Goodstart Early Learning: Submission to Set up for Success Phase Three Consultation

June 2026

About Goodstart

We are for children, not profit

Goodstart Early Learning (Goodstart) is Australia's largest not-for-profit social enterprise and Australia's largest provider of early childhood education and care, with over 670 centres located across every state and territory, including six centres in the ACT. Each year in the ACT we support 600 children and 515 families.

As a not-for-profit social enterprise, our purpose is to ensure all Australia's children have the learning, development, and wellbeing outcomes they need for school and life. It is our view that all children should be supported to participate in quality early learning and care, regardless of where they live in Australia, their family circumstances, their inclusion support needs, or their early learning setting. We believe the best way to do this is to ensure all children have access to high quality, inclusive early learning and care, no matter their location or life circumstances.

Executive Summary

Goodstart welcomes the opportunity to contribute to the ACT Government's consultation on Phase Three of Set up for Success. We commend the ACT Government for its continued leadership and commitment to improving access to high quality, affordable, and inclusive early childhood education and care. In particular, we recognise and applaud the Government's deliberate focus on strengthening the role of not-for-profit (NFP) providers and the steps taken to support NFP growth across the ACT.

We are strongly aligned with the ACT Government's vision for a high quality, accessible system and stand ready to work in partnership to deliver the next phase of reform. We welcome ongoing engagement with the ACT Government on how best to support and accelerate NFP growth, and to ensure the Set up for Success initiative continues to maximise benefits for children, families, and the broader community.

As Australia's largest not-for-profit provider of early learning, we bring a unique combination of scale, data insight, and community-based experience. Our submission responds to the consultation questions and provides 12 recommendations focused on ensuring Phase Three builds on the foundations already established through sustained partnership with the sector, careful sequencing of reforms, and a continued focus on quality, workforce sustainability, and access.

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Goodstart Responses to Key Consultation Questions

1. Phase Three of Set up for Success

- *What should be considered in relation to implementation of existing initiatives?*
- *What additional initiatives could be considered as part of Phase Three?*
- *How can Phase Three better support the Aboriginal and Torres Strait Islander workforce, and support improved outcomes for Aboriginal and Torres Strait Islander children and families?*
- *What challenges are families facing in accessing supports and information about children's development and neurodevelopmental difference?*
- *How could child safety be better reflected in Set up for Success through the Phase Three Implementation Plan?*

We commend the ACT Government's commitment to ensuring that early childhood education is high-quality, accessible and affordable; well connected with education, community and health services; and able to meet the needs of every child. The implementation of reforms under Set up for Success have delivered a range of valuable initiatives for the ACT early childhood education and care sector. However, the operating environment has evolved significantly since 2020 when this initiative was introduced and this needs to be considered in reviewing existing initiatives and planning for Phase Three.

Providers are currently navigating a complex landscape of reforms, workforce shortages, and increasing costs. Analysis of Commonwealth data shows that the number of children in centre based day care in the ACT fell by 3.8% in the last two years, but the number of licensed places rose by 2.2% (see Table 1).[1] The combined impact of these two factors was a 4.2% reduction in occupancy rates across the ACT. This reduction is posing challenges for financial viability, including for high quality inclusive NFP providers like Goodstart. As a NFP, our margins are already very thin and oversupply in some markets in the ACT is creating further challenges. This limits our ability to reinvest in programs that improve outcomes for children and our workforce.

Table 1: Average occupancy rates for centre based day care[2]

	NSW	VIC	QLD	SA	WA	TAS	NT	ACT	Australia
Dec-25	80.3%	72.2%	79.4%	70.3%	70.5%	80.1%	72.9%	72.1%	76.1%
Dec-24	83.7%	76.5%	81.8%	74.8%	76.3%	79.9%	78.4%	71.9%	79.7%
Dec-23	85.0%	78.3%	83.0%	77.1%	82.3%	80.7%	79.0%	76.3%	81.8%
Change over 1 year	-3.4%	-4.2%	-2.4%	-4.4%	-5.8%	0.3%	-5.5%	0.2%	-3.6%
Change over 2 years	-4.7%	-6.1%	-3.7%	-6.8%	-11.9%	-0.6%	-6.2%	-4.2%	-5.7%

