



NSW PARLIAMENTARY INQUIRY
INTO EARLY CHILDHOOD
EDUCATION AND CARE

June 2025

About the Front Project

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

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

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

Contact

info@thefrontproject.org.au
www.thefrontproject.org.au

Acknowledgement of Country

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

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Introduction

The safety and wellbeing of children must always be the foremost priority in early childhood education and care (ECEC). Recent events and emerging concerns have brought renewed urgency to this principle, highlighting unacceptable gaps in safeguarding practices and regulatory oversight. These developments demand a collective response from governments, service providers, and the broader ECEC sector.

This inquiry presents an important opportunity to urgently address serious and specific safety concerns in early childhood education and care settings. At the same time, it is also a chance to look beyond these immediate issues and consider the systemic factors that have contributed to them. Lasting change will require not only responsive action, but also a deeper examination of the structural and cultural conditions that have allowed such challenges to persist.

The Front Project supports the announcement of the NSW Regulatory Authority's Child Safety Regulatory Priority Program and the current National Review of Child Safety but emphasises that a comprehensive response to systemic issues cannot be addressed through regulatory measures alone. All components of the system need to be addressed, and we welcome this wide-ranging inquiry into the ECEC system.

We also welcome the opportunity to contribute further by providing evidence at a public hearing.

How we got here

Australia's ECEC system underwent substantial reform in the first decade of this century, culminating in the introduction of the National Quality Framework (NQF) in 2012. These reforms were driven by growing concerns about quality, consistency, and oversight—concerns that were amplified by the 2008 collapse of ABC Learning, then the largest childcare provider in the country. But the ambition of the reforms went beyond addressing these immediate risks. A central objective was to build a nationally consistent, integrated system that recognised ECEC as both a critical part of the education system and a foundational service for families.

The NQF brought nearly all early learning services under a single regulatory and quality assurance regime for the first time, with a national regulatory framework and established shared governance arrangements between the Commonwealth and state and territory governments.

At the same time, other significant policy changes—such as adjustments to affordability and access settings—were implemented to expand access to ECEC services. These reforms weren't limited to the NQF, but reflected a broader, decades-long trend of opening up the sector to private sector investment. In practice, this meant that while the NQF focused on quality and consistency, parallel policies—like expanding the Child Care Subsidy—were deliberately designed to stimulate private sector investment and growth to meet increasing demand.

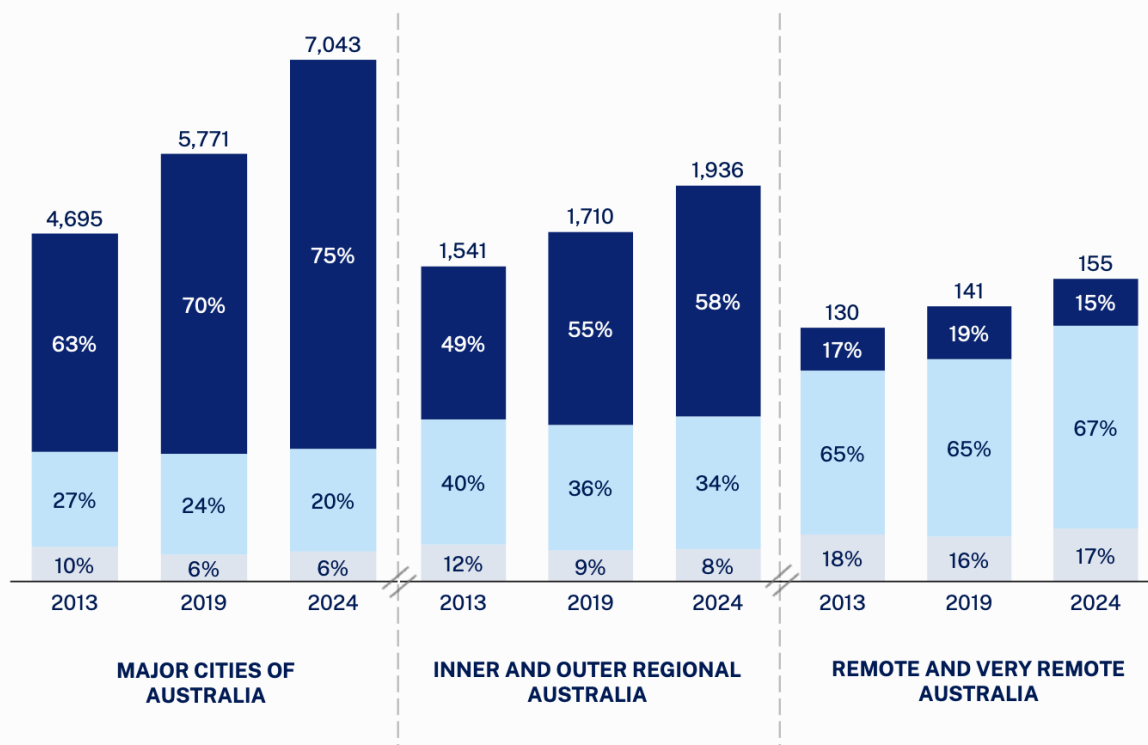
Since then, the sector has expanded rapidly and unevenly. The nature of provision has changed, with more for-profit operators entering the market, adding complexity to the landscape. In 2024, 70 per cent of all LDC services were operated by for-profit providers, an increase from 60 per cent in 2013. In contrast, the share operated by not-for-profit providers has declined from 32 per cent in 2013 to 23 per cent in 2024. The increase in services run by for-profit providers is mainly driven by new services being disproportionately run by for-profit organisations. Since 2013, 78 per cent of all new LDC centres have been opened by for-profit operators.¹

