



**UNITED**  
WORKERS UNION



## ***United Workers Union Submission to the Inquiry into the Early Childhood Education and Care sector in NSW***





## **Acknowledgement to Country**

We acknowledge and respect the continuing spirit, culture, and contribution of Traditional Custodians on the lands where we work, and pay respects to Elders, past and present. We extend our respects to Traditional Custodians of all the places that United Workers Union members live and work around the country.

## **About the United Workers' Union**

United Workers Union ('UWU') is a powerful union with 150,000 workers across the country from more than 45 industries and all walks of life, standing together to make a difference. Our work reaches millions of people every single day of their lives. We feed you, educate you, provide care for you, keep your communities safe and get you the goods you need. Without us, everything stops. We are proud of the work we do— our early childhood educators are shaping the future of the nation one child at a time; supermarket logistics members pack food for your local supermarket and farms workers put food on Australian dinner tables; hospitality members serve you a drink on your night off; aged care members provide quality care for our elderly and cleaning and security members ensure the spaces you work, travel and educate yourself in are safe and clean.

## **Introduction: the need to start taking profit out of Early Childhood Education and Care (ECEC)**

UWU members in ECEC welcome this inquiry into matters such as the safety of children, the working conditions of educators, the effectiveness of regulation and the regulator, the accessibility of qualifications, and the experiences of children with additional needs. While the focus of this inquiry is NSW, the issues raised in the Terms of Reference (ToR) are of concern for ECEC services across Australia. We know this because educators have repeatedly raised the alarm about these issues as they have watched their sector become increasingly dominated by large private-for-profit providers.

Large for-profit providers in ECEC have repeatedly demonstrated that they cannot be trusted to deliver the high-quality service that the community expects. UWU has published several reports that reveal that large for-profit providers have prioritised profit over investing in their workforce,<sup>1</sup> are more likely than other types of providers to be operating with a staffing waiver,<sup>2</sup> and have overall delivered lower quality ECEC and are overrepresented in safety breaches and enforcement actions.<sup>3</sup> They spend less on education in comparison to not-for-profit providers – whilst richly rewarding shareholders and executives.<sup>4</sup>

The vast majority of educators go above and beyond in their duties every day, to ensure children receive the best possible education and care. Recent media reports on the mistreatment of children in the sector are devastating for educators, and through our union we will continue to fight for vital changes just like we have been doing for all these years.<sup>5</sup> We won't stop, because the safety of children is too important.

UWU members support an alternative ECEC model that both values the workforce and focuses on delivering high quality ECEC for the benefit of Australian children: a universal, accessible public system. Publicly funded and -run centres are higher quality and make up a greater proportion of centres 'exceeding' Australian Children's Education and Care Quality Authority (ACECQA) national standards.<sup>6</sup>

Ultimately it is only by taking 'for profit' out of ECEC, and adopting universal public provision, can the ECEC sector fully address the issues raised in the inquiry ToR. Publicly provided ECEC, not focused on profit margins, can prioritise the type of early education and care a child needs to ensure their safety, health, and wellbeing.

However, the initial steps to fix ECEC require strong actions by sector regulators, and by state and federal governments, to fully enforce the National Quality Framework (NQF) across the sector rather than be satisfied with band aid measures such as issuing 'waivers' to services which do not meet their staffing ratios. According to the most recent ACECQA data (April 2025) 80.6% of Long Day Care (LDC) services with a staffing waiver are private for profit, which exceeds the overall proportion of private for profit LDCs (71%).<sup>7</sup>



## UWU members make the following recommendations:

1. *The NSW government should advocate at a national level for stronger regulation of ECEC providers, particularly providers that are prioritising profits over delivering safe and high quality ECEC.*
2. *Providers that have repeated compliance issues and enforcement actions across their services should be required to submit to the regulator a quality improvement plan for their whole business. The provider must demonstrate that the improvement plan has been developed with the involvement of both educators and parents.*
3. *The NSW government should use its position at the Education Ministers Meeting to advocate for the development of tighter regulations for providers that benefit from public funds, especially those that are private for profit. Funding structures should be transparent, and replicate those in the school system, where all profits made are directed back into improving early learning.*
4. *The 'waiver' system must be significantly reformed. Staffing waivers should be rare, and truly temporary with strict time limits. No waiver should be issued without a plan to remedy the reasons why it was issued. The plan should be developed with the demonstrated involvement of a provider's educators, and publicly available for both parents and staff to review.*
5. *The NSW Government should develop, and trial publicly run, fit-for-purpose long day care (LDC) centres that directly employ educators as part of the shift towards public early learning provision. Where possible, these centres should be initially targeted in low socio-economic areas and co-located with existing school sites. They should also be co-located with, or closer to, additional services which provide for child health, parental education, and social support programs.*
6. *The NSW government should also be a strong advocate for workers in ECEC, both at the state and national level. It should therefore call on the Federal Government to immediately fund the wage increases that have been found by the Fair Work Commission (FWC) to be needed to address gender undervaluation in the Children's Services Award. The delivery of this funding should not wait for the conclusion of FWC's deliberations on implementation dates and transitional arrangements, especially as the Commission is currently proposing a five-year implementation period.*
7. *The NSW Government itself should establish a wage supplement to retain and attract educators. This supplement should be available in any area of the state that is experiencing a shortage of educators.*
8. *The NSW government should advocate for reforms that strengthen transparency and accountability in the implementing and administering of the National Quality Framework (NQF). NSW should lead by example and authorise the NSW Regulatory Authority (the Education Department's Early Childhood Education Directorate (ECED))*

to commence these practices itself, with the aim of making them part of national regulation. They include:

- a. Mechanisms that increase the regulators accessibility for and responsiveness to ECEC workers.
  - b. For the Australian Children's Education and Care Quality Authority (ACECQA) to regularly publish not only the quality ratings of all ECEC providers but also any significant compliance activity or enforcement actions associated with their services.
  - c. For quality rating data to be sent directly to both parents and educators of a provider.
9. To ensure that parents, educators, and the broader public have confidence about quality and care in the ECEC system, the NSW government should commit to publishing full and transparent information about all enforcement actions. There should be a presumption of openness and a proactive publication stance on the part of regulators. 'Commercial in-confidence' should also be rejected as a reason to not release information on private for profit ECEC providers.
  10. NSW government should fund paid time for educators to undertake learning and professional development as required by their roles. Where educators need to be out of their workplaces to undertake this training, the government should meet the cost of backfilling their shifts.
  11. The NSW government should advocate for the reform of the Inclusion Support Program funding model, including increasing the wage subsidy to fully cover the wages of any additional educators required by services. At the state level, it should lead by example by providing additional funding to overcome those barriers to inclusion that can be addressed by the provision of both professional support and specialist equipment.