While Goodstart welcomes the recent national child safety reforms, the impact of multiple legislative and regulatory reforms being introduced concurrently has created significant operational and financial pressures for services and providers. For instance, new requirements in the ACT for all staff to complete both the National Child Safety Training and ACT's child protection training by 27 August 2026 has put considerable pressure on services and added considerably to costs as staff must complete this training while out of ratio. Other jurisdictions including Queensland, Northern Territory, South Australia, Tasmania and Western Australia have mandated only National Child Safety Training. We would encourage the ACT to make a similar

[1] Department of Education Childcare Quarterly Statistics; ACECQA NQS Snapshot

[2] Department of Education Childcare Quarterly Statistics; ACECQA NQS Snapshot

move which would support centres capacity to engage in the reforms and initiatives that are part of Set up for Success.

It is important that further reforms under the Set Up for Success initiative are progressed in close partnership with the sector, and need to take into account the capacity of providers and the ECEC workforce to absorb and implement further reform. We suggest that the ACT Government work closely with quality NFP providers, like Goodstart, during planning and implementation of Phase 3. This will help ensure that reforms are both workable in practice and effective in achieving their intended outcomes. By engaging the sector early and at all stages, the ACT Government can better support services to embed changes more sustainably.

Recommendation 1: Consult with high quality not-for-profit providers throughout the design, implementation and evaluation of Phase 3 to ensure initiatives and reforms achieve their intended outcomes.

The professional development training delivered to the ECEC sector as part of the Set up for Success initiative is highly relevant and useful for educators and teachers. However, accessing the training remains a key challenge. For many services experiencing workforce shortages, an inability to backfill roles means that educators and teachers cannot attend training sessions. Although turnover has improved since the Worker Retention Payment was announced in 2024, across our six ACT services turnover was substantially higher than across Goodstart as a whole in the last twelve months. Alternative funding and delivery models could significantly improve accessibility. For example, providing services with dedicated funding and allowing them to schedule approved training programs at times that align with their operational needs would offer greater flexibility and increase participation. Similar models in other jurisdictions, such as the professional development delivered in South Australia as part of their Flying Start initiative and funded training days for kindergarten programs in Queensland, have demonstrated the benefits of allowing services to deliver professional development opportunities at times that are optimal for their workforce.

Recommendation 2: Explore alternative funding and delivery models, including dedicated backfill support, to improve access to and participation in professional development.

There is a clear need and significant opportunity for Phase 3 of the Set up for Success initiative to strengthen networking across the sector. The current regulator-led networking days offer valuable opportunities for professional learning, collaboration, and sharing of research and best practice. However, participation is severely limited by the challenge of releasing staff for consecutive days, particularly in a constrained workforce environment.

Given the relatively small size of the ACT, there is an opportunity to adopt more flexible and innovative approaches to sector networking and collaboration, including models that support ongoing professional networks, workforce sharing, and peer learning across services. Incorporating mentoring and coaching support for teachers and educators would also further strengthen workforce capability. Leveraging the scale of the ACT in this way could help build a more connected, capable, and sustainable workforce.

Recommendation 3: Prioritise development of innovative sector networking and collaboration models that leverage the small size of the ACT and move away from consecutive days of delivery.

2. Expansion of Three-year-old Preschool

- *Are any changes or enhancements to the program model required?*
- *Are any changes to eligibility requirements or partnering arrangements required?*
- *What support would be required for Partner Providers to implement an expanded program?*
- *Should the ACT continue with its existing funding model to scale to 600 hours, or should a different approach be adopted? For example, should CCS remain the basis of the program funding model or should the funding amount be capped for families?*

Goodstart strongly supports and welcomes the ACT Government's continued rollout and expansion of three-year-old preschool. We commend the Government's leadership in expanding access to high-quality early learning within centre-based long day care settings. This investment recognises the significant and lasting benefits of early learning for children, families, and the broader community

Currently, funding provides ACT families with access to one day per week of three-year-old preschool, with this set to increase to two days by 2028. Since the Three-year-old preschool program was launched in January 2024, there has been strong uptake with approximately 3,121 enrolments in 2025.[3] This reflects strong engagement from families, who are recognising the value of early learning and actively taking up the opportunity, enabling more children to benefit from high quality early education.