¹ The Front Project and Mandala (October 2024) [Addressing Market Imbalances to Achieve Quality and Affordable ECEC](#) 15.

LDC centres by provider type and remoteness

2013, 2019, 2024, Australia

For-profit Not-for-profit Other



2 Based on population figures by remoteness area from the 2011 and 2021 Census.
Source: ACECQA (2024) NQF Snapshots; Mandala analysis.

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Figure 1: The Front Project and Mandala (October 2024) *Paving the Path: Addressing market imbalances to achieve quality and affordable childcare in more places*

This context is critical to understanding the current market mix and the challenges of ensuring quality and equity in provision. While expanding access has been an ongoing priority, these policies also created uneven incentives and have led to gaps in provision—especially in areas where the financial return is lower, such as lower-income or regional communities. These structural drivers continue to shape the sector and highlight the need for coordinated stewardship and thoughtful reforms that go beyond piecemeal adjustments to regulation or funding rules.

In addition, funding for regulators has not kept pace, and the joint Commonwealth–state/territory Vision for ECEC remains in draft at National Cabinet since 2023. The Commonwealth’s unilateral decision to end the National Partnership on the National Quality Agenda in 2017–18 marked a turning point. The agreement had underpinned joint investment in the implementation and ongoing regulation of the NQF. It provided Commonwealth co-investment to support regulatory and quality infrastructure (like workforce, assessment and rating, and data systems).²

The Commonwealth’s termination of the National Partnership effectively withdrew federal co-investment in the quality infrastructure of a system the Commonwealth continues to fund to the

² Federal Financial Relations, (July 2016) *National Partnership on the National Quality Agenda for Early Childhood Education and Care – 2015-16 to 2017-18*.

tune of over \$14 billion a year. This created a lopsided accountability arrangement: Commonwealth dollars continue to flow into the sector, but oversight, regulation, and enforcement are left almost entirely to states and territories. The risks of this imbalance have been illustrated most clearly in the family day care (FDC) sector, where rapid growth under weak national oversight led to significant quality concerns and, in some cases, fraud. If left unaddressed, this disconnect between funding and regulation undermines both public confidence and the effectiveness of national reform.

In recent years, the Commonwealth's role in ECEC has largely centred on improving affordability for families. However, there are emerging signs of a broader stewardship approach, with increasing attention now being directed toward other core system enablers—such as workforce sustainability, exemplified by the introduction of the Early Childhood Education and Care Workforce Retention Payment. However, responsibility for upholding quality and safety has increasingly fallen to states and territories—often without the full suite of tools or resources needed to do so effectively. This fragmented approach has created gaps in oversight and accountability, particularly as the sector grows more complex and diverse.

Without a shared commitment to coordinated stewardship, governments risk working at cross-purposes—investing in access without ensuring quality or regulating without sufficient levers to influence provider behaviour. A more deliberate and integrated approach is now needed to ensure that every child experiences safe, high-quality early education, regardless of where they live or the type of service they attend.

The opportunity

Currently, no one is responsible for overseeing the system as a whole—no body is looking across the market and asking what levers need to be pulled, by whom, and when, to drive quality, equity, access, affordability, workforce sustainability, and safety.

We note, for example, that despite much fanfare and consultation, the National Cabinet has still not finalised a Vision for ECEC, that has been in draft since March 2023, following a period of public consultation between March and August that year. According to the official website, the draft was updated to reflect the consultation findings and was to be considered by National Cabinet in early 2024. However, no further updates have been provided since—raising questions about the priority being placed on setting a shared, national direction for the ECEC system.

This lack of coordinated stewardship represents a critical and urgent challenge for the early childhood education and care sector. A legislated, independent ECEC Commission could be that steward—providing market oversight, guiding major reforms such as the universal access and a future funding model, and advising on workforce, quality, and investment settings. The system doesn't just need tweaks—it needs structural accountability. NSW, as the largest jurisdiction is well-placed to champion this approach.