## Educators call out the neglect of safety in ECEC

In March 2025, UWU educator members responded to a 'Snap Poll' on ECEC Safety after the screening of the Four Corners report *'Betrayal of Trust'*.

There were 1,106 responses to our poll. Responders were almost evenly matched in whether they worked for a 'for profit' provider, with 46% answering 'yes' and 46% answering 'no'. On almost every question, workers at private for-profit providers gave a higher negative response, particularly on issues of safety.

For example, the poll shows disturbingly high numbers of educators have concerns about safety in their centres. Over a **third** say that they are scared to report a safety concern to their employer, which increases for workers at for profit providers. Nearly **half** say that, even if the regulator is informed, the consequences for employers are not serious or negligible. Nearly **half** also say that understaffing is a safety concern for children, which becomes *over half* of respondents from for-profit providers.

The results of the poll show that:

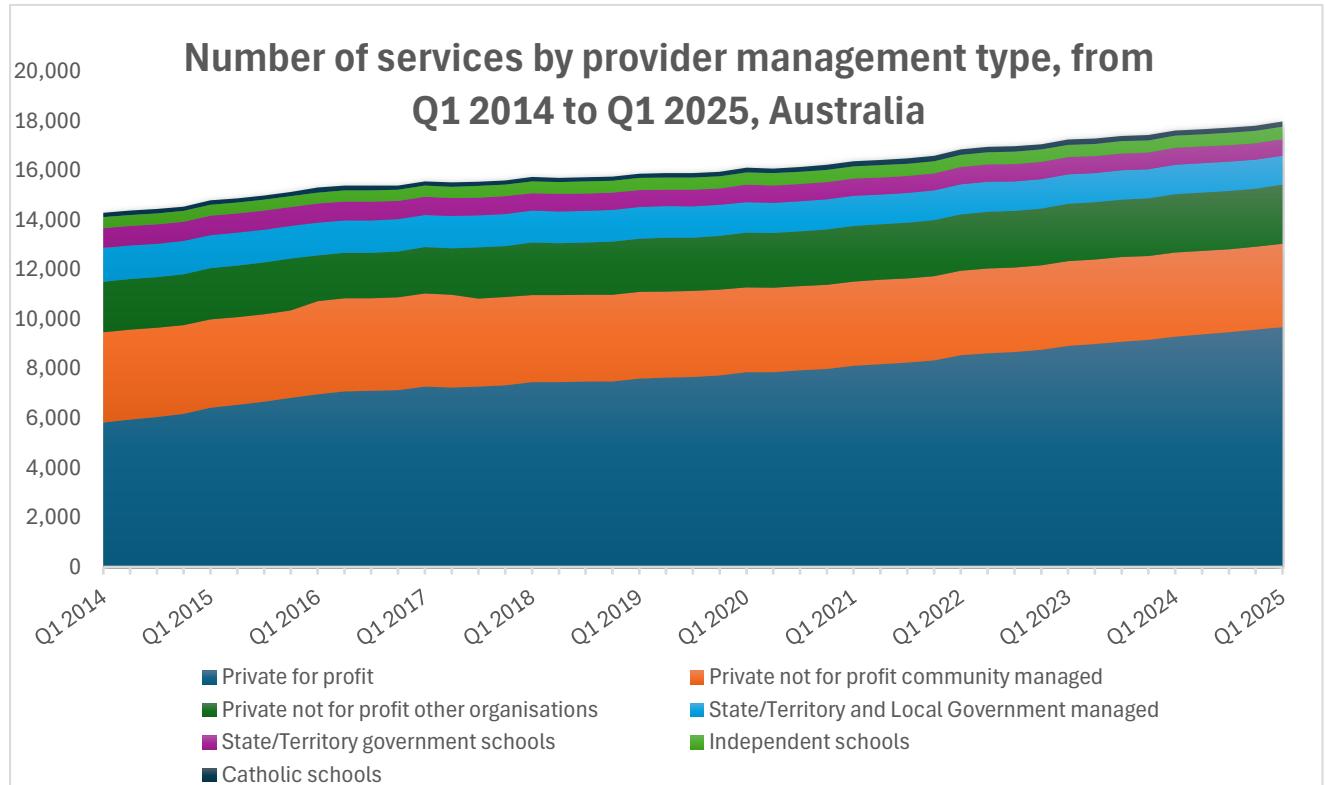
- Overall, **25%** of educators do *not* feel that there is a clear process for reporting safety concerns in their centre. This increases to **31%** for workers at for-profit providers, compared to **18%** who *do not* work at for profits.
- **79%** have reported a safety concern to their employer. This increases to 83% for workers at for-profit providers, compared to 77% who do not work at for profits.
- **30%** say they have felt scared to report a safety concern to their employer. This increases to **34%** for workers at for-profit providers, compared to **23%** who *do not* work at for profits.
- **21%** say their safety concerns are 'rarely' or 'never' addressed effectively by their employers. This increases to **26%** for workers at for-profit providers, compared to **13%** who *do not* work at for profits.
- **23%** do not have a clear understanding of when to escalate safety concerns to a regulator. This increases to **25%** for workers at for-profit providers, compared to **20%** who *do not* work at for profits.
- **35%** say they have felt scared about reporting a concern to the regulator. This increases to **39%** for workers at for-profit providers, compared to **28%** who *do not* work at for profits.
- **46.8%** say that, in their opinion, the regulatory consequences for employers failing to meet safety requirements are 'not serious', 'neutral', or of no consequence. This increases to **48%** for workers at for-profit providers, compared to **44%** who *do not* work at for profits.
- **14.2%** have not received adequate training on how to handle safety concerns or incidents. This increases to **16%** for workers at for-profit providers, compared to **10%** who *do not* work at for profits.
- **21%** Disagree or strongly disagree that their employer provides 'clear information and training' about raising concerns with the regulator. This increases to **26%** for workers at for-profit providers, compared to **14%** who *do not* work at for profits.

- 28% say they ‘rarely’ or ‘never’ regularly have sufficient time to perform their physical safety checks or checklists. This increases to 36% for workers at for-profit providers, compared to 20% who *do not* work at for profits.
- 48% believe that understaffing is ‘always’ or ‘often’ putting children’s safety at risk. This increases to 57% for workers at for-profit providers, compared to 36% who *do not* work at for profits.
- 22% say that their centre is ‘always’ or ‘often’ staffed under ratio. This increases to 29% for workers at for-profit providers, compared to 13% who *do not* work at for profits.
- 17% say that their centre currently holds a waiver for staffing ratios. This increases to 20% for workers at for-profit providers, compared to 12% who *do not* work at for profits.
- 28% say that their centre has been staffed under ratio, even without a staffing waiver. This increases to 37% for workers at for-profit providers, compared to 17% who *do not* work at for profits.

