

## **INQUIRY INTO EARLY CHILDHOOD EDUCATION AND CARE SECTOR IN NEW SOUTH WALES**

**Organisation:** KU Children's Services Central Office

**Date Received:** 30 May 2025

---

# **Inquiry into the Early Childhood Education and Care (ECEC) Sector in New South Wales**

Submission by KU Children's Services | May 2025

## Contents

<b>ACKNOWLEDGEMENT OF COUNTRY .....</b>	<b>3</b>
<b>KU STATEMENT OF COMMITMENT TO ABORIGINAL AND TORRES STRAIT ISLANDER PEOPLES.....</b>	<b>3</b>
<b>KU STATEMENT OF COMMITMENT TO CHILD SAFETY AND WELLBEING .....</b>	<b>3</b>
<b>ABOUT KU CHILDREN'S SERVICES .....</b>	<b>3</b>
<b>INTRODUCTION .....</b>	<b>4</b>
<b>A. SAFETY, HEALTH, AND WELLBEING OF CHILDREN .....</b>	<b>4</b>
Recommendations.....	5
<b>B. QUALITY OF SERVICES AND THE EDUCATIONAL AND DEVELOPMENTAL OUTCOMES FOR CHILDREN .....</b>	<b>6</b>
Recommendations.....	6
<b>C. PAY AND CONDITIONS OF WORKERS .....</b>	<b>6</b>
Recommendations.....	7
<b>D. EFFECTIVENESS OF THE REGULATORY FRAMEWORK .....</b>	<b>7</b>
Recommendations.....	8
<b>E. EFFECTIVENESS OF THE NSW ECEC REGULATORY AUTHORITY .....</b>	<b>8</b>
Recommendations.....	9
<b>F. COLLECTION, EVALUATION, AND PUBLICATION OF RELIABLE DATA .....</b>	<b>9</b>
Recommendations.....	10
<b>G. AVAILABILITY AND AFFORDABILITY OF QUALITY TRAINING INSTITUTIONS .....</b>	<b>10</b>
Recommendations.....	10
<b>H. IMPACT OF GOVERNMENT FUNDING ON THE TYPE AND QUALITY OF SERVICES .....</b>	<b>11</b>
Recommendations.....	11
<b>I. EXPERIENCES OF CHILDREN WITH DISABILITY AND THEIR FAMILIES.....</b>	<b>11</b>
Recommendations.....	11
<b>FURTHER COMMENTS.....</b>	<b>12</b>

## **ACKNOWLEDGEMENT OF COUNTRY**

KU respectfully acknowledges the Traditional Owners of the Countries of Aboriginal and Torres Strait Islander Peoples and communities on which KU services and programs are delivered. The contribution by Aboriginal and Torres Strait Islander Peoples to the education of young children existed long before our story began.

## **KU STATEMENT OF COMMITMENT TO ABORIGINAL AND TORRES STRAIT ISLANDER PEOPLES**

KU has an organisational responsibility to the revitalisation and advancement of the cultures, histories, and beliefs of Aboriginal and Torres Strait Islander Peoples of Australia as determined by them. Guided by our values and ethical practices, we commit to creating locally led programs and opportunities shaped and determined by Aboriginal and Torres Strait Islander children and families, employees, communities, and organisations.

## **KU STATEMENT OF COMMITMENT TO CHILD SAFETY AND WELLBEING**

As a child safe organisation, we continue our longstanding and unwavering commitment to the safety and wellbeing of children, with zero tolerance of child abuse.

## **ABOUT KU CHILDREN'S SERVICES**

KU is one of the largest not for profit and for purpose providers of early education. Established in 1895 as the Kindergarten Union of NSW, KU was the first provider of early childhood education and care (ECEC) in Australia and is the nation's most experienced provider.

KU has a long-demonstrated history of providing and supporting high-quality, inclusive early childhood education programs, and continues to lead the way with 130 services and programs in NSW, Victoria, and the ACT, including preschool, kindergarten, long day care, family and early intervention programs, and allied health services. In addition, KU is contracted by the Australian Government to provide support for eligible ECE services for the inclusion of children with additional needs. This includes the Inclusion Development Fund (IDF) and Inclusion Agencies in NSW/ACT and QLD and contracted in VIC.