This inquiry is also an opportunity to build a more sophisticated conversation about the role of for-profit and not-for-profit providers.

For-profit services play an important role—bringing access to capital and enabling rapid expansion of supply. But it is also fair to say that for-profit providers are overrepresented in parts of the sector associated with lower quality and higher safety risks. NSW can take action by

introducing stronger transparency and accountability requirements, including public reporting on quality, governance, and workforce investment. It can also use its funding levers—through contracts, grants, and capital programs—to reward providers that demonstrate strong performance on safety and quality.

This Inquiry could play a leading role in promoting a balanced, evidence-based approach to understanding how profit motives intersect with quality—particularly in areas like workforce rostering, staffing levels, and approach to regulatory compliance. This would give the sector, providers and their boards clearer signals about what to prioritise in their governance. It would give regulators more targeted insights to support effective oversight. And it would support policymakers in designing smart, proportionate interventions.

The missing link: quality, funding, and the case for coordinated ECEC stewardship

We know that most providers deliver quality education and care, with 91 per cent of services with a quality rating Meeting the National Quality Standard (NQS) and above.³ What's more, we know that the National Quality Standard is measuring the right things. The recently published AERO study *Linking quality and child development in early childhood education and care* examines large scale linked data from over 120,000 children.⁴ It shows that children attending services that are Exceeding and Meeting are more school ready than children who attend services that are Working Towards.

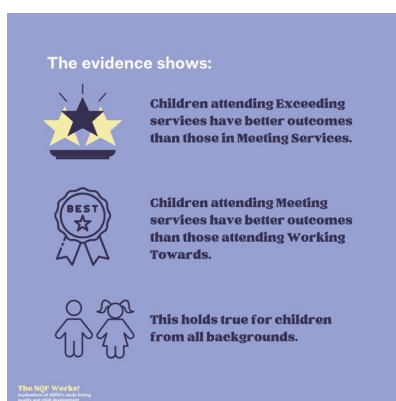


Figure 2: The Front Project (November 2024), [The NQF Works! Implications of AERO's study on linking quality and child development](#)

However, recent media reporting has made it clear that the current funding and regulatory settings are not doing enough to uphold safety and wellbeing for every child, and there are services that are falling well short of what children deserve.

The current composition of the early childhood education and care sector in NSW is driving unequal access to quality services. Despite significant growth in childcare places over the last decade, families in low socioeconomic and rural communities continue to face systemic barriers, including reduced access to quality services.⁵

³ ACECAQ, [NQF Snapshot Q1 2025](#), May 2025.

⁴ AERO (June 2024) Technical Report: [Linking quality and child development in early childhood education and care](#).

⁵ The Front Project and Mandala (October 2024) [Addressing Market Imbalances](#), 15.

LDC places per 100 children by socioeconomic status² (SES) and remoteness

2024, Australia



² LDC places per 100 children, averaged across LGAs of different socioeconomic status (based on SEIFA, IRSAD deciles where a low SES LGA is an LGA in decile 1 to 3, a medium SES LGA in decile 4 to 7 and a high SES LGA in decile 8 to 10).

Source: ABS (2024) 2021 Census; ABS (2023) Socio-Economic Indexes for Areas (SEIFA), Australia; ACECQA (2024) NQF Snapshots; Mandala analysis.

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Figure 3: The Front Project (October 2024) [Addressing Market Imbalances to Achieve Quality and Affordable ECEC](#) p11.

To a large degree, this is an unintended side effect of the design of the Commonwealth's Child Care Subsidy, which underpins the economics of childcare service delivery.⁶ Families benefit from tapered subsidies, but affordability still shapes provider profitability. This drives investment to areas with stronger returns—typically higher-income, growing communities with lower costs. Conversely, regions with lower capacity to pay, higher needs, or workforce challenges often face under-investment. The current funding system does little to address these disparities.

⁶ The Commonwealth is the primary funder of long day care settings as well as Family Day Care and Outside School Hours Care. By contrast, stand-alone kindergartens are predominantly funded by the NSW Government, with a modest contribution by the Commonwealth as part of the Preschool Reform Agreement.

As part of its commitment to universal preschool delivery, the NSW Government provides a modest contribution to the cost of delivery of preschool programs in long day care services. For more on the Commonwealth's involvement in funding childcare, see: Royal Commission into ECEC and Centre for Policy Development (2023) [A brief history of Commonwealth Government involvement in Early Childhood Education and Care in Australia](#).