One responder, a NSW educator, put the situation for staff bluntly: *‘Educators are punished for bringing safety concerns to directors and owners.’* Another expressed frustration at the attitudes to safety compliance of centre leaderships and the regulator: *‘The health, safety and wellbeing of children in early childhood education and care settings underpins everything but often it’s a tick box for compliance and if the leadership team are unable to mentor the team to build their confidence and capacity who picks up the slack? The approved providers need to be held accountable by the regulatory authority to ensure their employees are supported, not just throw resources at the service just before A & R.’*

## Big private for-profit provision: too big to fail, but still failing

For the period going from 2014 to early 2025, the numbers of private for-profit services Australia wide increased by 66.1%, while the overall number of providers increased by 25.8%.<sup>8</sup>



Across Australia, too many ECEC services are failing to meet the National Quality Standards (NQS) and the majority of those are run by for-profit providers. According to the April 2025 ACECQA data, 1,478 or 9% of providers have an overall quality rating of 'working towards' the NQS. Among those, 59.3% are private for profit, compared to 52.5% of the providers overall.<sup>9</sup>

Traditionally, private ownership in ECEC was characterised by family and small to medium sized businesses. Now large financial interests are being lured to the sector by strong growth prospects underpinned by generous government subsidies. The trend within the sector is consolidation, in which larger, for-profit providers dominate a sector that nevertheless relies on public funds.

Evidence of consolidation in the sector can be seen in the most recent ABS data for 'Counts of Australian Businesses' in the Child Care Services industry class (an unfortunately outdated name, and by no means representing the whole of the ECEC sector) found the total numbers of those actively trading businesses operating at the end of the financial year June 2024 was 11,055 nationally, and 4,400 in NSW.<sup>10</sup> Both figures show a decline in the absolute numbers of businesses operating since the end of the financial year June 2021.



	Operating at end of financial year June 2021	Operating at end of financial year June 2024	% Change
	no.	no.	%
New South Wales	4,492	4,400	-2.0%
National	11,127	11,055	-0.6%

However, when you break down the operating businesses in the sector by employing business size, larger employing business numbers have been growing (particularly in the 20 to 199 employees category), while smaller or non-employing business numbers have declined. This is the case in both NSW and Australia wide.

Operating at end of financial year June 2021					
	Non Employing	1-19 Employees	20-199 Employees	200+ Employees	Total
	no.	no.	no.	no.	no.
New South Wales	2,265	1,671	546	13	4,492
Aus	6,230	3,297	1,548	55	11,127
Operating at end of financial year June 2024					
	Non employing	1-19 Employees	20-199 Employees	200+ Employees	Total
	no.	No.	no.	no.	no.
New South Wales	2,110	1,505	769	16	4,400
Aus	5,840	3,025	2,115	75	11,055
% Change June 2021 to June 2024					
	Non employing	1-19 Employees	20-199 Employees	200+ Employees	Total
	%	%	%	%	%
New South Wales	-6.8%	-9.9%	40.8%	23.1%	-2.0%
Total	-6.3%	-8.2%	36.6%	36.4%	-0.6%

These figures suggest that private for-profit provision, rather than expanding the range of choice and competition in ECEC, may be holding it back as bigger players become more interested in absorbing smaller services rather than expanding their reach.

While Australia's largest provider of long day care (LDC) remains the not-for-profit Goodstart, the vast majority of LDC provision comes from the for-profit sector. It is increasingly common for these providers to be backed by private equity.

Affinity is an example of a private for-profit provider 100% owned by private equity.<sup>11</sup> It has also been exposed in recent media reports as prioritizing profit over education and care. As the

recent report from ABC's Four Corners found, Affinity centres *have 'occupancy targets, wage targets, labour targets, revenue and profit targets'*, with educators and Centre Directors put under massive pressure to achieve them.<sup>12</sup>

The NSW government should advocate for action on large for-profits that are putting profits before safety and quality at a national level, through its participation in the regular Commonwealth, State, and Territory Education Ministers Meeting, along with other national level forums.

### Recommendation:

1. *The NSW government should advocate at a national level for stronger regulation of ECEC providers, particularly providers that are prioritising profits over delivering safe and high quality ECEC.*

### Inquiry Terms of Reference

#### *(a) the safety, health and wellbeing of children in ECEC services*

Recent media reporting, such as by the ABC's Four Corners, has brought much-needed focus on the systemic issues of an ECEC system where profits come before care and quality.

UWU's early educator members across the sector are saddened but not surprised by the issues that have been raised in that reporting. Since 2008 UWU members have run a campaign called 'Big Steps' – calling for a for a world-class and future-proofed Australian ECEC system. Even before 'Big Steps', UWU educator members were raising safety issues in their workplaces, but big providers, regulators, and governments were not listening.

In 2022, Big Steps published the Report 'Unsafe and Non-compliant: Profits above Safety in Australia's early learning sector'.<sup>13</sup> It found that the three biggest for-profit LDC providers in the country (G8, Affinity and Busy Bees) collectively had seven times the number of centres rated 'Working towards NQS', by percentage, when compared with the three largest not-for-profit providers (Goodstart, C&K and KU).

ACECQA records that in the first quarter of 2025, nationally around 13.4% of LDC services were operating with a staffing waiver, while in NSW it is 17.3%. While this does represent a recent improvement from the high point of the third quarter of 2023, when the staffing waiver percentages were 17.4% and 19.5% nationally and in NSW respectively, it is still worse than the first quarter of 2019, when the NSW waiver rate was 9.7% and the national rate 7.2%.<sup>14</sup>

These figures point to an unsettling and disappointing acceptance in ECEC over the last decade that staffing waivers are a 'normal' part of doing business. This can be seen in the change in the proportions of **all services** (not only LDCs) nationally with a staffing waiver. The waiver rate is more than double what it was ten years ago. In the first quarter of 2015 the waiver rate was 3.3%, while in the first quarter of 2025 it is 7.9%. Whilst it is an improvement from a high of 10% in 2023, this should still be considered unacceptable.<sup>15</sup>

When UWU conducted its snap poll with ECEC workers, 28% of respondents indicated that their centres were understaffed, *'even without a waiver'*.

