. Families need clear, accessible, and meaningful information about the quality and safety of services, while governments require stronger data systems and linkages to monitor risks, support workforce planning, and ensure effective use of public investment. Families with additional needs, from different cultural backgrounds, who may have experienced trauma, or Aboriginal and Torres Strait Islander may need additional or culturally-specific information in order to make informed decisions around the type of ECEC service to engage with, and the benefit of ECEC<sup>62</sup>.

### Gaps in transparency

The Productivity Commission found that "there is limited transparency and accountability, both from governments and service providers, and despite substantial collections of data, data is not always used to improve decision making and there are many important questions that

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<sup>58</sup> The Front Project (2024) [The NQF Works! Policy Explainer](#).

<sup>59</sup> Ibid, 3.

<sup>60</sup> United Workers Union (2021) [Unsafe and Uncompliant](#), 7.

<sup>61</sup> Ibid.

<sup>62</sup> IPART, 2023, [Review of early childhood education and care Final Report](#), 103.

cannot be answered”<sup>63</sup>. It also noted that families rarely use service ratings, with many parents unaware of or undervaluing NQF ratings when choosing services and recommended that information be made more detailed and accessible<sup>64</sup>. The Commission further observed that regulatory authorities provide little transparency around how they “check in” with services outside of formal assessments, and recommended annual reports detailing compliance actions and progress against key objectives<sup>65</sup>.

The Victorian Rapid Review echoed these concerns, recommending clearer, timelier information for parents<sup>66</sup> and better support for families to raise and report concerns through multilingual resources and transparent complaints pathways<sup>67</sup>.

## Family perspectives

The Front Project’s *Work and Play*<sup>68</sup> report confirmed that families value staff relationships and safety more than NQF ratings when assessing quality: 80 per cent of parents rated staff interactions as the strongest indicator of quality, compared with 43 per cent who strongly agreed that ACECQA service ratings were meaningful<sup>69</sup>. Parents also prioritised safety, security, and social development as their top needs from services<sup>70</sup>. Importantly, a strong majority supported reforms to improve wages and conditions for educators, expand government monitoring to include outcomes for children, and strengthen transparency around user complaints<sup>71</sup>. These findings underscore that parents value better, more relevant information.

## Data reform and integration

The NSW Independent Pricing and Regulatory Tribunal (IPART) review<sup>72</sup> also highlighted systemic weaknesses, noting that the “lack of comprehensive, integrated, accessible, high quality digital services and data... makes it hard for families to find, choose and use services and impedes good decision-making for providers and policy-makers. A digital transformation is needed”<sup>73</sup>. It recommended a comprehensive whole-of-government digital strategy to ensure families have access to ECEC information from pregnancy through to school age<sup>74</sup>.

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<sup>63</sup> Productivity Commission, 2024, [A path to universal early childhood education and care](#), 51.

<sup>64</sup> Ibid 90.

<sup>65</sup> Ibid 89.

<sup>66</sup> Weatherill and White, [Rapid Safety Review](#), 64-66.

<sup>67</sup> Ibid, 66-67.

<sup>68</sup> The Front Project, 2023, [Work and Play Report](#), p9.

<sup>69</sup> Ibid 52-52.

<sup>70</sup> Ibid, 56.

<sup>71</sup> Ibid, 60.

<sup>72</sup> IPART (2023) [Review of Early Childhood Education and Care](#).

<sup>73</sup> Ibid, 5.

<sup>74</sup> Ibid, 105.

## Progress and opportunities

At the national level, Education Ministers have agreed to increase availability, transparency and national consistency of compliance and safety data, including publishing more information on service visits, enforcement actions, and serious incidents<sup>75</sup>. The recent update to the Starting Blocks website, which now publishes compliance information alongside quality ratings, is an excellent step forward. It provides families with clearer visibility of enforcement activity at the service level. However, this information must be communicated widely and supported with consistent reporting across jurisdictions to ensure parents can use it confidently in decision-making.

