



NSW LEGISLATIVE COUNCIL INQUIRY INTO EARLY CHILDHOOD EDUCATION AND CARE

JOINT NOT-FOR-PROFIT SUBMISSION
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About us

Acknowledgement of Country

We acknowledge the Traditional Custodians of the lands on which we live, learn, work and play. We pay our deepest respects to Elders past and present, and recognise the enduring connection of Aboriginal and Torres Strait Islander peoples to Country, culture, and community.

As leaders of not-for-profit organisations committed to equity, inclusion, and reconciliation, we honour the strength and wisdom of First Nations peoples and acknowledge their vital role in shaping a fairer and more just Australia.

We commit to walking together in partnership with Aboriginal and Torres Strait Islander communities, guided by respect, truth, and a shared vision for the future.

Executive Summary

As five of New South Wales' most trusted not-for-profit early childhood education and care (ECEC) providers, with more than 330 services supporting tens of thousands of children and families in New South Wales every year, we are pleased to contribute to this important Inquiry.

Between us, we represent 394 years of continuous service to NSW communities - delivering inclusive, high-quality education and care. We each have unique histories and insights to share with the Committee – from the oldest KU Children's Services which has been trusted by families in NSW for over 130 years, to the newest Goodstart Early Learning – which has turned around quality performance since forming 15 years ago following the collapse of Australia's largest for-profit provider, ABC Learning. Together with SDN Children's Services, Gowrie NSW and Big Fat Smile, we reflect the breadth and evolution of the not-for-profit early learning sector in NSW with innovative thinking and investment in design of new programs and systems we have developed over time becoming core features of the current ECEC ecosystem.

Table 1. Overview of Submitting Organisations (See also 'About Us')

Organisation	Number of Services	Years of Operation	% Exceeding NQS	% Meeting or Exceeding NQS	# Significant Improvement Required in history
KU Children's Services Preschool & Long Day Care ¹	116	130 years	73%	100%	Nil
SDN Children's Services Group Preschool & Long Day Care	26	120 years	48%	100%	Nil
Big Fat Smile Preschool, Long Day Care & Outside School Hours Care.	35	44 years	83%	100%	Nil
Goodstart Early Learning – Preschool & Long Day Care	133 NSW/ 646 National	15 years	44%	99%	Nil
Gowrie NSW Preschool, Long Day Care & Outside School Hours Care	19	85 years	60%	100%	Nil

Our organisations are often working with children and families well before enrolment in approved services, via playgroups and supported outreach programs, and we continue that connection all the way through to supporting successful transitions into formal schooling. As enduring community-based providers, we also play a vital advocacy role - elevating the voices and needs of children, families and educators in policy and decision-making processes.

This Inquiry represents a critical opportunity to reflect on what is working in the ECEC system, where there are gaps, and how we can better deliver on our shared goal of ensuring every child and family in NSW can access early learning that is safe, inclusive, and establishes the foundations for lifelong learning. We recognise the need for effective regulation that delivers outcomes for children and that meets community and Government expectations.

Our submission reflects our deep commitment to children and families and our direct experience operating within a system that is increasingly under pressure. The National Quality Framework (NQF) - one of Australia's great

¹ In NSW preschool may be provided as a community service, often following school term times (also known as sessional preschool); and it is also provided within long day care settings for up to 52 weeks per year. In response to family demand, our services also offer a number of hybrid models with longer days and 40 – 48 weeks per year. These services attract different rates of Start Strong Preschool funding under NSW Government guidelines, with long day care preschool settings also attracting Commonwealth Child Care Subsidy.

social policy achievements - is no longer being implemented as intended and the composition of the sector is changing. Regulatory authorities are facing unsustainable workloads, with assessment and compliance activities stretched, support for quality improvement diminishing and a shrinking proportion of not-for-profit and community-controlled providers. This is compromising both the integrity of the NQF and public confidence in the system.

We hope this Inquiry is the catalyst for New South Wales to re-commit to the original objectives and intended outcomes of the NQF and provide additional investment to improve ECEC regulation in pursuit of safe, high quality and inclusive ECEC that meets the expectations of families and taxpayers alike.

This submission makes 16 specific recommendations for the Committee to consider (summarised on the following pages) and presents insights and evidence against the Terms of Reference.

As committed not-for-profit providers, we are ready to work in partnership with Government to help deliver a more equitable, higher-quality ECEC system - one that delivers on the vision of the NQF and meets the needs and expectations of children, families, and communities across New South Wales, keeping child safety at the forefront of everything we do.

We would welcome the opportunity to meet with the Committee to further discuss the insights and recommendations outlined in this submission and support the important work of this Inquiry.



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Chief Executive Officer
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Children's Services
Since 1895



Kay Turner
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Nicole Jones
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Kim Bertino
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Recommendations Summary

RECOMMENDATION	Related ToR
SECTION 1 - Quality, Safety and Public Confidence in Regulation	
<p>1. Fully fund regulation of the National Quality Framework (NQF) as intended, noting this would meet community expectations for safety and quality.</p> <p>Investment in regulatory implementation must match the public's expectations for safety, quality and accountability in early childhood education. NSW should review the original objectives, including timeframes for assessments and responses and establish a sustainable funding model that meets those objectives and keeps pace with sector growth and complexity. This includes returning to full assessments at least every three years, more frequently for services not meeting the standard and appropriate investment in quality improvement and compliance action.</p>	A, B, D
<p>2. Strengthen the capacity and capability of the regulatory system by focusing investment where it is needed.</p> <p>Additional funding should be directed toward enhancing the capability and capacity of the regulatory authority to:</p> <ul style="list-style-type: none"> a) Ensure timeframes for Assessment & Ratings and compliance activities outlined in the National Law are met, and that the tiered response model is implemented as intended. b) Support continuous quality improvement through an appropriately trained and suitably qualified regulatory workforce and support for services. c) Enshrine children's right to inclusion in the legislative framework including: improve inclusion at a whole of centre level to deliver on the objectives outlined in the Early Years Learning Framework, and to support individual children's access and participation in ECEC. d) Work with trusted providers to co-design, develop and test approaches to data-driven, risk-based regulation and reporting. (see linked recommendation 5). e) Provide sector stewardship by monitoring and managing new entrants and expansions of services through more effective planning and regulatory oversight. f) Play a leadership role nationally to identify areas for stronger cross-jurisdictional consistency and leadership. g) Actively promote a reporting culture across the whole sector. 	B, D, E, F, H, I
<p>3. Support families to better understand and have confidence in the regulatory system.</p> <p>This includes:</p> <ul style="list-style-type: none"> a) Implementing a communications campaign for families and the community generally focused on both the positive aspects of ECEC in language familiar to parents, and explaining in simple terms the approaches to safety and regulation - using contemporary communication channels and approaches (e.g. social media / influencers). b) Using data to give families confidence in the sector (see linked Recommendation 5) c) Increasing awareness of the NQF by placing a positive obligation on services to notify families of Assessment & Rating results, similar to the system in place in the UK and which was recommended by IPART. d) Strengthening post-incident governance and communication with families. 	A, D, F, E
<p>4. Apply stronger enforcement actions to non-compliant providers</p> <p>The Regulator should be empowered to escalate enforcement actions more swiftly and consistently in cases of persistent or serious non-compliance. This includes earlier use of show cause notices, emergency actions, and suspensions where risk to children is identified. Stronger, more visible enforcement is essential to deter unscrupulous behaviour and uphold public confidence in the regulatory system. <i>(Note: We acknowledge this is being considered through the Regulator's current review of its risk appetite.)</i></p>	D, E

5. Work directly with high-performing providers and the broader sector to strengthen national and state-level data systems and reporting - improving data quality, transparency, and usefulness for families, and supporting risk-based regulatory practice. This should include:	A, B, F
<ul style="list-style-type: none">a) Working with high performing approved providers to consider how data quality and representation can be improved and then meaningfully published and communicated, with mechanisms for regular feedback loops.b) Investigating providers that appear to be under-reporting compared to statistically similar services.c) Engaging with the sector in a detailed co-design process to ensure data is presented in a way that is meaningful for families, with consideration of unintended consequences before progressing with public-facing reforms.	
6. Champion the establishment of a new National ECEC Commission	B, D, F, H
NSW should advocate for and participate in the creation of a National Early Childhood Education and Care Commission, as recommended by the Productivity Commission. This body should have responsibility for: <ul style="list-style-type: none">a) National-level data analysis and oversight of system performance.b) Leading national reforms in areas such as Working with Children Checks and other regulatory safeguards.c) Stewarding supply and infrastructure planning to limit the growth of unscrupulous providers, ensure services meet demand and community expectations around quality, safety and inclusion.	
SECTION 2 – Inclusion and Support for Children with Disability	
7. Articulate the commitment to inclusion for all children in the legislative and regulatory framework. This should include:	I
<ul style="list-style-type: none">a) An explicit overarching legislative commitment of the right of all children to be included in ECEC in the National Lawb) Embedding a Service Inclusion Plan as part of the Quality Improvement Planc) Applying the Disability Standards for Education to ECECd) Ensuring funding is available for services to effectively meet these obligations (See Recommendation 2).	
8. Support inclusive providers to expand through the granting of new service approvals.	I, H
Government investment should prioritise the growth of providers with a demonstrated commitment to and track record of delivering inclusive ECEC. For example, in granting new service approvals the Department should consider the capability of a provider to be inclusive, and, where they are an existing provider - their record of providing inclusive services over time.	
9. Strengthen capability for inclusion.	I, A, B
Introduce a NSW-wide inclusion funding stream for ECEC, modelled on Victoria’s School Readiness Funding and Queensland’s Kindy Uplift, that enables services to build workforce capability and implement service-level improvement plans to support inclusion. Embedding inclusion-focused professional learning and allied health access into these models is key to ensuring impact.	
10. Continue expanding programs to embed developmental screening in ECEC	I, A, B
NSW should continue expanding access to developmental screening in ECEC services and connecting children and families to timely allied health and other supports.	
11. Establish a dedicated office to advocate for children and parents excluded from ECEC	I, D
Consistent with the Recommendation of the 2024 Parliamentary Inquiry into Children and Young People with Disability in Educational Settings – create a dedicated office to support parents of excluded children, enabling them to report exclusionary practices as clear breaches of the NOF.	

SECTION 3 – Sector Composition and Stewardship

12. The NSW Government and Regulator should play a strong role in shaping the composition of the ECEC sector using both regulatory and funding levers. This should include: **H**

a) **Introducing stronger regulatory controls on sector entry and expansion**

The Regulator needs powers to assess and approve new service entrants based on demonstrated quality, inclusion capability, and local community need. This should include a requirement that providers applying to open new services must have achieved a *Meeting* rating or higher at a minimum of 95% of their existing services.

b) **Supporting the targeted growth of not-for-profit services**

Capital and recurrent funding incentives to expand the footprint of not-for-profit services, particularly in underserved or low-SES areas with fit-for-purpose grant cycles and administration. This should include consideration of organisational and centre-level supports, recognising that a one-size-fits-all funding model can limit the sustainability and impact of NFP-led expansion.

c) **Embedding deliberate, data-informed supply planning to improve equity and sustainability**

Introduce a transparent approach to managing ECEC supply that ensures high-quality services, including public preschools, are located where they are most needed, and that oversupply does not undermine the viability of high-quality providers. This should begin with a public map of supply and demand by geography, service type and ages served.