UWU educator members have told us that centres also try to maintain staffing ratios through methods such as the use of agency-sourced educators. However, these workers, operating with the best of intentions, will not necessarily know the centre's routines, and face difficulties

from not having prior relationships with the children. This adds to the workload of the regular staff, who might often feel that the casuals are only present for *'ratio purposes'*. Rosza, a room leader in a NSW centre, told us that agency casual educators will sometimes lack a basic knowledge of centre layouts, and that she has observed agency casual employees do things like *'put chairs against the fence'* (which increases the danger of children climbing the chairs and injuring themselves).

### An UWU Educator speaks out: Permanent staff make the difference

Taj is a pre-school room educator in NSW. She has worked for both for-profit and not-for-profit providers. Taj shares the common view among educators that the difference between working in for-profit and not for profits is like *'night and day'*. Educators across NSW are striving to ensure their centres are offering the best possible education and care, however when Taj reflects on working for different services, *'working for a for profit was the worst time of my life'*.

Taj found that centres which tried to cover their educator ratios by deploying agency casual staff could develop serious problems with care and child safety. She has always been a directly employed educator but has worked in centres where half the staff have been agency casuals. *'This makes a difference'* she says.

For example, *'When they are distressed for children would prefer to go to the permanent staff rather than the casuals ... because they know the permanents.'*

This situation can create a huge amount of stress for the permanent staff members, as they can get burned out very quickly *'especially if there is only one permanent'*. The agency casual employees in this situation are often not much help, as they are *'just a number for the ratio'*.

*'It's very common for [an agency casual] to just come in once ... so what kind of quality care and supervision is being provided?'*

On days in which casual staff predominate, a safety incident *'could occur every day'*.

*'The incidents stack up, and paperwork like incident forms still have to be done'*. This situation further detracts from the time available for quality education and care.

*'We don't get paid for doing the forms out of hours ... Most people I work with, take work home'*.

*'You can get a lot of pressure ... to stay back without pay by directors. They often don't hide that they expect you to work for free.'*

Taj believes that there was very little education taking place in for profit centres. *'Parents are paying big money, but education is just not happening. At the end of the week, nothing on a program had been done.'*

It is a dangerous cycle, whereby lack of permanent staff increases workloads, leading to dangerous incidents, which in turn create additional paperwork which detracts from time that could be spending educating and caring for children.

### The ratings system for services is not working

Educator members were also sceptical about the meaningfulness of the *'working towards'* ratings for services. Services that are on *'working towards'* ratings over the long term are

clearly not doing enough to meet the National Quality Standards. There needs to be a system that has more transparent reporting of breaches, with consequences for services that fail to protect children from harm. As another member from NSW told us, we need *‘a system that prioritises child safety over financial interests’*.

### An UWU Educator speaks out: ‘Meeting ratings don’t mean anything’

Sarah worked as an agency casual educator across numerous centres in the Sydney metropolitan area. Many of those places, she tells us, *‘could have fit into that Four Corners report!’* Sarah and other educators were alarmed by what they saw. Like most educators in ECEC, they only want to do the best job they can for the children in their care. But they often felt they had no obvious place to report incidents. *‘I really felt I had nowhere to turn when I was a casual’*, she says.

Before going on maternity leave, Sarah moved from working for private providers to working for a larger not-for-profit provider and found the difference *‘like night and day’*. While not-for-profits still have their issues as employers in ECEC, such as the expectation staff undertake important training in their own time, nevertheless the provision of quality education and care with more effective staff ratios is done more effectively.

She describes observing many concerning situations as a casual in private for-profit services, many of which were rated as ‘meeting the standards’ by regulators.

Sarah observed baby rooms in which the welfare of children was clearly being ignored, where four casual educators might be looking after over 20 toddlers. The rooms *‘were like cattle yards’* with low quality food. In one case, children in an understaffed room were lined up in highchairs to be fed by a few undertrained casual educators. Sarah also saw cases of highchairs being used as restraints, with children being force fed while sitting in them. The lack of staff often meant that children would be wandering around centres unsupervised.

In another centre staff were regularly not refilling the soap dispensers or restocking the paper towels. *‘Not only was this bad for hygiene, but the children also weren’t learning how to clean themselves.’* Disregard for sanitation also extended to nappy bins being overfilled and not emptied for days.

*‘I was asked to vacuum an area in a way that put children at risk. It was an older vacuum cleaner with a bag, but the bag was not being replaced – just emptied and put back in the machine’*.

Often the only time that educators had to clean their centre were during periods of ‘forced sleep’ for the children.

Sarah saw private providers taking active steps to mislead regulators during visits and inspections. *‘You had new, shiny toys that were brought out whenever the regulator turned up, but afterwards they’d disappear, and the children would be back to the same old, dirty toys.’* Directors would even have an alert code for regulator visits, so that staff knew to put the centre in the best possible state for an inspection. According to Sarah:

*‘A ‘Meeting’ rating doesn’t mean a lot if centres can hide what they’re doing.’*

Sarah observes that *‘the (ECEC) industry is propped up by a lot of migrant women, who often don’t know their rights’*. This also makes it difficult for them to report incidents to directors or to

regulators. She notes that in the for-profit services even the directors are ‘at the mercy’ of big private providers.

## Recommendations:

2. *Providers that have repeated compliance issues and enforcement actions across their services should be required to submit to the regulator a quality improvement plan for their whole business. The provider must demonstrate that the improvement plan has been developed with the involvement of both educators and parents.*
3. *The NSW government should use its position at the Education Ministers Meeting to advocate for the development of tighter regulations for providers that benefit from public funds, especially those that are private for profit. Funding structures should be transparent, and replicate those in the school system, where all profits made are directed back into improving early learning.*
4. *The ‘waiver’ system must be significantly reformed. Staffing waivers should be rare, and truly temporary with strict time limits. No waiver should be issued without a plan to remedy the reasons why it was issued. The plan should be developed with the demonstrated involvement of a provider’s educators, and publicly available for both parents and staff to review.*

## (b) the quality of ECEC services and the educational and developmental outcomes for children attending ECEC services

The shocking events in for-profit ECEC centres across Australia, and particularly in NSW, demand firm and immediate steps by both state and federal governments. They must act to ensure that irresponsible operators who prioritise profit over quality education and care are removed from the ECEC system.