## 9. Suitability and flexibility of the funding

The current funding model for ECEC is complex, fragmented, and insufficiently tailored to the needs of children, families, and communities. While reforms such as the abolition of the activity test and the expansion of funding for safety reforms are welcome, broader change is needed to ensure that funding settings support safety, equity, and quality for all children.

### Service Delivery Price: accounting for real costs

The Service Delivery Price project, led by Deloitte Access Economics for the Commonwealth Department of Education, is a critical opportunity to finally address long-standing gaps in the adequacy of ECEC funding. To be effective, the Service Delivery Price must reflect the full diversity of operating contexts across the sector. This includes differences in service type, size, and location; the higher costs of caring for younger children and those with additional needs; workforce expenses such as educator pay and conditions; and fixed costs associated with land, leases, and maintenance. It will also be important for the project to cost both Meeting and Exceeding the National Quality Standard, because there is good evidence that Exceeding the National Quality Standard leads to better child development outcomes<sup>76</sup>.

### The limits of the current Child Care Subsidy model

In its inquiry into ECEC, the ACCC concluded that “the unique characteristics of childcare markets mean that the CCS and the hourly rate cap are having limited effectiveness as a price signal and constraint on prices” and that “the inherent complexity of the CCS can make it very difficult for parents to understand what they are entitled to and their choices”<sup>77</sup>. The report found that market dynamics are producing inequitable outcomes. Providers cluster in wealthier areas where parents can pay more, while disadvantaged communities are underserved. It also

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<sup>75</sup> Department of Education, [Actions arising from special Education Ministers Meeting 22 August 2025](#).

<sup>76</sup> AERO, [Linking quality and child development in ECEC](#), 13.

<sup>77</sup> ACCC, [Childcare Inquiry - September Interim Report 2023](#), 22-23.

noted that the current system fails to differentiate costs for younger children or reflect the higher costs of delivering services in disadvantaged or First Nations communities.

The Productivity Commission made similar observations, recommending that the CCS maximum rate be lifted to 100 per cent of the hourly cap for low-income families (incomes up to \$80,000), with consistent tapering thereafter<sup>78</sup>. It also recommended establishing an ECEC Inclusion Fund from 2026 to allocate needs-based funding for children requiring additional support<sup>79</sup>.

### **Towards needs-based funding**

The case for needs-based funding is strong and has been endorsed by multiple reviews. The South Australian Royal Commission recommended both a move toward a needs-based model and differential CCS pricing to reflect the higher costs of care for younger children<sup>80</sup>. The NSW IPART review emphasised the complexity and fragmentation of existing funding streams, and highlighted the need for more flexible funding that supports occasional care and services operating outside standard hours<sup>81</sup>.

The Front Project and CPD's *Foundational Supports and Inclusion in ECEC* policy recommendations<sup>82</sup> call for flexible, needs-based funding that allocates resources according to children's needs. This would better support children experiencing disability, developmental delays, socio-economic vulnerability, trauma, and First Nations children, replacing the current one-size-fits-all model with one that reflects the diverse needs of children and communities.

## **10. Choice of care options available to parents and families**

Real choice for families in ECEC means more than increased days of access. It requires accessible, affordable, and high-quality options across all communities, supported by parental leave policies that enable families to balance time at home with access to education and care. Crucially, expanding access must never come at the expense of children's safety and quality of provision.

### **Access gaps remain significant**

While recent reforms and investment have improved access, substantial gaps persist. Mapping by the Mitchell Institute shows that the share of regions classified as "childcare deserts" fell

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<sup>78</sup> Productivity Commission, [A path to universal early childhood education and care](#), 2.

<sup>79</sup> Ibid, 3.

<sup>80</sup> Government of South Australia (2023) [Royal Commission into Early Childhood Education and Care Final Report](#), 221.

<sup>81</sup> IPART (2023) [Review of early childhood education and care final report](#), 115.