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 all assessed services rated as Meeting or Exceeding the National Quality Standard. Such is KU's experience, expertise, and reputation, that we are often requested to provide specialist advice to other providers, peak bodies, the corporate sector, and all levels of Government.

## INTRODUCTION

KU Children's Services (KU) appreciates the opportunity to provide a submission to the *Inquiry into the Early Childhood Education and Care (ECEC) Sector in New South Wales*. As a passionate advocate for equitable and high-quality ECEC, we are deeply concerned about media accounts of abuse and systemic failures in the sector. The health, safety, and wellbeing of all children who attend our early childhood education services is our highest priority.

KU's public declaration of commitment to the safety and wellbeing of children formalises our unwavering commitment to children's safety and underpins child safe practices across the organisation and our zero tolerance of abuse or harm to children. KU has had a Child Safe and Wellbeing (CSW) Team for over 25 years and specialist teams that support quality education and care in our settings. In addition to Child Safe policies and training, KU services have an individual Child Safe Risk Management Plan developed in consultation with the CSW Team to keep children safe. As a child safe organisation, we expect everyone working in KU to prioritise children's safety and wellbeing and always act in the best interests of children. KU has a strong reporting culture, and all staff understand that they have a shared and legal responsibility to protect children from harm. We report concerns to the NSW Regulatory Authority and other agencies as required.

### A. SAFETY, HEALTH, AND WELLBEING OF CHILDREN

Nothing is more important than children's safety. Approved providers and educators must be aware of their mandatory obligations and the ethical frameworks that they are duty bound to follow. Having staffing policies that include a Code of Conduct, determining the responsible person at the service, and participation of volunteers and students, contributes to services being effectively supervised and managed, and professional standards maintained. The Early Childhood Australia (ECA) Code of Ethics provides a complementary framework for ethical responsibilities and professional behaviour in early childhood settings.

A stronger appreciation of the inherent dignity and rights of every child can help to create a safer and more supportive environment for children. Providers and educators have a fundamental responsibility and duty of care to ensure safe environments for children. The media coverage shows a need for stronger organisational culture and safeguarding practices alongside systems change. A child safe culture and national training on child protection laws and reporting is crucial to maintain standards of accountability. Educators need to know how to respond to keeping children safe and raise concerns. Children's safety and wellbeing must come first and every child attending an ECEC service must be safe and protected.

It is undeniably important that with further inquiries and reforms ahead, accountability and governance remain under the spotlight. The *National Child Safety Review* is exploring ways to strengthen legislated powers in the National Law so that Regulatory Authorities can take

swift and decisive action where unethical practices exist, such as powers to enforce penalty infringement notices, suspensions, and banning individuals from the sector.

A robust reporting culture is a critical part of the regulatory system, fostering transparency and accountability. Child safety and compliance reporting should be reinforced through the provider approval process and included in all approved early childhood teaching, diploma, and certificate III level qualification courses. ACECQA provides guidance on reporting requirements, managing and responding to injury, trauma, illness incidents, as well as publishing a National Decision Tree that helps approved providers notify Regulatory Authorities of incidents, complaints and updated information. Strong action must be taken for failure to notify with swift and proportionate responses for the level of breach or misconduct. Compliance actions, such as enforceable undertakings and show cause notices to suspend or cancel a service or provider approval, should be considered for the most serious cases of unacceptable risk to the safety, health, or wellbeing of children.

The NSW Department of Education and Office of the Children's Guardian (OCG) has created eLearning for *Child Safe Centre Based services*. Currently these modules are voluntary, but both the OCG and the NSW Regulatory Authority strongly encourage educators and leaders to complete them. KU's commitment to being a child safe organisation means staff who are not mandated under legislation to complete child protection and child safety training are provided with and take up opportunities to complete KU designed and delivered training.

