

Submission
No 99

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

Organisation: Community Industry Group

Date Received: 13 June 2025

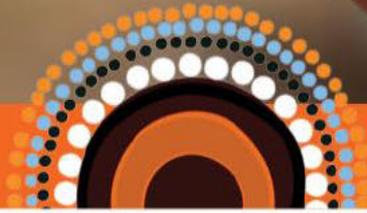
A photograph of a woman with dark hair tied back, wearing a red and blue plaid shirt, smiling and hugging a young child with dark hair. They are outdoors in a field of tall grass. The image is partially obscured by a dark blue diagonal overlay on the left side.

**NSW Parliamentary Inquiry
into the Early Childhood
Education and Care (ECEC)
Sector**

SUBMISSION

VOICE / INFLUENCE / LEADERSHIP

 **community**
INDUSTRY GROUP



ACKNOWLEDGMENT OF COUNTRY

Community Industry Group acknowledges the traditional custodians of this land, and their Elders past, present and future. We acknowledge and respect their continuing culture, the world's oldest living culture, and the contribution they make to the life of this region and our country. We acknowledge that we live and work on Aboriginal land and recognise the strength, resilience and capacity of Aboriginal people.



Executive Summary

Community Industry Group (CI Group) welcomes the opportunity to contribute to the NSW Parliamentary Inquiry into the Early Childhood Education and Care (ECEC) sector.

As the peak body representing not-for-profit human and community services across Southern New South Wales, our membership includes a wide range of services delivering homelessness support, family and domestic violence services, child and family support, youth work, aged care, disability services, and generalist community centres. Many of these organisations either deliver or partner closely with ECEC providers, particularly in regional, rural, and disadvantaged communities where access to quality services remains inequitable.

For more than 30 years, CI Group has taken a leadership role in advocating for inclusive, evidence-based, and community-informed approaches to service delivery. We support community organisations by promoting expertise and innovation and fostering industry development. Our work is driven by a commitment to social justice and to ensuring positive outcomes for the sector and the region.

This submission is informed by the direct voices of our member organisations who work with children and families impacted by vulnerability, isolation, and systemic disadvantage. It also draws from recent consultations with providers across Southern NSW, including Big Fat Smile, Southern Youth and Family Services (SYFS) through the Southern Suburbs Mobile Preschool and Multicultural Play Group, Noah's Inclusion Nowra, Cullunghutti Aboriginal Child and Family Centre Inc, University of Wollongong Kids' Uni, ECTARC and Wollongong City Council.

“We always bring it back to the child – they are our little guiding beacon for decision making” ECEC provider



Children's Safety, Health, and Wellbeing

ECEC services in NSW operate under the National Quality Framework, widely regarded as the gold standard in ensuring safety, quality, and developmental outcomes for children. However, CI group members expressed concern that the integrity of the Framework is being undermined due to inadequate resourcing. As one provider noted, the regulator currently only assesses two of the seven quality areas due to funding limitations. This gives rise to concern that the regulator fails to adequately assess services to ensure the safety, health and wellbeing of children in ECEC services.

Another member highlighted that services supporting vulnerable children, particularly those who are non-verbal, have experienced trauma, or come from culturally and linguistically diverse backgrounds, require additional supports that the current system fails to provide. This was echoed by another provider who advised that educators are increasingly substituting for underfunded health and support systems. The strain of this risks staff wellbeing, which ultimately impacts service delivery and outcomes for children accessing these services

Staff shortages experienced by members led to concerns around child safety. With experienced educators exiting the sector, providers are often forced to rely on relief staff with limited experience, which compromises consistency and quality of care. This is particularly worrying in high-needs environments where staff expertise is essential to child wellbeing. For example, there is a shortage of educators trained in Aboriginal and Torres Strait Islander cultural wellbeing which impacts cultural safety for children.

“Having high expectations for children's safety, our biggest challenges are having the time to support educators to complete relevant training and maintaining ratios to a level that we feel is required to ensure all children remain not just physically safe but also psychologically and emotionally” ECEC provider

The regulator must create a supportive relationship with the sector so that reporting is encouraged, rather than discouraged. The ECEC sector relies on a robust reporting culture where incidents, concerns, and safety issues are documented and addressed transparently. However, this requires clear guidance and support to ensure staff feel confident in reporting without fear of punitive consequences.



Many of our members have dedicated systems for reporting and compliance and believe that transparent reporting is essential for protection rather than punishment. However, recent confusion about thresholds for police reporting has left providers in a state of uncertainty, sometimes resulting in extended staff suspensions without clarity or resolution. There is an urgent need to clarify post-incident governance and communication protocols, particularly in relation to families and staff, without compromising legal processes.

