

September 2026

Subject: Social Ventures Australia Submission to State of Australia's early childhood education and care system in rural, regional and remote communities

Dear **Committee Secretary**,

Social Ventures Australia (SVA) welcomes the opportunity to provide information regarding the State of Australia's early childhood education and care (ECEC) system in rural, regional and remote communities.

Australia cannot achieve equitable ECEC access in rural, regional and remote communities by relying primarily on parental subsidies and the expectation that providers will establish and operate services where demand exists. A constant challenge for rural communities is the feeling that models and structures developed for metropolitan communities are dropped in to the rural community with the expectation they will still work. In reality, a place-based approach is required to give service providers the best chance of success. Governments must actively steward local early childhood systems, guarantee access where market-based provision is not viable, and give communities a meaningful role in determining how services, workforce and infrastructure are organised.

SVA, a not-for-profit social impact organisation, was created over 20 years ago to solve challenging social problems. We influence systems to deliver better social outcomes for people by learning what works in communities, helping organisations be more effective, sharing our perspectives and advocating for change. Our vision is for an Australia where people and communities thrive.

SVA has developed a strong body of evidence of what children need to thrive in early childhood, recognising this critical window to change trajectories and alleviate disadvantage. Our work includes Nurture Together, building momentum to scale integrated early childhood models including Early Childhood Hubs that provide access to a range of key services and wrap-around supports as well as a safe space for families to build connections and social networks. SVA is also a founding member of the Goodstart syndicate that bought ABC Learning and changed it into Australia's largest not for profit early childhood education and care provider, Goodstart Early Learning in 2009. SVA was also a founding member of the nationally-focused Early Years Catalyst established to advance a system-wide approach to improving early childhood development outcomes. The Catalyst considers how we can address the root causes and systemic forces that drive disadvantage in the early years.

More recently, SVA has been working directly with communities in the Wimmera, and Orbost in Victoria supporting them to improve access to early years services. The aim of that work is to develop service delivery models that work for the Wimmera and Orbost, but that could also be replicated in other small rural and remote communities.

Our submission reflects our expertise as well as this recent engagement with rural communities experiencing socioeconomic disadvantage. We have responded only to the Terms of Reference

where we have expertise to contribute. Although our submission focuses on ECEC, it also refers to broader early childhood systems that interact with ECEC.

SVA encourages the Committee to consider that the following actions be taken by the Australian Government, in partnership with the state and territory governments where appropriate:

1. Make a national commitment to delivering ECEC in every community that is responsive to the needs of the community, including integration with other early childhood services where appropriate.
2. Establish a national Early Education and Care Commission that can set direction, align incentives and monitor whether the system is delivering for children and families. The Commission should have the mandate to gather and report data to meaningfully inform government action on issues that matter to families, such as supply, workforce, quality and safety.
3. Adjust ECEC funding settings so that the cost of delivery in rural, regional and remote communities is better reflected in the funding model. This could include:
 - a) In the short term, a dynamic hourly rate cap under the Child Care Subsidy that reflects delivery costs in different communities.
 - b) Funding the Worker Retention Payment on the basis of actual staff costs and reasonable associated administrative costs in underserved regional, rural and remote communities.
 - c) As a longer term solution, developing a needs-based ECEC funding model incorporating equity loadings and a sustained, supply-side funding mechanism for unserved and underserved communities.
4. Support planning of rural and remote early childhood services together with local communities as a collective system rather than as separate programs, recognising that the viability of long day care, kindergarten, workforce, infrastructure and integrated supports are interconnected in rural communities.
5. Resource and fund the conditions of integration to sustain Early Childhood Hubs and other integrated models to help the existing system achieve its goals by reaching children who are not currently accessing services, ensuring greater uptake of services and avoiding service duplication.
6. Position and support Aboriginal Community Controlled Organisations (ACCO) as preferred providers for the establishment and expansion of ECEC services for Aboriginal and Torres Strait Islander children and families, recognising that community-controlled services are best placed to deliver culturally strong and responsive supports. This includes implementing a dedicated funding model for Aboriginal and Torres Strait Islander community controlled

organisations that reflects the full cost of holistic service delivery, as detailed in the SNAICC report Funding Model Options for ACCO Integrated Early Years Services.¹

7. Collectively gather and link data and make it available so that service access, outcomes and service gaps can be better understood.