Goodstart welcomes the expansion of three-year-old preschool which will move funding closer to the typical attendance pattern of at least three days per week (in 2025 children attended centre based day care in the ACT for an average of 34.2 hours per week, or 3 days[4]). With the introduction of the Three Day Guarantee this year, families can now access at least three days of subsidised early learning, reflecting a national commitment to expanding access to early learning.

Evidence indicates that attending early learning for at least three days per week delivers significant child development outcomes for children, particularly on the cognitive school readiness domains.[5] However, the current preschool funding model does not support this level of participation, nor does it align with national messaging around access to three days of early learning. As a result, families often express confusion, which acts as a barrier to maximising participation in the preschool program.

Current funding settings do not adequately reflect the year-round nature of preschool delivery or the complexity of children's attendance patterns. Preschool programs in long day care and community-based services are delivered 52 weeks of the year. Fee relief for most families, however, is only available for 40 weeks per year. In addition, some children may attend government preschool for part of the week and long day care for the remainder. The current funding model does not reflect these realities and can leave families with significant out-of-pocket costs. This is particularly challenging for low-income families and may act as a barrier to participation.

Recognising that fiscal resources are limited, the Government could consider offering three days of funding (i.e. 900 hours) initially for low income families (those with an annual income <$88,520). ROGS data shows that children from low income families - around 10% of children in the ACT - are underrepresented in ACT ECEC services with a lower participation rate. Providing funding for three days for low income families would target additional assistance at children who would benefit most from access to ECEC but are least likely to attend, and would scaffold off the CCS infrastructure of the Three Day Guarantee and the 90% CCS rate for low income families.

Recommendation 4: Accelerate the expansion of three-year-old preschool to three funded days per week, starting with low income families from 2027.

The structure and administration of funding presents challenges for providers. Funding is currently delivered quarterly as a per-child allocation, with services required to apply this first as fee relief. Any remaining funds can then be used for program-related purposes such as quality improvements, resources, or workforce initiatives. However, the timing and variability of this funding creates significant uncertainty. Services are often unable to accurately forecast their available funding for program-related purposes, particularly as

[3] Set up for Success: An Early Childhood Strategy for the ACT Phase Two Evaluation Report. May 2026.
[4] Department of Education Childcare Quarterly Statistics
[5] Australian Early Development Census (AEDC)

enrolments change and children enter or leave care. This makes long-term planning difficult and limits the ability to invest strategically in quality improvements or workforce development.

A more effective approach would be to separate funding into distinct streams, similar to models used in other jurisdictions such as NSW. For example, a dedicated fee relief stream alongside a separate, predictable stream for resourcing and workforce investment would provide greater certainty and enable more effective planning. In NSW this is known as the program payment and can be used for wages, professional development, resources, and non-fee barries of access to care for families such as uniforms.

Recommendation 5: Improve the structure and predictability of preschool funding by introducing separate, dedicated funding streams for fee relief and program resourcing.

Additionally, the administrative burden associated with applying fee relief is significant, with current processes highly manual and time intensive. A substantial level of administrative effort from providers is required but is not adequately funded. While some flexibility exists to use unallocated fee relief funds to support administration, this reduces the resources available to improve program quality and is a limited and inconsistent funding source.

There is an opportunity in this phase to streamline and simplify the delivery of fee relief to improve efficiency and accessibility. One option would be to consider a flat-rate subsidy model, similar to approaches adopted in New South Wales and Victoria. Such a model could reduce administrative complexity while also maximising benefits for low income families by ensuring that early childhood education and care is genuinely free or close to free, while capping assistance for higher income families who currently receive proportionally greater benefit.

