

ELACCA 2026-27 Pre-Budget Submission to the Australian Treasury

30 January 2026



The Early Learning and Care Council of Australia (ELACCA) welcomes the opportunity to provide advice on how the 2026-27 Federal Budget can support the improvement of the early learning and care system.

About ELACCA

The Early Learning and Care Council of Australia (ELACCA) was established to promote the value of quality early learning and care as an integral part of Australia's education system. Our 17 CEO members include some of the largest early learning providers in the country, representing both not-for-profit and for-profit services.

ELACCA members operate 2,019 long day care services, 298 preschool/kindergarten services and 70 outside school hours care (OSHC) services, covering every state and territory. They offer one-quarter of all the early learning places in Australia. Together, our members serve 356,339 children and their families, and employ more than 57,300 staff.

As well as promoting the value of quality early learning and the need for greater public investment, ELACCA advocates for the right of all children to access quality early learning and care, particularly children facing disadvantage. We do this by drawing on the knowledge and practical experience of our members and representing their views to decision-makers in government, the media and the public.

Australia's challenge in 2026-27

The early learning and care sector in Australia is at a pivotal moment. The Australian Government is seeking to strengthen the sector – particularly by safeguarding children – while simultaneously expanding it, building more early learning and care centres and bringing in more children. Achieving both these goals will demand careful planning and coordination (across jurisdictions), strong consultation with stakeholders (including providers of early learning and care), and continued significant investment.

Progress in 2026-27 could take us much closer to our target destination: an early learning and care system that is accessible and affordable to all families, and that offers high-quality, safe experiences for all children – including children in marginalised communities and those who require additional support. ELACCA is a strong advocate for this vision, which is within reach.

However, the vision cannot be realised without a strong workforce of early childhood educators, teachers and service leaders. The Government's Worker Retention Payment (WRP) has had a powerful impact in reducing staff vacancies and building retention since its introduction in December 2024. Much of this good work will be undone if the Government proceeds with its plan to end the WRP on 30 November 2026.

In 2026-27, the Government will need to continue time-limited wage support for educators, whether through an extension of the WRP or through a new mechanism. The Government will also need to signal its willingness to do this early in 2026, to avoid educator anxiety and attrition in the workplace, as we draw closer to the November deadline.

With a stable workforce in place, early learning and care services can get on with the job of building high quality and delivering safety. Closing the gaps and vulnerabilities in the child safety landscape, so that early learning and care services are surrounded by layers of protective measures (including data-sharing), is essential work for the next year.

Given the complexities of the early learning and care system, ELACCA supports the establishment of a national Early Childhood Education and Care (ECEC) Commission in 2026-27, to take the lead in building greater accountability, transparency and coordination among all stakeholders.

With the Government's Service Delivery Prices (SDP) project still underway, ELACCA is not addressing the rate of the Child Care Subsidy (CCS) in this submission. However, we note that the SDP project will need to deliver a robust new funding mechanism, guaranteeing sufficient funding for high quality and sector sustainability – something the CCS system struggles to achieve.

