

# **Goodstart Early Learning: Submission to the Victorian Parliamentary Inquiry into Early Childhood Education and Care**

**November 2025**

## 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 650 centres located across every state including more than 170 centres in Victoria. Each year, we support 61,000 children and 51,000 families across Australia. We are one of Victoria's largest employers of early childhood educators, with around 4,500 staff across the state.

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 Early Learning is pleased to contribute to the Victorian Parliamentary Inquiry into the Early Childhood Education and Care (ECEC) sector in Victoria. As Australia's largest not-for-profit provider of early learning, we bring a unique combination of scale, data insight, and community-based experience.

Goodstart strongly supports reforms that improve the safety, rights and wellbeing of children, and that strengthen transparency and accountability in the ECEC sector. We operate under a comprehensive Safety Framework grounded in physical, psychological and cultural safety, supported by Safety Champions in every centre. We commend the Victorian Government's leadership and investment in implementing the 22 recommendations of the Rapid Child Safety Review – the final recommendations reflect the advice Goodstart and other quality services provided to the review. However, we urge that reform to strengthen safeguarding has a sharp focus on ensuring successful implementation which can be achieved when best practice legislative and regulatory development processes are followed. This allows insights from high quality providers and from other experts in the profession to be reflected in the changes, ensures the policy objectives are achieved and that the risks of unintended consequences are minimised. As the host state for the National Law, Victoria has a strong track record of collaboration and legislative process which has historically supported the integrity of the National Quality Framework and ensured effective implementation of changes in children's best interests. We urge all Governments to engage with trusted providers as partners in change, ensuring transparency, accountability, sector-wide collaboration – and ultimately better outcomes for children and families.

We acknowledge the important progress made since this Inquiry commenced:

- **Victorian commitment to \$42 million in funding** to implement the 22 recommendations made by the Rapid Child Safety Review (released on 20 August 2025).
- Victoria leading **amendments to the National Law** to introduce a range of national reforms including mandatory child safety training and a national educator register.
- **\$179 million in new national safety and compliance measures** and the first steps towards stripping funding for repeated non-compliance.

Since the announcement of this Inquiry, the ECEC sector has experienced significant and fast-moving reform at both state and national levels. As the only national provider of ECEC, it is promising that across various

jurisdictions, Parliaments are engaging in the right conversations to materially improve quality and safety for children.

Drawing on our experience, we provide the following recommendations for consideration by the Committee:

- 1) That Victoria continue to act as a jurisdictional leader in ECEC and advocate for national reform and investment that is specifically focused on improving the quality, safety, inclusion and affordability of early learning for all children. This includes advocating for a new ECEC Commission.
- 2) That the Government implement the recommendations of the Rapid Child Safety Review in close collaboration with providers to ensure the policy objectives are achieved in implementation. This should include establishing a providers implementation reference group or similar mechanism to test new processes and provide advice and guidance on implementation.
- 3) That the Government further strengthens the Working with Children Check in line with provider recommendations (outlined in detail below).
- 4) That the Committee recommend a deliberate 'system stewardship' approach to ECEC that creates new incentives to support not-for-profit (NFP) growth so more Victorian families have the choice of a high quality NFP service in their local community from birth to school age.
- 5) That the Government continue to support the ECEC workforce, including through advocating for long term improvements in pay and conditions (outlined in detail below).
- 6) That Victoria make additional investments to state based programs to improve outcomes for children, specifically in relation to School Readiness Funding.

To further support these recommendations, please also see attached a comprehensive submission made by five NFP providers to the recent NSW Legislative Council Inquiry that addressed similar terms of reference.

