

Targeting investment where it counts: Identifying communities for priority investment in integrated early learning models

Summary brief – New South Wales

Introduction

Social Ventures Australia (SVA) is an innovative social impact organisation that works with partners to help solve challenging problems, speeding up innovation and redesigning systems so more people in Australia can live their best life. Within SVA, our early years team works to make sure that children experiencing significant disadvantage and vulnerability have access to the supports they need.

This summary brief is drawn from the report, *Targeting investment where it counts*, released in February 2025 by SVA in collaboration with Deloitte Access Economics and the Mitchell Institute. The report shares two models that identify priority locations for government investment in early childhood education and care (ECEC), and the opportunity that each presents to support better early childhood and lifelong outcomes for children:

1) Priority communities for Early Childhood Hubs

The 131 communities across Australia that sit at the nexus of both high early childhood disadvantage¹ and paucity of ECEC services (childcare desert²) are the areas that would benefit most from an Early Childhood Hub (ECH). The early years service system is complex and fragmented, and children and families with the greatest need often do not receive the services and supports they need. This is often due to the difficulty of navigating this system, marginalisation, distrust in the system and other financial and non-financial barriers. Integrated service delivery through an ECH is a key mechanism to overcoming these barriers and seeing families access the diverse range of services and supports they need to thrive.

What is an Early Childhood Hub (ECH)?

An ECH provides access to high-quality ECEC, developmental checks and child health services, family and parenting supports, allied health and other early intervention supports, as well as providing a space where children and families can come together to build social networks. Increasingly located on school sites, they overcome many barriers to accessing and participating in ECEC, outreaching to families and building trust, identifying and redressing developmental concerns and supporting families.

2) Priority communities for leveraging existing early childhood infrastructure for holistic or intensive ECEC models

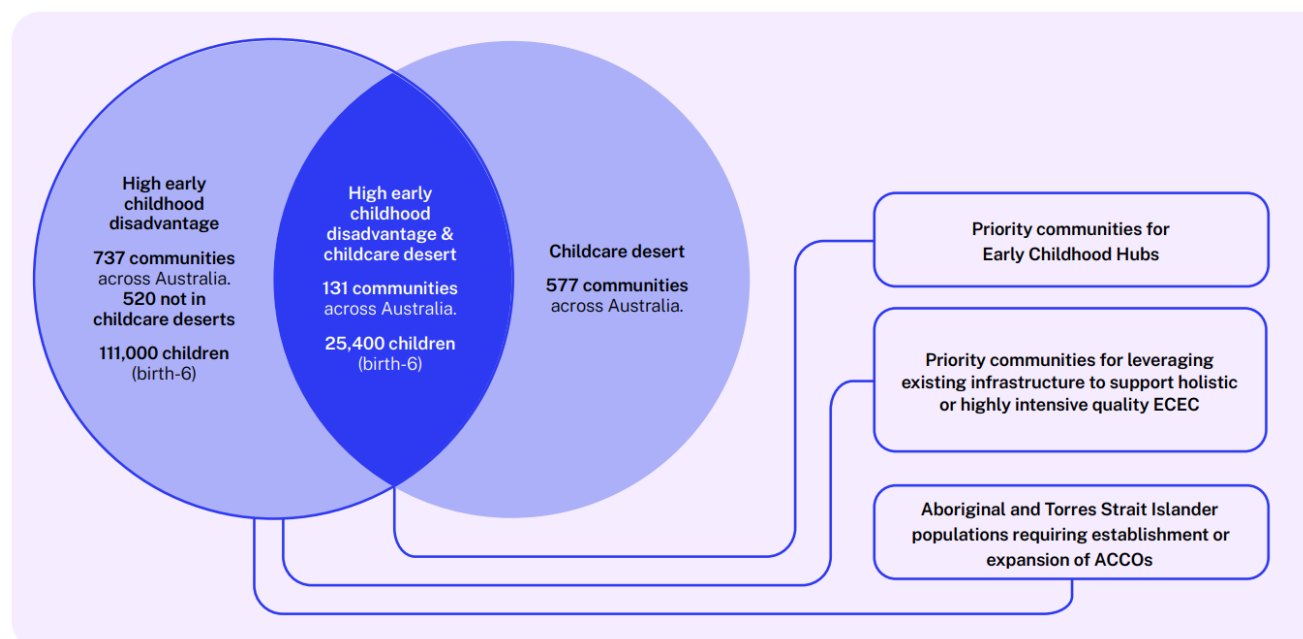
The 520 communities across Australia with high levels of early childhood disadvantage that are not in childcare deserts require attention to better understand and respond to prevailing issues within communities. The response will depend on local need, service availability and the profile of the available ECEC market. Quality is an important element (including Aboriginal and Torres Strait Islander definitions of quality), with data showing that lower quality ECEC services predominate in lower socioeconomic areas.³ Where appropriate, existing ECEC services could be supported to offer a holistic and/or highly intensive quality ECEC model for children.

