ALGA
Australian Local Government Association

Submission to the Senate Education and Employment References Committee

Inquiry into the Quality and Safety of Australia's Early Childhood Education and Care System

P 02 6122 9400
E alga@alga.asn.au

Building Better Communities.

Executive Summary

Local government is a major provider of early childhood education and care (ECEC), operating more than 800 services nationally, with significant concentrations in New South Wales and Victoria. Councils deliver trusted, high-quality services, often in communities where no other provider operates.

This submission draws on the detailed findings and recommendations of ALGA's state associations, particularly the Municipal Association of Victoria (MAV) and Local Government NSW (LGNSW), to highlight system-wide risks and reforms needed to safeguard children and sustain service quality.

State peaks consistently identify three critical priorities:

- stronger and nationally consistent child-safety safeguards (including real-time Working with Children Check systems and annual training)
- urgent investment in workforce attraction, retention and fair pay
- a more coherent stewardship model that brings together Commonwealth, state and local governments.

They also emphasise the risks posed by fragmented regulation, inequitable funding arrangements, and unchecked growth of large for-profit providers. The recommendations from MAV and LGNSW, provide a practical pathway to improve safety, strengthen transparency, and ensure that families across Australia have equitable access to affordable, high-quality ECEC.

Introduction

The Australian Local Government Association (ALGA) is the national voice of local government, representing 537 councils across the country. Councils are both direct providers of early childhood education and care (ECEC) and important enablers of access through their roles as planners, community leaders, place-makers, and, in some jurisdictions, regulators.

Across Australia, local government collectively operates more than 800 ECEC services. These services include long day care, preschools, kindergartens, family day care coordination units, and out-of-school-hours care. Council-run services are particularly concentrated in New South Wales and Victoria, where local government has long-standing responsibilities in early education. NSW has one of the largest concentrations of council-run centres nationally, while Victoria's councils are significant providers of kindergarten and long day care services. In regional, rural and remote communities, councils are often the only or primary provider. Without their involvement, many families would face little or no access to affordable, safe, high-quality care.

Council services consistently perform well against national quality benchmarks. They are known for their strong community focus, higher-than-average staff retention rates, and commitment to equity and inclusion. Councils frequently employ above-award wages, provide professional development opportunities, and invest in child-safe practices beyond minimum compliance. These strengths ensure not only high-quality education and care for children, but also the confidence and trust of families.

However, local government ECEC providers face increasing challenges. Regulatory systems are fragmented and inconsistently resourced. Workforce shortages are at crisis levels, compounded by high turnover, casualisation, and limited pathways for attraction and retention. Funding models are inequitable and, in some cases, actively disadvantage council-run services. Meanwhile, the rapid expansion of large for-profit providers raise concerns about safety, affordability, and the diversion of public subsidies to shareholder returns.

This submission draws on the evidence and analysis provided by ALGA's state associations, particularly Local Government NSW (LGNSW) and the Municipal Association of Victoria (MAV). LGNSW's input is based on its submission to the NSW Parliamentary Inquiry into early childhood education and care, while MAV's contribution comes from its submission to the Victorian Premier's call for input on Immediate and Broader Systems Reform. Both of these submissions are attached.

Together, their findings and recommendations reflect both the operational realities of councils on the ground and the systemic reforms needed to strengthen quality and safety nationwide. While some examples are jurisdiction-specific, the issues identified are consistent with those raised by councils in other states and territories, providing a representative picture of local government ECEC provision across Australia.

1. The health and safety of children in childcare services across the country

Councils operate services with strong reputations for child safety, but both MAV and LGNSW highlight gaps in safeguards across the sector. The system relies too heavily on providers' internal processes without consistent national standards for refresher training, verification of credentials, and parent engagement. Technology fixes such as in-room CCTV are not a substitute for trained staff, adequate ratios, and strong safety culture. Further, providers' internal processes are restricted by their inability to access the extensive data already collected by regulatory authorities, which would enable them to conduct rigorous background checks and ongoing risk management.

Findings:

- MAV highlights the need for annual, auditable verification of Working With Children Checks (WWCCs) and qualifications, and mandatory child-safety refresher training.
- MAV have called for better parent-facing resources, including multilingual child-safety checklists.
- LGNSW notes challenges in regional and remote NSW where cost and workforce barriers limit access to training.
- Both MAV and LGNSW oppose mandatory regulation imposed on providers that is not fully considered for in-room CCTV, citing lack of evidence and risks to children's rights.

Recommendations:

- (MAV) Mandate annual verification of WWCCs and qualifications across all providers. Whereas LGNSW advocate for more coordinated WWCC across jurisdictions.
- (LGNSW) Ensure all councils, regardless of size, are eligible for funding for child-safety training.
- (MAV) Require annual child-safety training for all staff, including agency and inclusion support workers.
- (LGNSW) Recommend that any CCTV reform imposed on providers to be fully considered/costed Prohibit in-room CCTV; (MAV) restrict surveillance to entryways and public areas.
- (Both) Provide families with bilingual child-safety materials and guidance on complaints processes.

