



Select Committee on the Early Childhood Education and Care Sector in Victoria

Hearing Date: 11 March 2026

Question[s] taken on notice

Directed to: The Front Project

Received date: 24 March 2026

1. **Jacinta ERMACORA, p. 38**

Question Asked to Martel MENZ:

I am happy for a response on notice in that space, if you want to add anything more, particularly around that notion of a quasi market where in the absence of subsidy there would be no marketplace either for child care in the private sector. Thank you.

Response:

The Front Project's position is that early childhood education and care (ECEC) should be understood and designed as an essential social and economic system, with children's development and wellbeing at its centre.

Australia's ECEC system operates as a mixed market, with provision delivered by a combination of for-profit, not-for-profit and government providers, underpinned by significant public subsidy. This means it is not a traditional market, but rather a quasi-market shaped by government policy, funding and regulation. In this context, the role of government is not only to fund the system, but to actively steward it to ensure it delivers high-quality, equitable outcomes for children and families.

The Front Project does not take a position on the inclusion or exclusion of specific provider types. However, we emphasise that market settings must be designed so that all providers, regardless of ownership structure, are incentivised and supported to deliver high-quality, safe and developmentally appropriate services. Where there are tensions between commercial drivers and quality outcomes, these must be addressed through strong regulatory oversight, transparency, and accountability mechanisms.

Importantly, the current system settings do not always ensure that market provision aligns with community need or consistently prioritises quality and inclusion. This can result in:

- Variability in quality across services
- Over- and undersupply in different communities
- Limited access to high-quality options for some families

To address this, there is a need to strengthen system stewardship, including:

- Better visibility of provider performance and outcomes
- Stronger alignment between public funding and quality outcomes
- More active shaping of supply to meet community need
- Clear expectations that public investment delivers public value

In a system that is substantially publicly funded, it is reasonable to expect that the primary objective remains children's learning, development and safety, and that all providers operate within settings that prioritise these outcomes above all else.

Ultimately, the policy question is not whether providers are public or private, but whether the system as a whole is designed to consistently deliver high-quality early learning for all children, regardless of who delivers the service.