

Delivering Quality Care More Efficiently

Submission by KU Children's Services
to the Productivity Commission | September 2025

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ACKNOWLEDGEMENT OF COUNTRY

KU respectfully acknowledges the Traditional Owners of the Countries of Aboriginal and Torres Strait Islander Peoples and communities on which KU services and programs are delivered. The contribution by Aboriginal and Torres Strait Islander Peoples to the education of young children existed long before our story began.

KU STATEMENT OF COMMITMENT TO ABORIGINAL AND TORRES STRAIT ISLANDER PEOPLES

KU has an organisational responsibility to the revitalisation and advancement of the cultures, histories, and beliefs of Aboriginal and Torres Strait Islander Peoples of Australia as determined by them. Guided by our values and ethical practices, we commit to creating locally led programs and opportunities shaped and determined by Aboriginal and Torres Strait Islander children and families, employees, communities, and organisations.

KU STATEMENT OF COMMITMENT TO CHILD SAFETY AND WELLBEING

As a child safe organisation, we continue our longstanding and unwavering commitment to the safety and wellbeing of children, with zero tolerance of child abuse. The best interests of children and their protection from harm is paramount. Child Safety and Wellbeing is an organisation wide responsibility. All KU employees have a role to play in creating a child safe culture and keeping children safe.

ABOUT KU CHILDREN'S SERVICES

KU is one of the largest not for profit and for purpose providers of early education. Established in 1895 as the Kindergarten Union of NSW, KU was the first provider of early childhood education and care (ECEC) in Australia and is the nation's most experienced provider.

KU has a long-demonstrated history of providing and supporting high-quality, inclusive, early childhood education programs, and continues to lead the way with over 130 services and programs in NSW, VIC, and ACT, including preschool, kindergarten, long day care, family and community programs, and allied health services. KU is also contracted by the Australian Government to support eligible ECEC services with the inclusion of children with additional needs, through Inclusion Agencies in NSW/ACT, QLD, and VIC.

KU's vision is to lead and inspire young children's learning for life. Our achievements in the NQS Quality Ratings to date, far exceed the national average, with all assessed services rated as Meeting or Exceeding the National Quality Standard. Such is KU's experience, expertise, and reputation, that we are often requested to provide specialist advice to other providers, peak bodies, the corporate sector, and all levels of Government.

INTRODUCTION

KU Children's Services welcomes the opportunity to respond to the Productivity Commission's inquiry into delivering quality care more efficiently. Australia's care economy is at a pivotal moment as Government considers reforms to improve the efficiency, integration, and sustainability of the care sectors. It is essential that Early Childhood Education and Care (ECEC) be recognised as an essential part of a cohesive, future-focused care system.

ECEC is a vital element of Australia's care economy, supporting children's learning and development, family wellbeing and workforce participation, and contributing to long-term social and economic outcomes. This submission foregrounds an ECEC response to key opportunities for strengthening regulation, enhancing collaboration, investing in prevention, and improving data infrastructure, ensuring reforms are responsive to the needs of children, families, and communities.

REGULATORY ALIGNMENT

Fragmented regulations contribute to unnecessary complexity and increased costs in areas such as training, screening, and registration. KU supports aligning regulatory frameworks to reduce duplication and improve workforce mobility, provided harmonisation does not compromise existing standards. Rather, it should promote consistency and uphold standards for quality and safety.

Safeguarding children remains a priority and must be embedded in any regulatory reform. A nationally consistent worker screening system and simplified reporting processes are essential. KU supports the development of a national registration system and streamlining overlapping processes.

While efforts to strengthen connections between care sectors are welcome, reforms must also address the regulatory layers within individual sectors. In the ECEC sector, recent child safeguarding reforms have been introduced inconsistently across jurisdictions. Creating regulatory silos complicate effective compliance. A more integrated and nationally consistent approach to policy and regulation will be essential to building a cohesive, resilient, and high-performing sector and care economy.

The complexity of achieving this balance should not be underestimated. As governments increasingly pursue collaborative and joined-up strategies, there is a clear need to rethink regulatory models to better support cross-sector coordination and shared outcomes. Multiple independent regulators can lead to duplication, inconsistent standards, and regulatory misalignment, making coordination more difficult and limiting opportunities for integrated reform. Establishing a coordinated regulatory framework would promote cross-sector collaboration. A dedicated national leadership role, such as a commissioner or Cabinet Minister for the Care Economy, could drive system-wide reform and accountability across governments.

COLLABORATIVE COMMISSIONING

The Productivity Commission identified fragmentation within the health system, highlighting the potential benefits of a more collaborative commissioning approach. While ECEC was not explicitly mentioned, similar challenges exist across the sector, and there is value in exploring how collaborative models could support more integrated and effective service delivery.

ECEC services stand to benefit through joint planning with health, disability, and family support services. This approach can improve connected and integrated service provision, transitions between care systems, address service gaps, and enhance developmental outcomes. To be effective, collaborative commissioning must be supported by robust governance, flexible funding models, and shared data infrastructure. Consideration should be given to whether, and in what way, this approach could include the current market-based ECEC system, where providers vary in scale and capacity. The not-for-profit sector plays a critical role in delivering high-quality, community-focused services and should be actively engaged as a valuable partner in shaping future regulatory or structural reforms.