2. The effectiveness of Australia's childcare regulatory system, including the performance and resourcing of state and territory regulators and the Australian Children's Education and Care Quality Authority, in maintaining and improving quality

Local government providers in both NSW and Victoria report gaps in regulatory consistency and resourcing. While councils are subject to rigorous compliance checks, state regulators often lack

the capacity to conduct timely and risk-based assessments. Fragmented responsibilities mean councils cannot always access critical information about risks, while families are left uncertain about the effectiveness of oversight.

Findings:

- MAV notes that Victoria's regulator assessed only a quarter of services in 2024 while incidents increased, showing under-resourcing.
- LGNSW identifies fragmented regulatory responsibilities across agencies, which restricts access to risk-related information.
- Both emphasise the need for stronger national coordination and clearer accountability.

Recommendations:

- (MAV) Resource regulators to conduct minimum three-yearly assessments, with risk-based increases for high-risk services.
- (MAV) Introduce an Administrator model for persistently non-compliant services.
- (LGNSW) Coordinate regulators and reforms across jurisdictions to address sector issues such as workforce shortage, service gaps, funding inconsistencies and data coordination.

3. Early learning providers' compliance with quality standards and legislative requirements, including compliance with workplace laws and regulations

Councils are generally leaders in compliance, often going beyond the minimum standards. However, both MAV and LGNSW identify risks created by gaps in qualification requirements for certain roles and by the heavy administrative burden placed on providers. This reduces time spent with children and creates inequities across the system.

Findings:

- MAV highlights gaps where some support roles are not required to hold ECEC-specific qualifications.
- LGNSW points to high administrative burdens that draw staff time away from direct care.
- Both support universal codes of conduct.

Recommendations:

- (MAV) Require live compliance registers of staff credentials and expiry dates, subject to regulator audit.
- (MAV) Close qualification gaps for inclusion and other support roles.
- (MAV) Mandate a universal ECEC Code of Conduct across all providers as a funding condition.

4. The impact of childcare providers' employment practices on quality and safety

Workforce shortages, casualisation and turnover undermine the stability of care, weaken relationships between children and educators, and place pressure on safety. Councils report that while they often pay above-award wages, the broader sector faces difficulties in recruitment and retention, particularly in regional and remote areas.

Findings:

- MAV highlights risks from workforce casualisation and turnover.
- LGNSW stresses that councils pay above-award wages but face critical workforce shortages, especially in regional areas.
- Both stress the importance of retention, mentoring and workplace culture.

Recommendations:

- (MAV) Link service approvals and subsidies to stable rostering, continuity of care, and educator development.
- (LGNSW) Launch a coordinated workforce attraction and retention campaign across NSW.
- (Both) Fund targeted mentoring and retention initiatives.

5. The role of worker compensation and pay on childcare quality and safety

Pay and conditions directly affect staff turnover and the stability of services. Councils often lead by paying above-award wages, but workforce costs exceed 80% of service budgets and remain unsustainable without dedicated support. Both MAV and LGNSW stress that better pay and clear progression pathways are critical to safeguarding children and ensuring quality outcomes. We also note the forthcoming findings of the Gender Undervaluation Review, which we hope will reinforce the case for fairer pay and underpin continuation of the Worker Retention Program.

Findings:

- LGNSW highlights that workforce costs exceed 80% of council service budgets in NSW.
- MAV points to underinvestment in wages and progression as a driver of workforce churn.

Recommendations:

- (MAV) Embed wage and progression benchmarks into funding agreements, with uplifts tied to tenure and qualifications.

6. The role of private for-profit incentives and their impact on childcare quality and safety

The rapid growth of for-profit providers raises serious questions about quality and accountability. Councils and their state associations note that these providers often prioritise expansion and shareholder return over service quality, with higher rates of serious incidents.

Findings:

- MAV notes that for-profit long day care services are linked to higher incident rates.
- LGNSW raises concerns about private equity models which drive up costs and undermining affordability and impacting the integrity of the ECEC sector.

Recommendations:

- (MAV) Require enhanced oversight and disclosure for high-growth for-profit providers.
- (LGNSW) Government should assume a market stewardship role to monitor markets and include interventions such as subsidies and complementary regulatory measures that may be necessary
- (Both) Tie market expansion approvals to proven quality performance.

7. Transparency within the early childhood education and care system, including access to information and data

Transparency is essential for both regulators, providers and families. Councils report that fragmented data systems and gaps in access to information on vulnerable cohorts, particularly Aboriginal and Torres Strait Islander children or children with disability, undermine their ability to plan and deliver inclusive services. Parents also lack easy-to-understand information to support informed choices.