13. Refocus CEOF investments to directly address supply gaps, affordability barriers, and workforce challenges in line with findings of the Independent Market Monitoring Report. **H**

Funding should prioritise expansion by high-quality not-for-profit providers and enable access to grants and low-interest loans where appropriate. Transparency around this funding should be supported via the public release of the statutory Strategic Investment Program associated with the Fund.

SECTION 4 – Workforce Safety and Conditions

14. Invest in sector-wide wage improvements and workforce retention **C**

The NSW Government should work with the Commonwealth to align with national workforce plans and ensure parity of pay and conditions between ECEC educators and school teachers for all early childhood service types, without increasing costs to families or providers.

15. Build a sustainable pipeline of educators and early childhood teachers through expanding TAFE and university pathways with: **C, G**

a) Continued free and subsidised Cert III and Diploma training

b) Fast-tracked Scholarships and scaffolded university pathways for educators to become teachers — like the University of Wollongong and Australian Catholic University models — that allow educators to complete practicums in their own services, removing key financial and logistical barriers.

c) Paid placement models and local training incentives, particularly in rural and regional NSW

16. Improve training quality and access **G**

Partner with high-quality RTOs and employers to strengthen practicum standards, ensure consistent trainer quality, and monitor attrition/completion data. Consider requiring demonstration of placement capacity before new RTO approvals.

I. Quality, safety and public confidence in regulation

This section addresses the intersecting issues of safety, quality, regulation and the use of available data, as captured by Inquiry Terms of Reference (a), (b), (d), (e), and (f).

NSW has a long, proud history of providing high-quality early childhood education and care, but recent failings demonstrate the need for more action to ensure the safety, health and wellbeing of children.

NSW has long been a national leader in early childhood education and care (ECEC). The State was the first to ensure children from birth to 5 in all ECEC settings had programs delivered by two early childhood teachers. It has a strong 130+ year history of serving children and families through preschool and long day care and introducing other programs to meet the changing needs of communities.

The National Quality Framework (NQF) built on many of the strengths of the NSW ECEC system and remains one of Australia's pinnacle achievements in early learning – creating an internationally recognised model for quality, safety and continuous improvement. But the system designed to uphold and implement this framework is under serious strain. Without targeted investment and reform, the capacity of the Regulator to meet public expectations, support the workforce and protect children's safety and wellbeing is at risk.

At the heart of the challenge, we believe, is a mismatch between the scope of the regulatory ambition and the investment, resources, data and powers needed to deliver it.

With our youngest citizens entrusted to our care, and billions of dollars in taxpayer investment supporting the system, families and the community rightly expect high standards from early childhood education and care services — and from the regulator that oversees them. To build and maintain the trust of families and the community, they expect:

- To have confidence that their children are safe, and their learning, development and well-being needs will be met
- That services and regulators learn from mistakes at an individual service level, and across the entire system
- That the regulator will act swiftly if something isn't right, or if a provider is acting in an unscrupulous way
- Clear, transparent and timely communication about incidents involving their child, or issues at their ECEC service.

Governments make significant investments in ECEC to both support parents work force participation but also to improve learning and development outcomes for children. We know that this investment pays dividends when quality standards are met – there is now robust longitudinal Australian evidence of the positive difference quality ECEC makes to children's outcomes.² This study also shows that services rated Exceeding are most effective at closing vulnerability gaps for children, meaning they are more likely to start school with the skills and capabilities they need to be successful.

The ECEC sector in NSW has a strong foundation to build from and in many ways is the envy of the rest of the nation. Historic requirements for higher ratios of early childhood teachers (ECTs) than other jurisdictions, and for

² Australian Education Research Organisation (2024). *Linking quality and child development in ECEC: Research summary*. <https://www.edresearch.edu.au/sites/default/files/2024-06/linking-quality-and-child-development-in-ecec-research-summary-aa.pdf>

ECTs be present “at all times” (not just core hours) means services have professional capability embedded in the operating model. This alignment between teacher presence and quality is supported by research. High staff qualifications, especially among teachers, are strongly correlated with better cognitive and socio-emotional outcomes for children.³ Moreover, workforce stability enhances continuity in relationships and attachment for young children, which is foundational to early development.⁴

As quality NFP providers with almost 400 years of collective history and expertise in meeting children and families learning, inclusion and care needs we stand ready to support this process with a view to delivering more investment and effective regulation in the best interests of children in NSW.

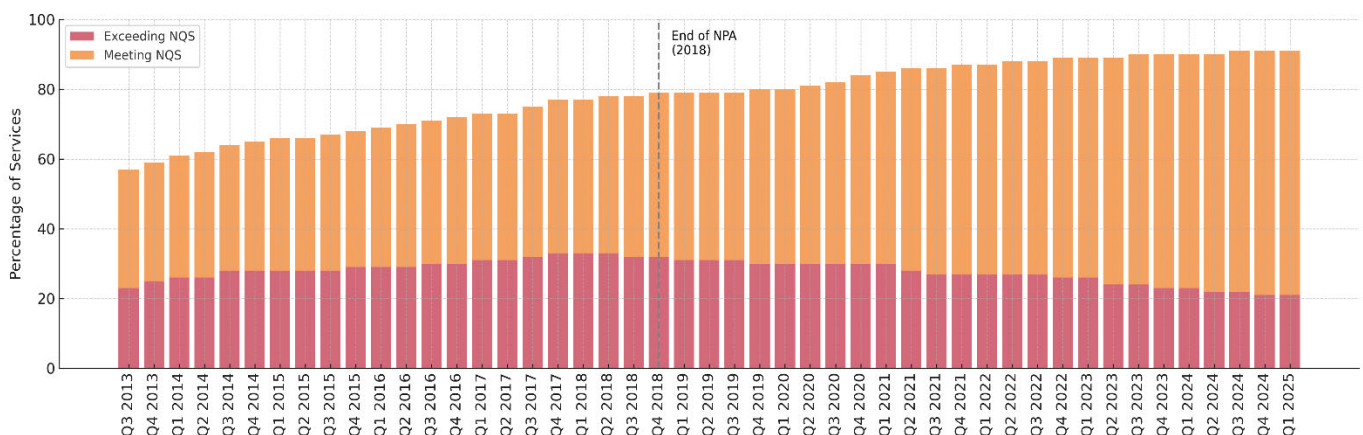
The NQF has a dual purpose of driving quality improvement to improve children’s learning outcomes and ensuring compliance with minimum standards, but the focus on quality improvement has been diminishing.

The National Quality Framework has two essential but related objectives: driving continuous quality improvement, championing excellence across the sector and ensuring compliance with minimum standards to identify and rectify poor practice and failures.

NSW has historically led the way, with a Regulator that provided meaningful support for services on their quality improvement journeys, particularly those striving to achieve ‘Exceeding’ ratings. Educators and leaders take immense professional pride in achieving these ratings, and the Assessment and Rating (A&R) process has provided a useful framework to improve quality and professional capability across the sector.

The proportion of long day care services in NSW and Australia assessed as Meeting or Exceeding the NQF followed a steady trajectory of improvement from 2013 to 2018.

Graph 1. % Long Day Care centres in Australia assessed as Meeting/Exceeding the NQF⁵



³ Tayler, C. (2016). The E4Kids study: Assessing the effectiveness of Australian early childhood education and care programs. Melbourne Graduate School of Education, University of Melbourne.

Available at: https://education.unimelb.edu.au/data/assets/pdf_file/0005/2310907/E4Kids-Final-Report-30-October-2016.pdf; and Slot, P., Leseman, P., Verhagen, J., & Mulder, H. (2015).

Associations between structural quality aspects and process quality in Dutch early childhood education and care settings. *Early Childhood Research Quarterly*, 33, 64–76. Available at: <https://doi.org/10.1016/j.jecresq.2015.06.001>.

⁴ OECD. (2018). *Engaging Young Children: Lessons from Research about Quality in Early Childhood Education and Care*. OECD Publishing, Paris. Available at <https://doi.org/10.1787/9789264085145-en>

⁵ ACECQA (2025). NQF Snapshot Q1 2025. Australian Children’s Education & Care Quality Authority. Available at: <https://www.acecqa.gov.au/nqf/snapshots>.

However, while overall ratings have improved, the rate of improvement plateaued in 2018 coinciding with the cessation of Australian Government investment in the implementation of the NQF.⁶ This graph also shows that over time, the proportion of services achieving an Exceeding rating has declined—possibly reflecting a shift towards partial assessments, less feedback provided to help centres achieve an Exceeding rating, and changes in regulatory practice. The result can be demoralising for a workforce committed to quality improvement. There is a sense sometimes that the sector is moving away from a system designed to support growth and improvement, and towards one focused solely on catching failures.

At the same time, services that repeatedly fail to meet the minimum standards are still allowed to operate, sometimes for more than a decade.⁷ The recent Productivity Commission report called for regulatory authorities to take compliance action against providers that repeatedly fail to meet minimum quality standards.⁸ We support this approach.

The NQF is not being implemented as intended, and it appears this is due to a lack of investment.

Between 2019 and 2024, the number of ECEC services in NSW grew by 9.4%, yet the number of quality assessments carried out fell by 8.4%.⁹ This suggests that resourcing of the regulator has not kept up with growth in the sector. We are concerned that regulatory workloads have become unsustainable, and that the Regulator is triaging resources across compliance activity, assessment, and quality support—with compliance rightly prioritised, but quality uplift and sector improvement negatively impacted as a result.

The NQF was designed to ensure that all services would undergo a comprehensive, independent Assessment and Ratings process every three years, with full assessments and feedback provided across all 7 Quality Areas, for services exceeding the standard. Services rated as Working Towards were to be reviewed annually—a key safeguard in a system that aims to drive continuous improvement and ensure children attend services that meet community and Government expectations. Services rated as Significant Improvement Required demand the most intensive regulatory oversight, including urgent follow-up and sustained support to address serious quality failures.¹⁰ The A&R process is then complemented by operational regulatory requirements for compliance activities and incident reporting by services. **As large NFP providers in NSW, we strongly support a return to this vision.**

Following the cessation of funding from the National Partnership Agreement on the NQF, large NFP providers have observed that state-based regulatory authorities have been forced to compromise between these two essential activities.

⁶ The National Partnership Agreement on the National Quality Framework provided approx. \$48.7 million in funding from the Australian government to New South Wales to support the implementation of the National Quality Agenda, including the national ratings and regulatory system until it was abolished in 2018.