It is important however, that the situation that has developed in these centres should not obscure the benefits and opportunities that can arise from the positive effects of universal ECEC participation.<sup>16</sup>

The ACECQA ‘Starting Blocks’ website notes that ‘90% of a child’s brain develops by the time they’re 5 years old’.<sup>17</sup> A study by psychology researchers Dr Amelia Shay and Cen Wang (published prior to the COVID Pandemic) which found that<sup>18</sup>

*... at the ages of six to seven, which is just after the time children start school, 14% of Australian children had noticeably high levels of emotional problems. Emotional problems generally refer to depressive and anxiety symptoms, somatic (physical) complaints such as headaches, and withdrawn behaviours.*

There is emphatically a need for a universal quality ECEC system in which every child, regardless of how much their parents earn, or how many hours their parents work, or where they live, has access to world-class early learning education. Like the public school system, every family should have confidence that their local early learning centre is high-quality, and that educators are respected, employed directly, and professionally paid.

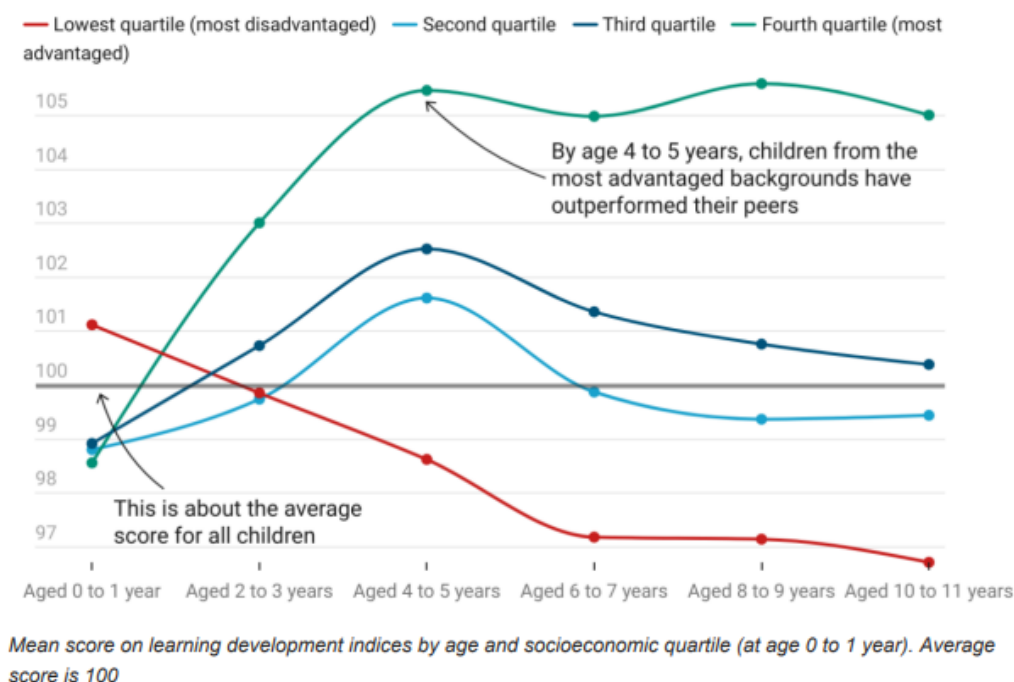
A recent Report from the Mitchell Institute, based at Victoria University, has found that the ‘achievement gap’ between children of different socio-economic backgrounds begins to show by the age of two to three years.<sup>19</sup>



Once they reach school, the pattern of children from advantaged backgrounds outperforming children from disadvantaged backgrounds has become evident and the gap continues to widen. In our research, the socioeconomic status of children when they were aged between zero and one year had the most consistent impact on later learning outcome measures.

This can be seen in the following chart:

**Figure 7: By the time children start school, the influence of socioeconomic status on learning measures has started to become entrenched**



The report concludes that 'if the effect of socioeconomic disadvantage is evident in Australia from the earliest years, our ECEC system needs to acknowledge and proactively work to address this from the start.' It notes that the Productivity Commission has also found that 'children experiencing disadvantage and vulnerability – who are likely to benefit most from ECEC services – are less likely to attend than their more advantaged peers'.<sup>20</sup>

Considering these findings, the NSW Government has a real opportunity to play a historic role in redressing and overcoming this achievement gap for children from lower socio-economic backgrounds. Bold reforms can reimagine the sector and show educators and families how committed the state is to quality early learning. It should take the initiative in developing and trialing publicly run, fit-for-purpose LDC centres that directly employ educators. These LDCs should have longer service hours and increased flexibility, while secure jobs for educators mean less turnover, and therefore stronger quality relationships with children and families.

#### Recommendation:

5. The NSW Government should develop, and trial publicly run, fit-for-purpose long day care (LDC) centres that directly employ educators as part of the shift towards public early learning provision. Where possible, these centres should be initially targeted in low socio-economic areas and co-located with existing school sites. They should also

*be co-located with, or closer to, additional services which provide for child health, parental education, and social support programs.*

### **(c) the safety, pay and conditions of workers within the ECEC sector**

The NSW government should be a strong advocate for workers in ECEC, both at the state and national level. It is only by protecting and improving the safety, pay and conditions of the sector's workers that the goals of a universal, high quality ECEC system can be achieved.

UWU welcomed the Federal Labor Government's moves in its first term to stabilise educator turnover in sector by funding a 15 per cent pay increase. In 2023 UWU ECEC members fought for and won the first ever first ever supported bargaining authorisation for the sector. Now, the *Early Childhood Education and Care Multi-Employer Agreement 2024-2026* covers 389 providers and gives over 42,500 employees access to the 15% pay increase. UWU is aware of additional providers who are applying to be covered. Similarly, the *Goodstart Early Learning Enterprise Agreement 2024* (for the largest ECEC provider in Australia), negotiated with the UWU, covers over 15,500 employees and also gives them access to the 15% pay increase.

For a long time, UWU educators have advocated for an increase to wages in the *Children's Services Award*. In April 2025 educators had a victory, with the FWC finding that the work of educators under the *Children's Services Award* has long been undervalued and that educators should receive a pay increase. The FWC is now in the process of determining transitional arrangements and the implementation timeline.

While low wages are not the only problem in the ECEC sector, nothing else in the sector will be fixed without increasing the wages of the educators without whom there is no ECEC sector at all.

Poor working conditions also contribute to educators wanting to leave the sector. Educators receive minimum entitlements to personal leave and annual leave. This does not acknowledge the long hours educators work in the sector – LDC service operating hours extend beyond formal school hours and regular business hours. It also does not acknowledge that educators are exposed to contagious illnesses every day, and that this cannot be avoided through social distancing, PPE, or controls found in other workplaces.

Educators and teachers have reported feeling burnt out by working in the sector, and the minimum of 4-weeks of annual leave and 10 days of personal leave is not enough to ensure the ECEC workforce has the right life/work balance to rest and recharge.