Current division of ECEC responsibilities

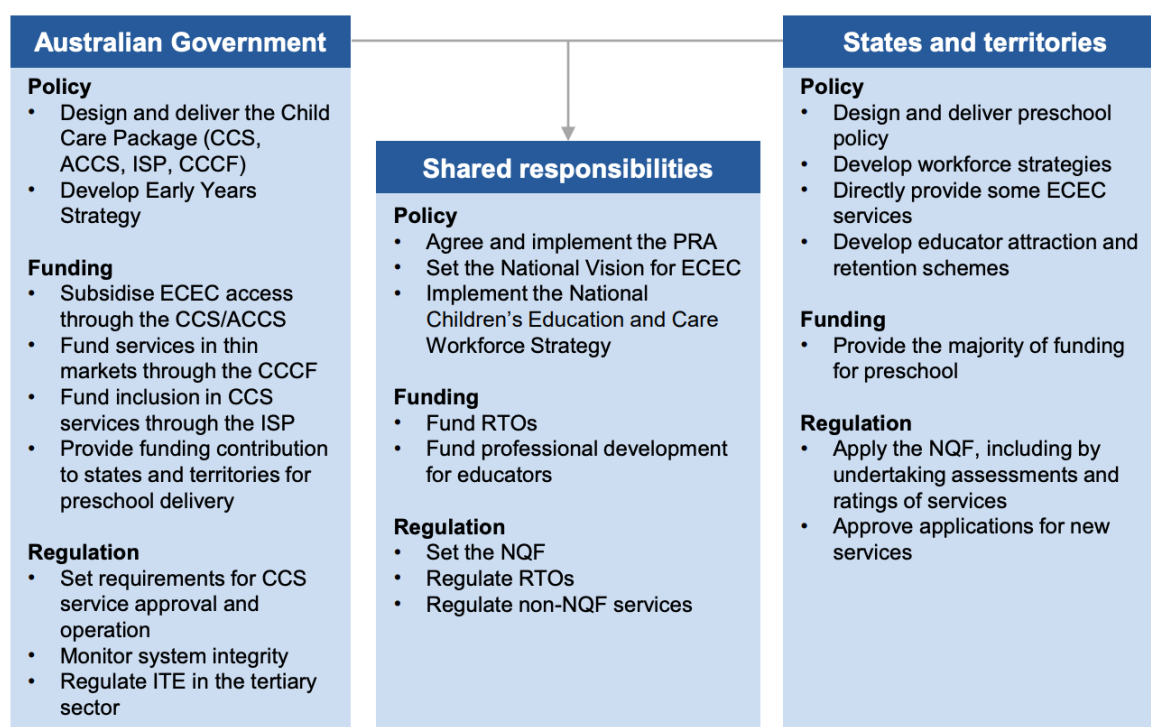


Figure 4: Productivity Commission, [Volume 2: Supporting papers – A path to universal early childhood education and care](#), p587.

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

“Achieving a universal ECEC system is a major challenge requiring governments to work together. A stewardship model – where the Australian, state and territory governments better coordinate their roles in the ECEC system and share accountability for outcomes – can address some of the challenges observed in the market, support a more cohesive policy response and steer the sector towards universal access... more should be done to improve coordination and accountability in the ECEC system and achieve a more effective model of stewardship.”⁷

“The September interim report recommended that a market stewardship role be considered by Australian governments. This would involve closely overseeing, and taking responsibility for, overall system functioning and coordination. This would require a clear vision and objectives, developing clear lines of responsibility, active collaboration between providers and government – including regular feedback on best practice and place-based approaches, and evaluation of outcomes.”⁸

“...this Royal Commission urges the Commonwealth Government to engage in constructive intergovernmental discussions on a national settlement of roles and responsibilities in early childhood education and care. In this report, the Commission gives a broad outline of how to define these roles and responsibilities. A national

⁷ The Productivity Commission (June 2024) [A path to universal early childhood education and care, Inquiry Report Volume 1](#), 50.

⁸ ACCC (December 2023) [Childcare inquiry 2023: Final Report](#), 233.

settlement would be in the interests of all governments, now and in the future, the sector, families and children.”⁹

The Front Project’s *Case for System Stewardship in Australia’s ECEC System*¹⁰ argues that fragmented governance limits the effectiveness and quality of early childhood education and care.

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

⁹ Royal Commission into Early Childhood Education and Care, [Final Report](#) (August 2023), 42.

¹⁰ The Front Project (October 2022) [The case for system stewardship in ECEC](#), 2.

Key recommendations

We encourage the NSW Government to adopt the following recommendations into legislation, funding arrangements, policies, processes, and professional practice relating to quality, safety, and workforce to ensure every child is receiving high-quality early learning and care.

1. Use the opportunity of this Inquiry to better understand the impact of different operational approaches to the delivery of ECEC on child safety. The Inquiry offers an opportunity to have a more nuanced conversation than simply ‘for-profit bad / not-for-profit good’. There are high-quality for-profit providers, as there are poor-quality not-for-profit providers.