<sup>82</sup> The Front Project and Centre for Policy Development (2024) [Foundational Supports and Inclusion in Early Childhood Education and Care](#), 9-11

from 34 per cent in 2020 to 24 per cent by 2024, as more places became available<sup>83</sup>. Yet nearly 700,000 Australians still live in areas with little or no childcare access, with regional, rural, and outer-suburban communities facing the greatest challenges<sup>84</sup>. The Parenthood's "Choiceless" research found that towns with populations under 3,000, more than 450 communities nationwide, often have no centre-based daycare at all.<sup>85</sup> In remote areas, 44 per cent of children are Aboriginal and Torres Strait Islander, underscoring the need for culturally safe, community-led ECEC solutions that reflect local needs and identities<sup>86</sup>.

### **The workforce realities behind parental choice**

Most families of young children rely on ECEC to support participation in work. Nearly 70 per cent of couples with children under five have both parents employed, and one in five people who want to work but cannot cite lack of childcare as the main barrier<sup>87</sup>. From January 2026, the 3-Day Guarantee will ensure that children in need have access to at least three days of subsidised early education each week, while the Building Early Education Fund (BEEF) will expand centres in underserved communities. These measures expand family choice and begin to address inequities in availability.

### **Quality as the foundation of choice**

Families must not be forced to choose between availability and quality. Real choice requires that every option is safe and of high quality, built on both structural factors (educator qualifications, staff-to-child ratios, and resourcing) and process factors (quality of relationships, supervision, and responsive pedagogy). Expanding supply without parallel investment in workforce pay, conditions, and regulation risks embedding inequities in safety and educational outcomes.

## **11. Any related matters**

### **The case for a National ECEC Commission**

Currently ECEC system roles and responsibilities are split across Commonwealth and state and territory governments, leaving gaps in investment and accountability.

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<sup>83</sup> Mitchell Institute (2024) [Mapping the childcare deserts: Childcare accessibility in Australia](#).

<sup>84</sup> Ibid.

<sup>85</sup> The Parenthood (2024) [‘Choiceless’ The plight of parents in accessing regional, rural and remote early learning and care](#). 3.

<sup>86</sup> Ibid.

<sup>87</sup> Australian Bureau of Statistics (2024) [Labour Force Status of Families](#).