Please find attached our full response for the Committee's consideration. We would welcome the opportunity to provide you with more information through an appearance at a committee hearing.

For more information, please contact

Rosie Hodson, Director Policy and Advocacy

rhodson@socialventures.org.au

¹ SNAICC – National Voice for Our Children, [Funding Model Options for ACCO Integrated Early Years Services](#), SNAICC, 2024

Systemic Issues facing rural early childhood systems

Children's early years lay the foundation for lifelong learning and wellbeing outcomes. With more than 1.4 million children participating in Australian Government-funded early childhood education and care (ECEC) each year,² Australia's ECEC system is an important platform to provide equitable early learning opportunities and reduce inequalities in social and educational outcomes, as well as supporting workforce participation. However, evidence continues to show that our ECEC and other early childhood systems are not working for many children and families across Australia. This is especially true for children in rural, regional and remote Australia who do not have access to the range, quality or consistency of services and supports available in metropolitan areas. When rural children cannot access timely, high-quality and consistent early childhood services, the consequences extend well beyond an individual. They affect family wellbeing and economic security, and the short and longer-term social and economic resilience of rural communities.

Through our work with rural communities, we have consistently seen and heard about the challenges children and families face in accessing the services and supports they need. While the Committee's focus is on ECEC, these challenges also span antenatal care, maternal and child health, allied health, family and parenting supports, general practice and paediatrics. While the circumstances of individual services differ, the underlying barriers are remarkably consistent. It is not possible to consider the challenges faced by ECEC without considering the other services as well. They are interconnected, cumulative and, in many cases, reflect systems, policies and funding models that were not designed for the realities of rural communities.

The challenges of ECEC access, workforce, affordability and service viability in rural Australia are symptoms of deeper structural problems in the way that ECEC is funded, governed and commissioned. In our view, three overarching structural issues have the greatest impact on the accessibility, viability and quality of ECEC services in rural Australia:

- A **market-based funding and delivery model** that depends on sufficient population density to support service viability, competition between providers to drive quality, and enough families with the financial capacity and predictable workforce participation required to sustain regular enrolments.
- The **division of responsibilities between the federal and state governments** which contributes to a lack of overarching stewardship or responsibility for child outcomes, deeply fragmented systems, and funding arrangements that create unintended competition between preschool and Child Care Subsidy (CCS)-funded services, undermining viability in rural, regional and remote communities.
- The **lack of local input into the design, investment and planning of ECEC and surrounding early childhood services**, with decisions about service models, funding arrangements and provision largely made at a state or national level. There is very limited capacity for local communities to determine solutions that best reflect local needs, circumstances and aspirations.

² Productivity Commission, [Report on Government Services 2026 - Child care, education and training Part B](#). Canberra, 2026

These structural challenges give rise to many of the issues described throughout this submission. Addressing them will require a more coordinated, place-based approach that recognises the unique characteristics of rural communities and prioritises equitable outcomes for children and families, regardless of where they live.

The state of rural early childhood education and care

The market model does not function effectively in rural, regional and remote communities

This section is relevant to Terms of Reference (a), (b), (c) and (d).

Whether it is ECEC or other market-based systems, per capita demand side funding models routinely fail in small communities where small populations cannot sustain viable service provision. This issue has been noted in various publications and submissions³ and requires a sustainable solution. In rural, regional and remote communities the cost of service delivery is often higher than in metropolitan areas. This is due to several factors including:

- higher operating costs;
- providers needing to pay higher wages to educators and teachers in order to attract staff; and
- smaller numbers of children enrolled reducing economies of scale.

The failure of this market-based model in rural, regional and remote communities results in childcare deserts or undersupply in many communities. Where services do operate, they often can't open five days/week or offer full-time hours.

Under the CCS model, the assumption is that higher costs of delivery can be recovered through higher prices for families. However, in small communities this assumption isn't feasible. Rural, regional and remote communities often have smaller population sizes, families with less financial capacity to pay higher fees and less predictable workforce participation.

Compounding this, the hourly rate cap essentially imposes a ceiling on the prices that families are willing to pay as they will not receive a subsidy for fees above the cap. The cap is set nationally and not nuanced to the higher operating costs incurred by services in rural, regional and remote communities. If a service is already charging the maximum hourly rate, any fee increase will have a significantly greater impact on families as those additional fees will not be subsidised. One remote service advised SVA that a family at their service receiving 100% subsidy through the Additional Child Care Subsidy is now being asked to pay nearly \$1000/week as the recent fee rise sits above the hourly cap. Ten families withdrew within one week. Having recently lost their Community Child Care Fund grant (CCCCF), however, the service would no longer be viable without raising fees. The Service Delivery Prices Project should provide the Australian Government with sufficient information to create a dynamic hourly rate cap.