One member noted: ***“We don’t want this Inquiry to have a negative impact where people stop reporting”***

Quality of Services and Child Outcomes

Access to ECEC supports children's skill development and early learning. Quality programs not only provide a safe environment but also enhance cognitive, social, and emotional development, leading to better educational outcomes and personal achievement. Accessible ECEC services are essential not only for supporting working parents but also for economic growth and developing a skilled workforce. Efforts to improve access to quality childcare services are crucial for empowering families and promoting overall societal development.

High-quality services invest in ongoing professional development, mentoring, and evidence-based teaching. Providers have noted that these initiatives improve outcomes for children, especially those from diverse or disadvantaged backgrounds. A member who works in a culturally and linguistically diverse community described the importance of cultural and community connections in helping children transition into school, particularly for families with limited English proficiency. Another member emphasised that many regional families cannot access allied health supports or interventions due to funding or workforce constraints and stressed the need for training to align with neurobiological development and inclusive practice.

“Services require a wraparound, integrated, holistic service approach to what they are doing with children and families. We know that the early years are key in Closing the Gap. It all starts here. It all starts now. We know how vital the first five years are in prime development for children. The investment you put into those early years is going to save you later. For every dollar you invest in early years you’re going to save \$9 down the track.” ECEC provider



This reflects a deep understanding that early childhood development is foundational to lifelong outcomes and that investing in these formative years with culturally safe and comprehensive supports is essential to Closing the Gap for Aboriginal children and families.

Providers emphasised the difficulty of replacing experienced educators and how this impacts the ability to deliver high quality care. Furthermore, the lack of Aboriginal staff is a barrier to providing culturally appropriate services and providers identified the need for tailored incentives to support Aboriginal workforce development in the sector.

Some members have adopted national child safety codes ahead of mandates, demonstrating what is possible with adequate support. Smaller or standalone services often cannot afford the same level of infrastructure or training. A mentorship model — where larger organisations support smaller ones, was suggested as a way to share expertise and raise quality across the sector.

BEST PRACTICE EXAMPLE

Cullunghutti's Boori Milumba program offers an innovative approach to quality and safety through enhanced staffing ratios (1:3 for children aged 0-2 and 1:5 for ages 3-5, compared with standard 1:4 and 1:10), along with two hours of non-contact time daily for educators.

This program also provides wraparound services including paediatricians, infant mental health consultants, and early childhood development experts, reflecting a holistic, integrated model tailored to Aboriginal children and families.

Pay, Conditions, and Workforce Retention

The ECEC workforce is passionate but stretched.

“We invest a large amount of money to provide great conditions such as paid breaks, paid training, additional leave and higher ratios. However, when educators leave it is usually because of the intensity of the work and being able to receive a much higher wage for a less stressful role.” ECEC provider



Passionate and well-trained educators are leaving their roles in large numbers, resulting in vacancy rates much higher than in other sectors. This trend highlights the challenges faced by ECEC providers in Australia. The departure of these educators reflects various challenges like burnout, inadequate support, unfavourable working conditions, and low pay. This impacts not only the educators but also the children who miss out on stable and nurturing early education environments.

“We're more regulated than a brain surgeon is. But what comes with that is the added burden of admin. Not only that, but the lack of appreciation and respect for educators in what they're actually delivering... people are still seeing them as babysitters.” ECEC provider

Service providers report elevated levels of burnout, particularly as educators take on roles beyond their training. While some progress has been made - for example one provider has seen a 60% increase in job applications and lower staff turnover due to wage subsidies - concerns remain about inequity. Preschool staff in NSW, for instance, were excluded from recent wage increases offered to Department of Education employees, leading to fears of losing staff to newly-funded public preschools.

Educators report feeling deeply disrespected, with pay and conditions failing to reflect the significance of their work. This is a contributing factor to poor mental health amongst educators and is also major deterrent for new entrants joining the sector.

One provider noted the disparity between ECEC awards and community sector awards, which creates retention challenges and often drives staff to more financially viable roles, and many young educators shift to part-time hours due to the emotional and physical demands of the work. Feelings of disrespect are understandable when early childhood teachers have a starting salary of just \$32 per hour despite university qualifications and there is great concern that more will be lost to government preschools which offer better pay and conditions, risking a workforce drain.

There is broad support for measures such as portable long service leave, though implementation must be carefully managed to avoid excessive administrative burdens. Currently, though, early childhood educators are excluded from the community services portable long service scheme.

Stakeholders consistently emphasised the importance of improving workplace conditions to ensure staff retention and safe and supportive workplace environments for educators. Suggestions included paying for first aid certification, ensuring allocated programming



time every week, providing compensation for professional development, additional training, and maintaining ratios above minimum requirements. These measures are seen as vital in sustaining a healthy and stable workforce.