Recommendations for the 2026-27 Budget

Goal	Recommendations
The safety and wellbeing of children are the highest priority of the early learning and care system.	1. Work with the early learning and care sector to urgently plan and implement the next stage of the National Educator Register, to improve recruitment and enable screening of prospective employees by approved providers. 2. Implement, at pace, a national Working With Vulnerable People check, set at the lowest threshold, with a nationally consistent reportable conduct scheme.
The early learning and care system functions efficiently and transparently, consistently delivering quality across jurisdictions and operator types.	3. Establish an independent national ECEC Commission with legislative authority to provide national stewardship and governance to strengthen standards across quality, safety, supply, workforce, affordability and inclusion.
The early learning and care sector has a skilled, stable workforce of educators, teachers and service leaders.	4. Support wages and conditions beyond the two-year Worker Retention Payment period. A new wage subsidy should meet the pay rise determined by the Fair Work Commission in its gender-based undervaluation case, and build to pay parity with school-based staff. 5. Support universities and the early learning and care sector to co-design training and credentials that equip educators to succeed professionally and stay in the sector. 6. Restart the Paid Practicum Subsidy (PPS) scheme, with a guarantee of funding that meets educator demand, for a minimum period of four years. 7. Extend the new provisions on service closures for staff training, to enable ECEC services to conduct full-day training with all staff, twice per year, funded by the Child Care Subsidy and professional development grants.
The priorities and needs of families are well understood, and that families have easy access to information about the quality and safety of early learning and care services.	8. Create a new online site (linked to startingblocks.gov.au) that explains to families, in clear and accessible language: • the current program of child safety reforms at state, territory and Commonwealth levels • actions they can take if they have concerns about safety at their child's service;

	• how to access expert advice on issues of concern, for example, 'grooming behaviours' among perpetrators, or behavioural changes in their child; and • how providers are required to respond to concerns that are raised by families and staff. 9. Undertake a review of the National Quality Framework, to ensure the system (including the National Quality Standard) is: • meaningful and transparent to parents and carers; and • consistent with family expectations around events of concern, including to substantiated reportable conduct matters and other child safety concerns.
All children are supported to participate in early learning and care, including children with additional needs, through adequate resourcing and training in services.	10. Reform the Inclusion Support Program (ISP) by: • increasing the hourly rate paid for additional educators, with annual indexation, to reflect the skillset and qualification level of these staff • removing the cap on weekly hours, which limits the participation of some children; and • enabling backdating of payments to early learning and care services, to the date a claim was lodged. 11. Introduce a needs-based Inclusion Fund that allows educators and teachers to access training and development; and provides the resources required to support children's participation. 12. Ensure that the reformed ISP and the Inclusion Fund are aligned with, or integrated into, the new Thriving Kids system.

Achieving the vision for early learning and care in Australia

The safety and wellbeing of children are the highest priority of the early learning and care system.

ELACCA welcomed the package of child safety reforms announced by Australia's Education Ministers on 22 August 2025. These improvements to system infrastructure and regulatory practice, combined with investment in educator training, will strengthen our collective capacity to prevent harm to children. While the current reforms (at national and state/territory levels) are welcome, they need to be underpinned by national consistency whenever possible.

The introduction of the first iteration of the National Educator Register is welcome, but must go further, as an immediate priority. It is imperative providers can access information about prospective employees, to make safe and informed recruitment decisions. ELACCA advocates for the escalation of the next stage of the National Educator Register to provide direct access to educator data by approved providers, in line with community expectations. It is vital providers can readily access the National Educator Register, to ensure better informed recruitment decisions, with the capacity to easily sight the employment and discipline history, WWCC status and related experience of prospective employees.

Like many others in our sector, ELACCA has long advocated for a single, national Working With Vulnerable People Check. We also continue to call for a national reportable conduct scheme. There is no reasonable excuse for permitting the current inconsistencies across jurisdictions to continue. Risk thrives in situations of ambiguity.

Recommendations

1. Work with the early learning and care sector to urgently plan and implement the next stage of the National Educator Register, to improve recruitment and enable screening of prospective employees by approved providers.
2. Implement, at pace, a national Working With Vulnerable People check, set at the lowest threshold, with a nationally consistent reportable conduct scheme.

The early learning and care system functions smoothly and transparently, delivering quality across jurisdictions and operator types.

ELACCA is advocating for the establishment of a national independent Early Childhood Education and Care (ECEC) Commission, which should be the shared responsibility of all governments across the federation.

An ECEC Commission should be structured and resourced to deliver on a clear remit:

- Lifting quality and child safety in ECEC services
- Reducing the complexity of the ECEC system for governments, providers, staff and families
- Ensuring accountability – across governments and independent agencies – for outcomes in the ECEC system.