Recommendation 6: Simplify the delivery of fee relief to reduce administrative burden and improve equity, including consideration of a flat-rate subsidy model.

To ensure the expansion of three-year-old preschool is sustainable and achieves its intended impact, it must be accompanied by a strong and well-supported workforce.

In the ACT, intermittent shortages of qualified early childhood teachers and educators present a constraint on the sector's ability to grow. A critical issue contributing to these shortages is the disparity between wages and conditions in the early childhood sector and those offered within ACT schools and government preschools. Current funding levels do not enable not-for-profit providers to compete with the remuneration and conditions available in government preschools or the school system, making it increasingly difficult to attract and retain qualified early childhood teachers. This needs to be addressed to realise the full benefits of expanded preschool hours and must be a shared priority between the Commonwealth and Territory Governments, particularly as broader early childhood workforce strategies are developed and implemented.

Other jurisdictions also provide more support for the employment of teachers in preschool programs in long day care centres. The ABS preschool census for 2025 shows that 42% of children aged 4-5 years attended preschool exclusively in long day care centres and 24% attended preschool for at least part of their 600 hours each week. Yet the ACT Government does not offer operational funding for 4-5 year olds in ACT long day care preschool programs.

Recommendation 7: Prioritise increased funding to ensure pay and conditions for early childhood teachers and educators are equivalent across all settings.

Stronger and more consistent strategies are required to attract, retain, and upskill the early childhood workforce. The Early Childhood Degree Scholarship Program only offers a small number of places, operates inconsistently from year to year, is often inaccessible to school leavers, and the application process can be onerous. Greater consistency, scale, and accessibility in this program would significantly improve its effectiveness in building the early childhood workforce.

Recommendation 8: Expand and reform the Early Childhood Degree Scholarship Program by increasing the number of places, ensuring the program operates consistently year to year, broadening eligibility, and simplifying application processes.

The Working with Vulnerable People (WWVP) check process in the ACT remains slow, and approvals are considerably slower than in other jurisdictions. Goodstart strongly supports the "no card, no start" requirement however delays in approvals create significant barriers to building the early childhood workforce.

Recommendation 9: Prioritise investment in the Working with Vulnerable People check process to support faster assessment timeframes.

3. Child Safety and Quality

- *What information are families seeking to support them to understand child safety and quality, and to select quality ECEC services for their children?*
- *What impact could the implementation of CECA enforcing fines against ECEC providers for egregious and repeated child safety breaches have?*
- *How could regulatory approaches and processes better support continuous improvement in service quality while maintaining strong child safety and compliance outcomes?*

We welcome and commend the ACT Government's recent funding boost to the Children's Education and Care Assurance (CECA) regulator. Ensuring that the regulator is adequately resourced to undertake more frequent assessment of early childhood services is a critical first step in driving and maintaining high-quality early learning and care.

This enhanced resourcing has resulted in noticeable and positive changes in regulatory activity. Goodstart has observed a shift towards more frequent site visits, spot checks, and direct interaction with CECA, particularly following recent child safety reforms. This increased activity is a welcome development, as it provides opportunities to verify compliance, identify emerging risks early, and support continuous improvement across the sector.

Goodstart also commends CECA on their commitment to effective communication and sector support. The sharing of timely, clear, and targeted information with services, including reminders and updates about regulatory expectations and emerging priorities, supports services to understand and meet their obligations.

Goodstart supports a graduated and proportionate compliance and enforcement framework, where education, guidance and improvement notices are used alongside stronger enforcement powers where providers or individuals demonstrate repeated, serious or wilful non-compliance. The issuing of fines and visible regulatory activity plays an important role in maintaining public confidence and reinforcing accountability. However, the scale of fines need to be proportionate to the nature of the breach or offence. There is a risk that significant personal financial penalties may discourage experienced educators and teachers from accepting or remaining in nominated supervisor roles at a time when the sector is already experiencing leadership shortages. There are no comparable fines on principals in the school system, and already we are hearing of teachers considering shifting to the school sector because their level of personal legal liability is significantly lower (although the legal duties are comparable). We would encourage regulators to use powers to fine nominated supervisors sparingly, such as where the person has significantly personally failed in their legal duties, and their willingness and ability to comply must be considered. Over time, we would support a review of the level of fines on this category of employee.