⁷ Gabrielle Meagher and Marianne Fenech, "Amid Claims of Abuse, Neglect and Poor Standards, What Is Going Wrong with Childcare in Australia?" *The Conversation*, May 28, 2025. Available at: <https://theconversation.com/amid-claims-of-abuse-neglect-and-poor-standards-what-is-going-wrong-with-childcare-in-australia-252493>.

⁸ Productivity Commission. (2024). *A path to universal early childhood education and care: Inquiry report*. <https://www.pc.gov.au/inquiries/completed/childhood/report>

⁹ ACECQA (2025).

¹⁰ ACECQA's Guide to the NQF makes clear that regulators are expected to work closely with providers in these cases to ensure urgent improvements. But this level of engagement is highly resource-intensive—and without adequate investment, the ability of the Regulator to respond decisively could be compromised.

The A&R process has been diminished both in terms of timeliness and comprehensiveness:

- 27% of services in NSW have not been assessed for more than four years, including 11 services previously assessed as Working Towards. 88 Working Towards services have an assessment more than 2 years old.¹¹
- Partial assessments are now common in NSW, meaning some services are only assessed against two of seven quality areas.

This partial assessment approach appears to have been adopted as a way to meet A&R targets and visit more services in less time, but has serious negative consequences for the integrity of the overall regulatory system including:

- Failure to assess all quality areas robs the regulator, the service and families of a true picture of overall service quality
- Creating an over reliance on compliance focused quality areas and notifications (namely quality area 2 and 4) means the A&R visits are being used more as compliance spot checks
- Centre teams that have been striving to achieve an Exceeding standard don't have the opportunity to reach that goal
- Services that were once Exceeding can unfairly retain their Exceeding rating – even if quality has diminished.
- Sending a message to unscrupulous providers that they don't need to meet minimum standards or focus on all 7 Quality Areas.

The effectiveness of the NQF also depends on the skills and stability of the Regulator's own workforce.

The most effective systems are supported by Authorised Officers (AOs) who bring both a strong understanding of early childhood education and care and best-practice approaches to regulation. For example, in line with the Quality Improvement objectives, AOs need to have appropriate qualifications and skills to identify Exceeding Themes; and make assessments about the quality of pedagogy being delivered. Like other jurisdictions, it appears that NSW has experienced high turnover among AOs, which can impact continuity and consistency in regulatory practice. We can report that we have experienced variability in assessment approaches and interpretation, which may reflect the challenges of training new staff in a complex and fast-moving environment.

We understand that other states have made recent investments in AO capability frameworks and sector-informed induction programs, and we would welcome the opportunity to engage with the Regulatory Authority on similar efforts to support consistency, confidence and quality in regulatory engagement in NSW.

Finally, in responding to recent, deeply concerning reports of provider misconduct, it is entirely appropriate that governments and the public expect urgent action to strengthen oversight and protect children. However, it is equally important that these efforts do not come at the cost of losing experienced and skilled regulatory staff who are central to the effectiveness of the system. Many of these individuals have built strong professional relationships with services, possess deep sector knowledge, and carry vital institutional memory. Their continuing work is essential to ensuring both accountability and quality improvement. As reforms are considered, we urge a measured approach that supports capability uplift while valuing and retaining the professional expertise already within the Regulator's workforce.

¹¹ ACECQA (2024). NQF Snapshot Q4 2024. Australian Children's Education & Care Quality Authority. <https://www.acecqa.gov.au/nqf/snapshots>.

The system relies on having a strong child safe culture, including a culture of reporting however, these approaches are not embedded across all services creating challenges.

A strong culture of reporting is essential for regulators to operate effectively. Where incidents are not reported, the regulator relies on external complaints to know when and where to investigate.

NSW has one of the strongest investigation functions in the country, but the integrity of the system relies on a strong reporting culture to drive improvement and learning within services, and to inform the regulator about where they need to focus their efforts.

As large not-for-profit providers we have made significant investments and set expectations over many years in each of our services to ensure:

1. there is a strong culture of reporting and transparency
2. a focus on action, rectification and continuous improvement
3. a learning mindset and appropriate internal governance processes - so when incidents happen, or trends emerge - we learn from them and act – at the service and at a whole of organisation level.

However, it's important to note, that providers that do not share this commitment, or who might deliberately foster a culture of *not reporting*, 'it's not that serious – we don't need to report it' won't be on the Regulator's radar.

The way the regulation works in practice now, actively discouraging reporting is an effective way to avoid scrutiny. An unintended consequence of the current approach is that, even with sophisticated risk-based profiling, it may inadvertently reward opacity over transparency, potentially undermining public confidence and child safety.

High quality providers, including large not-for-profits, have strong internal governance and processes to reinforce a child-safe culture, to prevent, identify and respond to incidents, ensure minimum standards are met, and apply lessons learned.

There are opportunities to better share what is working well with a view to whole-of-sector quality improvement. As high-performing large not-for-profit providers we continue to invest in quality because we know it makes a difference to children's outcomes. Similarly, we invest in strong governance across our networks to monitor performance, manage risk and support our teams.

Even in the absence of full assessments or regular feedback from the regulator, we maintain robust internal systems to uplift quality, including professional practice teams, pedagogical leadership, peer coaching models and internal assessments against the NQS. We also have comprehensive approaches to respond swiftly when something does go wrong and ensure we are meeting our regulatory obligations as well as meeting the needs of children and families. For example:

- We go beyond minimum requirements, encouraging staff to raise concerns (e.g. Goodstart and Big Fat Smile's "Look, Do, Tell" framework and its Goodcall hotline: SDN's "Plan, Do, Check, Act Child Safeguarding framework and SDN Incident line) and embedding learning approaches into the post-incident processes.
- All members of KU, including the Board, are required to sign the KU Child Safe and Wellbeing Code of Conduct each year and to undertake regular child safe training. KU staff are aware of KU's "See/Do/Tell" expectation ensuring other staff step in to protect the child if an inappropriate interaction occurs. Before appointment, all staff are required to sign that they understand and will comply with KU's Child Safe and Wellbeing Statement of Commitment to Children.
- Robust internal governance mechanisms that support service leaders in responding transparently to incidents, communicating with families, and applying lessons learned.

- Adherence to the National Model Code, with many of the recommendations already implemented across the organisations.

We do this not because regulation demands it, but because children deserve the very best and we recognise it is an effective way to ensure lessons are learnt and good practice is embedded across a distributed network of services. We would welcome the opportunity to share our approaches to culture, incident response and governance post-incident with the Committee.

There is good evidence that investing in quality will also have a positive impact on safety results.

Data shows that higher-quality services are safer services - ACECQA has found that services rated Working Towards the NQS have breach rates five times higher than those rated Exceeding.

Not-for-profit (NFP) providers are three times more likely to Exceed the safety standard (2.2), and nearly twice as likely to meet every element of supervision and incident management.

These figures reflect the ongoing investment in educator training, child safety systems, and quality assurance that NFP providers are more likely to make.

There is an opportunity to partner with high-quality providers to develop smarter use of data to drive improvement and public confidence.

Australia's ECEC system is highly regulated – yet, despite best efforts, the way safety and quality data is collected, interpreted, and shared is inconsistent and sometimes misleading. Compared to schooling, health or disability services, there are significant limitations in how ECEC data is gathered, evaluated and communicated and this is an area that the sector is keen to improve in collaboration with Governments.

There is an opportunity for smarter, more coordinated use of data to drive quality improvement, increase transparency, and build public confidence. This work is complex, however, as high quality and trusted providers we stand ready to work in collaboration with governments reconsider how we could better use data to support regulation and communication with families.

Families need data they can trust and understand

Families should feel their children are safe in ECEC – and the evidence shows they are. But public confidence can be undermined by the absence of accessible, contextualised data. Data from the Australian Institute of Health and Welfare (AIHW) shows that children aged 1–4 are the most injury-prone of any age group in Australia, but only a small proportion of these injuries occur in ECEC services:

- In 2021–22, there were more than 168,000 emergency department presentations for children aged 0–4.
- The vast majority of these presentations (74%) related to injuries which occurred in the home.
- Less than 8.5% of injuries in children aged 0–4 are associated with ECEC services – assuming every reported ECEC serious incident led to an ED visit (which is likely to be an overestimate).
- By contrast, 23% of injuries in children aged 5-9 occur at school.¹²

Put simply quality early learning services are not only improving children's learning and development outcomes – they are amongst the safest places a child can be. But current reporting systems do not make it easy for families to compare safety across services or to understand the relative seriousness of reports to the regulator. “Breaches” includes a wide range of issues from minor administrative compliance issues to matters requiring serious formal

¹²AIHW (2024) Injuries in Children and Adolescents 2021-22, Available at: <https://www.aihw.gov.au/reports/injury/injuries-in-children-and-adolescents-2021-22/contents/about>

directions. Similarly, annual reporting on serious incidents also fails to clarify that most incidents are not the result of service failures—but reflect the realities of caring for young, injury-prone children. Furthermore, there is limited proactive public communication from ACECQA or state regulators to explain how this data should be interpreted. Transparency without context overstates risk and erodes public trust in the absence of detailed explanations that most busy families don't have time for. As ACECQA notes in its Annual Performance Report:

“Not all confirmed breaches represent a risk to children’s health and safety... For example, a breach may relate to a failure to display prescribed information at the service premises.”¹³

“Most reported serious incidents result in no formal compliance action... [These] may reflect robust reporting processes or overly cautious approaches rather than unsafe practice.”¹⁴

Terminology used in NSW may be adding to confusion amongst families and providers

NSW also remains an outlier in its breach recording system. Matters labelled “breaches” in NSW in some cases would be better characterised as “regulatory guidance” or minor corrective actions that are discussed during a site visit but do not give rise to a formal notification of a breach to a provider. The current approach to labelling of events is inflating statistics in NSW and in some cases creating a mismatch between provider and regulator records. We acknowledge that efforts to resolve the classification issue are ongoing and appreciate the progress being made.

Reviewing how safety and quality are reported

We support a nationally consistent, evidence-informed approach to performance reporting – developed in partnership with the sector. We suggest an approach that develops improved approaches with a small number of trusted providers with proven strong track records in safety and quality, before engaging in broader sector consultation and development. Areas for further investigation might include:

- **Is there an opportunity to introduce a tiered breach classification system?** One that reflects the nature and seriousness of incidents and might align with ACECQA’s ‘Responsive Enforcement Pyramid’ (see Figure 1 below) to provide families with a clear picture of whether breaches were minor or serious.
- **How can regulators and governments best support an ‘apples for apples’ type comparisons, and what are the most appropriate metrics for reporting breaches?** E.G. Reporting serious incidents or breaches per 10,000 child attendances rather than per licensed place.
- **Can performance by service type be better represented?** Taking into account that different service types cater for children of different ages and with different risk profiles.