“We have found that new educators to our teams haven't usually received the level of training or support required to have a solid understanding of the importance of having culturally safe practices and environments. This is something we provide but again it comes at a cost of time and in some cases extra financial investment to cover educators to have the time to sit with management.” ECEC provider

Regulatory framework and oversight

The current regulatory framework is broadly supported but requires strengthening, not watering down.

“You hear of all these big private providers that are constantly having compliance issues like serious child and safety risk issues and they still operate... so where is the safety and where is the consistency.”

Service providers want to see the regulator given the power and resources to act decisively on persistent non-compliance. There are concerns about inconsistency in assessments, particularly around reflective practice and critical reflection. Greater national consistency and coordination between regulators is needed, particularly for providers operating across state lines.

Mobile and place-based models are frequently disadvantaged by assessment systems that assume a static, centre-based model. This limits innovation and penalises services that are specifically designed to reach under-served populations. Inconsistency in enforcement is an issue. Different authorised officers provide conflicting interpretations of regulations, and many officers lack early childhood training or experience.

Our members questioned whether there is a role for the regulator to play in terms of planning new services to ensure there is a universal system for all children to access early childhood education, which removes areas being impacted by an oversupply or undersupply of services.



“When there’s an undersupply or oversupply of services, the only people who are being negatively affected are the children”

The 2022 Mitchell Institute report titled *'Deserts and Oases: How Accessible is Childcare?'* revealed that around nine million Australians live in what's called a 'childcare desert.' In these areas, the demand for ECEC spots greatly exceeds the available capacity, with three or more children competing for each spot. Rural communities, especially those outside cities, are hit hardest, with towns under 1,500 people, particularly in regional areas, most likely to have no accessible childcare within a twenty-minute drive.

The report also found that approximately 453 towns with populations under 3,000 lack centre-based daycare facilities, making early learning resources even scarcer in these regions. This scarcity doesn't just affect families seeking childcare; it also limits the development and educational opportunities for young children in these areas.

One concerning trend highlighted in the report is that areas facing higher levels of socioeconomic disadvantage have even greater difficulties accessing ECEC services. This presents a dual challenge for Australia's regional, rural, and remote communities, where limited accessibility intersects with socio-economic disparities. Addressing this issue requires effective pathways to early learning and care in these regions.

Childcare deserts, especially in smaller towns and rural areas, create barriers to early learning for a significant portion of the Australian population. This not only poses logistical challenges but also worsens existing inequalities. It is crucial for policymakers and stakeholders to focus on strategies that address both the geographical and socio-economic aspects of this challenge to create a more equitable and accessible early childhood education landscape for all communities.

Data Transparency and Public Access

There is a strong desire for better data collection and clearer communication with families.

“One of the things that we notice is that compared to other sectors such as schools, hospitals, the NDIS, there is limitations on the evaluation and publication of reliable data in relation to ECEC services.”



Services want to see meaningful, accessible public data about service performance, incident rates, and enforcement actions. Reporting should be used as a quality improvement tool, not simply for compliance. Publication of incident and breach data should reflect the compliance hierarchy and be indexed to actual attendance, not just licensed capacity.

“Greater clarity is needed on this and how the data is being used for benchmarking purposes. NSW is seen as being a state that has a higher number of compliance related incidents, but what we're not seeing in that data is how many of those are going to serious incidents.”

The sector supports educating families about the National Quality Framework and requiring services to share Assessment and Rating results with families, drawing on models from other jurisdictions. This would help build transparency and strengthen trust.

Access to Training and Development

Training quality and accessibility continue to vary widely.

As per our 2024 response to the [NSW Government's Early Childhood Education and Care Productivity Commission on the draft ECEC report](#), a large portion of the Early Childhood Education and Care (ECEC) workforce in Australia—around 73%—holds a Certificate or Diploma qualification, with a further 15% currently undertaking additional study. However, approximately 10% of workers in centre-based care and 5% in outside school hours care are employed under waivers or exemptions, allowing them to work without the required ECEC qualifications. The average length of service for paid contact staff in the sector is 3.6 years, but this drops significantly to just 1.4 years for those without formal ECEC qualifications, suggesting a link between qualifications and staff retention. Nationally, the Diploma of ECEC had the highest enrolment across all VET courses, while the Certificate III ranked third. Despite strong enrolment numbers, completion rates remain a concern, with only 40% of students completing Certificate courses and 51% completing Diplomas in 2017.

Even with continued growth in the sector, 35% of ECEC staff have three years or less experience, pointing to a high turnover rate. Financially, Certificate III trainees are often paid lower wages compared to those in other industries, making it difficult for many to afford independent living while juggling study and work commitments. Although ECEC workers



are classified as essential key workers, they continue to face considerable financial and professional challenges.

Small services, and those in regional areas, report difficulties in accessing consistent, face-to-face training. Mentorship models have largely disappeared, and online training is often inadequate for preparing educators for the demands of the sector.

