

# Australia Is Sending New Zealand a Warning on Early Childhood Education

By Kathy Wolfe, Chief Executive, Te Rito Maioha Early Childhood New Zealand

New Zealand faces an important choice about the future of early childhood education.

We can continue to invest in quality, recognising that the early years are some of the most important in a child's life. Or we can allow quality to slowly erode under the pressure of cost-cutting, workforce shortages and policies that prioritise care-availability over educational and safeguarding children outcomes.

If we want to understand where that second path may lead, we need only look across the Tasman.

Over the past two years, a series of investigations by *ABC's Four Corners programme* have exposed serious failures within parts of Australia's early childhood education and care sector. The investigations revealed cases of neglect, inadequate staffing, poor regulatory oversight, and serious concerns about child safety. They sparked widespread public concern and ultimately led to a major parliamentary inquiry in New South Wales chaired by Greens MP Abigail Boyd.

The resulting *parliamentary report* paints a sobering picture.

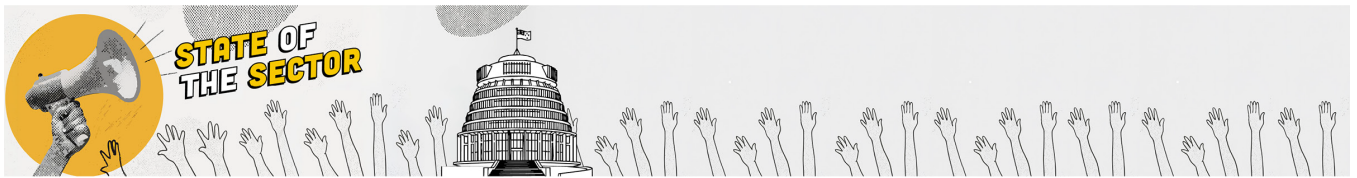
In her foreword to the inquiry, Boyd wrote that the early childhood education and care sector in New South Wales was "in crisis", describing a system under profound strain that was failing too many children, families and educators. The inquiry examined issues ranging from safety and educational quality to workforce conditions, regulation and the growing influence of large corporate providers.

Recently, we had the opportunity to speak with MP Abigail Boyd about the inquiry and its findings, and one theme emerged repeatedly throughout our conversation. We wanted to glean whether there were learnings from this report that potentially showed what could happen in New Zealand if we did not pay attention to our government policy and regulatory changes that were occurring or could occur.

Ms Boyd noted that before governments debate funding, qualifications, ratios or regulation, they must first answer a fundamental question: **what is early childhood education for?**

Boyd argues that many of Australia's current challenges can be traced back to a gradual shift away from viewing ECE as education and towards viewing it primarily as childcare. As she told us, "everything else flows from that". Whether governments value qualified teachers, support





fair wages, invest in quality learning environments or strengthen regulation ultimately depends on whether they see early childhood education as a vital part of the education system, or simply a service that allows parents to return to work.

Boyd spoke passionately about the evidence linking quality early childhood education with lifelong success. Children who experience high-quality early learning are more likely to achieve positive educational outcomes, enjoy better health and wellbeing, and require fewer interventions later in life.

This is something New Zealand has historically understood and do well.

Our curriculum, Te Whāriki, is internationally respected. That distinction is particularly important in New Zealand today. Boyd warned that Australia travelled down a path of deregulation and the devaluation of early childhood education over several decades, and that once those settings become embedded, they are difficult to reverse. She told us she was concerned New Zealand may be at risk of following a similar trajectory if policymakers lose sight of ECE's educational purpose.

Our focus on relationships, belonging, wellbeing and learning through meaningful experiences is admired around the world. We have long recognised that early childhood education is not simply a childcare service that allows parents to work. It is the start to all children's educational learning and experiences that shape children's futures. It sets them up for great educational outcomes through primary, secondary and beyond.

Yet increasingly, that vision is being challenged.

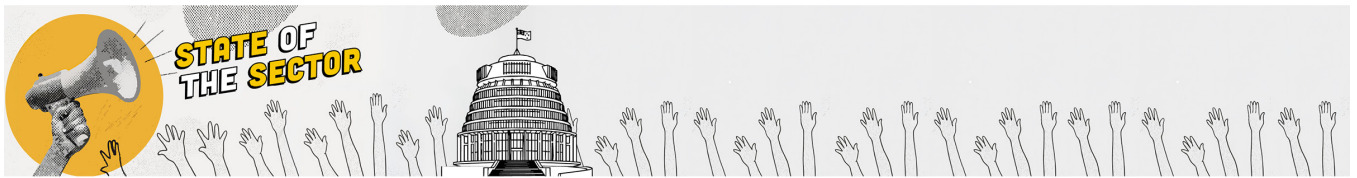
Over recent years, Te Rito Maioha has repeatedly raised concerns about policy settings that risk undermining quality. We have spoken about chronic underfunding, warned about the consequences of workforce shortages, highlighted the risks posed by the erosion of pay parity, and advocated for maintaining high degree qualification standards within the sector.