We also support the 2023 IPART recommendation that families be formally notified of the outcome of Assessment and Rating (A&R) processes -bringing NSW into line with international best practice. For example, in the United Kingdom, families are routinely notified of inspection outcomes, and providers that do not meet

¹³ Australian Children’s Education and Care Quality Authority (ACECQA) (2022), National Quality Framework Annual Performance Report, ACECQA, Sydney, p.22. Available at:

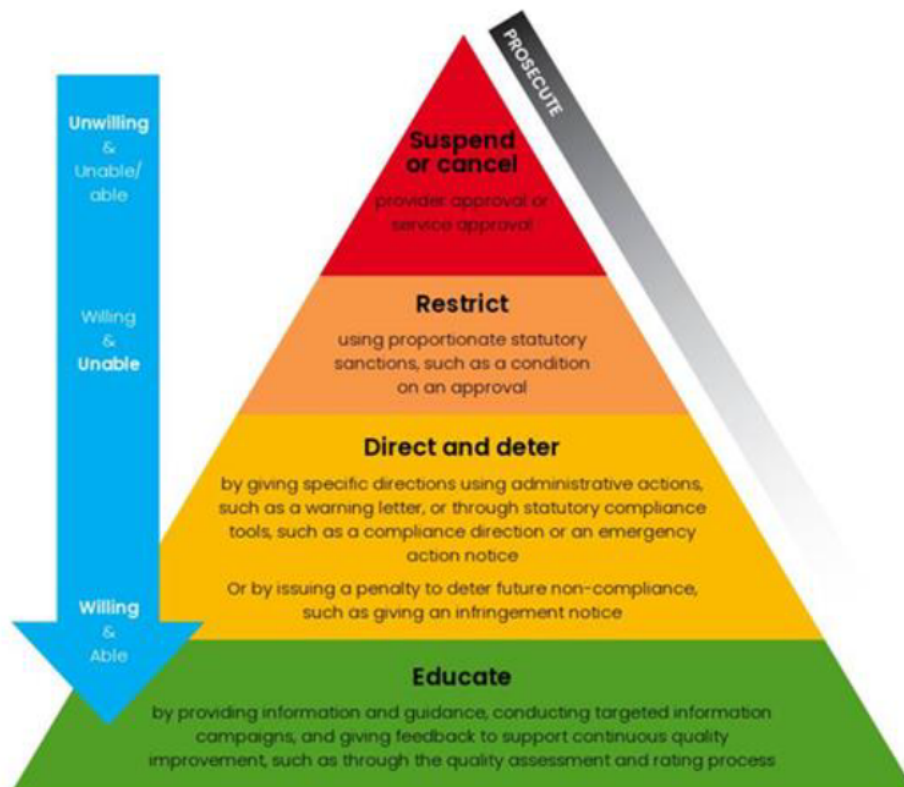
<https://www.acecqa.gov.au/sites/default/files/2022-12/NQF%20Annual%20Performance%20Report%202022%20FINAL.pdf>

¹⁴ Australian Children’s Education and Care Quality Authority (ACECQA) (2024), National Quality Framework Annual Performance Report, ACECQA, Sydney, p.19. Available at:

<https://www.acecqa.gov.au/sites/default/files/2024-12/2024-NQF-Annual-Performance-Report.pdf>

minimum standards often experience significant drops in attendance, prompting rapid improvement or exit from the sector.¹⁵

Figure 1. ACECQA's Responsive Enforcement Pyramid



RECOMMENDATIONS

1. Fully fund regulation of the National Quality Framework (NQF) as intended, noting this would meet community expectations for safety and quality.

Investment in regulatory implementation must match the public's expectations for safety, quality and accountability in early childhood education. NSW should review the original objectives, including timeframes for assessments and responses and establish a sustainable funding model that meets those objectives and keeps pace with sector growth and complexity. This includes returning to full assessments at least every three years, more frequently for services not meeting the standard and appropriate investment in quality improvement and compliance action.

2. Strengthen the capacity and capability of the regulatory system by focusing investment where it is needed.

Additional funding should be directed toward enhancing the capability and capacity of the regulatory authority to:

- Ensure timeframes for Assessment & Ratings and compliance activities outlined in the National Law are met, and that the tiered response model is implemented as intended.
- Support continuous quality improvement through an appropriately trained and suitably qualified regulatory workforce and support for services.

¹⁵ Independent Pricing and Regulatory Tribunal. (2023). *Review of early childhood education and care: Final report*. Available at: https://www.ipart.nsw.gov.au/sites/default/files/cm9_documents/Final-Report-Review-of-early-childhood-education-and-care-December-2023.PDF

- c) Enshrine children's right to inclusion in the legislative framework including: improve inclusion at a whole of centre level to deliver on the objectives outlined in the Early Years Learning Framework, and to support individual children's access and participation in ECEC.
- d) Work with trusted providers to co-design, develop and test approaches to data-driven, risk-based regulation and reporting (see linked recommendation 5).
- e) Provide sector stewardship by monitoring and managing new entrants and expansions of services through more effective planning and regulatory oversight.
- f) Play a leadership role nationally to identify areas for stronger cross-jurisdictional consistency and leadership.
- g) Actively promote a reporting culture across the whole sector.

3. Support families to better understand and have confidence in the regulatory system. This includes:

- a) Implementing a communications campaign for families and the community generally focused on both the positive aspects of ECEC in language familiar to parents, and explaining in simple terms the approaches to safety and regulation - using contemporary communication channels and approaches (eg social media / influencers).
- b) Using data to give families confidence in the sector (see linked Recommendation 5)
- c) Increasing awareness of the NQF by placing a positive obligation on services to notify families of A&R results, similar to the system in place in the UK and which was recommended by IPART.
- d) Strengthening post-incident governance and communication with families.

4. Apply stronger enforcement actions to non-compliant providers

The Regulator should be empowered to escalate enforcement actions more swiftly and consistently in cases of persistent or serious non-compliance. This includes earlier use of show cause notices, emergency actions, and suspensions where risk to children is identified. Stronger, more visible enforcement is essential to deter unscrupulous behaviour and uphold public confidence in the regulatory system. *(Note: We acknowledge this is being considered through the Regulator's current review of its risk appetite.)*

5. Work directly with high-performing providers and the broader sector to strengthen national and state-level data systems and reporting — improving data quality, transparency, and usefulness for families, and supporting risk-based regulatory practice. This should include:

- a) Working with high performing approved providers to consider how data quality and representation can be improved and then meaningfully published and communicated, with mechanisms for regular feedback loops.
- b) Investigating providers that appear to be under-reporting compared to statistically similar services.
- c) Engaging with the sector in a detailed co-design process to ensure data is presented in a way that is meaningful for families, with consideration of unintended consequences before progressing with public-facing reforms.

6. Champion the establishment of a new National ECEC Commission

NSW should advocate for and participate in the creation of a National Early Childhood Education and Care Commission, as recommended by the Productivity Commission. This body should have responsibility for:

- a) National-level data analysis and oversight of system performance.
- b) Leading national reforms in areas such as Working with Children Checks and other regulatory safeguards.
- c) Stewarding supply and infrastructure planning to limit the growth of unscrupulous providers, ensure services meet demand and community expectations around quality, safety and inclusion.

2. Inclusion and support for children with disability

This section primarily addresses the Inquiry Terms of Reference (i) the experiences of children with disability, and their parents and carers, in early childhood education and care services. It draws from the work of the 2023 IPART Inquiry and the 2024 NSW Parliamentary Inquiry into Children and Young People with Disability in Educational Settings.

Inclusion is a right but not a reality - principles of inclusion are embedded in the National Quality Framework, but the legislative, regulatory, policy and funding framework are not adequate to ensure all children can be included in ECEC.

Inclusion is a foundational principle of Australia's early childhood system – embedded in the National Quality Framework (NQF), the Disability Discrimination Act 1992, and the UN Convention on the Rights of the Child. Yet for many children with disability or additional needs, this right is not being realised.

Families continue to report exclusionary practices, including being refused enrolment, asked to reduce days, or discouraged from attending altogether. We have evidence of children with additional needs being excluded, either directly or indirectly from services, and often these families are directed to their local quality NFP provider.

The 2023 IPART Review confirms that inclusion is still not guaranteed:

“Inclusive services allow every child to meaningfully participate... unfortunately, not all early childhood services are inclusive for all children, especially those with disability or additional needs” (IPART, 2023).

While the NQF—including the Early Years Learning Framework, National Quality Standard, and the National Law and Regulations—strongly promotes inclusive practices and the valuing of diversity, there remains a significant gap in enforceability. There is currently no explicit legal obligation requiring services to ensure access and meaningful participation for all children, regardless of disability or developmental difference.

This loophole has allowed some providers to deny or discourage enrolment based on perceived complexity, funding limitations, or lack of capacity. These practices undermine the intent of the NQF—but are not prohibited or enforceable under current legislation.

We support an explicit commitment in the National Law to every child's **right to access and participate** in early childhood education and care, in alignment with Australia's obligations under the UN Convention on the Rights of the Child and the Disability Discrimination Act. This should be supported by:

- Mandatory **Service Inclusion Plans** for all services, embedded in Quality Improvement Plans, to demonstrate how inclusive practices are enacted and reviewed in everyday settings.
- Clearer national **guidance on the application of the Disability Standards for Education** to the ECEC sector, while recognising that the responsibility for regulating this legislation may sit outside the ECEC regulator's remit.
- **Sustainable, needs-based funding** for services to provide reasonable adjustments and access professional support.
- **Investment in professional development for the sector** to build the skills and knowledge required to support children's needs.

NFP providers make significant investments to support all children, including those with disability and to build inclusion capability amongst educators and services.

The Productivity Commission (2024) found that NFPs are more likely to serve children with additional needs, and crucially many have organisational commitments focused on inclusion for children and families experiencing vulnerability. Several high-quality NFP providers are also Inclusion Agencies with specialist expertise and capability.¹⁶

NFP investments tell this story clearly:

- In 2024, SDN invested 1.5% of centre revenue on programs to facilitate access and participation, and an additional 0.8% of centre revenue to support children eligible for the Commonwealth Inclusion Support Program (ISP), on top of the Commonwealth funding received.
- In 2024, KU invested \$4.8m to top up the shortfalls in the ISP funding and NSW State Preschool Disability Inclusion Fund to support the inclusion of children with disabilities and additional needs and other programs social impact programs such as such as Allied Health.
- In 2024, Goodstart spent \$11.1 million (including on-costs) in unfunded ISP costs, in addition to the \$13.2 million received from Government.

Providers with a commitment to be truly inclusive should not be penalised financially for doing so. Funding models must recognise and fully fund these costs — and support providers with a proven track record in inclusion.

Early identification and intervention make a difference for children and families but capability and programs are patchy.

Timely identification and intervention changes lives – but far too many children miss out. Despite 1 in 5 NSW children being developmentally vulnerable, the Inclusion Support Program reached just 2.4% of children in CCS-approved services in 2022¹⁷.

NFP providers have made long term investments in inclusion and have built capability amongst their workforce to a) identify children's needs, b) make adjustments to support children's learning and development and c) provide access to timely specialist support or provide referrals to other professionals. Educators working outside NFP centres often do not have these supports and don't have the opportunity to build this capability.