The profit motive doesn’t explain everything, but it does explain some things. This Inquiry has an extraordinary opportunity to systematically explore primary source material from providers, as well as regulatory data, to identify patterns in staffing decisions, rostering patterns, resource allocation, service leadership performance incentives, internal risk management and reporting processes, and much more are associated with child safety concerns.

The Front Project would be happy to provide the Inquiry with information about possible methodological approaches.

2. Work to resolve as a matter of priority the distribution of responsibilities between the Commonwealth and States and Territories in relation to Early Childhood Education and Care, to ensure appropriate stewardship of the sector.

One potential solution to resolve respective jurisdictional responsibilities, and drive fast action, is the creation of a National ECEC Commission, per the recommendations of the Productivity Commission.

3. In resolving the question of which level of government is responsible for what activities, resolve the question of who is responsible for providing structured support for the workforce, including the funding of such support. Governments, departments, employers, employees, and training institutions all have a shared responsibility for professional development and training, including targeted support for new graduates and intensive support for lower-rated services.

Support the Commonwealth, and work proactively with other states and territories, to define and implement nationally consistent safeguards—including uniform WWC Checks, teacher and educator registration, and ongoing child protection and safety training.

4. Support approved providers to undertake system-level analysis of safety risks by identifying patterns across incidents and examining contextual factors such as operational practices, staffing levels, and workforce composition.
5. Strengthen the regulatory authority’s accountability through mandatory annual performance reporting, a public register of enforcement actions, tighter oversight of provider approvals—including the suspension or refusal of approvals for persistently non-compliant operators and strengthened data collection and data linkage.

Response to Terms of Reference

(a) Safety, Health, and Wellbeing of Children in ECEC Services

Any system dealing with vulnerable members of society has a moral and ethical obligation to safeguard their rights and wellbeing. This is especially true in early childhood education and care where young children rely on trusted adults to provide safe, nurturing, and inclusive environments.

The *Four Corners* report surfaced serious breaches of safety and trust across several ECEC centres. And whilst most providers and educators do an excellent job looking after the safety and wellbeing of children, all instances of neglect and misconduct, like those exposed in the *Four Corners* report, must be taken seriously and addressed swiftly to provide children with a safe environment, maintain public trust, and uphold the integrity of the ECEC sector. We know that stronger government stewardship and intervention is required to support services.

Recommendations:

1. Support the Commonwealth, and work collaboratively with other states and territories, to define and implement nationally consistent Working with Children Checks (WWCC) and national teacher and educator registration.
2. Mandate training on child safety, including requirements for refresher training, for all people involved in the provision of ECEC services including those in governance roles.
3. Examine whether operational policies and practices—such as financial incentives that encourage managers to minimise staffing, reduce costs, or prioritise efficiency—may compromise safety and quality. Ensure these risks are actively considered during service visits and compliance checks and use insights to inform potential changes to how the NQF is interpreted and enforced.
4. Strengthen data systems to improve transparency, support risk-based regulation, and enable informed decision-making by families.
5. Implement ACECQA's recommendation of a 'one stop shop' for resources and referrals to targeted and broad support services for families, children and teachers impacted by sexual abuse.

(b) Quality of ECEC Services & Educational Outcomes

AERO's 2024 research emphasises the importance of the National Quality Framework (NQF) in ensuring quality early childhood education. It found that services rated 'Exceeding' the National Quality Standard (NQS) had children with lower rates of developmental vulnerability compared to those rated 'Meeting' or 'Working Towards' the NQS.¹¹ These improvements were observed across all income levels, demonstrating that quality and access must go together to maximise benefits for children.¹² Government must strengthen its efforts to support service providers and educators in maintaining high-quality practices, lift standards where outcomes are falling short, and explore effective levers and incentives to address persistently underperforming providers.

Recommendations:

1. Prioritise centres providing affordable and quality care, via funding programs, infrastructure investments, and service approvals. The Front Project and Mandala research found that current funding policies have incentivised entry into the market of lower quality providers.¹³
2. Support the Commonwealth to use its Child Care Subsidy lever to prevent new service approvals for providers that consistently achieve a Working Towards rating.
3. Continue to support services rated Working Towards through the Quality Support Program (NSW)¹⁴ with a program of intensive support for continuous improvement.

¹¹ The Front Project and Deloitte Access Economics (November 2024) [The NQF Works! Implications of AERO's study linking quality and child development: Policy Explainer](#), 3.

¹² Ibid.

¹³ The Front Project and Mandala (October 2024) [Addressing Market Imbalances](#), 21.

¹⁴ ACECQA, [Quality Support Program \(NSW\)](#).