When educators have been able to collectively bargain with their employer for above award conditions, they have sought to improve leave entitlements, paid time to access professional development and non-contact time. These are conditions that are critically important for educators to perform their role to a high standard and deliver high quality early learning.

Working conditions do not reflect the responsibilities and regulatory requirements of these roles, either. Educators spend hours of unpaid overtime completing paperwork, recording, and planning educational and care activities, as well as updating parents on their child's development. Poor interpretation of the *Children's Services Award* by many service providers has meant it is common for planning time (2 hours per week) to only be allocated to the Room Leader.

This does not change the workload – rather it pushes critical planning and documenting work into unpaid hours. Educators are expected to plan a week’s worth of learning for every child in their care that adheres to the National Quality Framework, so that it is age appropriate, and reflects the pedagogical approach of the LDC service.

### **Safety for both children and educators is endangered by understaffing**

A decently paid, well trained workforce – that is growing in numbers as ECEC becomes a more attractive occupation in which to work – will be the best path to creating a system that both educates children and keeps them and their educators safe.

UWU’s ECEC Snap poll had 48% of respondents supporting the propositions that understaffing is ‘always’ or ‘often’ putting children’s safety at risk. This response increased to 57% for workers at for-profit providers. One respondent, a NSW Educator, commented that:

*As our workload and pressure to document/ take pictures grows our ability to adequately supervise children is becoming more difficult to the point where injuries are being missed.*

While the safety of children is the highest priority for educators, it should be noted that Safe Work Australia (SWA) data, reported in Jobs and Skills Australia’s (JSA) ECEC Industry Capacity Study, found there ‘are relatively high rates of work-related injuries in ECEC which can further contribute to worker attrition’. According to the JSA:<sup>21</sup>

*The rate of serious injury claims in the Childcare Services industry group in 2021-22 ... was 14.2 claims per million hours worked, compared to 6.5 claims per million hours worked in all industries.*

ECEC educators have jobs that involve many physical hazards, including risks of trips, slips, and falls, along with manual handling (e.g. lifting children for nappy changes, moving heavy play equipment) – any of which could lead to soft tissue or back injury.<sup>22</sup>

28% of responders to the UWU snap said that they ‘rarely’ or ‘never’ regularly have sufficient time to perform their physical safety checks or checklists. This increases to 36% for workers at for-profit providers. If there are not enough skilled and experienced education staff in ECEC centres, the injury risks for children and educators will increase. Attracting more educators into the sector is crucial for safe education and safe workplaces.

### **Can more workers be attracted to ECEC in NSW?**

The experience of other states in Australia shows this can be done. Victoria, for example, has specific policy incentives to attract educators such as its ‘Financial support to study and work in early childhood’ initiative. The financial supports include ‘Location incentives’ of between \$9,000 to \$50,000 (before tax) for eligible early childhood teachers who take up roles at selected services.<sup>23</sup> The success of such programs has contributed to Victoria having far lower staff waiver rates for LDCs than NSW. Victoria’s waiver rate was 3.1% in Q1 2019, compared to 9.7% in NSW. At the high point of Q3 2023 when the NSW rate was 19.5%, Victoria was at 2.7%. In Q1 of 2025 the Victorian waiver rate for LDCs is at 1.4%, while NSW is at 17.3% (still higher than its 2019 rate).<sup>24</sup> The contrast with Victoria shows that staffing in NSW ECEC, despite a recent small improvement, still has a long-term trend in the wrong direction. However, this is not a natural event, it is a policy choice by government. The NSW government can choose to do things differently.

## Recommendations:

6. *The NSW government should also be a strong advocate for workers in ECEC, both at the state and national level. It should therefore call on the Federal Government to immediately fund the wage increases that have been found by the Fair Work Commission (FWC) to be needed to address gender undervaluation in the Children's Services Award. The delivery of this funding should not wait for the conclusion of FWC's deliberations on implementation dates and transitional arrangements, especially as the Commission is currently proposing a five-year implementation period.*
7. *The NSW Government itself should establish a wage supplement to retain and attract educators. This supplement should be available in any area of the state that is experiencing a shortage of educators.*

(d) the effectiveness of the regulatory framework for the ECEC sector as applied in New South Wales

(e) the effectiveness of the NSW ECEC Regulatory Authority

(f) the collection, evaluation and publication of reliable data in relation to ECEC services and the level of public knowledge and access to information made available about each ECEC service

As a key participant in the Education Ministers Meeting, to which Board of the Australian Children's Education and Care Quality Authority (ACECQA) reports, the NSW government should advocate for reforms that strengthen transparency and accountability in the implementing and administering of the NQF.

NSW should also advocate for mechanisms that strengthen the ability of ECEC workers in the sector to report incidents and hold providers to account. Often it is only through the reports of ECEC workers themselves that problems and abuses in the sector have come to light, because regulators have been unresponsive at times.

The UWU Snap poll found 35% of responders saying they felt scared about reporting a concern to the regulator. This increases to 39% for workers at for-profit providers. However, 46.8% say that, in their opinion, the regulatory consequences for employers failing to meet safety requirements are 'not serious', 'neutral', or of no consequence. The NSW Regulator was described by one of our members as being too slow in responding to serious incidents. 'We do the right thing by notifying' she said, 'and they take months sometimes to get back to you. Another responder told us that 'educators are punished for bringing safety concerns to directors and owners'. However, 35% of our Snap poll responders say they have felt scared about reporting a concern to the regulator. In this climate, a regulation system that relies on 'reporting' from people in centres is not going to be effective in detecting or monitoring non-compliance. In the words of another survey responder:

*I think there needs to be more regulators supporting ecec services to ensure childrens safety, there needs to be transparency and real consequences for repeat offenders that do not meet national standards.*

In 2022 the Big Steps 'Unsafe and Non-compliant' Report found that only two states – Victoria and South Australia – are fully transparent about non-compliance and the serious incidents

that happen in early learning centres every day. Most states only make public more serious cases such as convictions and prosecutions. UWU needed to make several Freedom of Information (FOI) requests to gain a more comprehensive and transparent national picture of non-compliance. In NSW it was found that more than three quarters (77%) of enforcement actions since July 2015 were taken against for-profit providers.

Finding such information should not be such a difficult, resource intensive, and time-consuming process when the safety of children is at stake. Rather than passively await FOI applications before releasing information on matters such as non-compliance and serious incidents, there should be a presumption of openness and a proactive publication of information. This approach should also be applied to information regarding private providers. When public or community services are delivered by private operators, 'commercial in confidence' is often used as an excuse to restrict access to important information. Governments should not be bound by any commercial in confidence restrictions when it comes to proactively releasing information on ECEC provision.