Programs like NSW's Brighter Beginnings demonstrate that allied health access through early learning environments can drive earlier intervention and support families throughout what is often a challenging period. This ensures every child gets the support they need in a familiar environment. However, services and early education professionals require training to ensure children can access the allied health services they need.

Children with complex needs require specialist support that is not funded by Government, and this results in services inconsistently meeting these needs.

Inclusion is not cost-neutral. Additional costs include educator time, access to inclusion and allied health professionals, specialised training, and physical and programmatic adjustments, and importantly – engaging with families - all take time and cost money.

As the state's largest NFP providers we prioritise inclusion and over many years we have made investment decisions to build our organisational capability at a whole of enterprise level - and to fund additional support and allied health services to ensure children can participate. Even with this additional investment we are not meeting

¹⁶ Inclusion Agencies are funded by the Commonwealth to deliver the Inclusion Support Program in each state and territory, <https://www.education.gov.au/early-childhood/providers/extra-support/inclusion-support-program/inclusion-agencies>

¹⁷ NSW IPART, 2023

the needs of all children, and in many communities, families don't have the choice to attend an inclusive provider. These children miss out, or they attend services where they are not adequately supported.

Since the introduction of the NDIS, increasingly ECEC providers are being expected to manage relationships with sometimes large numbers of ECI providers, rather than one or two in their region, as was the case prior to the NDIS. This is costly, requiring more ECEC staff time 'off the floor' that is rarely funded other than through parent fees. This has also increased the child safety risk that ECEC providers must manage and has led many providers to avoid collaboration with ECI providers.

To date this year, KU has 378 external Allied Health professionals visiting our services to provide support under the NDIS. This has necessitated a suite of policies, procedures and inductions processes to ensure that Allied Health professionals understand play-based learning, work with individual children in a group setting and understand our KU Child Safe practices.

The NSW IPART review of ECEC heard concerns about delivery of therapies in early childhood settings to children with disabilities by allied health professionals. It can be disruptive for ECEC services and places a coordination burden on staff¹⁸. The review found there was scope to improve allied health service provision within early childhood services to minimise disruption, reduce burdens and increase efficiency, and achieve better collaboration between ECEC staff and therapists¹⁹. There is an opportunity for this review to coordinate with the NSW Select Committee on Foundational and Disability Supports to align recommendations as they relate to children with disability and ECEC.

Families experiencing exclusion need more support to advocate for their children's right to access education and ensure the system holds providers to account when they receive significant public investment.

Families whose children are excluded from early childhood education and care - whether through refusal to enrol, reduced attendance offers, or informal suggestions to leave - often face these experiences in isolation, with no clear pathway to seek redress or advocate for their child's right to access education. This is particularly acute for working parents, who must urgently find alternate care while navigating complex service systems and, in many cases, access disability supports for the first time.

The 2024 NSW Parliamentary Inquiry into Children and Young People with Disability in Educational Settings recognised the systemic nature of these barriers and recommended the establishment of an independent oversight body. This body would support children with disability and their families across all education settings—and have the power to investigate and respond to exclusion and complaints. Importantly, the final report recommended that the jurisdiction extend to early childhood education and care.

Such a mechanism is long overdue. Establishing an independent advocate with powers to monitor, investigate and support resolution in ECEC settings would strengthen accountability and ensure that the rights of all children to access high-quality, inclusive early learning are upheld from the earliest years.

NSW can do a lot more now to improve inclusion in ECEC.

All services must be equipped to meet the diverse needs of children through targeted workforce development, specialist support, and flexible service models.

New South Wales can draw from leading state-based inclusion models such as Victoria's School Readiness Funding and Queensland's Kindy Uplift Program which provide ongoing, tiered funding directly to services based

¹⁸ NSW IPART 2023 b, p. 56

¹⁹ NSW IPART 2023b, pp. 56–58

on levels of disadvantage. Funding is used for evidence-based programs, coaching, and staff training in inclusion strategies.

Crucially – these states recognise and fund this program equally across all early childhood education and care settings, meaning long day programs are funded at the same levels as community preschools.

Embedding inclusion-focused professional learning and access to allied health within service improvement planning is critical.²⁰ As our investments show, meaningful inclusion requires deliberate capability building across the entire workforce.

New South Wales can do more to improve connections between ECEC services and evidence-based ECI providers who value play-based intervention in the child's natural environment and collaborative joint planning.

RECOMMENDATIONS

7. Articulate the commitment to inclusion for all children in the legislative and regulatory framework. This should include:

- e) An explicit overarching legislative commitment of the right of all children to be included in ECEC in the National Law
- f) Embedding a Service Inclusion Plan as part of the Quality Improvement Plan
- g) Applying the Disability Standards for Education to ECEC
- h) Ensuring funding is available for services to effectively meet these obligations (See Recommendation 2).

8. Support inclusive providers to expand through the granting of new service approvals.

Government investment should prioritise the growth of providers with a demonstrated commitment to and track record of delivering inclusive ECEC. For example, in granting new service approvals the Department should consider the capability of a provider to be inclusive, and, where they are an existing provider - their record of providing inclusive services over time.

9. Strengthen capability for inclusion.

Introduce a NSW-wide inclusion funding stream for ECEC, modelled on Victoria's School Readiness Funding and Queensland's Kindy Uplift, that enables services to build workforce capability and implement service-level improvement plans to support inclusion. Embedding inclusion-focused professional learning and allied health access into these models is key to ensuring impact.

10. Continue expanding programs to embed developmental screening in ECEC

NSW should continue expanding access to developmental screening in ECEC services and connecting children and families to timely allied health and other supports.

11. Establish a dedicated office to advocate for children and parents excluded from ECEC

Consistent with the Recommendation of the 2024 Parliamentary Inquiry into Children and Young People with Disability in Educational Settings – create a dedicated office to support parents of excluded children, enabling them to report exclusionary practices as clear breaches of the NQF.

²⁰ Pascoe, S., & Brennan, D. (2017). *Lifting Our Game: Report of the Review to Achieve Educational Excellence in Australian Schools through Early Childhood Interventions*.

3. Sector composition and stewardship

This section addresses the Inquiry Terms of Reference (h) on the composition of the sector and the impact of government funding on the type and quality of services. It draws from several recent Inquiry processes and Goodstart submissions including those prepared for the Productivity Commission and the 2023 IPART Inquiry.

The Not-For-Profit share of the NSW sector is shrinking – and this is undesirable for both governments and families, as it reduces choice and contributes to an increasingly unbalanced system.

Australia's early childhood education and care system is an international outlier in its high level of private for-profit delivery. In NSW, and across the country, virtually all growth in early childhood education and care services over the past decade has occurred in the private sector. The not-for-profit (NFP) share of the long day care sector has declined from 32% to 24%, despite growing evidence that NFP services are more affordable, higher quality, more inclusive, and better employers than their private counterparts.

The Australian Competition and Consumer Commission (ACCC) and Productivity Commission have both raised concerns about this trend, noting that it limits family choice and contributes to inequities in access and outcomes.²¹ Not for profit services are, on average:

- **More affordable:** ACCC data shows NFP services are ~7% more affordable, with the largest gap in regional and remote areas;
- **Higher quality** NFPs are more likely to meet or exceed the National Quality Standard (NQS);
- **More inclusive:** NFPs are more likely to enrol a child with additional needs compared to the broader sector;
- **More stable for staff:** NFPs have higher rates of full-time employment and significantly lower staff turnover (27% vs 41%)—a key driver of quality
- **More likely to operate in low-SES areas:** NFPs disproportionately serve lower-income communities, absorbing lower margins to meet community need.

Service quality in ECEC is a critical determinant of children's long-term development, with Australian and international studies consistently showing that access to high-quality ECEC improves school readiness and social mobility—especially for children experiencing disadvantage.²²

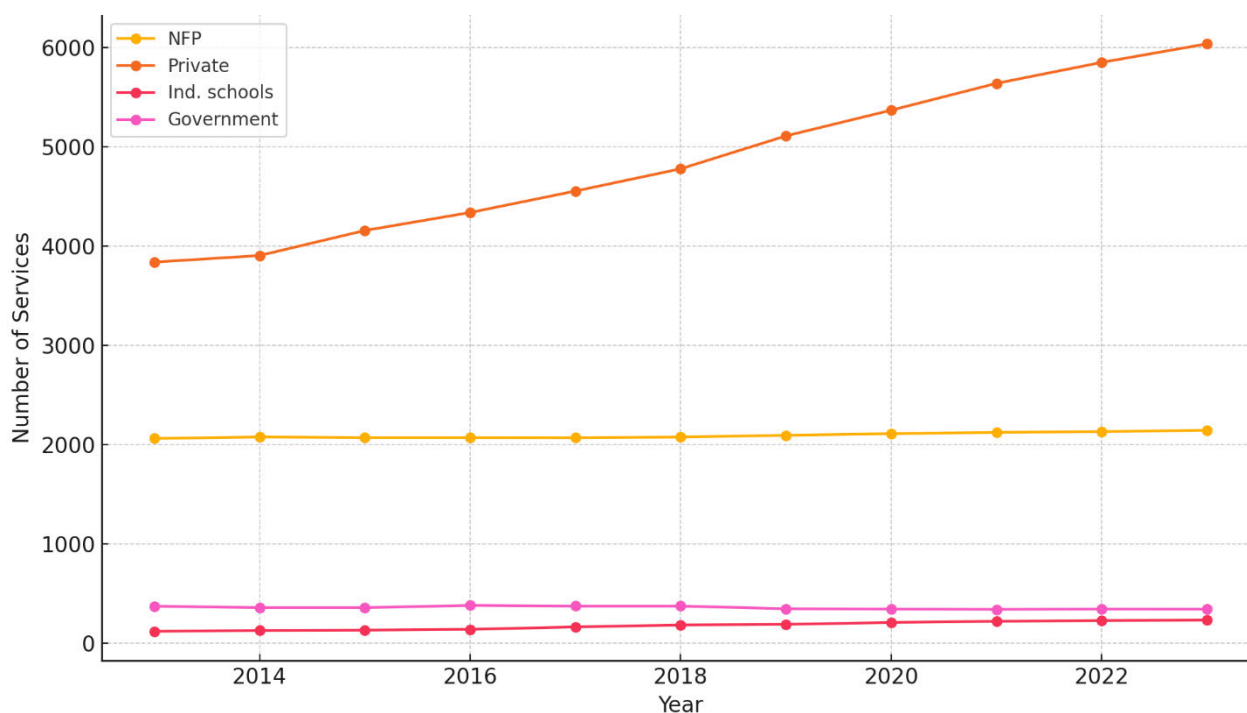
Why NFP growth has stalled

The stalled growth of the NFP sector is not due to a lack of interest or capability. It is the result of policy settings in planning, approvals, and funding—and access to finance that actively favours private investment. Early education services are now marketed as a low-risk, high-return asset class, underpinned by taxpayer subsidies. As a result, decisions about where and how new centres are established are driven by developers and investors—not by community need, child outcomes, or quality.