National consistency for reporting change of Working with Children (WWCC) status could also help streamline notification processes, for example, the OCG notifying the Regulatory Authority of a change to an employee or volunteer's WWCC status.

The NQAITS is an effective platform for the reporting of serious incidents and complaints as prescribed in the National Regulations. Concerns can also be raised directly with the Regulatory Authority as needed. Greater accountability is needed to safeguard children's safety and wellbeing, and Whistleblower protections must defend individuals who report misconduct or unethical activities.

## Recommendations

1. Offer better support to those who raise concerns.
2. Set timeframes and take action against providers who persistently fail to meet minimum standards.
3. Require improved communication with families about incidents involving their child.
4. Prevent providers with repeated breaches from opening new services until they have taken corrective and proactive measures.
5. Provide stronger regulatory powers and a national Working with Children Check.

## **B. QUALITY OF SERVICES AND THE EDUCATIONAL AND DEVELOPMENTAL OUTCOMES FOR CHILDREN**

Low quality ECEC can have negative impacts on children's learning and development. The National Quality Standard (NQS) sets benchmarks for quality in areas such as educational programs, health and safety, and staffing arrangements. Teachers and educators need to obtain the skills and knowledge required to be responsive to the diverse and complex profiles of children. The national Approved Learning Frameworks have been updated to reflect contemporary developments in research and practice that support teachers and educators to meet the learning and development needs of each child.

The latest quarterly NQF Snapshot shows an increase in the percentage of services rated Meeting NQS and above.<sup>1</sup> In NSW, 7% are Working Towards NQS which is less than the national average, but 8 services were rated as Significant Improvement Required. This is proportionately more than other jurisdictions, except for the Northern Territory, and requires the Regulatory Authority to take immediate action in response to the significant risks it presents to the safety, health, and wellbeing of children. More frequent compliance monitoring before Assessment and Rating can help with earlier detection and possibly avoid a Significant Improvement Needed rating.

The Australian Early Development Census (AEDC) 2025 results will provide insights into the developmental outcomes of children in New South Wales (NSW). AEDC data from 2021 indicated that the COVID-19 pandemic had early effects on children's development, with a slight increase in developmental vulnerability. The 2025 results are expected to further illuminate how the pandemic has influenced children's development over a longer period, potentially highlighting areas where additional support may be needed. KU has witnessed a stark increase in enrolment of children with complex support needs and has invested in responses and supports that promote inclusive and quality learning environments for all children.

Authorised Officers are crucial to the monitoring, compliance, assessment and rating of services. Beyond mandatory training and experience, authorised officers should have early childhood education qualifications and understanding of the theories and professional approaches that underpin the pedagogical practices of teachers and educators.

### **Recommendations**

1. **Require Authorised Officers to hold an early childhood education qualification to effectively assess pedagogy and educational practices.**
2. **Improve equitable access to quality early childhood education for all children.**

## **C. PAY AND CONDITIONS OF WORKERS**

KU advocates for high quality early childhood education delivered by qualified early childhood teachers and educators who are adequately resourced and supported to provide exceptional education and care. ECEC has experienced a workforce shortage, largely due to underappreciation of the sector. While there has been a positive response to Government

initiatives to attract, retain, and develop workforce levels, efforts must continue to stabilise and upskill the growing sector.

The ECEC workforce has long been undervalued and underpaid, despite the critical role it plays in society. Approval of the Multi-Employer Enterprise Agreement and the *Gender-Based Undervaluation Review* decision are monumental steps towards improved remuneration and professional recognition that will help bring stability to the sector, and much needed continuity of education and care for children. To rebuild and sustain a high-quality ECEC workforce, we must implement comprehensive strategies that include ongoing professional learning and supportive working conditions. By investing in our teachers, educators, and staff, we can enhance their wellbeing, job satisfaction, and commitment, leading to better outcomes for children.

## Recommendations

1. Continue to expand workforce levels, qualifications, and professional learning opportunities for a highly skilled and well-supported workforce.
2. Invest in wage improvements and pay parity with teachers and educators in the school sector, without increasing costs to families.