These concerns are not theoretical.

Across New Zealand, services are grappling with rising costs, increasing compliance requirements and significant recruitment challenges. Many centres are finding it harder to attract and retain qualified teachers. Some are operating under severe financial pressure. Others are questioning whether they can continue to provide the quality learning environments they know children deserve.

The Australian experience demonstrates what can happen when these pressures are allowed to accumulate unchecked. Boyd described how Australia embraced the idea that lower-cost services could justify lower quality, opening the door to rapid expansion by large for-profit and shareholding providers. The result, she argues, has been rising fees for families, declining quality, and increasing pressure on the workforce. "In Australia, we've seen this steady increase as these large private operators have come in, fees increasing for families and quality decreasing," she told us.





Abigail Boyd's inquiry found that when childcare becomes an asset class rather than an educational service, decisions can increasingly be driven by occupancy rates, property returns and shareholder expectations rather than the learning, wellbeing and safety of children. The New South Wales inquiry heard extensive evidence that these commercial pressures contributed to workforce shortages, casualisation, poor pay and high staff turnover, all of which were linked to declining quality outcomes. The report ultimately concluded that quality and safety are inseparable, and that a stable, well-supported and qualified workforce is one of the strongest predictors of positive outcomes for children.

During our interview, Boyd described the issue as systemic rather than isolated. Reviewing hundreds of incident reports, she repeatedly found cases where regulators identified insufficient staffing and inadequate supervision as contributing factors. Her concern was that workforce shortages, low pay and instability were no longer exceptions but symptoms of a system that had lost sight of quality education and care as its primary purpose.

Those findings should resonate deeply in New Zealand.

Current debates around qualification requirements, staffing regulations and funding mechanisms often focus on cost. Cost is important and families need affordable services and providers need sustainable business models that deliver great educational outcomes for children.

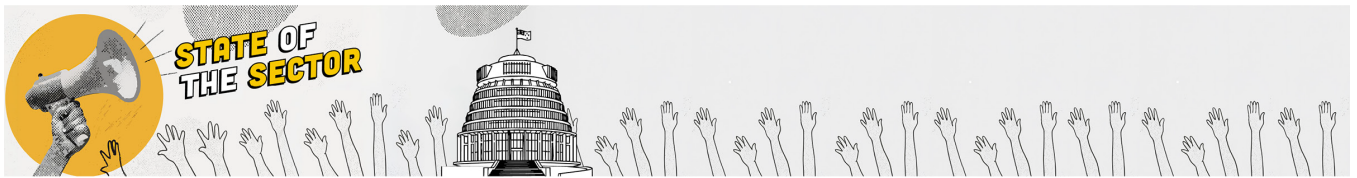
But quality must remain the starting point. History shows that quality is not lost through a single decision, but through a series of small compromises. When funding fails to support affordable and accessible ECE provision, fails to support qualified teachers, when workforce pressures push experienced teachers out of the sector, and when ratios and professional expertise are weakened in the pursuit of savings, the impact is felt in the learning, safety, wellbeing and development of children. Ultimately, it is tamariki who pay the price now and into their school years.

One of the most striking themes to emerge from both the Four Corners investigations and the NSW inquiry was concern about the growing influence of profit-driven decision making within parts of the sector. The inquiry examined evidence suggesting that growth, occupancy and financial returns had, in some cases, been prioritised ahead of investment in quality, education and safety. Boyd argued that every dollar extracted as profit is a dollar not invested in children, teachers or educational outcomes.

New Zealand should not dismiss these concerns as uniquely Australian.

Our sector is also navigating tensions between commercial pressures and educational quality. However, so far, the vast majority of services, regardless of ownership model, have been committed to providing excellent education and care with many private providers doing extraordinary work.





The lesson from Australia is that quality does not happen by accident, nor can it be left to market forces alone. Quality is built through strong regulation, adequate funding, degree qualified teachers, appropriate ratios, effective leadership and clear public accountability.