### Recommendations:

8. *The NSW government should advocate for reforms that strengthen transparency and accountability in the implementing and administering of the National Quality Framework (NQF). NSW should lead by example and authorise the NSW Regulatory Authority (the Education Department's Early Childhood Education Directorate (ECED)) to commence these practices itself, with the aim of making them part of national regulation. They include:*
  - a. *Mechanisms that increase the regulators accessibility for and responsiveness to ECEC workers.*
  - b. *For the Australian Children's Education and Care Quality Authority (ACECQA) to regularly publish not only the quality ratings of all ECEC providers but also any significant compliance activity or enforcement actions associated with their services.*
  - c. *For quality rating data to be sent directly to both parents and educators of a provider.*
9. *To ensure that parents, educators, and the broader public have confidence about quality and care in the ECEC system, the NSW government should commit to publishing full and transparent information about all enforcement actions. There should be a presumption of openness and a proactive publication stance on the part of regulators. 'Commercial in-confidence' should also be rejected as a reason to not release information on private for profit ECEC providers.*

### **(g) the availability and affordability of quality training institutions for early childhood education qualifications**

The NSW government has taken welcome steps to provide free and self-paced professional learning for ECEC workers in NSW. It remains the case however that many educators, low paid workers often with caring responsibilities themselves, do not have the time and resources to participate even in a free online course in their own time. ECEC workers in regional areas may have difficulties with finding appropriate training close enough to where they live and work. Educators are keen to upgrade their professional learning because they take their roles



seriously. They should not, however, be effectively subsidising their private employers by using their own time to do so.

As a further step for the NSW government would be to fund paid time for educators to undertake learning and professional development as required by their roles.

UWU member Rosza, a Room Leader from NSW, reports to us that many for-profit providers do not even bother with the most basic induction sessions for agency casual educators. Rather you are just ‘sent onto the floor’, are effectively ‘working blind’, and must rely on your previous experience.

## Recommendations:

10. NSW government should fund paid time for educators to undertake learning and professional development as required by their roles. Where educators need to be out of their workplaces to undertake this training, the government should meet the cost of backfilling their shifts.

## (h) the composition of the ECEC sector and the impact of government funding on the type and quality of services

ECEC is big business, but it is public funding that sustains the sector.

Unfortunately, for the growth that has occurred in for profit provision, across Australia the ECEC centres that are failing to meet the National Quality Standard (NQS) are mostly for-profit providers.

This situation can be seen in NSW through the ACECQA NQF Snapshot for the first quarter of 2025.<sup>25</sup> When looking at Private LDC provision, 13.9% have an overall rating of exceeding the NQS, and 9.5% have an overall rating working toward the NQS.

Overall Rating	Number of rated LDCs	% of Total
Exceeding NQS	366	13.9%
Excellent	2	0.1%
Meeting NQS	2008	76.3%
Significant Improvement Required	6	0.2%
Working Towards NQS	249	9.5%
Total	2631	100.0%

By contrast, both not-for-profit and state/territory/local government LDCs have 35.9% ‘exceeding NQS’ and 3.3% ‘working towards’.

Overall Rating	Number of rated LDCs	% of Total
Exceeding NQS	265	35.9%
Excellent	3	0.4%
Meeting NQS	445	60.3%
Significant Improvement Required	1	0.1%
Working Towards NQS	24	3.3%
<b>Total</b>	<b>738</b>	<b>100.0%</b>

According to the Productivity Commission’s most recent Report on Government Services, total Federal, State and Territory Government funding was \$18.2 billion in 2023-24, up 17.4% on 2022-23 (including recurrent i.e. ongoing funding through the CCS and preschool programs, and capital expenditure).<sup>26</sup> Over the same period NSW government expenditure was \$1.1 billion, up 13.9% from 2023-24.<sup>27</sup>

The scale of government funding flowing to a predominantly for-profit sector is deeply concerning. Stock market investors and foreign investment funds are key players in Australian ECEC. Stories of floats, mergers and acquisitions in the sector permeate the financial press. CEOs pocket eyewatering salaries and owners enjoy windfall profits as companies change hands regularly. Amid the murky dealings of private equity funds, multimillion dollar transfer payments to overseas headquarters can be identified while no tax is paid in Australia.<sup>28</sup>

All this government funding should be going to improved quality ECEC, unfortunately there is every indication that the opposite is the case. Private interests have no requirement to invest their profits in the interests of children’s learning, to the detriment of child safety and educational outcomes.

## (i) the experiences of children with disability, and their parents and carers, in ECEC services,

Children from ‘selected equity groups’ are still underrepresented in ECEC services compared to their representation in the community. This includes children with a disability, children from non-English speaking backgrounds, children from low-income families, First Nations children, and children from remote and regional areas.

This underrepresentation is most clearly manifest in the inadequate funding provided to the Inclusion Support Program (ISP). As noted by the Productivity Commission in its report on ECEC, the ISP is predominantly used as a form of support for children with a disability.<sup>29</sup> Unfortunately wait times for the ISP have blown out as applications have increased, and services are waiting weeks if not months for funding. The workforce crisis has also created acute problems where ISP educators are used in centres to cover breaks of other staff, and to meet ratio. This is not fair on the educators nor the child that needs and deserves support.

The South Australian Royal Commission into Early Childhood Education and Care in its Final Report also raised needs-based funding as a possible alternative to the current funding model in its discussion of improving inclusion support.<sup>30</sup> It would be funded by the Federal

Government and as such ensuring that all children have their needs met at a baseline level of funding – better supporting services to plan, allocate resources, provide professional development and training, and have the right staffing mix, therefore reducing stress on educators and teachers. However, the Royal Commission was clear that there is tension between overburdening educators and teachers to support inclusion in their centres, and adequate training, support and capability across the service to provide inclusion support. The increasing demand for the ISP, as well as increasing diagnosis of autism in the community (although formal diagnosis can be a barrier to receiving ISP support), means that serious consideration must be given to the additional workload (both in terms of paperwork and direct education and care) for educators and teachers.

Additionally, a holistic view of a child's circumstances means there might not be only one type of support that is needed – family circumstances are complex. Further complicating the process, not only is a formal diagnosis required, but so is parental consent. The centre is sometimes placed in the difficult position of being unable to apply for inclusion support for a child where it is needed. As an alternative, the ISP funding should be able to be tied to a room, rather than a child. This is where needs-based funding, or proactive funding, would better support all children in the service, rather than individualised arrangements.