PREVENTION, INVESTMENT AND RESEARCH

ECEC is a cornerstone of early intervention. Investment in high-quality, evidence-based ECEC programs contributes to improved child development, family wellbeing, and reduced long-term disadvantage. To realise these outcomes, a more integrated and strategic funding approach is needed so that inclusive practices are embedded and resourced consistently across the sector. Increased and coordinated investment is needed, moving away from short-term funding and siloed programs to realise the full benefits of early intervention.

A framework for long-term investment, supported by co-funding between federal and state governments, would enable more coordinated and sustainable delivery of inclusive supports. KU endorses the establishment of a National Prevention Investment Framework that recognises and includes ECEC as a critical component. The creation of an independent Prevention Focused Advisory Board should include ECEC representation to ensure the sector's voice is embedded in long-term planning.

DATA INFRASTRUCTURE AND EVALUATION

Robust data infrastructure is essential for measuring outcomes, informing policy, and driving continuous improvement in ECEC. To ensure meaningful participation, providers need support to engage in and with these systems, particularly smaller providers with resource constraints. Tailored support and capacity-building initiatives are needed to enable equitable access to data systems and to ensure that insights from diverse service contexts inform policy and practice.

In the ECEC sector, productivity is not defined by doing more with less. Rather, it is measured by achieving higher-quality outcomes for children, families, and communities through strategic use of available resources and collaborative networks.

Productivity is reflected in the quality of relationships, investment in workforce capability, and the creation of environments that nurture children's learning and wellbeing. Productivity in ECEC must be understood in terms of impact, not output, and with a focus on long-term benefits rather than short-term efficiencies.

INNOVATION AND RESEARCH PARTICIPATION

KU has a long and valued legacy of research engagement that strengthens evidence-informed pedagogy and practice. However, ECEC providers often face barriers to engaging in innovation and research, largely due to limited resources and capacity. KU supports initiatives that address these barriers and enable meaningful participation in translational research and knowledge exchange.

The Government's investment in the Care Economy Cooperative Research Centre (CRC) reflects a strong commitment to advancing research and innovation across care sectors. KU's engagement as a CRC partner presents a valuable opportunity to co-design solutions and make a collective impact. The CRC's focus on scalable, evidence-based interventions and insights will help shape future policy and funding decisions in ECEC and the broader care economy, ensuring that reforms are grounded in evidence and responsive to industry and community needs.

SKILLED AND ADAPTABLE WORKFORCE

ECEC contributes significantly to children's development and wellbeing, playing a foundational role within the care economy by supporting early learning, social-emotional growth, and early intervention. ECEC supports outcomes that extend beyond education. Teachers and educators provide developmental and inclusion support, often engaging in trauma-informed practice that intersects with health, allied health, and social services. This integrated approach positions ECEC as a key partner in promoting holistic care and long-term wellbeing for children and families.

Reforms to workforce training, registration, and recognition must account for the complexity of early childhood practice and the depth of pedagogical expertise required. Efforts to streamline systems must not compromise quality or child safety. While integrated workforce development may help address workforce supply challenges, caution is needed when considering fast-tracked training pathways. Reducing barriers is important but reforms must preserve the integrity and rigour of qualifications to adequately prepare our highly skilled and professional ECEC workforce. Maintaining and lifting standards is essential for the provision of safe, inclusive, and high-quality services.

Unlike other sectors where productivity gains can reduce costs, ECEC relies heavily on human interaction and relational care. This cannot be automated or scaled without compromising quality. To attract and retain skilled teachers and educators, wages must increase, yet these costs are not offset by traditional productivity efficiencies. Any productivity reform must acknowledge this and prioritise sustainable funding to support workforce stability and high-quality outcomes for children and families.

IMPLEMENTATION CONSIDERATIONS

Given the distinct requirements of each sector, a uniform approach is unlikely to be effective across all contexts. This will need to be nuanced to reflect distinct operational contexts and capacities, ensuring reforms are both equitable and impactful. We urge the Australian Government to ensure that reforms are co-designed with ECEC stakeholders and reflect the diversity of service types and contexts. There is significant reform happening across the care sector and implementation must be staged, adequately funded, and supported by capacity-building initiatives. Given the existing pressures on the ECEC sector, reform initiatives must focus on stabilising and strengthening the system to enable resilience and the consistent delivery of high-quality outcomes.

CONCLUSION

It is essential that ECEC is recognised as a key partner in broader system transformation. We urge policymakers to ensure that regulatory alignment, collaborative commissioning, prevention investment, and data infrastructure reforms are designed with the unique needs of the ECEC sector in mind. With the right policy settings, ECEC can be a powerful lever for productivity and equity, delivering benefits that extend well beyond the early years.

Thank you for the opportunity to make comment. We welcome further discussion on subjects raised in this submission.

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