(c) Safety, Pay, and Conditions of ECEC Workers

The Jobs and Skills Australia study into the ECEC sector identified low remuneration, high rates of casualisation, and structural factors like unclear career progression and lack of formal professional development as key barriers to job satisfaction and retention within the ECEC sector.¹⁵

Further barriers cited by the Productivity Commission report include burnout, occupational health and safety issues, gender undervaluation, supply pressures in regional and remote areas, and barriers to obtaining qualifications.¹⁶

While many of the challenges facing the sector are well known—such as workforce shortages in a tight labour market—it’s important to acknowledge the deeper, systemic issues that underlie them. Early childhood education and care roles are complex and demanding, yet often undervalued, underpaid, and poorly supported. These conditions inevitably constrain the sector’s ability to attract and retain a high-quality, sustainable workforce. Addressing these issues requires more than incremental regulatory or funding adjustments—it calls for coordinated, long-term reform that recognises the essential contribution of the ECEC workforce and invests accordingly.

Recent research by the Front Project found that improved workforce conditions are consistently linked to higher quality ECEC.¹⁷ 66 per cent of top-rated services in low-SES areas operate under Enterprise Bargaining Agreements with above-award pay and conditions, compared to just 29.7 per cent sector-wide.¹⁸ These services outperform those relying on Award conditions, offering up to 10 hours of planning time per week and guaranteed time for professional learning.¹⁹ This results in better outcomes for children through more consistent staffing, stronger educator-child relationships, and higher-quality learning environments.

Early signals from the Commonwealth’s Worker Retention Grant suggest that targeted, well-designed interventions can make a meaningful difference. This is a significant investment that reflects a growing recognition of the workforce challenges facing the sector and a welcome shift towards more active system stewardship by government. It also shows that these problems are not intractable—with the right levers and commitment, real progress is possible.

Recommendations:

1. As part of the State’s responsibility for quality improvement (unless a different settlement of responsibilities is negotiated with the Commonwealth), increase support to high-quality, practical professional development in the latest pedagogy, cultural competency, inclusion, and supporting children with complex needs. Include funding support for time release and out-of-hours participation in PD. As an example, both Victoria’s and South Australia’s ECEC workforce strategies provide targeted support for

¹⁵ Jobs and Skills Australia, [The Future of the Early Childhood Education Profession: Early Childhood Education and Care Workforce Capacity Study Summary Report](#).

¹⁶ The Productivity Commission (June 2024) [A path to universal early childhood education and care, Inquiry Report Volume 1](#).

¹⁷ The Front Project (2025) [The Hidden Lever: How pay and conditions support child outcomes in low SES early childhood education and care services](#), 6.

¹⁸ Ibid.

¹⁹ Ibid, 12.

professional development, including mentoring, networking, and time for professional learning.

2. Through funding arrangements—such as those for preschool provision—support improvements to educators’ industrial conditions that are linked to higher quality provision of care.

For example, this could include increasing planning time to a minimum of six hours per week and guaranteeing paid time for professional learning and development. I.e.: The Victorian Government provides higher kindergarten funding rates to services that adopt enhanced employment conditions, including improved non-contact time and professional development support. This demonstrates how funding levers can be strategically used to drive workforce and quality outcomes.

(d) Effectiveness of the Regulatory Framework

Research by AERO and subsequently the Front Project show that the National Quality Framework is effective in measuring service quality, with ECEC service ratings directly linked to measurable improvements in children’s development outcomes.²⁰ Children attending services rated as Exceeding the NQF are significantly less developmentally vulnerable than those attending Meeting or Working Towards services, with relative risk reductions of 8–15 per cent in developmental vulnerability.²¹

However, the NQS assessment and rating system only measures quality on a periodic basis, with some services not assessed and rated for 3-5 years at a time. The effectiveness of the regulatory framework, both the National Law and specific arrangements for NSW, depend on consistent enforcement, adequate resourcing, public transparency and trust, and clear guidance for services.

Recommendations:

1. Introduce annual public reporting by the regulatory authority to enhance system transparency and accountability. This should include metrics on the number of service assessments conducted, compliance and enforcement activities, funding, and resourcing. Victoria provides a useful precedent through its detailed annual reporting by the Quality Assessment and Regulation Division.
2. Establish a publicly accessible online register of enforcement actions taken by the regulatory authority (following the example set by Victoria). This would enhance transparency, support informed decision-making by families, and strengthen public trust in the regulatory system.
3. Monitor the use of regulation 123, which allows for “across the service” application of qualification and ratio requirements, to ensure it is not being misused in ways that compromise child and staff safety or wellbeing, and to confirm that adequate supervision of children remains a clear priority.
4. Apply a more rigorous risk-based “fit and proper” assessment during approvals, particularly for new entrants, including checks on related entities, director histories, and prior compliance records across jurisdictions.
5. Apply suspension or cancellation powers more consistently where there is evidence of persistent non-compliance, risk to child safety, or systemic governance failures—particularly when providers have failed to improve following regulatory intervention. And publish clear criteria or thresholds for escalation to suspension or cancellation, so that expectations are visible and enforceable.