## ACRONYMS & ABBREVIATIONS

ACECQA	Australian Children's Education and Care Quality Authority
ASQA	Australian Skills Quality Authority
ECEC	Early childhood education and care
NCVER	National Centre for Vocational Education Research
NFP	Not-for-profit
NQF	National Quality Framework
NQS	National Quality Standard
RTO	Registered Training Organisation
SRF	School Readiness Funding
WWCC	Working with Children Check

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## GOODSTART RESPONSES TO THE INQUIRY TERMS OF REFERENCE

### (a) The adequacy of current quality and safety standards across all ECEC service types

The National Quality Framework (NQF) remains one of Australia's most significant social policy achievements. It sets a robust standard for quality and safety across all ECEC service types. However, recent failures have highlighted issues not with the framework itself, but with its implementation and oversight. These failures have shaken public confidence and underscore the need for stronger stewardship, consistent regulation and renewed investment, not a departure from the NQF.

Victoria has an enviable reputation as the State with the most up to date assessment and rating of ECEC services, the highest ratings and lowest levels of waivers from the National Quality Standard (NQS). However, since 2018, funding for regulatory bodies across the nation has not kept pace with sector growth. We commend the Victorian Government on its commitment to double the funding of the regulator and to set it up as an independent body. This additional investment will ensure that the regulator is able to visit services more frequently and ensure that every service is assessed for quality at least once every three years (12 months if it is Working Towards).

We note that, if passed, most of the National Law changes take effect from February 2026. These will require changes in practice for many services and need to be accompanied with an extensive communication and education campaign to ensure that the ECEC workforce fully understands the new provisions. These materials – particularly explanation of the highly subjective new offence of inappropriate conduct – need to be developed in close consultation with providers and employers. They need to reassure a workforce that is feeling very much under attack from media and government by reinforcing their role and value in keeping children safe.

We note that the proposed trebling of fines is disproportionate to the same or similar penalties in other settings, such as schools, and substantially disproportionate to the average incomes of educators in early learning. For example, an educator on \$65,000 p.a. who is found to have a personal device on them (e.g. mobile phone) now faces a fine of \$155,000 in NSW and \$50,000 in Victoria (if legislation is passed), even though there is no similar offence or financial penalty for teachers in schools. Goodstart, along with other providers, is concerned that these increased fines and new offences could result in many experienced educators, particularly those in the role of nominated supervisor, deciding the legal risk of working in ECEC is too high, and moving to the school sector where the offences and fines regime is far less onerous, and wage and conditions materially more attractive.

The Government also needs to invest in the regulatory authority to ensure that the new powers and fines are applied consistently, having regard to all of the circumstances, with the consequences proportionate to the offence and with a strong emphasis on quality and safety improvement, where this is appropriate.

We urge Victoria to proceed with reform that is decisive but deliberate. The lesson from NSW's recent legislative process is clear: reforms made without consultation risk inconsistency, workforce anxiety, and confusion for families and regulators. Victoria has an opportunity to lead by embedding co-design with providers, ensuring reforms are practical, proportionate and nationally aligned.

#### **Future reform to lift quality standards**

Goodstart encourages the Committee to consider what the next steps should be to improve the quality of early learning to support improved child development outcomes for Victoria's children. Recent research commissioned by AERO found that practice that meets the NQS may not be enough to shift child

developmental outcomes, and that child outcomes only shifted markedly if services were Exceeding the NQS, with Quality Areas 1 (Education program and practice), 3 (Physical environment) and 5 (Relationships with children) the most impactful parts of the NQS.<sup>1</sup> It makes sense then to continually review policy settings to ensure that the system as a whole is delivering the best possible quality for the funding that is available.

The Commonwealth Government's Early Education Service Delivery Price project is currently trying to define a 'service standard' for ECEC that will improve child outcomes. Goodstart has argued that this should be set closer to the 'Exceeding' benchmark than the 'Meeting' benchmark. Identifying the operational components that achieve a level of quality sufficient to shift child outcomes and costing them needs to be a crucial precondition for building a new universal funding model.

Goodstart would recommend that the Victorian Government invest more in a proactive quality improvement agenda. This needs to focus on the inputs that support the workforce to deliver higher quality early education, particularly focusing on professional development, programming and planning, and improving the quality of pre-service qualifications. Investments should provide more time off the floor for these important activities, as well as time for the centre team to plan and work together on how to improve quality.