²¹ Australian Competition and Consumer Commission (ACCC). (2024). *Childcare Inquiry Final Report – December 2023*. Available at: <https://www.accc.gov.au/inquiries-and-consultations/childcare-inquiry-2023/december-2023-final-report>

²² Fox, S., & Geddes, M. (2016). *Preschool—Two years are better than one: Developing a universal preschool program for Australian 3 year olds – Evidence, policy and implementation*. Mitchell Institute Policy Paper No. 03/2016. Victoria University. Available at: <https://www.vu.edu.au/sites/default/files/preschool-report-mitchell-institute-2016.pdf>.

Graph 2. Growth in Centre Based Day Care services in Australia by management type



Sources: ACECQA NQS Snapshot, June Qtr, March 2023; ABS 4240.0.

All levels of Government play a role in shaping the composition of the sector but not one level of Government is making deliberate choices about the supply and quality of services that are best for children and families in NSW.

Australia's early childhood education and care system is governed by multiple layers of government — each with specific responsibilities — but no single level of government is actively managing the system to deliver the quality, equity, and supply outcomes families in NSW deserve.

While each level of government plays a role, the system lacks an integrated approach to planning, investment, and accountability. Instead, funding, regulation, and planning responsibilities are split — creating blind spots, duplication, and inaction in key areas.

Local governments play a vital but underutilised role in shaping the early childhood education and care sector. In NSW, councils directly operate around 300 early learning services— a significant component of not-for-profit provision in the state, although no new local government owned centres have opened in the last four years. Local government owned services often cater for vulnerable, low-income families, regional and rural communities and children with disability.²³ Yet the broader role councils hold in planning remains disconnected from state and national ECEC priorities.

Despite councils being well-positioned to drive equitable access—particularly in under-served areas—their planning decisions rarely appear to consider provider quality, inclusion capability, or actual community need. As a result, new services are regularly approved in already oversupplied locations, where they contribute to fragmentation, drive down occupancy, and destabilise the workforce. In areas of low demand or tight labour markets, these services struggle to staff appropriately, undermining quality and viability.

²³ Local Government NSW (2024). *Submission to the Productivity Commission Inquiry into Early Childhood Education and Care*. Available at: [https://lgnsw.org.au/common/Uploaded%20files/Submissions/2024/Productivity Commission ECEC Review.pdf](https://lgnsw.org.au/common/Uploaded%20files/Submissions/2024/Productivity%20Commission%20ECEC%20Review.pdf)

Table 2. What roles do Governments play in Early Childhood Education and Care?

Level of Government	Key Responsibilities	Limitations
Commonwealth	<ul style="list-style-type: none"> • Child Care Subsidy (CCS) funding • Preschool Reform Agreement • Inclusion Support Program • National workforce policy • National quality oversight via ACECQA 	<ul style="list-style-type: none"> • No role in service approvals or supply planning • Does not manage geographic access or oversupply
NSW Government	<ul style="list-style-type: none"> • New ECEC Service approvals • Licensing and regulation of services • Assessment and rating under NQF • Start Strong funding for preschool • State workforce initiatives • Providing public preschool 	<ul style="list-style-type: none"> • No strong levers to manage oversupply or poor provider entry • Regulatory decisions are procedural, not strategic
Local Government	<ul style="list-style-type: none"> • Land use and planning approvals • Community land and infrastructure • Some direct service delivery (especially in regional/metro councils) 	<ul style="list-style-type: none"> • Not formally engaged in ECEC system stewardship • No consistent role in quality or supply planning • Lack of ECEC data

Planning assessments focus almost exclusively on land use and traffic impact, without reference to demand, service type, or the operator's track record. This gap has significant consequences with evidence from the ACCC and Productivity Commission showing that growth in the private, for-profit sector has outpaced the expansion of not-for-profit services.²⁴

Increasingly in NSW, where councils are also landlords, they are reviewing their rental arrangements with early childhood providers in response to broader financial pressures. While historically many not-for-profit providers operated under low-cost or peppercorn leases, these arrangements are now less common. Only a small number of councils continue to offer rental rebates for NFPs, with others moving toward commercial rental models or reassessing leases to reflect market rates. We recognise the challenges councils face in managing community assets, and encourage a shared approach that balances fiscal sustainability with the vital role not-for-profit providers play in delivering accessible, high-quality early learning in local communities.

In 2014 the Australian Centre of Excellence for Local Government (ACELG) outlined best practice guidance for local government involvement in early childhood services, urging councils to act as "integrated service system managers"—with responsibility not only for delivery, but for local planning, coordination and advocacy.²⁵ Specifically, councils can:

- **Influence equitable service distribution** through local environmental plans (LEPs), zoning rules and development controls;
- **Prioritise providers with a strong quality and inclusion** track record in development approvals;
- **Support the co-location of ECEC services with schools**, libraries, parks, and health facilities to foster integrated community hubs;
- **Require transparent evidence of unmet demand** or community need as part of development applications;

²⁴ ACCC, 2024; Productivity Commission, 2024.

²⁵ Australian Centre of Excellence for Local Government (2014) Guidelines for the Planning and Development of Child Care Facilities, Accessed at: <https://apo.org.au/sites/default/files/resource-files/2014-08/apo-nid52418.pdf>.

- **Advocate for planning frameworks that recognise ECEC as essential** social infrastructure rather than generic commercial development.

However, councils face barriers - limited statutory powers, lack of ECEC-specific data, and concern about conflicts of interest where they are also providers – all of which constrain their ability to influence the shape of the sector.

A more effective stewardship model requires deliberate alignment between local, state and federal powers. This includes providing councils with access to demand and demographic data, embedding ECEC as core social infrastructure in planning frameworks, and creating mechanisms to ensure that planning decisions support the sustainability and quality of the broader sector—not just individual developments.

Ultimately, local government is a crucial partner in ensuring children’s equitable access to high-quality early learning.

The expansion of public preschool will impact the viability of some high-quality providers, and Government needs a strategy to address this risk

As not-for-profit providers, we strongly support the NSW Government’s commitment to expanding access to free, high-quality preschool programs—particularly for children experiencing disadvantage. However, we are concerned that the rollout of new public preschools lacks a clear strategy to monitor, prevent, or mitigate unintended impacts on existing high-quality community and not-for-profit services.

The selection of the 100 sites with limited sector consultation has not considered or acknowledged the risk of oversupply in certain areas. Our modelling, for example, shows that services in Tamworth, Glendale, and Rutherford are already at risk of reduced viability due to new public preschools being established nearby. Similarly - KU Children’s Services longstanding preschools—KU Hebersham, KU Shalvey, and KU Yagoona—that have served vulnerable communities for nearly 50 years, are now at risk of closure due to new public preschools nearby. Similarly, KU Queanbeyan South Children’s Centre (a long day care service located on school grounds) is set to compete with a new public preschool being constructed on the same site. In Moss Vale, KU’s integrated long day care service is located very close to the new public preschool on the grounds of Moss Vale Public School. For these communities, service closures will also mean the loss of critical birth-to-three places that are essential to supporting workforce participation—particularly for mothers—and inclusive service provision for children experiencing disadvantage.

We would suggest that the Committee consider making recommendations to adopt a more proactive approach in planning for new supply and engaging with quality NFP providers to monitor the localised impacts of public preschool expansion, especially in low SEIFA communities.

The \$5 Billion Childcare and Economic Opportunity Fund is not improving accessibility and affordability for families most in need

The CEOF, established in 2022, was a landmark commitment to expand access to affordable, high-quality early childhood education and care across New South Wales. Nearly three years on, while the Fund has made some positive first steps, a significant opportunity remains to improve outcomes for families and children.

At the national level, the Commonwealth Government’s \$1 billion Building Future Early Learning Fund offers NSW a critical opportunity to align and leverage additional capital investment to expand access and quality, particularly in areas of greatest need.

Initial estimates suggested the CEOF would support the creation of up to 47,000 new places, when combined with Commonwealth Child Care Subsidy (CCS) changes. The first tranche - \$865 million - was intended to address workforce shortages, improve affordability, and expand access in areas of unmet demand.

These priorities were reinforced in the first statutory Independent Market Monitoring Report, commissioned by the NSW Government, which found:

- Workforce shortages are impacting supply of early childhood education and care services.
- Demand for early childhood education and care is projected to grow in urban areas of NSW.
- There is a correlation between undersupply and socioeconomic disadvantage.
- Families on low incomes face the highest affordability barriers to early childhood education and care services.
- A number of factors can intersect to result in accessibility barriers to early childhood education and care services.
- A qualified workforce is key to the supply of early childhood education and care services.

While the Fund's objectives are clear and well-supported by evidence, its implementation to date has lacked a transparent, coordinated strategy to maximise impact. Several funded initiatives have fallen short of expectations due to limited scale, misalignment with sector needs, or a lack of robust evaluation frameworks to guide continuous improvement. For example, programs intended to support business capability and after-hours care have had limited uptake and their long-term value remains unclear. Some CEOF expenditure has also been repurposed to support government budget commitments such as the \$500 universal payment for three-year-olds enrolled in preschool programs within long day care settings — a cost that would more appropriately be funded through the Start Strong preschool funding program, consistent with other preschool fee relief initiatives.

Most importantly, sector engagement in CEOF investment decisions has been limited, and the connection between investments, the published findings of the Market Monitoring Report and the unpublished Strategic Investment Plan is not always apparent. A stronger partnership approach, guided by evidence and informed by the experience of providers and communities, would ensure the Fund delivers on its promise.

The establishment of the Commonwealth's Building Early Education Fund and philanthropic initiatives such as the Coaxial Foundation offer an opportunity to scaffold funding from the CEOF to achieve significant improvements in access to early childhood education and care across the State where they are needed. NFP providers would welcome the opportunity to work directly with Government on initiatives to expand access to high quality early learning in communities that are currently underserved.

NSW has the opportunity - through this inquiry - to drive the case for stronger sector stewardship

This Inquiry provides a unique opportunity to consider how the early childhood education and care system in NSW can better serve children, families, and communities. At present, no single level of government is taking responsibility for shaping a system that ensures high-quality, inclusive services are available where they are most needed.

It is time to ask:

- Why are providers who have services that do not meet the National Quality Framework and/or with persistently high numbers of waivers still being approved to open new services, when they cannot staff their existing services in accordance with the national law?
- How can the regulatory system be strengthened to ensure service approvals are tied to demonstrated quality and inclusion?
- What incentives are needed to support the growth of not-for-profit providers who consistently deliver higher quality and better outcomes for children? and how can we minimise unintended negative impacts on these providers as new public preschools are rolled out?
- And most importantly — who is accountable for ensuring that the mix, quality, and distribution of services in NSW genuinely reflects the needs of families?