Building robust data that supports quality and safety across the system, with comparability and data-sharing (as appropriate) across jurisdictions, would be a pre-condition for success.

An effective ECEC Commission would provide system stewardship – the 'missing part of the policy puzzle', in the view of the Productivity Commission¹. An ECEC Commission would need to fill gaps, not duplicate current

¹ Productivity Commission. (2024). *A path to universal early childhood education and care*. Report no. 106 – 28 June 2024, Volume 2, Paper 10.

work. This would mean bringing a clear vision, strong coordination and much greater accountability to the ECEC system.

We endorse the Productivity Commission's finding (in its 2024 inquiry report) that an ECEC Commission would only be effective if underpinned by a new national agreement on ECEC between the Australian, state and territory governments. The agreement would set overarching objectives and outcomes for the ECEC system; set targets for governments to work towards; and define the roles and responsibilities of governments and other agencies. ELACCA would like the ECEC Commission to go even further, taking a strong role in overseeing the effective implementation of recent child safety reforms, and advising governments on the future design of the ECEC system more broadly.

The ECEC Commission should have a coordinating role with government and independent agencies, including ACECQA, regulatory authorities and the ECEC function of other government bodies, which should be clearly articulated in a new national agreement on ECEC.

Recommendations

- 3. Establish an independent national ECEC Commission with legislative authority to provide national stewardship and governance to strengthen standards across quality, safety, supply, workforce, affordability and inclusion.**

The early learning and care sector has a skilled, stable workforce of educators, teachers and service leaders.

It is vital that the ECEC sector attains the highly valued, appropriately remunerated and highly skilled workforce it needs to deliver high-quality ECEC. Appropriate remuneration for the ECEC workforce is the highest priority across our sector, because pay is the primary factor in workforce attrition.

The Australian Government's Worker Retention Payment (WRP) is an important and welcome first step in achieving lasting change. The WRP has contributed to a substantial reduction in educator vacancies across our members, helping to stabilise the workforce after the turmoil of COVID. Workforce stability is a crucial pre-condition for building a culture that enhances child safety and service quality.

The WRP grants expire at the end of 2026. ELACCA urges the Government to extend this funding beyond 2026, covering the full additional cost of wage increases flowing from the gender-based undervaluation review of the Children's Services Award.

Beyond this, ELACCA would like to see further Government investment to ensure the ECEC workforce achieves fully-funded pay parity with the school sector, and, for the first time, ongoing government investment in wages to enable the building and maintenance of a skilled and high-quality workforce.

To support ongoing reform, the Government should also fund the Department of Education to improve the efficiency of the WRP system, including building an electronic payment system for the WRP, based on actual financial data.

Training, learning and development

The single biggest contributor to high quality in ECEC services is the education and training of early childhood educators and teachers.² A skilled, knowledgeable, and stable workforce is essential for supporting children's learning and development.

ELACCA urges the Australian Government to support innovation in the training and development of early childhood educators. Recent investments by the governments of Queensland and New South Wales in

² Pascoe, S & Brennan, D. (2017). *Lifting our Game*, pp. 62-63.

upskilling courses for early childhood educators provide strong examples.³ The Australian Government's Paid Practicum Subsidy (PPS) scheme had been underpinning these innovative Bachelor-level courses, by ensuring that educators continued to receive a wage while undertaking teaching practicum placements. For most diploma-qualified educators, unpaid practicums (working for free) are a deal-breaker when considering whether to upskill to a Bachelor qualification. The sudden closure of the PPS scheme in 2025 removed the option of upskilling for thousands of diploma-qualified educators, restricting Australia's pipeline of qualified early childhood teachers (ECTs). The Government must reinstate PPS funding as quickly as possible, in the interests of building a strong ECT workforce.