Victoria has led the nation in the development of its School Readiness Funding (SRF) scheme, which provides needs-based funding to ECEC providers to build the capability of educators to support the children who attend that centre. Initially available only for children the year before school, the funding has been extended to three year olds as part of the Three Year Old Kindy reforms. However, child development does not begin at three: language and communication gaps in particular open up much earlier and need to be addressed much earlier. These are the core skills upon which later literacy skills are built and needs-based funding should be extended to all children in a centre to support these objectives.

## **(b) The quality and oversight of educator training, professional development and qualifications, including a review of the effectiveness of Working with Children Checks and of Registered Training Organisations issuing early childhood certifications**

### **Professional development and high quality educator training**

The Australian Skills Quality Authority (ASQA) is currently rolling out the 2025 Standards for Registered Training Organisations (RTOs), which came into effect on 1 July 2025. It is imperative that all training providers meet the required level. Too many private providers have been giving trainees a poor training experience and delivering low quality training courses. This should not be tolerated for jobs as important as early childhood educators.

While ASQA is currently focussing on provider integrity and the quality of online training, future reviews of training packages should ensure the early childhood education qualifications remain fit-for-purpose. We strongly recommend adding safeguarding children to pre-service qualifications and requiring educator qualification commencements and completions to be recorded on the National Educator Register, including micro-credentials through recognised training organisations.

Access to high quality professional learning is a crucial part of a high quality education system. Currently, Goodstart invests over \$29 million a year on professional development and our teaching and learning

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<sup>1</sup> Rankin, P., Staton, S., Jones, A., Potia, A. H., Houen, S., Healey, B., & Thorpe, K. (2024). *Linking quality and child development in early childhood education and care: Technical report*. Australian Education Research Organisation. <https://www.edresearch.edu.au/research/technical-papers/linking-quality-and-child-development-early-childhood-education-and-care>

program. But we recognise that we could be doing more and the ECEC funding system should prioritise investment in professional learning as a key driver of high quality. We would like to see Governments fund at least two child free team days per year for ECEC services, similar to those offered in schools and preschools. These would give centre teams the opportunity to learn together and do shared critical reflection, which can be captured in updating the centre Quality Improvement Plan and joint planning for the year ahead.

Recent amendments to the National Law include a requirement that all staff in early learning complete mandatory child safety training, which is being developed by the Australian Centre for Child Protection at the University of South Australia. We are hopeful that this program will complement Goodstart's award winning program of mandatory training for safeguarding and child protection which has been in place for several years. It will be important that the implementation of these new training requirements recognise investments made to date and scaffold on existing training provided by providers.

### **Effectiveness of Working with Children Check (WWCC)**

Goodstart acknowledges the welcome improvements the Victorian Government has made to its WWCC scheme over the past year, including:

- New suspension powers to immediately suspend a person's WWCC clearance if they are placed on interim exclusion from working with children – and notifying both the suspended person and any linked organisations of the suspension;
- expanding prosecution time limits from 12 months to 5.5 years;
- interstate recognition of exclusions (national 'banned in one, banned in all' approach); and
- bringing the WWCC, Reportable Conduct Scheme and Child Safe Standards under one roof with the Social Services Regulator.

We also strongly recommend the following changes to the Victorian WWCC scheme:

- Shift the onus of linking a person's WWCC to an organisation from the employee to the employer. This could be combined with the validation/verification process, as it is in some other states (e.g. NSW).
- Until a National WCCC and associated portal is established, a Victorian online portal should be developed for child and youth serving organisations to manage and monitor the status of WWCCs for their linked employees, students, volunteers and contractors, including when they are linked to multiple organisations. (NB. Queensland's Blue Card portal is an exemplar for consideration)
- Integrate WWCC photo requirements with driver's licence, like the process in place in Queensland. This helps verify a person's identity and ensures WWCC photo standards are consistent with other formal forms of identification.

Victoria is recognised as a leader in social policy, driving positive reform in Commonwealth and State relations, and is well positioned to support national reform. Goodstart encourages the Victorian Government to maximise this role and advocate for a National WWCC linked to the National Educator Register.