Answering these questions will require coordination, leadership, and a renewed commitment to system stewardship -and NSW has already taken important steps. In 2023, the NSW Department of Education commenced nation-leading work to adopt a system stewardship role, recognising that government must go beyond funding and regulation to actively shape how the system operates. This includes aligning levers like service approvals, funding, data, and partnerships to achieve long-term public value, and it is more important now than ever that this work continues. This Inquiry can reinforce the value of this agenda — and make the case for a more deliberate, strategic approach to managing the quality, equity, and growth of ECEC in NSW.

RECOMMENDATIONS

Please note Recommendation 6 also directly supports this area of the Terms of Reference

12. The NSW Government and Regulator should play a strong role in shaping the composition of the ECEC sector using both regulatory and funding levers. This should include:

a) Introducing stronger regulatory controls on sector entry and expansion

The Regulator needs powers to assess and approve new service entrants based on demonstrated quality, inclusion capability, and local community need. This should include a requirement that providers applying to open new services must have achieved a *Meeting* rating or higher at a minimum of 95% of their existing services.

b) Supporting the targeted growth of not-for-profit services

Capital and recurrent funding incentives to expand the footprint of not-for-profit services, particularly in underserved or low-SES areas with fit-for-purpose grant cycles and administration. This should include consideration of organisational and centre-level supports, recognising that a one-size-fits-all funding model can limit the sustainability and impact of NFP-led expansion.

c) Embedding deliberate, data-informed supply planning to improve equity and sustainability

Introduce a transparent approach to managing ECEC supply that ensures high-quality services, including public preschools, are located where they are most needed, and that oversupply does not undermine the viability of high-quality providers. This should begin with a public map of supply and demand by geography, service type and ages served.

13. Refocus CEOF investments to directly address supply gaps, affordability barriers, and workforce challenges in line with findings of the Independent Market Monitoring Report.

Funding should prioritise expansion by high-quality not-for-profit providers and enable access to grants and low-interest loans where appropriate. Transparency around this funding should be supported via the public release of the statutory Strategic Investment Program associated with the Fund.

4. Workforce safety and conditions

This section responds to the Inquiry Terms of Reference (c) on the safety, pay and conditions of workers within the sector; and (g) The availability and affordability of quality training institutions. It draws heavily on the work the recent IPART, ACCC and PC inquiries.

Educators are professionals. They deserve to feel safe, respected and supported, and this is essential to supporting quality early childhood education and care

The Independent Pricing and Regulatory Tribunal (IPART) affirmed in its 2023 report what the sector has known for years:

“Workforce availability and expertise are critical to the supply and accessibility of quality early childhood education and care services, and constitute a significant problem currently facing the sector.”

IPART heard from stakeholders that services are grappling with persistent and pressing challenges in attracting and retaining educators, particularly early childhood teachers. These shortages are not just affecting access; they are affecting quality as burnout and high turnover undermine stability and continuity for children and families.

Our workforce consists of dedicated, skilled professionals who care deeply about the children and families they serve. In recent months, media reports highlighting serious lapses in safety and quality have had a profound impact, not just on public trust, but on the wellbeing of educators themselves.

Nurturing and educating very young children places significant responsibilities on the shoulders of individuals. Educators often engage in difficult conversations with families, responding to heightened parental concerns, and carrying the emotional load of reassuring and rebuilding trust. Even in high-performing services, the demands of the job are emotionally taxing. As not-for-profit providers, we recognise that investing in the wellbeing, psychological safety, and professional growth of our people is core to delivering quality.

Early childhood educators play a critical role in children’s lives, yet the workforce remains undervalued and underpaid. There is strong evidence, much of it captured in the recent Productivity Commission report, that improving pay and conditions across the ECEC sector leads to better outcomes for children, greater workforce stability, and higher-quality service delivery. National efforts such as the National Children’s Education and Care Workforce Strategy and the Commonwealth’s Early Childhood Education and Care Workforce Retention Payment offer a platform for long-term workforce reform — but need to be matched with action and sustained investment at the state level.

The Fair Work Commission’s 2025 interim gender pay decision recognised this reality, confirming what providers, families and educators already know — that early childhood professionals deserve pay that reflects the importance and complexity of their work.

At Big Fat Smile, for example, the introduction of the Commonwealth’s Early Childhood Education and Care Workforce Retention Payment has contributed to a marked improvement in workforce stability. Employee turnover has decreased significantly, returning to pre-COVID levels, and the number of applications for vacant roles has increased by 60%. This experience shows that with the right supports in place, it is possible to attract and retain high-quality educators. These improvements provide a compelling case for NSW to explore how similar, state-based initiatives could be extended to early childhood teachers in both community and long day care preschool settings.

The Commonwealth has committed to participating in supported bargaining for the long day care and OSHC sectors. NSW should support this process and actively explore ways to underwrite improved wages in both community and long day care settings.

High quality providers prioritise the safety, pay and conditions of workers

Early childhood education remains one of the most award-reliant sectors in Australia. Around 63% of long day care educators and 79% of outside school hours care (OSHC) educators are paid award wages – compared to just 23% of the broader Australian workforce. Of the 209 enterprise agreements lodged with the Fair Work Commission in the five years to May 2023, all but two were for not-for-profit services. A 2019 survey of NFP community services found 41% of services operated at above-National Quality Standard staffing ratios.

Table 3. Long Day Care wages of paid contact staff compared to the award 2021

Wage compared to award rate	Director	Teacher	Group Leader	Educators
Award rate	40.4%	49.2%	58.4%	69.0%
0–10% above	29.1%	33.6%	32.4%	25.6%
10–25% above	19.4%	11.0%	6.7%	4.5%
>25% above	11.0%	6.2%	2.5%	0.9%
Don't know	11.3%	11.0%	8.0%	9.0%

Source: Department of Education National Workforce Census 2021, in response to Senate Estimates Question on Notice SQ23-000197

Analysis for the South Australian Royal Commission, drawn from the National ECEC Workforce Census in 2021, found that 76% of educators at NFP services were paid above award, compared to 26% at private providers, and that educators were likely to stay longer in NFP services. As NFP providers we prioritise investing in above award wages, above award conditions and ensuring employee health, safety and wellbeing needs are met. This includes:

- **Paying above-award wages** and offering more secure conditions;
- **Providing professional supervision** and ongoing development opportunities;
- **Embedding workforce wellbeing** as part of safety planning and service improvement;
- **Offering structured support for centre leaders** through dedicated coaching, mentoring and wellbeing programs.

For example, Goodstart provides professional supervision for every Centre Director in NSW, alongside access to a dedicated Health, Safety and Wellbeing team and centre-based Safety Champions. This is part of a broader organisation-wide strategy to embed a safety-first culture.

In KU, similar supports exist with specialist ECE teams to support quality and pedagogy; assessments and inclusion of children with additional needs; child wellbeing and safety; teacher accreditation; and learning and development facilitators. These additional supports are echoed across all five NFP's.

Not for profit providers typically provide more funded time off the floor for programming and professional development than the award minimum. This is a key investment in improving the quality of early learning programs. Educators in NFP services also have access to world class professional development and learning opportunities with continuous improvement in quality actively encouraged. Training in child safety is a high priority for NFP providers, and typically a mandatory requirement for all staff.

However, this level of investment is not financially sustainable without reform. Current limitations on fee increases (as a condition of accepting the Commonwealth's Early Childhood Education and Care Workforce Retention Payment), growing inclusion costs, and absence of parity across settings (such as NSW's decision not to extend the Commonwealth wage subsidy to community preschools) are all making it harder for NFPs to continue lifting workforce standards while maintaining affordability for families.

CASE STUDY – SDN Children’s Services Statement of Commitment to Child Safety

SDN is committed to being a Child Safe Organisation, and children are at the heart of everything we do. The safety, wellbeing and inclusion of all children is our priority across all our work, including our children’s education and care centres, children’s therapies, family support services *and our advocacy for children and families*. Everyone at SDN, including Board Directors, staff and volunteers, has a legal, ethical, and purpose-driven responsibility to protect children and young people; create and maintain a child-safe culture and to acknowledge that protecting children is everyone’s business.

The concept of wellbeing is behind everything we do. At SDN, all staff are expected to act in a way that prioritises the wellbeing of children at all times. SDN’s Wellbeing Wheel visually represents how we believe many factors interconnect to create a state of wellbeing for children. At the heart of children’s wellbeing is the need to be free from abuse, neglect and violence. At SDN, we take this seriously and train our staff to take it equally as seriously.

We take complaints, concerns and allegations regarding child safety seriously.

We support and uphold the National Principles for Child-safe Organisations and the NSW Child Safe Standards.

We are committed to continuously improving our practices to improve safety and wellbeing of all children in our services. We will:

- respect and advocate for children’s rights as in the UN Convention on the Rights of the Child, and teach children to respect others
- value play and how important it is to children for fun and learning
- be respectful, intentional, predictable, attuned and responsive
- provide and advocate for environments, interactions, and relationships that promote and enhance children’s wellbeing, learning and development
- facilitate children’s access and inclusion
- use our knowledge from education, allied health, psychology and social science to provide the best programs for children that we can
- listen to children, and understand the things that help them to be safe, secure and included and the things that help them to learn and develop
- help children to tell adults about the things that are important to them so adults can understand their capabilities, wellbeing, learning and development.

The issues of wages, burnout and professional respect must be addressed. Employers have a role to play but so do Governments as the primary funders and regulators of the early childhood education and care system.

The ECEC workforce is an overwhelmingly female workforce in a growing essential services sector. They deserve professional recognition for the vital role they play in educating and caring for our children and supporting families and communities. Many centres across New South Wales are unable to take additional children because they cannot find staff.

Every unfilled educator place means up to 15 families are unable to access ECEC, with knock on effects across the economy. Exit surveys of educators in NSW consistently cite low wages, burnout and a lack of professional

respect as the key drivers for leaving. Only one in three are moving to another job in the sector. This points to a systemic retention challenge, not just a recruitment one.

As noted throughout our submission, NSW has many passionate, skilled and dedicated educators. There are positive signs in workforce pipeline data – student commencements in early childhood qualifications in NSW increased from 1,411 in 2020 to 1,872 in 2021. This should deliver around 1,200 graduates in 2025 – a welcome boost given that 1,300 new early childhood teacher vacancies were recorded in a single month (April 2023) alone. But the scale of need is vast, and completion rates must improve. Many university qualified early childhood teachers chose to work in the school sector after they graduate due to higher wages and supports. This may be exacerbated when the 100 Public Preschools are established. Without a sustained pipeline of qualified educators and teachers, services cannot grow to meet demand.

Training quality and upskilling pathways must be strengthened.

Turnover remains high and supply of qualified educators and teachers is lagging well behind demand. There are significant barriers to entry and upskilling, including affordability and accessibility of training, inconsistent RTO quality, and a lack of paid time for professional development. Our collective experience across more than 330 services in NSW shows:

- Traineeship pathways are effective in developing confident, capable educators—particularly when adequate mentoring, induction, and out-of-ratio support are provided.
- However, many centres struggle to provide the necessary mentoring due to capacity constraints and ongoing workforce shortages.
- Registered Training Organisation (RTO) quality remains inconsistent, with variation in course structure, practicum supervision, and post-qualification readiness.