It is critical to recognise that the National Quality Framework remains the foundation upon which improvements to the early learning and care sector should continue to be built. The NQF provides a robust, evidence-based set of standards developed through extensive consultation. It remains the bedrock of a safe and high-quality national system. Continued investment in regulatory capability, alongside strong adherence to the NQF, will ensure that the ACT's early childhood sector continues to deliver the best possible outcomes for children and families. The strongest child safety outcomes are achieved where robust provider assurance systems work alongside effective regulatory oversight. Regulators should continue to encourage providers to implement evidence-based internal assurance programs that identify risks early, verify practice, and support continuous improvement before issues become systemic.

We welcome an ongoing discussion with the regulator about what information would be useful to parents on child safety and quality. Already, the Starting Blocks website has been significantly upgraded to provide more information to parents. Families are best supported through clear, consistent and contextual information that helps them understand quality, rather than an increasing volume of data that may be difficult to interpret. Goodstart strongly advocates testing any proposals for further information provision with parents and quality providers to ensure it is genuinely useful before mandating across the sector.

Goodstart encourages regulators to continue improving parent awareness and understanding of the Assessment and Rating system, including how ratings should be interpreted alongside other publicly available information, such as compliance history. Improving understanding is likely to be more valuable than simply increasing the volume of information available.

4. Provider Models and Service Sustainability

- *How can planning and land-use settings better support community-based and sustainable ECEC services?*
- *Should land release for ECEC services be provided, similar to the provision of schools and other community facilities in major developments?*
- *What additional measures are needed to support community-based and not-for profit service providers?*
- *How could the ACT Government support the growth and sustainability of Aboriginal community-controlled early childhood services? What barriers exist in establishing and operating early learning services and how could these be addressed?*
- *How can service sustainability and sector diversity be balanced with quality, workforce and child safety objectives?*
- *Should surplus revenue be capped for for-profit services to ensure reinvestment in quality, the profession and the community?*

We commend the ACT Government's strong leadership and clear commitment to supporting the role of not-for-profit providers in the early childhood education and care sector. The decision to appoint not-for-profit providers to operate all new ECEC services co-located with ACT public schools, as well to deliver the targeted 3 year-old initiative program for children experiencing vulnerability or disadvantage is welcomed. These initiatives represent important steps toward strengthening NFP provision in the ACT.

Evidence shows that NFP providers are more likely to:

- deliver higher quality services,
- be more inclusive,
- more affordable for families, and
- provide better wages and conditions for their workforce.

High quality NFP services therefore play an essential role in setting benchmarks for quality, driving competition on price, providing inclusive options for children with additional needs, and lifting workforce standards in terms of educators' wages and conditions. Expanding this segment of the market will have system-wide benefits.

We commend and welcome the ACT Government's support for the growth of NFP providers. In the last five years, NFP centre based daycare places in the ACT grew by 1.8%, while for-profit places grew by 23%. In December 2020, NFP places made up 53.2% of places in the ACT, but by 2025 that had dropped to 48.5%.[6] The leadership shown by the ACT Government in considering these issues has the potential to turn this around and ensure all families across the ACT have access to high quality NFP early learning services.

A dedicated infrastructure or capital fund would support the development of new high quality ECEC services delivered by quality NFP providers. Investment should be targeted to communities where access to NFP services is currently limited, including areas such as Molonglo, Canberra East, Gungahlin and Tuggeranong, where provision is heavily dominated by private for-profit providers.[7]

Recommendation 10: Establish a dedicated capital and operational fund to support the development of new NFP ECEC services.