### **(c) The impacts of Victoria's predominantly privatised ECEC system, including a comparison with public, not-for-profit and cooperative models in terms of accessibility, affordability, safety and outcomes**

The not-for-profit (NFP) share of the long day care sector declined from 32% to 24% between 2013 and 2023, despite growing evidence that NFP services are more affordable, higher quality, more inclusive, have lower staff turnover and are more likely to operate in low-SES areas. Concerningly, the growth in for-profit services has been outstripping growth in children for some time. In the year to June, the number of new centre-based

day care centres in Victoria rose 5.0% while the number of children enrolled rose just 0.3%.<sup>2</sup> This has contributed to a significant fall in average occupancy across the sector. As providers face more challenging financial circumstances, quality and safety can be compromised as they seek to cut corners to balance the books. The recent collapse of Genius Childcare is a clear example of this.

There are different economic forces driving the growth in childcare centres as new centres are typically built by real estate developers as an investment and then on-sold as a low risk investment with income 'guaranteed' by Government subsidies. Rental income is locked in with long term 'triple net' leases to ECEC providers, who then absorb the ebb and flow of market forces of supply and demand. The submission by the Centre for Corporate Tax Responsibility to the NSW Legislative Council Inquiry into the ECEC Sector in NSW provides an excellent analysis of the growing disconnect between the business of developing childcare centres and the business of operating them.<sup>3</sup>

Governments need to be more actively involved in the shaping and stewarding of supply of ECEC services:

- Under supply is an issue in 'thin markets' where the private sector is reluctant to invest;
- Over supply is an issue in urban markets where profit is made through building, selling and buying centres; and
- The quality of supply is an issue as fewer and fewer families have the choice of a quality NFP service in their community.

The Victorian Government and Regulator should play a stronger role in shaping the composition of the ECEC sector using both regulatory and funding levers. Specifically, targeted growth of birth to 5 NFP services should be supported through capital and recurrent funding incentives so all families in all communities have the choice of a NFP service, with particular focus in underserved or low-SES areas. The Kindergarten on School Sites initiative provides an excellent framework for how this can be achieved and could be expanded to enable partnerships with NFP providers of birth to 5 ECEC and not just kinder. Alongside this, the Regulator needs powers to assess and approve new service entrants based on demonstrated quality, inclusion capability, and local community need. Finally, deliberate, data-informed supply planning must be embedded to improve equity and sustainability. A transparent approach, beginning with a public map of supply and demand by geography, service type, and ages served, will help ensure high-quality services, including public preschools, are located where they are most needed and that oversupply does not undermine the viability of high-quality providers.

#### **(d) The impact of workforce conditions, such as pay, job security, workload and recognition on educator wellbeing, retention and service quality**

A stable, professional workforce is an absolute precondition for safe, high quality early learning. Investing in the workforce is the single most important thing that governments can do to achieve this objective. Victoria is a testament to this – Victoria's commitment to fund eligible kinder children in long day care up to \$4200 per annum has supported providers to offer teacher wages and conditions competitive with other sectors. Victoria has also made substantial long-term investment to grow the pipeline of early childhood teachers and educators through scholarships and free TAFE. As a direct result, just 0.9% of Victorian centre-based day care services currently need a staffing waiver (which are usually required because a teacher is absent), compared to 15% in NSW and 10% in Queensland.<sup>4</sup>

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<sup>2</sup> Commonwealth Department of Education Quarterly Child Care Statistics June QTR 2025

<sup>3</sup> CICTAR submission No 105, available [here](#).

<sup>4</sup> ACECQA NQS Snapshot <https://snapshots.acecqa.gov.au/Snapshot/waivers.html>

Early childhood educators play a critical role in children’s lives, yet the workforce remains undervalued and underpaid. There is strong evidence, much of it captured in the recent Productivity Commission report, that shows improving pay and conditions across the ECEC sector leads to better outcomes for children, greater workforce stability, and higher-quality service delivery. National efforts such as the National Children’s Education and Care Workforce Strategy and the Australian Government’s Early Childhood Education and Care Workforce Retention Payment offer a platform for long-term workforce reform — but need to be matched with action and sustained investment at the state level.