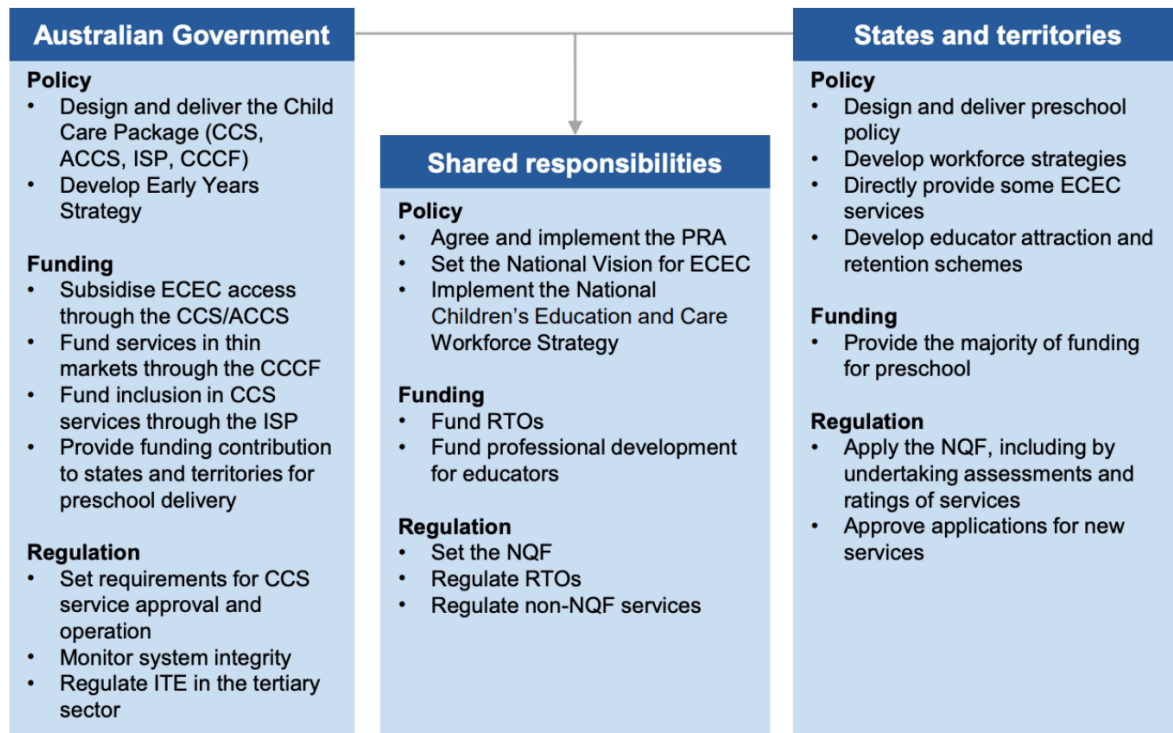


Figure 11. Current Roles and Responsibilities<sup>88</sup>

As has been noted by the Productivity Commission, the ACCC, the South Australian Royal Commission into ECEC, and many others, there is a need for much clearer division of responsibilities between states and territories and the Commonwealth.

“Achieving a universal ECEC system is a major challenge requiring governments to work together. A stewardship model – where the Australian, state and territory governments better coordinate their roles in the ECEC system and share accountability for outcomes – can address some of the challenges observed in the market, support a more cohesive policy response and steer the sector towards universal access... more should be done to improve coordination and accountability in the ECEC system and achieve a more effective model of stewardship.”<sup>89</sup>

“The September interim report recommended that a market stewardship role be considered by Australian governments. This would involve closely overseeing, and taking responsibility for, overall system functioning and coordination. This would require a clear vision and objectives, developing clear lines of responsibility, active collaboration between providers and government – including regular feedback on best practice and place-based approaches, and evaluation of outcomes.”<sup>90</sup>

<sup>88</sup> Productivity Commission, [Volume 2: Supporting papers – A path to universal early childhood education and care](#), p587.

<sup>89</sup> Productivity Commission, *A path to universal early childhood education and care*, 50.

<sup>90</sup> ACCC, *Childcare Inquiry*, 233.

“...this Royal Commission urges the Commonwealth Government to engage in constructive intergovernmental discussions on a national settlement of roles and responsibilities in early childhood education and care. In this report, the Commission gives a broad outline of how to define these roles and responsibilities. A national settlement would be in the interests of all governments, now and in the future, the sector, families and children.”<sup>91</sup>

The Front Project’s Case for System Stewardship in Australia’s ECEC System<sup>92</sup> argues that fragmented governance limits the effectiveness and quality of ECEC.

System stewardship provides an opportunity to improve the health, performance, and efficiency of the ECEC system by uniting the sector towards common goals. It enables better coordination of roles, responsibilities, and levers across different levels of government and sector participants. This approach recognises the complexity of the ECEC system and emphasises the need for long-term, adaptive oversight that can respond to changing needs. By aligning roles, responsibilities, and incentives across the system, stewardship can improve quality, equity, and sustainability, ultimately ensuring better outcomes for children, families, and the workforce.

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<sup>91</sup> South Australia (2023) [Royal Commission into Early Childhood Education and Care, Final Report](#), 42.

<sup>92</sup> The Front Project (October 2022) [The case for system stewardship in ECEC](#), 2.

## Recommendations

### 1. Embed child safety across the system

Governments should ensure that child safety is systematically embedded throughout the ECEC system. This must include:

- Strengthening regulatory oversight with more frequent, risk-based, and unannounced inspections. The recent commitment to increase spot checks is welcome and should be strategically targeted based on compliance history and service ratings, with follow-ups, targeted support, and strong enforcement where gaps are identified,
- Embedding child safety into governance and leadership accountability, ensuring boards and management carry explicit responsibility for child safety outcomes, with transparent reporting and regulatory and funding consequences, and
- Resourcing the workforce with funded time and training in child safety. The rollout of mandatory national child safety training for all ECEC staff from 2026, with backfill funding, is a critical step forward and should be fully integrated into induction and ongoing professional learning.