In addition to investment in new services, there is also a pressing need to support the sustainability of existing quality NFP providers. Many NFP services have experienced prolonged underinvestment in infrastructure and now face significant backlogs in maintenance and upgrades. A large proportion of these services were established several decades ago and require modernisation to meet contemporary expectations for safe, high-quality indoor and outdoor learning environments. Establishing a targeted capital grants program for maintenance and upgrades would help address this challenge. Funding should be prioritised to NFP providers, with flexibility to support exceptional cases where private providers are delivering strong inclusion outcomes in underserved areas.

Increasing cost pressures, particularly in relation to rent, are creating additional sustainability challenges for NFP providers. Historically, access to low-cost or "peppercorn" rent arrangements has supported the viability of many community-based services. As these arrangements become less common, NFP providers face growing financial pressure that threatens their ability to operate and expand. Addressing these cost barriers will be essential to maintaining a strong and sustainable NFP sector within the ACT.

Recommendation 11: Establish a dedicated capital funding program to support the maintenance and upgrade of existing not-for-profit early childhood education and care services.

There is a need for better planning mechanisms for new ECEC services across Australia. In December 2023, we estimate that all but one of the 11 SA3 statistical areas in the ACT were oversupplied, with a child to places ratio of less than 1.5 (see Table 2).

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[6] ACECQA NQF Snapshot

[7] ACT Early Childhood Education and Care Demand & Supply Analysis. 2026. https://www.parliament.act.gov.au/__data/assets/pdf_file/0009/3046770/1_ACT-Early-Childhood-Education-and-Care-Demand-and-Supply-Analysis.pdf

Table 2: Child to ECEC places ratio – Dec 2023[8]

Code	SA3 Region	Child to Place ratio	Children aged 0-5
80101	Belconnen	1.30	7612
80103	Canberra East	0.11	68
80104	Gungahlin	1.49	8302
80105	North Canberra	0.85	2894
80106	South Canberra	0.47	1514
80107	Tuggeranong	1.29	6567
80108	Weston Creek	1.36	1776
80109	Woden Valley	1.07	2454
80110	Molonglo	2.43	1182
80111	Uriarra - Namadgi	0.00	70

Goodstart has advocated for a more planned approach to approvals for new ECEC services to be overseen by a National ECEC Commission. Service approvals should be restricted in areas that are clearly oversupplied, as adding to oversupply impacts on the viability of all services in the area and impacts on the quality and safety of ECEC provision in financially stressed services.

While the Commission is being established, regulators could provide better information to the market by publishing public data on demand and supply for ECEC at a sufficient level (e.g. SA3) to allow developers to carefully consider investment decisions. ACT Planning Authorities should require development proponents to show that there is demand for the service. The Brisbane City Council, Australia's largest local authority, has such a provision in its planning law.

The regulator could also ease pressure on the market by restricting low quality providers from being able to receive new service approvals for additional services. Optimally, if a provider has greater than 5% of their services assessed as not meeting the National Quality Standard, then they should be prevented from adding additional services until their current services are meeting the quality standard.[9] This approach was canvassed in the 2024 Productivity Commission review and the Wheeler Inquiry in NSW.

Recommendation 12: State and Territory regulators and a new National ECEC Commission should identify areas of undersupply, actively prevent further supply into oversupplied local communities, and restrict growth of low quality providers.

We strongly support land release for high quality NFP ECEC providers. New greenfield developments should be required to set aside land for ECEC services, both on and near new school sites. These sites could be offered in the first instance to NFP providers to develop, either directly or in partnership with a developer.

We commend the ACT Government's commitment to supporting the growth and sustainability of Aboriginal community-controlled early childhood services. It is important that a sustainable funding model is established and maintained. We strongly encourage the Government to undertake direct and ongoing consultation with Aboriginal Community Controlled Organisations to draw on their expertise and ensure policy settings are responsive to their needs.

[8] ECEC licenced places includes CBDC, preschool and family day care; Child population excludes 90% of children aged birth to 12 months and 77% of children aged 5 years as they do not require childcare.

[9] Only contemporary quality ratings (i.e. <3 years old) should be used in such assessments until regulatory authorities around the country clear their backlog of very old assessments.