The ACCC found that staff turnover was a significant predictor of quality ratings of services, with NFP services having more experienced teachers and educators due to substantially lower turnover rates than for-profit services, particularly those assessed as Working Towards (see Graph 1).<sup>5</sup>

**Graph 1: ACCC: Average staff turnover and quality rating – Centre based daycare 2022**



The ACCC also found that the qualifications of staff were an indicator of quality ratings and that NFP services and Exceeding services were generally more likely to pay educators above award rates. NFP providers generally spent considerably more on labour costs than for profit providers, and less on non-labour costs.<sup>6</sup>

Post COVID, vacancies in the ECEC sector soared, rising from a monthly average of around 3,200 a month in the last quarter of 2019 to 8,000 a month in the last quarter of 2023. Across the country, many centres (including Goodstart centres) were forced to close rooms and send children home because they could not find staff. Every unfilled educator vacancy affects up to 15 families who are then unable to work.

In the May 2024 Budget, the Australian Government formally committed to funding a wage increase for educators. Almost immediately, vacancies stopped growing. When the wage rise finally started hitting pay packets in December 2024, vacancies dropped dramatically. By April 2025, sector monthly vacancies dropped below 5,000 for the first time since 2021, down 28% on the previous April.

In April 2025, the Fair Work Commission released a draft decision, which found that award rates undervalued the work of educators and recommended increases of up to 28% in award rates. The decision is long overdue recognition of the value of the work of educators. However, unless the Federal Government commits to fund the increase in full (as they did in aged care), wage increases will result in significant increases in labour costs for providers and consequent increases in fees for families.

<sup>5</sup> ACCC (2023) Childcare Inquiry September Interim Report p. 151

<sup>6</sup> ACCC ibid p. 54

This highlights the continuing need for Government to maintain a version of the Worker Retention Payment, funding agreed rates for educators and teachers. To revert to the new award rates would see most Room Educators, Directors and Teachers effectively go backwards. And to not provide an ongoing wages subsidy would see fees for parents increase by upwards of 12-15% to fund educator wage increases of 10-28%. A new version of a wages subsidy should maintain the 15% interim increase, at a minimum, while funding the higher award rates where applicable. Governments could also consider funding the subsidy for above award workforce initiatives that most directly impact on quality, such as more time off the floor for professional development and programming and planning.

Federal and State Government initiatives to improve the pipeline of educators and teachers into the ECEC sector have also been successful. Initiatives such as Free TAFE, traineeship incentives, teacher scholarships and paid practicum have resulted in increases in commencements in Certificate III and Bachelor courses, although commencements in Diploma courses have dropped since the change in entry requirements (see Table 1).

**Table 1: Enrolments & completions of VET and university courses in early childhood**

Year	ECEC Certificate III		ECEC Diploma		ECT Bachelor	
	Commencements	Completions	Commencements	Completions	Commencements	Completions
2017	33,595	15,605	28,490	14,055	4,226	2,220
2018	32,645	15,730	19,845	13,570	3,556	2,288
2019	38,055	15,700	26,005	12,625	3,541	2,144
2020	32,675	12,300	21,590	9,990	4,288	2,051
2021	37,280	15,730	21,940	13,860	5,540	2,145
2022	47,780	17,610	13,905	17,995	5,946	2,391
2023	59,575	18,950	15,385	6,025	4,909	n.a.

Source: NCVET Total VET Students & Courses; DESE Higher Education Statistics Special Courses data

Goodstart encourages the Committee to make the following recommendations on workforce:

- Advocate to the Australian Government to commit to continuing to fund wage increases for educators and teachers of at least 15%.
- Commit to funding additional time for professional development, planning and programming over and above award set minimums as a quality improvement initiative.
- That Governments continue to support measures to increase the pipeline of teachers and educators including Free TAFE, traineeship incentives, paid practicum and teacher scholarships.