Together, these measures would move commitments beyond compliance on paper to create a culture of accountability and practice that prioritises children's safety in every service, every day.

### 2. Strengthen national stewardship and settlement of roles and responsibilities

Governments should commit to stronger national stewardship, with clearer Commonwealth accountability not only for co-funding but also for ensuring a consistent baseline of safety and quality across all jurisdictions. This must include:

- A national settlement of roles and responsibilities between the Commonwealth, states, and territories to provide clarity, to support and shepherd reform implementation, and ensure shared accountability for outcomes,
- The design of a transparent, needs-based funding model for ECEC, informed by Service Delivery Price work, to ensure resources are distributed fairly across diverse communities and service types, and contribute to quality and safety uplift,
- Joint compliance monitoring and shared regulatory data,
- Mechanisms for consistent, cross-jurisdictional information sharing so poor performers cannot avoid scrutiny by moving between states or territories, and
- A national data linkage project connecting quality ratings, regulator enforcement records, Child Care Subsidy data, workforce census information, and child outcome measures.

System stewardship provides the overarching framework for these measures. By establishing clear lines of responsibility, shared objectives, and coordinated use of regulatory and funding

levers, governments can steer the sector towards universal access and improved outcomes for children, families, and the workforce.

### **3. Invest in quality improvement - fill the 'missing middle'**

The Commonwealth should establish a national quality improvement program that would:

- Provide targeted mentoring, coaching, professional learning, and leadership development, particularly for services with repeated Working Towards ratings or those serving disadvantaged communities, and
- Balance the system's focus from compliance-driven inspection to constructive, capacity-building support,
- Ensure quality improvement supports inclusive practice, with tailored mentoring and training for services and educators supporting children with disability, developmental delay, or additional needs.

By filling this "missing middle," the program would help all services strengthen practice, stabilise their workforce, and embed continuous improvement, ensuring quality uplift is systematic, not left to chance.

### **4. Strengthen workforce quality, retention, and stability**

Government should focus its efforts on workforce reforms that recognises pay, conditions, stability, and safety as interconnected. This should include:

- Supporting retention and stability through targeted incentives, structured induction, and funded mentoring for new staff, with mandatory child safety training embedded into professional learning,
- Reducing reliance on staffing waivers by investing in educator supply pipelines. For example scholarships, supported trainee pathways, and targeted improvement support for services reliant on waivers,
- Enhancing workforce data by linking existing datasets (Safe Work injury data, ACECQA NQF workforce data, the National ECEC Workforce Census, and job vacancy data),
- Lifting employment standards by ensuring pay and conditions are fully recognised in service pricing, moving beyond short-term supplements to structural, sustainable reform that reflects the safety-critical nature of the role,
- Supporting and expanding multi-employer bargaining so smaller and not-for-profit services can deliver secure, above-award conditions, and
- Embedding workforce pay and stability into child safety regulation, consistent with evidence that better workforce conditions directly improve safety and quality.

Taken together, these reforms would reduce turnover, lessen dependence on waivers, stabilise the workforce, and ensure every child experiences safe, high-quality education and care.

## **5. Invest in regulatory capacity and resourcing**

Restore and maintain national funding to ensure regulators are properly resourced for proactive, risk-based oversight. Funding should be secure, ongoing, and scaled to sector growth and complexity, avoiding one-off allocations that undermine capacity.

Adequate resourcing will allow regulators to conduct timely investigations, frequent unannounced visits, and provide services with both enforcement and guidance.

We welcome the recent announcement of \$189 million from the federal government and a combined \$130 million from states and territories for recently announced safety reforms.

