



1 July 2025

B.E.E.F up investment in not-for-profit early childhood education

The federal government is investing \$1 billion to establish the [Building Early Education Fund](#) (BEEF) to build and expand about 160 early childhood education (ECE) services in priority and underserved areas.

The IEU, and broader education community, is celebrating this investment in strengthening community involvement and support for not-for-profit providers.

Based on recommendations of the [Productivity Commission](#) the building fund, alongside other [major ECE reforms](#), is an important step towards quality universal early childhood education.

The dedicated funding will deliver 12,000 new places for children by investing:

- \$500 million in targeted capital grants focused on quality not-for-profit ECE providers and state and local governments to establish new services and increased capacity.
- \$500 million for Commonwealth investment in owning and leasing ECE centres.

The market-driven model is failing ECE workers, children, and families

High-quality ECE is increasingly being found to be incompatible with profit-driven providers, who [fail to meet regulatory standards](#) or offer the wages and conditions needed for a [stable workforce](#). Alarming reports reveal regulatory shortcuts that have led to [serious safety risks for children](#).

Commercial providers simply don't [match the quality of care](#) available in the community sector.

Rebuilding an ECE sector focused on quality and safety in the not-for-profit sector

As an essential community service, ECE resources should be directed where they deliver the [greatest public good](#) - within the not-for-profit and community sector. ECE must be [universal but not uniform](#). It must be accessible, affordable, and safe for all children.

Targeted funding for the non-profit sector is only part of the solution. Government plans to cut funding for providers [breaching safety and quality standards](#) should also extend to those underpaying staff or with a record of poor financial integrity.

The IEU supports many of the reforms proposed by our partner organisations, The Parenthood and Thrive by Five, including the introduction of a [nationwide entitlement and a fixed-fee model](#). Comprehensive and transparent reporting requirements, paid training, and increased funding for local [Aboriginal community-controlled organisations](#) and Indigenous staff are also vital.

Changes to regulation, funding, and governance are a welcome start, but lasting reform also depends on genuine respect for ECE professionals from employers, policymakers, and the broader community. Our union will continue to push for wide-ranging reforms that rebalance the sector in favour of proven, community-based not-for-profit providers.