The introduction of Free TAFE has had a huge impact on our sector, with the most recent Workforce Census showing the number of educators studying for a Certificate III qualification has doubled since 2021. Scholarships for educators to upskill to Bachelor qualifications has also supported a substantial increase in educators upskilling.

As large not-for-profit providers, we invest significantly in professional development, safeguarding, and workforce capability. We have the scale to ‘train our own’ through high-quality traineeship pathways – and our data shows these are highly effective when coupled with strong induction, mentoring, and out-of-ratio support. But many centres lack the staffing capacity to offer this level of wraparound support. Workforce shortages create a vicious cycle - fewer experienced educators means less capacity to mentor new ones.

As recent reporting has highlighted - while many RTOs are excellent, others offer poor practicum supervision and produce graduates who are not ready for the realities of the role. Even experienced educators are sometimes also taken advantage of by low-quality providers. There is a clear opportunity for NSW to play a more active role in regulating the quality of training organisations, supporting stronger partnerships between RTOs and providers, and investing in wraparound supports that make upskilling viable for educators already in the workforce.

State governments hold powerful levers to grow and support the early childhood workforce - they shape vocational and tertiary education settings, regulate training quality, and fund initiatives that can align public investment with better pay and improved workforce retention.

Completion rates to support diploma-qualified educators to become early childhood teachers must improve. The University of Wollongong’s new intensive teaching degree, backed by \$25,000 NSW Government scholarships, is a leading example of a positive solution. It allows practicum to be completed in educators’ own services (with supervision), reducing the financial burden of unpaid placements — a key barrier to completion. This model, and that of the Australian Catholic University’s successful intensive program, demonstrates the value of wraparound support and mentoring for working educators stepping up into degree-level study.

Retention must also markedly improve. Up to half of teaching graduates leave their roles within their first year. To address this, the Victorian Government funds mentoring and networking for early career teachers, an approach supported by research as one of the most cost-effective ways to improve retention.

Victoria's level of investment in both community and long day care preschool funding has enabled high-quality providers to recruit and retain staff, employ additional early childhood teachers, and meet National Quality Framework requirements. As a result, Victoria has the lowest staffing waiver rates in the country – just 1.4% of long day care centres compared to 17.3% in New South Wales.²⁶

Elsewhere, Queensland's long day care preschool funding guidelines require services to demonstrate that public investment will fund above-award wages and conditions, such as additional programming time. By contrast, current NSW Start Strong guidelines allow funding to be directed to an existing wages bill and not to above award pay and conditions that would help turn the dial on retention across the sector. With stronger guidelines, NSW could ensure its investments lift pay and improves teacher retention – not just offsetting business-as-usual costs.

The State can also take immediate action to increase enrolments in VET courses in ECEC and support the sector to improve traineeship completion rates. Additional support and mentoring for trainees are a positive means of improving completion rates in traineeships.²⁷ VET courses should continue to be free and Educators wanting to upgrade from a Certificate III to a Diploma should also receive scholarships to meet the cost of study leave.

Finally, rural and regional areas — where not-for-profit providers are more likely to operate — face particular workforce challenges. Targeted strategies, including salary incentives, tailored support for trainees, and equitable access to professional development, are essential to addressing regional workforce gaps and ensuring quality for all children, regardless of where they live.

RECOMMENDATIONS

14. Invest in sector-wide wage improvements and workforce retention

The NSW Government should work with the Commonwealth to align with national workforce plans and ensure parity of pay and conditions between ECEC educators and school teachers for all early childhood service types, without increasing costs to families or providers.

15. Build a sustainable pipeline of educators and early childhood teachers through expanding TAFE and university pathways with:

- a) Continued free and subsidised Cert III and Diploma training
- b) Fast-tracked Scholarships and scaffolded university pathways for educators to become teachers — like the University of Wollongong and Australian Catholic University models — that allow educators to complete practicums in their own services, removing key financial and logistical barriers.
- c) Paid placement models and local training incentives, particularly in rural and regional NSW

16. Improve training quality and access

Partner with high-quality RTOs and employers to strengthen practicum standards, ensure consistent trainer quality, and monitor attrition/completion data. Consider requiring demonstration of placement capacity before new RTO approvals.

²⁶ NQS Snapshot, Q1 2025.

²⁷ Goodstart Early Learning, 2023. Submission to the IPART Inquiry into Early Childhood Education and Care Affordability, Accessibility & Consumer choice, Available at: <https://www.goodstart.org.au/getmedia/335b0d30-2dc1-4109-ae81-1fa450288b36/IPART-Final-Goodstart-Submission-May-2023.pdf>

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ABOUT US

About SDN Children's Services

SDN Children's Services (SDN) is a not-for-profit organisation with a proud history of supporting children and families since 1905. We provide early childhood education and care, therapies for children and young people, and family support services across New South Wales and the ACT.

Our 26 early childhood education and care services include 23 long day care centres with preschool programs and three stand-alone preschools. Among these is SDN Beranga, an autism-specific preschool. In 2023/24, more than 3,000 children attended our services.

SDN began as the Sydney Day Nursery Association, formed by a group of women who recognised the need for safe childcare for working mothers. Since then, SDN has been a leader in early childhood education employing our first Kindergarten teacher in 1916 and opening NSW's first formal nursery school in 1931 that integrated childcare and education. Later SDN established the state's first training college for nursery school teachers which eventually became part of the Institute of Early Childhood Studies.

Over time, SDN has expanded to support children in rural communities and children and young people with disabilities or additional needs or in need of family support. We are an NDIS provider and deliver Start Strong and family support programs including the Family Preservation program and Targeted Earlier Intervention (TEI) services.

At SDN, we are committed to quality and believe every child deserves the opportunity to thrive, and we work in partnership with families and communities to make that vision a reality.

About Big Fat Smile

For 44 years, Big Fat Smile has been a leading not-for-profit provider of early childhood education and care services, child and family community programs and inclusion services in New South Wales and the Australian Capital Territory.

We are driven by our vision to enrich the lives and minds of our children and families in their communities. Our values are safety, leadership, integrity, inclusion, child-centric and connection, which influence every level of our organisation and shape the experiences of every child.

Big Fat Smile employs 680 staff across head office, 17 early education and care services, 9 term-only preschools and 9 outside of school hours care, all of which are rated the coveted 'exceeding' rating and 'meeting' rating under the National Quality Standard (NQS).

Our qualified and dedicated educators and teachers provide sector leading play-based educational programs that support each child's learning, development and growth. Our commitment to a strong education and care framework enables educators and teachers to support all aspects of a child's development.

Big Fat Smile's unwavering dedication to fostering a safe environment for every child is substantiated by the integration of NSW Child Safe Standards into our operational framework and further bolstered by the efforts of our specialised Safeguarding Children team.

About KU Children's Services

Founded in 1895 as the Kindergarten Union of NSW, KU Children's Services opened Australia's first preschool, providing early education to the community's most disadvantaged children – marking the beginning of early childhood education in Australia.

With 130 years of experience, KU is recognised as a leader in the sector, establishing the first Kindergarten Teachers College in NSW in recognition of the importance of specialised EC teachers and a play-based approach. Over the years, KU has continued to evolve to meet the changing needs of the communities. KU partners with more than 11,468 families across 136 services and programs in New South Wales, ACT, Victoria, and Queensland, offering long day care, preschool/kindergarten, supported playgroups, inclusion support programs, and as a NDIS provider, Allied Health services.

KU is contracted by the Commonwealth Government to provide support to eligible LDC services in the inclusion of children with additional needs in partnership with Big Fat Smile and Gowrie in NSW. KU is also contracted by the NSW Government to provide sector capacity building in several regions to increase the inclusion of children with additional needs in community preschools.

As an organisation with an unwavering commitment to children's safety and wellbeing, KU has created an organisational culture that involves everyone throughout the organisation. This commitment is supported by a dedicated Child Safe and Wellbeing Team to provide support for our commitment.

KU's vision is to lead and inspire young children's learning for life. Our achievements in the NQS Quality Ratings to date, far exceed the national average, with KU services rated as Meeting (27%), Exceeding (73%) or Excellent (1%) the National Quality Standard.

With a rich history and a forward-thinking approach, KU continues to lead the sector in quality, ensuring every child has a voice and is supported as they begin their journey in lifelong learning.

About Gowrie NSW

Gowrie NSW has a unique history as a proud not-for-profit organisation that has been advocating for the rights and wellbeing of children since the late 1930s. Originally established by the Commonwealth Government, founded by Lady Zara Gowrie, as 'demonstration' early childhood education centres in disadvantaged communities, we have remained committed to providing high-quality, inclusive education and care.

It is our vision that children are active participants in society, their voices are heard, and they are empowered to make a positive contribution in their community and make a difference in the world.

Over the decades, we have built a strong reputation for contemporary pedagogy & practice in early and middle childhood education, underpinned by a dedicated and highly valued workforce of teachers and educators. Our work today spans a wide range of services, including:

- Delivering early and middle childhood education across metropolitan and regional NSW and the ACT – including preschool, centre based long day care, Outside School Hours care
- Supporting the inclusion and participation of children through partnership of the NSW Inclusion Agency
- Offering early childhood education to children whose parents are studying through the Adult Migrant English Program
- Providing professional development for educators and teachers through our training arm – the Education Hub
- Conducting research into innovative and inclusive service models
- Actively contributing to national advocacy and professional networks across the early childhood sector

About Goodstart

Goodstart is a not-for-profit social enterprise and is the largest provider of early childhood education and care in the nation with more than 660 centres located across every state and territory.

Our purpose is to ensure all Australia's children have the learning, development and wellbeing outcomes they need for school and life. All children should be supported to participate in quality early learning and care, regardless of where they live in Australia, their family circumstances, their inclusion support needs, or their early learning setting. Our unique purpose means we work in partnership with the sector, Governments and the community to improve outcomes for all children – not just the children who attend a Goodstart service.

We have a strong presence in NSW with 133 centres supporting over 12,400 children from nearly 10,400 families. Nationally our centres support more than 63,600 children from 53,700 families.

We employ more than 2,800 people in NSW including qualified educators (Certificate III and Diploma), Bachelor qualified teachers and inclusion professionals, including speech pathologists, occupational therapists and child and family practitioners.

Each year, our targeted social purpose investments of ~\$50 million delivers a “social dividend” valued at more than \$330 million. Our social dividend is calculated using a social return on investment methodology and represents the unique social and economic value delivered for children, families, Government and the broader community. In a typical commercial operation, the \$50 million would likely be paid as profits to shareholders or business owners but we invest in activities like funding inclusion for children with additional needs, investing in Reconciliation and evidence-based professional development that help ensure all children, and especially those in low-SEIFA and rural and regional areas have the learning, development and well-being outcomes they need for school and life.