## D. EFFECTIVENESS OF THE REGULATORY FRAMEWORK

Australia's National Quality Framework (NQF) is well regarded internationally, but more should be done to address providers who persistently fail to meet the NQF. The Australian Government is developing policies that strengthen regulatory powers and enforcement.<sup>2</sup> The *National Child Safe Review* is also a step in this direction to improve child safety arrangements within the NQF and strengthen regulations regarding inappropriate conduct, sharing information among Regulatory Authorities, and strengthening child safety training for all ECEC staff.

While remaining a strong supporter of the NQF, we are concerned that the introduction of partial assessment and rating in NSW does not authentically reflect the overall quality of services. The NQS is quite complex, encompassing a wide range of criteria. For example, a service might excel in some areas but need improvement in others, leading to a mixed rating that can be hard for families to interpret. Also, the Exceeding Themes apply a hard to achieve yardstick for services rated as Exceeding NQS and needs to be reviewed. Given the effort to maintain such a high standard, it is unrealistic to expect services that achieve and retain this standard to be downgraded to Meeting NQS if they haven't made further progression. The interpretation and identification of the Exceeding Themes is quite complex and if the Authorised Officer has no early childhood education knowledge or experience, these can be overlooked.

Regulatory Authorities work with ACECQA to promote continuous quality improvement in the sector. Support and guidance can vary significantly across jurisdictions, leading to inconsistencies in how quality is implemented and monitored. Tailored resources may be needed based on local needs and priorities but reducing regulatory fragmentation would provide greater reliability and reduce administrative burdens of providers operating in



multiple jurisdictions. A national body is needed to oversee predictable implementation of the National Law and Regulations, as implementation is currently determined by each Regulatory Authority and perpetuates inconsistency within the system.

The *Productivity Commission Inquiry into Early Childhood Education and Care* recommended a more effective model of stewardship where Australian, state, and territory governments better coordinate their roles.<sup>3</sup> We agree that steps are needed to improve national consistency and accountability. KU supports an independent ECEC Commission that monitors and reports the progress of governments towards the Early Years Strategy and cohesive actions across jurisdictions. This requires a unified ministerial approach and sustained political commitment.

## **Recommendations**

1. Review SOE key performance indicators to reflect current sector issues and evaluate the efficacy of the assessment and rating process in NSW.
2. Strengthen regulatory powers so that Approved Providers and educators are held more accountable for their actions.
3. Enhance national consistency and accountability with a unified ministerial approach and independent ECEC Commission.

## **E. EFFECTIVENESS OF THE NSW ECEC REGULATORY AUTHORITY**

The *Independent Review of the NSW Regulatory Authority* commissioned by the NSW Government will provide insight into the responsiveness of the current system and could highlight critical gaps or system failures. The NSW Regulatory Authority reports publicly on its performance against the Statement of Expectations.<sup>4</sup> These are reviewed every two years so that measures are appropriate and based on emerging evidence on quality outcomes for children. To be effective, the NSW Regulatory Authority needs to be adequately resourced and structured to conduct compliance monitoring, investigations, enforcement, and support sector quality improvement, especially with services that are not meeting requirements of the NQS.

From our experience, the NSW Regulatory Authority fulfills its responsibilities under the National Law and Regulations, takes decisive action on non-compliance, complaints, and notifications, including conducting visits and investigations where required, and identifies emerging issues to guide targeted monitoring. The NSW Regulatory Authority engages collaboratively with Approved Providers to understand and address challenges within the sector. The Quality Support Program, developed in collaboration with ACECQA, is valued within the sector.

A risk-based approach could be more successfully implemented to enhance monitoring and enforcement, enabling the NSW Regulatory Authority to allocate resources strategically and prioritise higher-risk services and providers while maintaining oversight of low-risk services and providers with a demonstrated record of compliance and quality.

While regulations ensure basic compliance with safety, health, and operational standards, the NQS emphasises continuous improvement for better outcomes for children and families. Families and communities may not understand that the ‘Working Towards NQS’ rating meets minimum regulatory requirements but not the higher benchmark for quality. KU advocates for more frequent visits of services not yet assessed or rated as ‘Significant Improvement Needed’ to ensure compliance and support quality enhancement. A comprehensive review of quality rating levels could help more accurately represent the compliance and quality system.