When these foundations are weakened, quality begins to erode. When they are protected and strengthened, children, whānau and communities all benefit, including governments who pay attention and invest in early childhood education as they then achieve great educational outcomes through schooling and beyond creating improved economic outcomes across education and health.

When these foundations are weakened, the quality of early childhood education begins to erode. When they are protected and strengthened, the benefits extend far beyond the early years. Tamariki, whānau and communities all thrive, while governments that invest in high-quality early childhood education see improved educational achievement throughout schooling and into adulthood. These outcomes are reflected in stronger workforce participation, better health and wellbeing, reduced social costs, and long-term economic benefits for society. [add footnote reference]<sup>1</sup>

These are not barriers to a successful early childhood education system, they are the foundations of one. This conversation is particularly relevant as New Zealand continues to examine the future of ECE funding and regulation.

The Government's ECE Funding Review provides an opportunity to decide what kind of system we want for future generations, not just moving around like musical chairs. It must not become an exercise focused solely on efficiency or reducing costs. Instead, it should begin with a simple principle: **every child deserves access to high-quality early childhood education delivered by skilled, degree qualified professionals.**

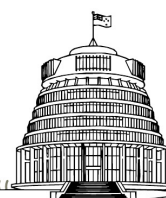
Protecting quality means making deliberate policy choices. It means retaining strong qualification requirements, supporting a sustainable pathway towards pay parity, and ensuring funding levels reflect the genuine cost of providing high-quality early childhood education. Most importantly, it means recognising that investment in quality ECE delivers returns far beyond the sector itself, shaping better outcomes for children, strengthening communities and reducing social costs for generations to come.

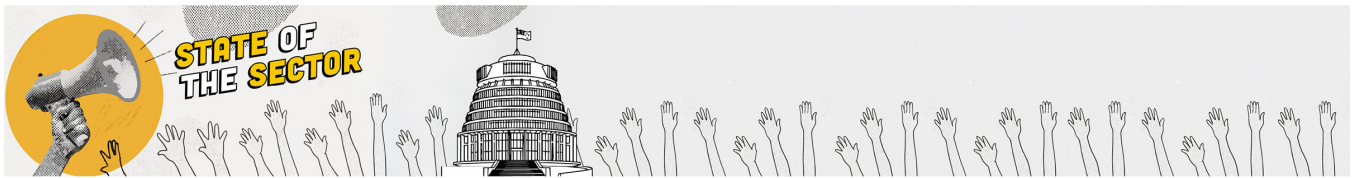
As Boyd observed, "everything else flows from that" foundational belief about what early childhood education is for. If we see ECE primarily as a workforce participation tool, policy will inevitably prioritise cost and availability. If we see it as education, policy will prioritise quality, qualified teachers, strong relationships and children's learning and development.

The choices New Zealand makes today will determine which path we follow.

The Australian inquiry was prompted by failures that nobody would want to see repeated here. Yet its findings provide valuable insights and lessons for New Zealand.

The warning signs are clear.





Quality does not disappear overnight. It is gradually weakened through a series of decisions that place short-term savings ahead of long-term investment and outcomes.

New Zealand still has an opportunity to choose a different path. Will the government rise to the challenge once and for all rather than kicking the can down the road constantly?

We believe it is crucial for Aotearoa New Zealand to establish a cross-party agreement on a long-term, visionary education strategy and action plan spanning 0 to 18 years of every child's life. Education should not be treated as a political football, with policy direction changing every electoral cycle. Frequent policy shifts create significant cost and ongoing uncertainty and substantial pressure for early childhood services, schools, educators and whānau, limiting their ability to focus on what matters most, delivering high-quality learning experiences. A stable, long-term commitment would provide the certainty needed to strengthen the education system and improve educational outcomes for both current and future generations of tamariki and young people.

The question facing policymakers is simple:

When future generations look back at the decisions we make today, will they see a government that protected quality early childhood education, or one that allowed it to become something less?

For the sake of our tamariki, we must ensure it is the former.

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<sup>i</sup> The Heckman Equation. *The Economics of Human Potential*. Estimates that high-quality early childhood programmes generate approximately a 13% annual return on investment, equivalent to many times the original investment over a lifetime.

International economic research has consistently demonstrated that investment in high-quality early childhood education delivers substantial long-term social and economic returns. Nobel Prize-winning economist James Heckman's longitudinal research estimates returns equivalent to between \$7 and \$12 for every dollar invested, through improved education, employment, health and reduced crime. These findings reinforce the view that early childhood education is both a public good and one of the most cost-effective public investments governments can make.

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