²⁰ The Front Project and Deloitte Access Economics (November 2024) [*The NQF Works! Implications of AERO’s study linking quality and child development: Policy Explainer*](#), 3.

²¹ Ibid.

(e) Effectiveness of the NSW ECEC Regulatory Authority

NSW reports significantly more regulatory incidents than other jurisdictions, according to Report on Government Services data.²² This may indicate two things: robust oversight or serious underlying problems. There is also an issue with how data is captured and reported. Current incident recording practices can inflate the apparent severity of regulatory concerns by flagging a single event as multiple breaches, distorting the true scale of problems.

More fundamentally, the data itself often lacks context and granularity, making it difficult to understand what represents real and preventable risks to children's safety and wellbeing—and what reflects the inevitable, everyday bumps and scrapes that occur in any environment with young children. Addressing these limitations will be crucial for building an evidence base that genuinely supports quality improvement and risk management in ECEC.

Recommendations:

1. The NSW Regulatory Authority should refine how incidents are categorised and reported, distinguishing clearly between minor non-compliance and serious breaches. This could involve enhanced guidance for Authorised Officers and improved incident classification systems.
2. Data collection should be strengthened to enable more nuanced analysis to better identify high-risk environments and trends over time.
3. Record-keeping and information sharing between the NSW Regulatory Authority and ACECQA's NQAITS should be enhanced to ensure consistent and reliable national reporting of serious incidents, complaints, and risks to children's health, safety and wellbeing.
4. NSW should collaborate with ACECQA and other jurisdictions to develop nationally consistent regulatory processes, reducing duplication and variability in enforcement practices.

²² Productivity Commission, Report on Government Services 2025, [Sector Overview, Child care, education and training](#).

(f) Data Collection, Evaluation & Public Access to ECEC Information

We support stronger, more transparent data collection and public reporting in ECEC as essential for improving outcomes for children, supporting families, and guiding effective policy and funding decisions. One of the reasons this is so important is that it helps families become more informed consumers—putting demand-side pressure on providers to prioritise quality. However, there is clear evidence, including from ACECQA²³ and the ACCC²⁴, that most parents are unaware of the National Quality Standard (NQS) or do not place significant weight on it when making decisions about early learning services. This underlines the need to not only collect and publish data, but to ensure it is accessible, meaningful, and relevant for families.

In NSW, while relevant data is being collected, much of it is not readily accessible. Information that is available through government platforms is often incomplete, difficult to navigate, or not sufficiently timely to support informed decision-making or continuous quality improvement. Addressing these gaps—particularly by making data easier for families to find and understand—will help ensure that parents can confidently choose high-quality services, and that providers are held to consistent, transparent standards of safety and quality.

Recommendations:

1. Improve information sharing with families and services, to support them in understanding how quality is delivered and measured, and how safety concerns are addressed.
2. Improve the availability of information for ECEC services regarding the Regulatory Authority's data collection and analysis practices, to ensure providers are better informed, supported, and able to engage confidently with regulatory processes.
3. Strengthen data sharing between the NSW Government and the Commonwealth, as recommended by the Productivity Commission, to ensure a nationally coherent picture of service quality, safety, and availability.
4. Link primary data (i.e.: AEDC, NQS Quality Rating) with administrative data (like enrolment records, attendance data, subsidies, or regulatory compliance data that governments already collect) to create a more comprehensive evidence base that strengthens understanding of child development outcomes and supports more effective policy-making.

(g) Availability & Affordability of ECEC Training Institutions

Jobs and Skills Australia's 2024 report²⁵ highlights the ECEC sector's heavy reliance on the Certificate III as the main entry point, with enrolments growing rapidly. However, the qualification has been criticised for being overly complex and difficult to access—particularly due to unpaid placements that contribute to 'placement poverty'. While the Commonwealth's Paid Practicum Support for degree-level qualifications is a welcome development, there remains a significant gap in support for those completing Certificate III placements, leaving many aspiring educators in precarious financial positions.

Recent federal and NSW government initiatives—such as free TAFE for priority courses, including the Certificate III in Early Childhood Education and Care—have helped to remove some upfront cost barriers. However, the common block-mode delivery format often fails to

²³ ACECQA (March 2014) [Families Research Project: Knowledge and Meaning of National Quality Standards and Ratings Pilot Study](#), 5.

²⁴ ACCC (December 2023) [Childcare inquiry 2023: Final Report](#).

²⁵ Jobs and Skills Australia (2025) [The Future of the Early Childhood Education Profession: Early Childhood Education and Care Workforce Capacity Study Summary Report](#).

meet the needs of learners who require more flexible study options, and access is further limited for Aboriginal and Torres Strait Islander and migrant educators due to language barriers, complex course structures, and a lack of ACCO-led Registered Training Organisations. These persistent barriers highlight the need for reforms that better support diverse learners and ensure the ECEC workforce is truly representative and sustainable.

