



Review of NQF Staffing and Qualifications Regulations  
Strategic Project Team  
Australian Children's Education and Care Quality Authority

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To whom it may concern,

Thank you for the recent opportunity to provide a submission as part of the review of NQF Staffing and Qualifications Regulation.

The NSW Small Business Commissioner (the Commission) is an independent statutory office of the NSW Government. It provides strategic advice, advocacy and affordable dispute resolution services across NSW.

The Commission's role includes:

- Encouraging government agencies and larger businesses to enter productive working relationships with small businesses.
- Facilitating and encouraging the fair treatment of small businesses.
- Promoting a fair operating environment in which small businesses can flourish.

Small businesses are a core component of the early childhood education and care (ECEC) sector. Private for-profit providers account for more than half of ECEC services<sup>1</sup> and around 88 per cent<sup>2</sup> of these services are small businesses with fewer than 20 employees.

In 2022 the Commission undertook a consultation with the ECEC sector that included a survey with 240 respondents and a virtual workshop with the sector. The Commission released the report, *Stakeholder consultation: small business experiences in the early childhood education and care sector (Stakeholder consultation report)*, that summarised the consultation feedback and identified opportunities to improve outcomes for providers. This report is attached for consideration.

Throughout the consultation, stakeholders discussed the challenges in attracting and retaining highly qualified staff to meet regulatory requirements. In the consultation survey, around eight in ten survey respondents (78 per cent) indicated they had experienced issues meeting staffing requirements or attracting/retaining qualified staff. Of those who indicated they had experienced challenges, seven in ten (68.3 per cent) experienced challenges in meeting degree qualified staff requirements, and more than half (56 per cent) experience major challenges in meeting these requirements.

Challenges in attracting and retaining staff are exacerbated by some NSW specific provisions, including a requirement for a higher ratio of early childhood teachers (ECTs) for some centre sizes. Current approaches for managing constraints in the market, such as applying for a waiver from ECT requirements, are also administratively burdensome and costly for small businesses. Small businesses

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<sup>1</sup> ACECQA (2022). 'NQF Snapshot: Q2 2022', p. 8.

<sup>2</sup> Australian Bureau of Statistics. 8165.0 Counts of Australian Businesses.

also experience regulatory and broader systemic barriers to developing innovative solutions for managing staff shortages.

Many small businesses in the ECEC sector are deeply passionate about delivering the highest quality care and education to children. To deliver the best outcomes, regulatory settings, including qualification requirements for ECTs, need to ensure quality safeguards and standards for care and education, while enabling providers to deliver services to children and family within the constraints of the market. This includes developing the regulatory settings to systematically manage challenges in meeting qualification requirements, rather than relying on provider-led approaches, such as applying for waivers.

The Commission supports increasing flexibility for the qualification requirements for ECTs to support the delivery of quality care and education and ensure the viability of providers within market constraints. This can include options for recognising related qualifications (such as any registered / accredited teacher), recognising educators who are half-way through studying and 'actively working towards' an approved ECT qualification, and considering more flexible options for subsequent ECT teachers, and in areas experiencing a shortage of ECTs (including regional and remote areas).

The Commission also supports enabling flexibility for other early childhood educators, to recognise relevant skills in other professions or experience, and enable micro-credentials for relevant educators. Some small businesses have demonstrated great ingenuity in attempting to upskill their staff to meet qualification requirements, but frequently meet regulatory and system barriers. The Commission encourages regulatory settings that enable providers to work with their staff and their broader community to meet staffing requirement and achieve quality standards.

The ECEC sector in NSW would also benefit from national consistency regarding the requirements for ECTs, including the attendance requirements and ratios for ECTs for different centre sizes. In NSW, higher requirements further exacerbate staff shortages, and in comparison with other states and territories do not appear to demonstrate any significantly improved outcome for children.

Thank you for the opportunity to make a submission. The Commission is supportive of improvements in ECEC qualification requirements that ensure the delivery of high-quality education and care to children, consider the current market limitations, and facilitate flexibility for providers to meet quality standards.

If you require further information, please contact Megan Bennett, at either [megan.bennett@smallbusiness.nsw.gov.au](mailto:megan.bennett@smallbusiness.nsw.gov.au) or (02) 9372 8767.

Yours sincerely

Chris Lamont  
**Commissioner**  
**NSW Small Business Commission**

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Encl. *Attachment A – Stakeholder consultation – Small business experiences in the early childhood and education and care sector*