A coordinated data strategy would reduce the administrative burden and provide for more informed decision making. The system should also capture longitudinal data to track educational outcomes, children's experience, regulatory assessment and compliance.

Findings:

- MAV calls for a national WWCC database and a national workforce register that records conduct concerns.
- LGNSW highlights the lack of meaningful data to support vulnerable groups to plan and deliver inclusive services.
- Both emphasise the need for family-facing information in plain language and multiple languages.

Recommendations:

- (MAV) Establish a national real-time WWCC system accessible across jurisdictions.

- (MAV) Create a national workforce register interoperable with teacher registries.
- (LGNSW) Develop a coordinated ECEC data strategy to improve access to evidence and outcomes tracking.
- (Both) Publish plain-language and multilingual family resources on safety, complaints and regulatory outcomes.

8. The suitability and flexibility of the funding of early education and care across Australia

Funding arrangements across ECEC are fragmented and inconsistent, sometimes disadvantaging council-run services. Large councils risk exclusion from training grants, while both MAV and LGNSW highlight the lack of dedicated funding for the unique role of local government. Sustained workforce investment is also missing from current models.

Findings:

- LGNSW highlights fragmented funding across service types and risks of council providers being excluded from some grants.
- MAV stresses the need for long-term workforce funding and system stewardship.
- Both call for a dedicated local government funding stream.

Recommendations:

- (LGNSW) Ensure all providers, including councils operating more than 25 services, are eligible for mandatory child safety training grant funding.
- (MAV) Establish a Commonwealth–state–local stewardship partnership to coordinate long-term workforce funding.
- (Both) Introduce a dedicated local government ECEC funding stream.

9. The choice of care options available to parents and families

Families value diversity and trust in the ECEC sector. Councils provide high-quality, community-based services and are often the only providers in growth areas and regional communities. They also disproportionately support vulnerable children, including those from low-income families, Aboriginal and Torres Strait Islander communities, and children with additional needs. However, underfunded inclusion programs limit equitable access for these children, leaving councils to fill gaps without adequate resources.

Findings:

- MAV notes that families value transparency in safety practices more than technological monitoring.
- LGNSW highlights the underfunding and complexity of the Inclusion Support Program (ISP).

- Both stress the role of council-run services in ensuring access in growth areas and service deserts.

Recommendations:

- (MAV) Support council and not-for-profit providers in areas of unmet demand.
- (LGNSW) Fully fund the Inclusion Support Program (ISP), including CPI adjustments and staff development.
- (Both) Expand family-facing safety and quality information to empower parental choice.

Cross-cutting themes

MAV and LGNSW stress that the greatest risks to quality and safety are systemic. Workforce shortages, fragmented regulation, inequitable funding, and poor data transparency affect all providers, but have particularly acute impacts on local government services in regional and remote communities. Addressing these challenges requires national leadership and stewardship that involves all three levels of government.

Findings:

- (MAV) Workforce shortages are the single most significant risk to child safety, service quality, and continuity of provision.
- (LGNSW) Retention is the key challenge, with workforce costs already consuming more than 80% of council ECEC budgets.
- (MAV) Oversight and regulatory data are fragmented and under-resourced, preventing councils from accessing risk information they need to manage services effectively.
- (LGNSW) Funding models are inequitable and often exclude councils from eligibility for grants and training supports.
- (Both) National consistency in safety, regulation, and workforce support is lacking, leaving gaps that disproportionately affect vulnerable children and families.

Recommendations:

- (MAV) Establish national safety infrastructure: real-time WWCC, national workforce register, integrated data systems.
- (LGNSW) Resource regulators for risk-based, frequent assessment cycles with consistent frameworks/guidance.
- (MAV) Prioritise workforce investment: pay, mentoring, retention—over surveillance technology.
- (Both) Create a formal tripartite Commonwealth–state–local stewardship framework to coordinate reforms, improve accountability, and embed local government as a partner in child safety and quality improvement.

Conclusion

Local governments are indispensable to the sustainability and equity of Australia's ECEC system. Councils provide safe, high-quality services, particularly in regional, rural and remote communities where market provision is weak.

This submission highlights the findings and recommendations of ALGA's state associations LGNSW and MAV reflecting the challenges and solutions identified across Australia.

ALGA urges the Committee to ensure reforms:

1. recognise the essential role of local government in ECEC delivery;
2. address workforce shortages as a national emergency;
3. deliver consistent, risk-based regulation supported by adequate resources;
4. create a dedicated funding stream for council-run services; and
5. embed a stewardship model that unites Commonwealth, state and local governments in safeguarding children and supporting families.

For completeness, ALGA has also attached the full submissions provided by MAV (to the Victorian Premier's call for input on *Immediate and Broader Systems Reform*) and LGNSW (to the NSW Parliamentary Inquiry into early childhood education and care), which informed this national submission.

Sincerely,

Amy Crawford

CEO

Australian Local Government Association

Contact details

Simon Booth
Policy Director