¹ Early childhood disadvantage is used as a term to describe communities with both high socio-economic disadvantage and early childhood vulnerability. These areas are in SEIFA deciles 1-4 and have over 10% of children developmentally vulnerably on two or more AEDC domains.

² The shortlist of areas was refined to only include areas where the population of children experiencing significant disadvantage is over 50 children. This criterion aims to exclude areas that have a very low population of children in need and therefore may require a different solution. It also does not include areas that contain a 'hot spot' SA1 for childcare supply using the Mitchell Institute's hot and cold spot analysis.

³ Productivity Commission (2024). A path to universal early childhood education and care, Inquiry report no. 106, Vol. 1. June. Retrieved from <https://www.pc.gov.au/inquiries/completed/childhood/report/childhood-volume1-report.pdf>

Figure I. Intersection of early childhood disadvantage and childcare deserts in Australia



Note: 86 SA2s do not appear in either list. One SA2 had insufficient data. The remaining 85 are all childcare deserts but were excluded because they contained fewer than 50 children in need or included a hotspot SA1 within the SA2. Further detail on methodology can be found on page 13.

This brief shares some of the state-specific findings from the report. To access the full report, visit: <https://www.socialventures.org.au/about/publications/targeting-investment-where-it-counts/>.

Priority NSW communities for investment

Priority communities for Early Childhood Hubs

44 communities in NSW sit at the nexus of socio-economic disadvantage and childcare deserts. Almost half (19) of these communities are regional or remote parts of the state, highlighting the need for targeted infrastructure investment in Early Childhood Hubs to ensure children can access the services and supports they need to thrive.

An additional 17 communities that were identified as childcare deserts with significant early childhood disadvantage were excluded from the overlay because they have fewer than 50 children in need, or contain a 'hot spot' SA1 for childcare supply using the Mitchell Institute's hot and cold spot analysis.

Priority communities for leveraging existing early childhood infrastructure for holistic or intensive ECEC models

193 communities across NSW experience high levels of child and family socio-economic disadvantage and developmental vulnerability. Of these, 149 (77%) are not in childcare deserts but still struggle to meet the needs of children experiencing disadvantage. This suggests that simply expanding services is not enough – tailored, high-quality models of support are needed to better respond to community needs.

Disproportionate impact on First Nations communities

Many of the highest-need areas in NSW have a significant Aboriginal and Torres Strait Islander population, especially in remote and regional areas. These communities will require an integrated service led by an Aboriginal Community Controlled Organisations (ACCO). ACCOs play a key role in in meeting a child and family's need for a safe space to build cultural pride, confidence and resilience and to build on the strengths and skills of their children.⁴

NSW Government response

The NSW Government's plan to build 100 new preschools is a vital step towards improving access to quality ECEC.⁵ Of these, 61 will be located in areas identified as having high levels of early childhood disadvantage (across 46 areas, as some will get multiple new preschools), with 27 of the sites (across 20 areas) established in communities identified as childcare deserts. However, new infrastructure alone, or simply expanding places in existing ECEC services is not enough to address the deep-rooted inequalities in access and quality.

Other initiatives in the state include Brighter Beginnings, a partnership between the Department of Education and NSW Health to drive transformational change in early childhood development, focusing on the first 2,000 days of a child's life.⁶ NSW recognises the power of integrating early childhood services, demonstrated by the rollout of health assist families to track their child's development and access additional support as needed.⁷

In addition, the NSW Department of Communities and Justice (DCJ) has funded nine purpose-built centres (and planning for an additional six new centres) to provide co-located, holistic, culturally-safe and integrated services to meet the needs of Aboriginal and Torres Strait Islander children and families.

While these announcements are welcome, more could be done to focus on helping children experiencing the most disadvantage.

⁴ Sydenham, E. (2019). Ensuring equality for Aboriginal and Torres Strait Islander children in the early years, SNAICC and ECA.

⁵ NSW Education (2024). 100 new public preschools. Updated 10 December. Retrieved from <https://education.nsw.gov.au/early-childhood-education/operating-an-early-childhood-education-service/current-service-providers/universal-preschool/100-new-public-preschools>

⁶ <https://www.health.nsw.gov.au/kidsfamilies/programs/Factsheets/brighter-beginnings.pdf>

⁷ NSW Health (2024). Health and development checks in early childhood services. 20 May. Retrieved from <https://www.health.nsw.gov.au/kidsfamilies/MCFhealth/programs/Pages/eccec-checks.aspx>

Recommendations for the NSW Government

SVA recommends the NSW Government use this report to guide investment decisions and partner with Commonwealth funding initiatives to ensure every child—no matter where they live—has access to the high-quality early learning support they need to thrive.

(1) Design new preschools as ECHs to provide integrated services

Of the 100 new preschool sites, 61 are proposed to be in areas identified as having high levels of child and family socio-economic disadvantage, with 27 of NSW's identified childcare deserts to receive at least one new preschool. There are opportunities for targeted investment:

- Design new preschools as ECHs, integrating health, family, and community services.
- Consider investment in the remaining 17 NSW childcare deserts experiencing significant child and family socio-economic disadvantage and developmental vulnerability.
- Leverage NSW school infrastructure to co-locate early learning services with maternal health, parenting programs, disability support, and family services.
- Provide sustainable operational funding to ensure these services remain viable.