ELACCA has welcomed the Government's decision to support child safety training for educators, by enabling approved providers to claim CCS while closed for training, for up to five hours per year. We would like to see this measure extended, to more closely resemble the whole-of-site staff development that occurs in every public school in Australia. For early learning and care services, a full day of training for all educators and staff, twice per year, would support the creation of strong teams, for quality and safety. This measure will also require funding from the Government, to cover or defray the cost of training. ELACCA hopes that ad hoc grant funding for professional development will be a short-term measure, and that workforce development costs will be woven into the new funding system for early learning and care.

Recommendations

4. **Support wages and conditions beyond the two-year Worker Retention Payment period. A new wage subsidy should meet the pay rise determined by the Fair Work Commission in its gender-based undervaluation case, and build to pay parity with school-based staff.**
5. **Support universities and the early learning and care sector to co-design training and credentials that equip educators to succeed professionally and stay in the sector.**
6. **Restart the Paid Practicum Subsidy (PPS) scheme, with a guarantee of funding that meets educator demand, for a minimum period of four years.**
7. **Extend the new provisions on service closures for staff training, to enable ECEC services to conduct full-day training with all staff, twice per year, funded by the Child Care Subsidy and professional development grants.**

Families are well-informed about the quality and safety of early learning and care services.

ELACCA supports transparency and accountability through nationally consistent collection, evaluation and publication of meaningful, reliable data relating to all ECEC services.

Transparency is central to public confidence in the quality and safety of Australia's ECEC system. While ACECQA provides valuable national data on service quality and ratings under the NQF, public access to broader, timely, and integrated data remains limited. Current reporting is limited in its ability to connect quality outcomes with other critical datasets – such as regulatory enforcement and compliance actions, serious incident and child-safety notifications, or workforce characteristics, including educator qualifications, tenure, and workplace history.

These data are dispersed across multiple custodians and across jurisdictions, each with differing legislative interpretations, reporting obligations, and publication practices. As a result, families, educators, providers and

³ NSW Government. (2024). 'Accelerated degree pathway for educators', <https://education.nsw.gov.au/early-childhood-education/initiatives/early-childhood-careers/take-the-next-step-in-your-early-learning-career/accelerated-degree-pathway-for-educators>; Macquarie University. (2025). 'New StepAhead program expands pathways to early childhood teaching', 13 November, media release, <https://lighthouse.mq.edu.au/media-releases/2025/nov-2025/new-stepahead-program-expands-pathways-to-early-childhood-teaching>; Queensland Government. (n.d.). *Information Pack - Qualifications Pathways Program*, <https://earlychildhood.qld.gov.au/careersAndTraining/Documents/gpp-information-pack.pdf>.

policymakers cannot form a complete, trusted, or up-to-date picture of how quality and safety interact across the system.

Future data frameworks and portals must deliver nationally consistent, multi-layered information that is accessible, reliable, and meaningful to different users – from families seeking reassurance about the safety of their child in a selected service, to employers monitoring workforce capability and professionalism, to regulators and policymakers analysing system trends. Greater visibility of educator qualifications, tenure, and professional standing (while protecting individual privacy) would help build a culture of accountability and professional pride, and empower services, parents, and regulators to safeguard children more effectively.

As part of its inquiry into early childhood education and care in 2023-24, the Productivity Commission conducted an extensive review of regulatory and policy systems, and made clear findings on the strengths and limitations of these systems.

While the NQF Framework and the National Law provide a robust regulatory standard and powers for regulating quality and safety, application of the NQF has been undermined by inconsistency and underfunding. The Productivity Commission highlighted the problems – including gaps, duplication and inconsistency – that stem from poor coordination of the ECEC system across jurisdictions:

‘While not uncommon, having multiple levels of government responsible for the funding, regulation and policy leadership of a particular service or policy area introduces challenges that are not present in services that involve only a single government. Even if the responsibilities of different levels of government are clear in principle, **without the use of strong coordination mechanisms there is fertile ground for problems to arise** that affect those who engage with the service [...] Such problems are symptoms of inadequate governance arrangements and administrative approaches, and are common in the ECEC sector.’⁴