## **Recommendations**

1. Make best use of resources and risk-based approach to target higher risk applicants and providers while still monitoring those assessed as low risk.
2. Provide sufficient resources for the NSW Regulatory Authority to:
  - Focus on services not meeting the NQS and establish a timeframe for them to meet the Standards
  - Provide full assessment of new services within 12 months of opening, and reassess each service every 3 years
  - Conduct more regular compliance monitoring and stop partial reassessment
  - Carry out assessments by ECE qualified staff

## **F. COLLECTION, EVALUATION, AND PUBLICATION OF RELIABLE DATA**

The NSW Regulatory Authority publishes information about enforcement actions against providers and educators, such as prosecutions, suspensions, cancellations, and enforceable undertakings. Services are required to display their quality rating prominently for families, but families might not be aware that they can view a service’s compliance record.

Families clearly care about quality, but the *ACCC Childcare Inquiry* highlighted that families’ awareness of the NQF is low and many do not place high importance on NQS ratings when choosing an ECEC service.<sup>5</sup> The complexity of the assessment and rating process and intricacies of the overall quality rating may be less evident to them. Accessibility and clarity of quality rating information could be improved for families.<sup>6</sup> Many families are aware that quality ratings are listed on the national registers and can be found on [StartingBlocks.gov.au](http://StartingBlocks.gov.au). Supporting families to compare services based on their quality ratings can equip them with the information needed to choose the setting most suited for them. For example, being able to filter by quality rating could be an added function to support families’ decision making.

Collecting and reporting data that families care about, can address their needs and concerns and keep them informed about the overall quality of services provided, such as ratios, qualifications, inclusion and allied health supports. We advocate for transparency in reporting. However, caution is advised when reporting breaches and serious incidents to families, as they may not fully understand the context, including minor administrative non-compliance, medical attention due to illness, or common developmental injuries.

## Recommendations

1. Improve the level of public knowledge and access to information about providers and services.
2. Unify data and reporting strategies to create a cohesive national response.

## G. AVAILABILITY AND AFFORDABILITY OF QUALITY TRAINING INSTITUTIONS

The capping of international students and funding cuts to universities will likely affect course design and delivery. While accelerated degrees offer benefits, they can also create time pressures for course completion. Additionally, services may struggle to provide adequate supervision and mentorship for students and trainees due to workloads and workforce shortages.

Tertiary institutions have moved to offer birth-12 years teaching degrees to meet the workforce demands of schools. Moving away from specialised early childhood courses means that teachers may have limited proficiency in the distinct pedagogical approaches required for this stage of learning. We advocate for specialist early childhood teachers (Birth-5 years) and new graduates who are prepared to meet the demands of working with children and families, especially those with diverse and complex support needs.

Technical and Further Education (TAFE) institutions and Registered Training Organisations (RTOs) play a crucial role in vocational education and training. The Australian government has launched several initiatives to support free TAFE, professional development, and practicum subsidies that target priority groups. The NSW government can significantly grow and support the early childhood workforce by shaping vocational and tertiary education and funding initiatives such as professional development, scholarships, and wellbeing programs aligned with state and national priorities.

Monitoring RTOs is essential to maintain quality and credibility. The Australian Skills Quality Authority (ASQA) oversees compliance with standards to deliver training and assessment aligned with the Australian Qualifications Framework (AQF). Recently, ASQA cancelled the registration of several RTOs that were issuing qualifications without proper training, assessments, or adherence to required competency standards.<sup>7</sup> Ongoing monitoring and evaluation of RTOs is essential to improve training strategies and ethical practices, ensuring students acquire the skills and knowledge they need.

## Recommendations

1. Promote Birth to 5 Years ECEC teacher qualifications.
2. Review courses to meet the increasingly complex demands of working with children and families.
3. Continue monitoring of RTOs to maintain quality and credibility.