### **(e) The adequacy of staff-to-child ratio regulations, including ratios being averaged across entire services rather than applied per room**

Educator-to-child ratios were set in the National Quality Standard in 2010 based on the best evidence available at the time and it is recognised as a robust standard when compared with other countries. From a structural quality perspective, it is important to consider educator-to-child ratios alongside educator qualifications. In relation to qualifications, Australia requires all educators to hold at least a Certificate III qualification and at least 50% to hold a Diploma or above. With regard to educator-to-child ratios, Australia

falls in the mid-range internationally – below the OECD average in the 3-5 rooms<sup>7</sup> but slightly above some of the English speaking countries particularly for younger children (refer to Table 2).

**Table 2: Educator-to-child ratios in selected jurisdictions**

Age	Australia	England <sup>8</sup>	Canada (Ontario) <sup>9</sup>	New Zealand <sup>10</sup>	Ireland <sup>11</sup>
0-2	1-4	1-3	3-10 (to 18 months)	1-5	1-5 (12 months+)
2-3	1-5 (1-4 in Vic)	1-5	1-5 (to 30 months)	1-10 plus 1	1-6
3-5	1-11/10	With ECT – 1-13 No ECT 1-8	1-8	1-10 plus 1	1-8
Quals	Cert III min, 50%+ must hold Dip.+, at least 1-2 ECTs	Each room at least 1 Level 3 (Dip.), 50% of rest must be Level 2	1/3 must be qualified in 0-2 rooms, 2/3 in 3-5 rooms	50% must be teachers	Must hold a Level 5 qual

In terms of the quality of care delivered, a 2016 study on the use of quality Environmental Ratings Scales comparing child care centres in Australia, New Zealand, North America, Europe and elsewhere found that Australian centres recorded the highest level of quality care.<sup>12</sup> Since then, the National Quality Standard has continued to push quality improvement, with the proportion of centre based daycare services not meeting the national standard falling from 33% in 2015 to 9% in 2025.

Goodstart notes that Ministers have commissioned a rapid review of staffing supervision guidance from ACECQA and should receive that advice in December. Noting it is 14 years since the original implementation, suggestions that the provisions are not being used as intended by some providers and highly variable practice across the sector, a more comprehensive review is appropriate. Any changes to delivery, such as changes to staffing practices or ratios, must be implemented alongside funding reform. Even minor changes to staffing requirements would have significant consequences for cost of delivery and the operation of services. We encourage Governments to engage in a thorough regulatory impact review process to test any options for reform before proceeding. While we note that ratio changes are out of scope of the ACECQA rapid review, any change to NQF staffing requirements should be subject to a detailed and thorough consultation process, for example an issues paper to canvas evidence and options, followed by a consultation regulatory impact assessment to clarify adequate supervision of children, the interaction of ‘whole of centre’ guidance with

<sup>7</sup> OECD Chart FF4.2A Child to Staff ratios in pre-primary education services, 2018

<sup>8</sup> [https://assets.publishing.service.gov.uk/media/68c024cb8c6d992f23edd79c/Early\\_years\\_foundation\\_stage\\_statutory\\_framework\\_-\\_for\\_group\\_and\\_school-based\\_providers.pdf.pdf](https://assets.publishing.service.gov.uk/media/68c024cb8c6d992f23edd79c/Early_years_foundation_stage_statutory_framework_-_for_group_and_school-based_providers.pdf.pdf)

<sup>9</sup> <https://www.ontario.ca/document/child-care-centre-licensing-manual/part-3-ratios-and-group-size#section-1>

<sup>10</sup> <https://www.legislation.govt.nz/regulation/public/2008/0204/latest/DLM1412637.html>

<sup>11</sup> <https://www.tusla.ie/services/preschool-services/early-years-providers/early-years-provider-resources/early-years-quality-and-regulatory-framework/>

<sup>12</sup> Vermeer H., van Jzendoorn, M, Carcamo R and Harrison L (2016) Quality of Child Care Using the Environment Ratings Scales: A Meta Analysis of International Studies, International Journal of Early Childhood vol 48 pp 33-60 DOI 10.1007/s13158-015-0154-9

other regulations (e.g., Reg 122, 123 and section 165) and other aligned policy objectives such as meeting the inclusion needs of all children and maintaining affordability for families.

