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New Laws Bolster Regulation of Early Childhood Education and Care

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Australia's early childhood education and care (ECEC) sector faces enhanced regulation through new federal legislation aimed at ensuring safety and improving quality standards. The reforms present implications for service providers amid concerns over government overreach and practical implementation challenges.

On 23 July 2025, the Australian Government introduced the *Early Childhood Education and Care (Strengthening Regulation of Early Education) Bill 2025* to increase oversight of Child Care Subsidy (CCS) providers. The legislation prioritises child safety by granting the

Department of Education authority to revoke CCS funding from non-compliant providers, conduct unannounced inspections, and require independent audits for large operators. Minister for Education Jason Clare stated, “Our priority is keeping children safe” (About The House, 2025). The bill also mandates that Family Day Care and In Home Care providers collect CCS gap fees directly from families, aiming to reduce financial mismanagement and improve transparency.

These reforms respond to a reported rise in safety breaches, with the Australian Children’s Education and Care Quality Authority (ACECQA) noting an increase in violations throughout 2024. ACECQA remains responsible for monitoring quality standards under the National Quality Framework (NQF).

While the bill targets improving service quality, critics argue it imposes excessive regulatory burdens on providers. The NQF already enforces comprehensive standards, and the new requirements add additional compliance layers. Smaller and regional providers express concern about affordability and operational viability, with costly audits and stricter penalties potentially pushing some operators out of the sector. Jane Carter, a childcare provider, warned, “This risks punishing honest operators while failing to address systemic issues” (The Australian, 2025).

The 2025 Productivity Commission report indicates that around 85% of services meet NQF standards, suggesting broad sector compliance. Critics question whether punitive measures divert focus from pressing challenges such as workforce shortages, increasing operational costs, and accessibility.

Public opinion reveals a desire for accountability but also apprehension about overreach. The bill’s transparency provisions, including the public disclosure of compliance actions, aim to inform parents but have raised concerns that providers’ reputations may be unfairly damaged. With median daily childcare fees reaching approximately \$130 in 2025 (Australian Bureau of Statistics), balancing safety, quality, and affordability remains critical.

While child safety is the primary concern, the government’s approach risks adding regulatory complexity to an already pressured sector. It remains to be seen whether these legislative changes will deliver meaningful improvements or primarily increase administrative burdens for providers.