



Establish an independent Early Childhood Education and Care Commission

Party: Australian Greens

Summary of proposal:

The proposal would:

- establish an independent Early Childhood Education and Care (ECEC) Commission,
- give the Commission the power to enforce national quality standards, crack down on rogue operators, and shut down unsafe centres,
- task the Commission with leading the transition to universal, free, high-quality childcare, and
- provide expert research, evaluation and policy advice to drive early learning reform, backed by data and evidence.

The proposal would be ongoing and start on 1 July 2025.

Additional information (based on further advice provided):

- The Commission would have funding and staffing equivalent to the Australian Competition and Consumer Commission (ACCC).
- The Commonwealth would provide additional funding of \$1.2 billion over 5 years to incentivise state and territory governments to sign on to a regulatory framework that enables the Commonwealth to directly enforce quality standards in ECEC, in collaboration with state and territory governments. A portion of the \$1.2 billion would go towards work on harmonising and improving standards across the Commonwealth.

Costing overview

The proposal would be expected to decrease the fiscal and underlying cash balances by around \$1.9 billion over the 2025-26 Budget forward estimates period (see Table 1). This is driven by an increase in administered expenses, in form of grants to state and territory governments, and departmental expenses to establish the ECEC Commission.

The proposal would be expected to have an impact beyond the 2025-26 Budget forward estimates period. A breakdown of the financial implications (including separate public debt interest (PDI) tables) over the period to 2035-36 is provided at Attachment A.

The Parliamentary Budget Office (PBO) has not made any assessment as to whether the specified funding to the states and territories would be sufficient to meet the objectives of the proposal.

Table 1: Establish an independent Early Childhood Education and Care Commission – Financial implications (\$m)^{(a)(b)}

	2025-26	2026-27	2027-28	2028-29	Total to 2028-29
Fiscal balance	-512.0	-471.0	-473.0	-476.0	-1,932.0
Underlying cash balance	-512.0	-471.0	-473.0	-476.0	-1,932.0

(a) A positive number represents an increase in the relevant budget balance; a negative number represents a decrease.

(b) PDI impacts are not included in the totals.

Key assumptions

The Parliamentary Budget Office (PBO) has made the following assumptions in costing this proposal.

- The ECEC Commission would be established with a similar structure and size to the ACCC, including a governance body comprising a Chairperson, Deputy Chairperson and 4 Commissioners, with salaries determined by the Remuneration Tribunal.
- The ECEC Commission would have an Average Staffing Level (ASL) of around 1,200, based on the staffing profile and the departmental funding split between the ACCC and the Australian Energy Regulator (AER) reported in the *ACCC and AER Annual Report 2023-24* and the 2025-26 Budget Portfolio Budget Statements.
- Additional start-up costs would be required for the first year, which would be partly offset by an adjustment for the Commission to scale up to full staffing levels.
- Additional funding to state and territory governments would be distributed evenly over 5 years and no funds allocated to a given year would be left unspent.
- For the purpose of this costing, there would be no additional cost to Government to respond to the Commission's reviews, as Government departments are already resourced for this type of activity.

Methodology

The administered expenses are as specified in the proposal.

The departmental expenses were estimated as per *Key Assumptions*, using PBO's departmental cost calculator and indexed to Wage Cost Index 3 less an efficiency dividend.

Financial implications were rounded consistent with the PBO's rounding rules.¹

Data sources

ACCC (2024) [ACCC and AER Annual Report 2023-24](#), ACCC website, accessed 20 May 2025.

Commonwealth of Australia (2025) [Portfolio Budget Statements 2025-26 \(Treasury portfolio\)](#), Treasury website, accessed 20 May 2025.

Remuneration Tribunal (2025) [Remuneration Tribunal \(Remuneration and Allowances for Holders of Full-Time Public Office\) Determination 2024](#), Remuneration Tribunal website, accessed 28 March 2025.

Commonwealth of Australia (2025) *Pre-election Economic and Fiscal Outlook 2025*, Commonwealth of Australia.

¹ <https://www.pbo.gov.au/for-parliamentarians/how-we-analyse/pbo-rounding-rules>

Attachment A – Establish an independent Early Childhood Education and Care Commission – Financial implications

Table A1: Establish an independent Early Childhood Education and Care Commission – Fiscal and underlying cash balances (\$m)^(a)

	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	Total to 2028-29	Total to 2035-36
Expenses													
Administered													
<i>Grants to states and territories</i>	-240.0	-240.0	-240.0	-240.0	-240.0	-	-	-	-	-	-	-960.0	-1,200.0
Departmental													
<i>Establishment of the ECEC Commission</i>	-272.0	-231.0	-233.0	-236.0	-239.0	-242.0	-245.0	-248.0	-251.0	-255.0	-258.0	-972.0	-2,710.0
Total – expenses	-512.0	-471.0	-473.0	-476.0	-479.0	-242.0	-245.0	-248.0	-251.0	-255.0	-258.0	-1,932.0	-3,910.0
Total (excluding PDI)	-512.0	-471.0	-473.0	-476.0	-479.0	-242.0	-245.0	-248.0	-251.0	-255.0	-258.0	-1,932.0	-3,910.0

(a) A positive number for the fiscal balance indicates an increase in revenue or a decrease in expenses or net capital investment in accrual terms. A negative number for the fiscal balance indicates a decrease in revenue or an increase in expenses or net capital investment in accrual terms. A positive number for the underlying cash balance indicates an increase in receipts or a decrease in payments or net capital investment in cash terms. A negative number for the underlying cash balance indicates a decrease in receipts or an increase in payments or net capital investment in cash terms.

- Indicates nil.

Table A2: Establish an independent Early Childhood Education and Care Commission – Memorandum item: Public Debt Interest (PDI) impacts – Fiscal and underlying cash balances (\$m)^{(a)(b)}

	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	Total to 2028-29	Total to 2035-36
Fiscal balance	-11.0	-34.0	-56.0	-79.0	-104.0	-125.0	-141.0	-159.0	-177.0	-197.0	-218.0	-180.0	-1,301.0
Underlying cash balance	-9.0	-28.0	-50.0	-74.0	-98.0	-120.0	-137.0	-155.0	-173.0	-192.0	-213.0	-161.0	-1,249.0

(a) As this table is presented as a memorandum item, these figures are not reflected in the totals above. This is consistent with the approach taken in the budget where the budget impact of most measures is presented excluding the impact on PDI. If the reader would like a complete picture of the total aggregate, then these figures would need to be added to the figures above. For further information on government borrowing and financing please refer to the PBO's online budget glossary².

(b) A positive number for the fiscal balance indicates an increase in revenue or a decrease in expenses or net capital investment in accrual terms. A negative number for the fiscal balance indicates a decrease in revenue or an increase in expenses or net capital investment in accrual terms. A positive number for the underlying cash balance indicates an increase in receipts or a decrease in payments or net capital investment in cash terms. A negative number for the underlying cash balance indicates a decrease in receipts or an increase in payments or net capital investment in cash terms.

² [Online budget glossary – Parliamentary Budget Office \(pbo.gov.au\)](https://pbo.gov.au/online-budget-glossary)