In its inquiry report, the Productivity Commission advocated for better coordination, a shared vision and system stewardship among the nine national, state and territory governments. This included the following recommendations:

- Increased transparency in the operation of state and territory regulators (Recommendation 8.1)
- An independent review of the NQF, ‘to enable regulators to incorporate feedback from ECEC providers as well as new findings from research’ (Recommendation 8.2).⁵

Recommendations

8. Create a new online site (linked to startingblocks.gov.au) that explains to families, in clear and accessible language:
 - the current program of child safety reforms at state, territory and Commonwealth levels
 - actions they can take if they have concerns about safety at their child’s service;
 - how to access expert advice on issues of concern, for example, ‘grooming behaviours’ among perpetrators, or behavioural changes in their child; and
 - how providers are required to respond to concerns that are raised by families and staff.
9. Undertake a review of the National Quality Framework, to ensure the system (including the National Quality Standard) is:
 - meaningful and transparent to parents and carers; and
 - consistent with family expectations around events of concern, including to substantiated reportable conduct matters and other child safety concerns.

⁴ Productivity Commission. (2024). A path to universal early childhood education and care. Inquiry report no. 106 – Volume 2, Supporting papers. Canberra: Productivity Commission. p. 592; emphasis added.

⁵ Productivity Commission. (2024). A path to universal early childhood education and care. Inquiry report no. 106 – Volume 1. Canberra: Productivity Commission.

All children are supported to participate in early learning and care, including children with additional needs, through adequate resourcing and training in services.

For some children, additional resources (staffing, training and infrastructure/materials) are required to provide a safe, engaging and enriching environment in early learning and care services. This generates additional costs for services – and much of this remains unfunded in the current system. There is an urgent need for the Australian Government to provide targeted, ongoing funding to improve inclusion and the Inclusion Support Program (ISP), as recommended by the Productivity Commission.⁶

Effective and adequately funded inclusion support has been a significant issue for families and children requiring additional support, and for early learning and care services seeking to meet their needs. Every family, regardless of their level of social capital, should be able to access a seamless support network for their child. Access to inclusion support should not be determined by postcode, family background or capacity to navigate a system.

ELACCA notes that the Productivity Commission recommended to the Government that it significantly increase funding for the ISP, and streamline its processes¹². We also note the review of the ISP completed by Deloitte Access Economics for the Australian Government in September 2023, and the NDIS review and consultation by the Department of Social Services with regard to foundational supports.

With its current budget and access limitations, the ISP fails to deliver on its promise. For example, the subsidy to employ an appropriately qualified additional educator, to work with a child with additional needs, is scandalously low: 8% below the award rate for a commencing educator with a Certificate III. This makes it impossible for early learning and care services to cover the cost of an additional educator, and makes it difficult to fund an educator with the requisite experience and higher qualifications.

Fixing the ISP is central to the promise of early learning and care: that it will help each child to meet their full potential as they grow and learn.

With the introduction of the Thriving Kids initiative, it is vital Government departments continue to work together, and with the sector, to ensure the careful coordination of the ISP with any new structures.

Recommendations

10. Reform the Inclusion Support Program (ISP) by:

- **increasing the hourly rate paid for additional educators, with annual indexation, to reflect the skillset and qualification level of these staff**
- **removing the cap on weekly hours, which limits the participation of some children; and**
- **enabling backdating of payments to early learning and care services, to the date a claim was lodged.**

11. Introduce a needs-based Inclusion Fund that allows educators and teachers to access training and development; and provides the resources required to support children's participation.

12. Ensure that the reformed ISP and the Inclusion Fund are aligned with, or integrated into, the new Thriving Kids system.

⁶ Productivity Commission. (2024). A path to universal early childhood education and care, Inquiry report no. 106, Vol. 1, Canberra.

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