As part of a Regulatory Impact Statement, the full cost of the operational impact of any proposed change would need to be quantified with consideration of how these would be met – either through Government subsidy or increases in parent fees. As a not-for-profit provider this is especially important as there is no capacity to absorb increases in costs, particularly in the short term where fees are capped under the Australian Government Worker Retention Payment. We also note there is an opportunity to do forward looking work to cost an approach as part of the current Early Education Service Delivery Price Project – however this would require advocacy from the Victorian Government to change the scope of this project (noting forward looking settings are currently not in scope).

### **(f) Whether there is sufficient oversight of the Department of Education and the role it plays in monitoring and maintaining child safety**

Goodstart as a national provider operates in all eight states and territories. We have found the Victorian regulator to be fair, efficient and effective to deal with, with a strong focus on fixing problems and working with providers to improve quality and safety. As noted earlier in this submission, the Victorian early childhood regulator is effective in assessing the quality of ECEC services, as measured by the performance indicators of quality ratings, the timeliness of quality assessments, and the granting of waivers for not meeting the standards. However, inadequate staffing of the regulator has meant that the regulator has not been meeting the originally intended deliverables of all services being assessed at least once every three years, and Working Towards at least annually. As at 30 September 2025, 452 ECEC services in Victoria had an assessment more than 3 years old, around 9% of the total.<sup>13</sup> Quality and safety are inextricably linked and ACECQA data shows that services assessed as Meeting and Exceeding have far fewer breaches than services assessed as Working Towards. Goodstart is hopeful that the doubling of funding for the regulator will ensure that quality assessments are more timely and compliance visits to services more frequent.

One of the strengths of the ECEC system is that it is a national system and the performance of the Victorian regulator needs to be accountable nationally as well as at a state level. Goodstart supports developing a new national agreement that clearly defines the roles and responsibilities of different levels of government and promotes greater coordination towards shared objectives. This could also cover sharing the cost of regulation and setting clear performance targets for regulators, which would help drive quality improvements in every centre.

The Australian Government and States should agree to establish a powerful new National ECEC Commission with a strong mandate to monitor quality, safety, inclusion and supply across the sector and improve standards. A National ECEC Commission was a key recommendation of the recent Productivity Commission inquiry as part of a broader model put forward by the PC to build and strengthen ECEC system stewardship.

The key role for a National Commission would be a strong mandate to hold regulators to account for performance against national outcomes on quality (including workforce), access and supply – both undersupply and oversupply, safety, affordability and equity/inclusion. At the same time, it would be supported by improved regulatory powers under the National Law and the Family Assistance Law. ECEC provider representatives should be included in the ECEC Commission governance framework, as partners in delivering the objectives for ECEC, particularly in planning and providing ECEC in underserved and unserved

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<sup>13</sup> ACECQA NQS Snapshot Q3 2025

markets. This would be achieved by including the appointment of provider representatives as part of its governance structure.

### **(g) Any other matter in relation to the adequacy, implementation, compliance and/or enforcement of child safety standards and regulations in the ECEC sector**

Governments at all levels need to do more to support the safety and learning of children with a disability and additional needs. Rooms with multiple children with additional needs require additional support, and additional pairs of qualified hands. Children exhibiting anger, frustration and behaviours that challenge, can be a threat to themselves, other children and to their educators. These children need additional support and early intervention to support educators to understand and better manage their behaviours and emotions.

The Australian Government provides some funding under its Inclusion Support Program to fund additional educator hours for these children. However, funding is capped. Indeed, the wage subsidy rate has been capped at \$23 an hour since 2016, while the total hours of support is capped at 25 hours a week. The result is that providers like Goodstart are required to cross-subsidise up to half of the cost of these additional workers.

The Inclusion Support Program is in urgent need of a funding boost, to ensure that support workers are fully funded and available for all the hours that a child attends a service. While this is a federal funding issue, Victoria should be at the forefront of lobbying the Federal Government to address this.