### Recommendation:

11. *The NSW government should advocate for the reform of the Inclusion Support Program funding model, including increasing the wage subsidy to fully cover the wages of any additional educators required by services. At the state level, it should lead by example by providing additional funding to overcome those barriers to inclusion that can be addressed by the provision of both professional support and specialist equipment.*

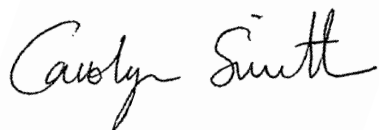
### Conclusion

UWU members in ECEC want a system that values the workforce and focuses on delivering high quality ECEC for the benefit of Australian children: a universal, accessible public system.

The initial steps to get to this system will require strong actions by sector regulators, and by state and federal governments, to crack down on the activities for the increasingly larger and more dominant private-for-profit providers.

For more information on this submission, please contact Tim Dymond, Senior Policy Analyst, at [tim.dymond@unitedworkers.org.au](mailto:tim.dymond@unitedworkers.org.au)

Yours sincerely



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- <sup>1</sup> Big Steps Report (2021), 'Spitting off Cash', pp.8-9 found at [spitting-off-cash-uwu-report.pdf](https://bigsteps.org.au/wp-content/uploads/2022/08/spitting-off-cash-uwu-report.pdf) ([bigsteps.org.au](https://bigsteps.org.au))
- <sup>2</sup> Australian Children's Education and Care Quality Authority (2023), National Quality Framework Snapshot: Waivers data as at 1 October 2023, found at: <https://snapshots.acecqa.gov.au/Snapshot/waivers.html>
- <sup>3</sup> Big Steps Report (2021), 'Unsafe and Non-compliant: Profits above safety in Australia's early learning sector', p.5, found at: <https://bigsteps.org.au/wp-content/uploads/2022/08/unsafe-and-non-compliant-uwu-report.pdf>
- <sup>4</sup> Big Steps (2021) 'Spitting off Cash', pp. 11-12, 14; Big Steps (2021) 'Unsafe and Non-compliant', p.5.
- <sup>5</sup> 'Betrayal of Trust: Australia's Childcare Crisis', Four Corners (17 March 2025) <https://www.abc.net.au/news/2025-03-17/betrayal-of-trust/105063150>; 'Shaken toddlers and slapped babies: Documents expose childcare crisis', 7.30 (12 May 2025) <https://www.abc.net.au/news/2025-05-12/shaken-toddlers-and-slapped-babies:-documents/105284350>
- <sup>6</sup> ACECQA, NQF Snapshot Q1 2025, p 14 <https://www.acecqa.gov.au/sites/default/files/2025-05/NQF%20Snapshot%20Q1%202025%20FINAL.PDF>
- <sup>7</sup> W13: Number and proportion of long day care services with a staffing waiver by provider management type, NQF Snapshot (1 April 2025) <https://snapshots.acecqa.gov.au/Snapshot/waivers.html>
- <sup>8</sup> <https://snapshots.acecqa.gov.au/Snapshot/stateofthesector.html>
- <sup>9</sup> OR6: Number of services with a quality rating by provider management type, NQF Snapshot (1 April 2025) <https://snapshots.acecqa.gov.au/Snapshot/overallratings.html>
- <sup>10</sup> ABS, Counts of Australian Businesses, including Entries and Exits July 2020 - June 2024 <https://www.abs.gov.au/statistics/economy/business-indicators/counts-australian-businesses-including-entries-and-exits/latest-release>
- <sup>11</sup> <https://thesector.com.au/2021/06/18/affinity-education-sold-to-quadrant-private-equity-in-650m-deal/>
- <sup>12</sup> <https://www.abc.net.au/news/2025-03-17/betrayal-of-trust/105063150>
- <sup>13</sup> <https://unitedworkers.org.au/wp-content/uploads/2022/11/unsafe-and-non-compliant-uwu-report.pdf>
- <sup>14</sup> W11: Proportion of services with a waiver by quarter and waiver category, NQF Snapshot (1 April 2025).
- <sup>15</sup> Ibid.
- <sup>16</sup> Beatson R, Molloy C, Fehlberg Z, Perini N, Harrop C, Goldfeld S. Early Childhood Education Participation: A Mixed-Methods Study of Parent and Provider Perceived Barriers and Facilitators. J Child Fam Stud. 2022;31(11):2929-2946. doi: 10.1007/s10826-022-02274-5.
- <sup>17</sup> 'Brain development in children' (2019) <https://www.startingblocks.gov.au/resources/parenting-and-home/your-childs-development/brain-development-in-children>
- <sup>18</sup> Shay, Amelia, Wang, Cen, 'More children are starting school depressed and anxious – without help, it will only get worse' (2018) <https://theconversation.com/more-children-are-starting-school-depressed-and-anxious-without-help-it-will-only-get-worse-87086>
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- <sup>20</sup> Productivity Commission, A path to universal early childhood education and care: Draft report. 2023, p 61 <https://www.pc.gov.au/inquiries/completed/childhood#report>
- <sup>21</sup> Jobs and Skills Australia (JSA) Early Childhood Education and Care Workforce Capacity Study, p 6 [The Future of the Early Childhood Education Profession – Extended Report.pdf](https://www.jsa.gov.au/wp-content/uploads/2023/06/The-Future-of-the-Early-Childhood-Education-Profession-Extended-Report.pdf)
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- <sup>23</sup> 'Financial support to study and work in early childhood' <https://www.vic.gov.au/financial-support-study-and-work-early-childhood>
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- <sup>25</sup> <https://snapshots.acecqa.gov.au/Snapshot/waivers.html>
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<sup>28</sup> Conservative profit and revenue estimate is calculated from most recent publicly available data: Macdonald, A., Thompson, S. and K. Sood (2022). “Partners Group mulls mid-2023 exit for Guardian Childcare, RFP out”, AFR 15 Nov. 2022; Macdonald, A., Thompson, S. and K. Sood (2023). “Quadrant PE readies Affinity graduation, invites banks for pitches”, AFR 8 Mar. 2023; Roberts, J. (2023); 2021 financial reports from Think Childcare and Busy Bees prior to latter’s takeover.

<sup>29</sup> Productivity Commission, A path to universal early childhood education and care: Inquiry report. 2024, p 62 <https://www.pc.gov.au/inquiries/completed/childhood/report/childhood-volume1-report.pdf>

<sup>30</sup> South Australian Royal Commission into Early Childhood Education and Care (2023), Final Report, pg. 92. Found at: [https://www.royalcommissionecsa.gov.au/\\_data/assets/pdf\\_file/0009/937332/RCECEC-Final-Report.pdf](https://www.royalcommissionecsa.gov.au/_data/assets/pdf_file/0009/937332/RCECEC-Final-Report.pdf)