(2) Continue to Support and Expand Aboriginal Child and Family Centres (ACFCs)

The NSW Department of Communities and Justice (DCJ) funds nine purpose-built centres (and is planning for an additional six new centres) to provide co-located, holistic, culturally safe and integrated services to meet the needs of Aboriginal and Torres Strait Islander children and families. A recent evaluation of ACFCs is aligned with this report which recommends Government investment should continue to:

- Support and grow ACCOs across NSW for Aboriginal children to access culturally appropriate, and high quality ECEC.

National recommendations

For all recommendations, deep engagement with identified communities on needs, priorities and gaps in early years supports is a critical first step to better understand and meet the needs of children and their families. This must include a commitment to shared decision making, self determination and cultural governance, in alignment with Closing the Gap Priority Reform One.

- The Commonwealth Government prioritise investment for new infrastructure in the 131 childcare deserts across Australia with high child and family disadvantage and developmental vulnerability.
- When investing in these areas, we recommend building Early Childhood Hubs or ACCO early years services in areas with high Aboriginal or Torres Strait Islander populations. These children and families need more than a place in childcare.
- The Commonwealth Government provide funding for the effective and sustainable operation of these Early Childhood Hubs and ACCOs. Dedicated resources to grow and support the ACCO early years sector are also critical.

- The Commonwealth Government invest in a range of quality integrated early learning models in the 520 communities experiencing high child and family disadvantage and developmental vulnerability that are not childcare deserts. These include:
 - ACCO early years services;
 - holistic high-quality ECEC models; and/or
 - highly intensive, quality ECEC models, as detailed in this report.



Appendix

NSW - Top areas that have high early childhood disadvantage and are in a childcare desert

State Rank	SA2	Remoteness Classification	Estimated population of 0–6 year old children in need
1	Moree Surrounds	Outer Regional	66
2	Nambucca Heads	Inner Regional	61
3	Kempsey Surrounds	Inner Regional	79
4	Port Kembla - Warrawong	Major City	162
5	The Entrance	Major City	104
6	Coonamble	Remote	102
7	Broken Hill	Outer Regional	152
8	Kyogle	Inner Regional	75
9	Warwick Farm	Major City	187
10	Kurri Kurri - Abermain	Major City	209
11	Toukley - Norah Head	Major City	72
12	Lethbridge Park - Tregear	Major City	778
13	Berkeley - Lake Heights - Cringila	Major City	263
14	Cabramatta - Lansvale	Major City	361
15	Wellington	Outer Regional	128
16	Bidwill - Hebersham - Emerton	Major City	859
17	Chester Hill - Sefton	Major City	407
18	Nambucca Heads Surrounds	Inner Regional	71
19	Tenterfield	Outer Regional	87
20	Lithgow Surrounds	Inner Regional	52

NSW - Top regional areas that have high early childhood disadvantage and are in a childcare desert

State Rank	SA2	Remoteness Classification	Estimated population of 0–6 year old children in need
1	Moree Surrounds	Outer Regional	66
2	Nambucca Heads	Inner Regional	61
3	Kempsey Surrounds	Inner Regional	79
7	Broken Hill	Outer Regional	152
8	Kyogle	Inner Regional	75
15	Wellington	Outer Regional	
18	Nambucca Heads Surrounds	Inner Regional	71
19	Tenterfield	Outer Regional	87
20	Lithgow Surrounds	Inner Regional	52
22	Glen Innes	Inner Regional	103

NSW - Top metropolitan areas that have high early childhood disadvantage and are in a childcare desert

State Rank	SA2	Remoteness Classification	Estimated population of 0–6 year old children in need
4	Port Kembla - Warrawong	Major City	162
5	The Entrance	Major City	104
9	Warwick Farm	Major City	187
10	Kurri Kurri - Abermain	Major City	209
11	Toukley - Norah Head	Major City	72
12	Lethbridge Park - Tregear	Major City	778
13	Berkeley - Lake Heights - Cringila	Major City	263
14	Cabramatta - Lansvale	Major City	361
16	Bidwill - Hebersham - Emerton	Major City	859
17	Chester Hill - Sefton	Major City	407

NSW - Top 10 areas that have the highest early childhood disadvantage but are not classified as childcare deserts

State Rank	SA2	Remoteness Classification	Estimated population of 0–6 year old children in need
2	Bourke - Brewarrina	Very Remote	105
3	Beresfield - Hexham	Major City	139
4	Liverpool - West	Major City	309
6	Lurnea - Cartwright	Major City	445
7	Tamworth - West	Inner Regional	190
11	Campsie - South	Major City	118
12	Smithfield - Wetherill Park	Major City	361
14	Liverpool - East	Major City	420
15	Kempsey	Inner Regional	235
19	Bankstown - South	Major City	465



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