## **H. IMPACT OF GOVERNMENT FUNDING ON THE TYPE AND QUALITY OF SERVICES**

Government funding plays a pivotal role in shaping the type and quality of ECEC services. The ECEC policy environment is fragmented. NSW can take a stronger role in sector stewardship through the planning and approvals process to support the sustainability and quality of supply. Navigating varied systems and funding programs is difficult for service providers and families alike. A more coordinated approach could help amplify provision of services for children. Funding models need to remain in step with sector growth and increasing diversity.

The ACCC inquiry raised concerns about the concentration of for-profit providers prioritising profitability over quality. Community-based and not-for-profit (NFP) services often provide superior developmental and educational benefits for children. The PC inquiry noted that NFP services often deliver higher-quality outcomes due to their focus on reinvesting profits into service improvements. KU prioritises investment in the qualifications, professional learning, resources, and supports needed to promote positive educational outcomes for children, establish a child safe culture and uphold children's rights.

### **Recommendations**

1. Allocate funding to prioritise quality, inclusivity, and equity.
2. Increase investment in NFP services and collaborate with providers who have proven commitment to quality and inclusion.

## **I. EXPERIENCES OF CHILDREN WITH DISABILITY AND THEIR FAMILIES**

Inclusive practices are vital to ensuring that every child has access to appropriate education and care. Current funding and resources are insufficient to cover support educator costs for children with additional learning support needs, and more investment is needed to strengthen capability for inclusion.

KU is recognised for its strong commitment to the inclusion of children with disability and additional needs. We have experienced a significant increase in enrolments of children with additional support needs following COVID-19 and have seen an increase in children displaying challenging behaviour. In addition to the funding received, KU contributed \$918,500 in social impact funds in 2024 to top up diminishing inclusion support contributions and a further \$1,042,000 in management support so that educators could effectively include 1000 children with disabilities and complex support needs. Families need additional support to champion their children's right to access education and address direct or indirect discrimination.

### **Recommendations**

1. Increase funding for inclusion programs to fully fund additional educators.
2. Provide flexible spending guidelines to better support staffing costs or where resources are most needed.

## FURTHER COMMENTS

The disturbing stories aired on the ABC Four Corners program were an appalling betrayal of children's and families' trust. Every child has the right to be safe and supported. While KU supports an inquiry into serious safety breaches, it is important to recognise that there are many quality providers who demonstrate an unwavering commitment to safe and nurturing environments for children, and who consistently adhere to requirements of the NQF.

This is not a time for division among the sector, and the 'broken system' narrative that can lead to unnecessary fear. We must continue to work together to bring inappropriate practices, wherever they occur, to an end. We support all levels of government to uncover systemic issues, strengthen policy and regulatory frameworks, and promote high quality practices for the safety and wellbeing of children. We must remain vigilant about safety and quality.

There is no place for providers that place profits over children's safety. We must stop positioning ECEC as a market and consider it a fundamental part of the education system. Market dynamics do not guarantee equitable supply or quality ECEC. KU recognises the importance of collaborative efforts to improve the ECEC sector. We urge the Committee to consider our recommendations to protect children and reinforce public trust in the ECEC system.

Thank you for the opportunity to contribute to this important inquiry. We welcome further discussion on subjects raised in this submission.

If you require more information, please contact Christine Legg, CEO at

---

<sup>1</sup> [Australian Children's Education and Care Quality Authority \(2025\). NQF Snapshot NQF Q1 2025](#)

<sup>2</sup> [Strengthening Safety and Quality in Early Childhood Education](#)

<sup>3</sup> [Productivity Commission \(2024\). A path to universal early childhood education and care](#)

<sup>4</sup> [The NSW Minister for Education and Early Learning's Statement of Expectations](#)

<sup>5</sup> [ACCC Childcare Inquiry Interim Report June 2023](#)

<sup>6</sup> [ACCC Childcare Inquiry Final Report December 2023](#)

<sup>7</sup> [ASQA Cancels RTO Registrations for Non-Compliance and Illegal Activities: What It Means for Students and Future Pathways](#)