



Improving the early childhood development system

Supporting the next generation

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Proposed reform

The Australian Government has committed to expansion of the Early Childhood Development (ECD) system¹ to generate economic and productivity gains for young children (via earlier education), parents (via increased workforce participation) and the wider economy (via human capital and labour force benefits). However, recent failures in quality and child safety are well documented², highlighting the need to get the system architecture right to ensure quality and safety and realise the potential of these reforms.

Echoing outcomes from the National Early Years Summit³, recommendations from the Productivity Commission⁴ and the voices of many in the sector, the Brotherhood of St. Laurence (BSL) recommends reforms to:

- Progress a National Partnership Agreement to replace the Preschool Reform Funding Agreement and clarify accountabilities, responsibilities and funding between state and federal systems

¹ Albanese A, Clare J & Aly A (Ministers of the Education Portfolio) 2024, '[Next steps in building a universal education system](#)', Ministers' Media Centre, Canberra. 11 December.

² Rogers, M 2025, '[House of horrors: what the ABC revealed about early childhood education and care \(ECEC\) in Australia now](#)', 19 March 2025, University of New England. Viewed 22 July 2025.

See also: Australian Broadcasting Corporation 2025, '[Betrayal of trust: Australia's childcare crisis](#)', *Four Corners*, 17 March 2025, ABC.

³ Department of Social Services 2023, '[The National Early Years Strategy Summit: summary](#)' notes. Department of Social Services, Canberra. Viewed 23 July 2025.

⁴ Productivity Commission 2024, '[Inquiry report: a path to universal early childhood education and care, volume 1](#)', Productivity Commission, Melbourne.

- establish an Early Childhood Commission to steward the system, including providing a stronger and more nationally consistent approach to quality and safety and providing coordination to support expansion of supply in areas of highest need ('childcare deserts')
- harmonise national quality and safety arrangements including a national working with children's check register
- strengthen workforce quality, pipelines and upskilling for quality and safety by building on recent wage increases to improve pay, conditions, training pathways and upskilling. Expanded models of employment-based training should be examined to build workforce skills.
- join up policy reform across early childhood development systems, including early learning, foundational supports, navigators, maternal and child health, and family supports
- prioritise inclusion, equity and access in reforms to make sure children who have a disability, are newly arrived or refugee, are Aboriginal and Torres Strait Islander or have low socioeconomic status do not miss out
- support the delivery of early years services through people and place-centred approaches, especially in areas of concentrated disadvantage, including by establishing a national infrastructure of integrated hubs and supporting Aboriginal Community Controlled Organisation (ACCO) delivery

How this will advance productivity

Improving governance, safety and quality are pre-requisite reforms required to realise the productivity gains from an expanded early childhood system. Without clarity of responsibilities and funding between different levels or areas of government, critical aspects of the system – such as quality and safety – risk falling through the cracks when no-one sees it as 'their job'. In the absence of a safe and high quality ECD system, children will receive poor quality care (at best) and face risks to their safety and wellbeing (at worst) that can shape their entire lives.

Without appropriate system stewardship, there is also a risk that expanded access to early childhood services go to areas that are already well-serviced, while those children, families and communities who need it most still miss out – resulting in lost productivity gains for children, parents and the wider economy. In addition, improved system stewardship can generate efficiency gains for the ECD system including reduced workforce churn and more effective allocation and use of resources.

How it will be budget neutral/positive

Improving governance, quality and safety in the ECD will require budget funding, however government has already indicated this is a funding priority. Ensuring quality and safety will not only help ensure ECD related productivity gains are realised but also help to avoid future costs (both budgetary and human).