“Access to additional training and the possibility of partnering with a service like a community of practice could support regional and disadvantaged communities.”

Visa-related restrictions are a significant barrier to attracting diverse staff. Certain visa types exclude access to funded traineeships, making it harder to recruit from multicultural communities.

One provider highlighted the importance of aligning educator training with developmental science and ensuring that programs include practical, real-world coaching, while another raised concerns about shrinking TAFE offerings and the replacement of mentorship with online-only training.

Providers stressed the need for face-to-face training pathways and local workforce development, noting challenges such as limited face-to-face training options, generational differences in work ethic, and limited university offerings for early childhood teacher degrees. One member is considering becoming a Registered Training Organisation (RTO) to develop Aboriginal-specific training and has partnered with a specialised training provider offering monthly face-to-face support.

There is also a call to continue free and subsidised Certificate III and Diploma pathways, fast-track scholarships, and scaffolded university pathways, including paid placements, particularly in rural and regional NSW. Partnerships with high-quality RTOs and tracking training completion and attrition rates will be key to building a stable, well-prepared workforce.

CI Group supports investment in high-quality, accredited training pathways and the revival of mentoring as a core element of educator development.

Sector Structure, Market Stewardship, and Funding

The sector is calling for stronger regulatory controls over market entry and expansion.



New services should only be approved if providers demonstrate capacity for quality, inclusion, and responsiveness to local needs. This should include a review of existing performance, for example, providers with “working towards” ratings should only expand if they have clear improvement plans.

CI Group members recommend that the government prioritise the expansion of inclusive, not-for-profit services through targeted capital and recurrent funding. Historically, access to low-interest grants allowed the NFP sector to flourish in the 1980s; a modern equivalent could support strategic, values-aligned sector growth.

Some service providers face significant funding constraints, including operating at capacity with long waiting lists, providing cheaper fees to keep services accessible to Aboriginal families, and struggling to compete with private providers offering significant incentives. Bus transport essential for accessing remote families is unfunded, and the regulated staffing ratios on buses are financially unsustainable.

Inclusion of Children with Disability

Current systems often disincentivise disclosure of disability, with families withholding information out of fear their child will be excluded.

"We've had children come to our service because other services have either kicked them out of their service because they have higher needs and they haven't been able to support them."

Services report that families who have experienced repeated rejection or had enrolments ceased are now reluctant to disclose, making it harder to offer appropriate support. Some providers are working to redesign enrolment processes to gently uncover additional needs in a supportive way to address concerns that some families avoid disclosing a child's disability for fear of exclusion.

Providers note that children with disabilities who are quiet, withdrawn, or socially disengaged often miss out on support, while children who display more disruptive behaviours are more likely to receive funding. Educators are left to fill gaps without access to timely interventions. There is strong support across the sector for the establishment of a dedicated office to advocate for children and families excluded from ECEC, as recommended by the 2024 Parliamentary Inquiry into children and young people with disability in education.



Providers report that long day care disability funding is too complex and inadequate, and many services avoid children with additional needs due to lack of support. The community preschool block funding model was noted as more effective.

ECEC providers across Southern NSW are dedicated to quality, inclusion, and community outcomes. However, they are being held back by fragmented systems, under-resourced regulation, and inequitable funding.

CI Group joins the call for a strengthened regulatory framework, sustainable funding, and an inclusive, data-informed approach that rewards transparency and supports all providers to deliver the best outcomes for children.

We urge the Committee to listen to the voices of the sector, invest in what works, and act boldly to ensure every child in NSW can access high-quality, inclusive early education.



Key Recommendations

- **Strengthen regulatory oversight by providing adequate resources and training to ensure consistent, informed, and responsive regulation across all service types.**
- **Improve educator pay and conditions by addressing pay disparities and improve conditions to support workforce stability and long-term retention across the ECEC sector.**
- **Encourage holistic, wraparound models by investing in integrated models that deliver education alongside health, family, and cultural supports, particularly for vulnerable communities.**
- **Support inclusion for children with disability by simplifying and expanding inclusion funding to ensure all children, regardless of needs or behaviours, can access and thrive in ECEC settings.**
- **Expand high quality, local training by strengthening access to quality, face-to-face training and mentoring pathways, especially in rural and Aboriginal communities.**
- **Increase transparency and public access to data by improving data collection and reporting to support informed family choice and drive continuous quality improvement across the sector.**
- **Ensure equitable sector growth by implementing stronger checks on new service approvals and prioritise funding for providers that demonstrate quality and community responsiveness.**
- **Fund transport and access for remote families by providing sustainable transport funding to enable equitable access for families in remote, regional, and hard-to-reach areas.**
- **Embed Aboriginal leadership and cultural safety to ensure Aboriginal voices are central in decision-making about early childhood policy and service delivery.**



For More Information:

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