Recommendations:

1. Encourage TAFE providers to expand flexible learning options, including models that are culturally safe, and accessible—including online, part-time, and modular formats—to meet the diverse needs of learners, particularly those already working or with caring responsibilities.
2. Invest in ACCO Registered Training Organisations to support culturally safe training delivery and grow a pipeline of Aboriginal and Torres Strait Islander educators. This could include dedicated funding to build training capacity, support partnerships with existing ECEC services, and enable delivery of qualifications in community.

(h) Composition of the ECEC Sector & Impact of Government Funding

The Front Project’s research with Mandala highlights that while childcare places have increased by 69% since 2013, the distribution of these places is far from even.²⁶ In low-SES areas, there are 41% fewer long day care places per 100 children compared to high-SES areas.²⁷

Currently, 70% of long day care services are operated by for-profit providers—up from 60% in 2013.²⁸ At the same time, not-for-profit services are declining, from 32% of the market in 2013 to 23% in 2024.²⁹ This trend is especially pronounced in ‘gentrifying’ local government areas, where not-for-profit places declined by 10% between 2021–2024, while for-profit providers grew by 25%.³⁰

This market mix has significant implications for both quality and access. For-profit providers tend to establish services in areas where returns are higher—typically, middle- and upper-income urban communities—leaving gaps in provision for low-SES, rural, and remote communities. Not-for-profit providers, in contrast, are more likely to operate in low-SES and rural areas, meeting local needs and often prioritising social outcomes over financial returns. The decline in their share of the market exacerbates existing inequities, particularly for children already more likely to be developmentally vulnerable by their first year of school.

This evidence underscores the need for government(s) to play a more deliberate stewardship role: ensuring that investment in ECEC not only expands supply but fosters a better market mix—one that guarantees equitable access to high-quality early learning opportunities for all children, regardless of their postcode or family income.

Recommendations:

1. Balance provider types and strengthen not-for-profit provision by supporting their presence in both established and underserved markets. The NSW Government could explore targeted policies to:
 - a. Provide start-up or expansion grants and access to public land in higher-income areas to help NFPs establish a viable presence in those markets, while ensuring these investments align with broader goals of quality and equitable access.
 - b. Consider how regulatory and funding levers could better support cross-subsidisation, for example by linking some provider approvals to commitments to operate in both well-served and underserved areas.

²⁶ The Front Project and Mandala (October 2024) [Addressing Market Imbalances](#), 3.

²⁷ Ibid, 11.

²⁸ Ibid, 15.

²⁹ Ibid, 15.

³⁰ Ibid, 17.

(i) Experiences of Children with Disability, Parents & Carers

Ensuring equitable access to early childhood education and care (ECEC) is a responsibility shared by the NSW government and department, as well as ECEC providers and the workforce. For children with disability and developmental delay, inclusion must be a foundational principle embedded throughout the ECEC system—providing the right supports, in the right settings, at the right time.

However, this is not always the reality. Families, staff, and providers report significant barriers to inclusion, including:

- Underfunding of inclusion supports such as the Inclusion Support Program (ISP), which has been highlighted in evaluations by the Commonwealth Department of Education as not always meeting demand.³¹
- A lack of workforce capability and confidence in inclusive practices.³²
- Market-driven gaps in provision—particularly in regional, remote, and low-SES areas, where for-profit services often have little incentive to provide inclusive supports.³³

Recommendations:

1. Prevent services and children falling between the cracks of Commonwealth and State inclusion programs. For example, work with the Commonwealth to agree responsibility for, and ensure comprehensive access across the whole ECEC sector (including preschool, long day care, family day care and out of school hours care) to the following elements:
2. Training on disability inclusion, strength-based, trauma-informed, and culturally responsive practices.
3. A pipeline of specialist inclusion advisors embedded within services or department regions.
4. Targeted funding to help services adapt environments and staffing to meet the needs of children with disability.
5. Review and strengthen funding models and service approvals to ensure they adequately address inclusion needs and support equitable access for all children.
6. Coordinate the commissioning of inclusion and foundational supports support in ECEC with clear roles, responsibilities, and transparent funding flows to support healthy child development across systems. e.g. the Lead Practitioner role envisaged by the NDIS Review could be allocated a portfolio of ECEC services and be hosted within Inclusion Agencies or state-funded systems of support, such as Maternal Child and Health or providers of preschool support.
7. Embed some foundational supports within mainstream ECEC and other services, not as an additional program.

³¹ Deloitte Access Economics (September 2023) [Review of the Inclusion Support Program: Final Report](#).

³² The Productivity Commission (June 2024) [A path to universal early childhood education and care, Inquiry Report Volume 1](#).

³³ ACCC (December 2023) [Childcare inquiry 2023: Final Report](#).