## **6. Strengthen market entry and oversight**

Governments should strengthen market entry and oversight to ensure that only providers with strong governance, financial probity, and compliance records are approved to operate. We commend government's strengthened compliance and enforcement provisions introduced under the Family Assistance Law reforms.

This must include:

- Implementing a robust “fit and proper person” test that considers governance structures, financial history, and related entities to prevent poorly performing providers re-entering the market under new names,
- Supporting the recent Family Assistance Law reforms by linking access to the Child Care Subsidy with minimum expectations for child safety, workforce stability, and service quality. Providers that persistently operate at Working Towards, consistently breach regulations, or rely heavily on staffing waivers should face closer monitoring, additional conditions, or restrictions on subsidy eligibility, and
- Ensuring provider approvals explicitly assess track records across jurisdictions.

Together, these measures would ensure that market entry is rigorous, oversight is ongoing, and public funding supports only providers that deliver safe, high-quality services.

## **7. Address inequities in supply through the Building Early Education Fund and supply-side funding**

Governments should use the Building Early Education Fund and supply-side funding to strategically expand access in disadvantaged, regional, and underserved communities. This means:

- Directing investment to correct market imbalances, where supply has concentrated in wealthier areas,
- Accelerating rollout in childcare deserts and thin markets (including towns under 3,000 people where no services exist),

- Prioritising culturally safe, community-led services in remote and First Nations communities, and
- Ensuring funding is directed towards providers with a demonstrated track record of delivering safe, high-quality services, so public investment lifts standards rather than entrenching poor practice.

This targeted approach would ensure that the children most at risk of missing out gain equitable access to safe, high-quality early learning.

## **8. Invest in ACCO-led integrated early years services**

Government should commit to leading the design and implementation of a national, systemic, and sustainable funding model for Aboriginal Community Controlled Organisation (ACCO)-led integrated early years services, in partnership with states, territories, and Aboriginal and Torres Strait Islander people. This is essential to achieving equitable access, strengthening child safety, and embedding cultural responsiveness across the ECEC system.

Adopting the recommendations of SNAICC<sup>93</sup> the funding model should:

- Ensure equity of access and coverage by incorporating block- and needs-based funding for all components of service delivery,
- Provide long-term safety and stability for children and families by delivering funding certainty for ACCOs, with flexibility to adjust allocations to changing community needs and inflation,
- Embed accountability and transparency by including dedicated allocations for base funding entitlement (core services and “glue”) and flexible funding (community-designated services), scaled in alignment with population size, remoteness, and vulnerability,
- Support governance and workforce capacity by explicitly and systematically provisioning for backbone functions that underpin safe, high-quality service delivery, and
- Strengthen long-term sustainability by pairing recurrent funding with a framework for infrastructure planning and investment to expand ACCO-led services in response to unmet needs and coverage gaps.

Fragmented, short-term, and competitive funding undermines quality and safety in the ECEC system for Aboriginal and Torres Strait Islander children and families. A national commitment to ACCO-led integrated early years services would deliver stable, culturally safe, and responsive provision, ensuring First Nations children and families experience the same levels of safety, quality, and opportunity as all children across Australia.

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<sup>93</sup> SNAICC (2024) [Funding model options for ACCo integrated early years services, Final Report](#).

## **9. Strengthen family transparency and engagement**

Governments should enhance transparency and engagement with families by:

- Promoting the new information available on Starting Blocks to families, ensuring they are multilingual, accessible, and linked with government touchpoints where families already engage,
- Mandating regulator performance reporting against nationally consistent indicators, including visits, enforcement actions, complaints, and progress on quality objectives,
- Making NQF ratings clearer and more meaningful for families by highlighting what matters most, such as educator-child interactions, safety, and staff stability and ensuring timely updates, and
- Strengthening complaints and feedback pathways through simple, multilingual processes, with public reporting on complaints received and resolved.

Together, these measures would give families the information and voice they need to make informed choices and act as genuine partners in safeguarding quality and safety.