³ Australian Competition and Consumer Commission, [Childcare Inquiry: Final Report](#), December 2023; Productivity Commission, [A path to universal early childhood education and care: Inquiry report – volumes 1 and 2](#), Productivity Commission, Report no. 106, June 2024

The CCCF is a key part of Australia's Child Care Safety Net. It directs targeted grant funding to ECEC services in disadvantaged, regional, remote, and Aboriginal and Torres Strait Islander communities. It aims to improve access and sustainability of high-quality care for vulnerable families where participation barriers are greatest. Successful applicants receive three years of funding to remain open. It is a small, short term measure (round 4 (2024-2026) was approximately \$84m) and appears to be substantially oversubscribed with a large number of services informing us they missed out on the most recent round. This presents immediate risk of service closures across rural, regional and remote communities. Although CCCF grants have prevented service closure in some communities, these grants also fail to address the underlying problem that the current market model does not deliver equitable access in thin markets.

A more sustainable longer-term solution is required. Informed by the Australian Government's Service Delivery Price project, there is a critical opportunity to establish a recurrent, needs-based funding mechanism for ECEC. An effective model would include supply-side funding to services in thin markets, which should account for unavoidable fixed costs, low or fluctuating enrolments, higher workforce and transport costs.

Workforce pressures

Rural workforces are extremely fragile, with small changes in population, housing availability and service availability having a magnified effect. Through SVA's work with communities in the Wimmera region and Orbost in Victoria, we have heard directly from services about the pressures of sustaining a critical workforce in regional and remote areas.

Workforces in rural areas are characterised by "key person risk" and the "power of one"—where a single worker represents the entire service capacity, and their departure causes immediate service collapse. When services do have staff available, population fluctuations directly impact workforce sustainability. When there is a small child population year staff are let go and then services scramble to reemploy staff when a larger population year comes through. Services in small communities are especially vulnerable to the impact of population fluctuations as they don't have the smoothing effect of children from nearby neighbourhoods to fill places.

Key regulatory requirements place a significant burden on rural, regional and remote ECEC. The requirement to undertake professional placements as part of early childhood education qualifications presents a barrier to workforce development, especially when placements are unpaid. In small towns it can also be difficult for students to find local opportunities for the mandatory work placements. This results in students needing to incur costs to travel significant distances to undertake placements, with some dropping out altogether or being deterred from studying in the first place.

An example of a live funding issue facing regional, rural and remote communities is the challenge of the Worker Retention Payment. By linking payments to child attendance rather than actual staff costs, services are often out of pocket trying to cover the higher staff wages and prohibited from lifting fees. Significant additional administrative costs are also not reclaimable. This is especially challenging for services in very small communities who have low and/or inconsistent child attendance patterns, high staff costs and operate on very small margins. As a result, the Worker Retention Payment is not meeting its stated policy objectives in many communities.

Adjusting the ECEC funding model – whether that is through a needs-based supply-side model or allowing regional differentiation in the hourly rate cap – will help address these workforce pressures.

The division of responsibilities between and across federal and state governments

This section is relevant to Terms of Reference (a) and (f).

ECEC responsibility spans both the federal and state/territory governments and is undermined by there being no entity providing a holistic sector view to decision-makers and providers. No jurisdiction holds overarching stewardship or responsibility for child outcomes and there is no clearly defined set of national responsibilities, creating duplication, gaps and fragmentation. The impacts of this are felt across the system, but are especially acute in regional, rural and remote areas where there are fewer service options, the market model doesn't work effectively (see section above) and there are greater levels of disadvantage and vulnerability.

This creates multiple challenges in these communities, including.

- competition between preschool (kindergarten), school and long day care;
- workforce pressures; and
- fragmented infrastructure investment.

Competition between services

The problems of the division of responsibilities between and across federal and state governments are clearly demonstrated through the impact of infrastructure and operational funding decisions regarding preschool, school and long day care in rural, regional and remote communities. Small communities struggle to maintain competing long day care and preschool services due to small population sizes, limited infrastructure and limited workforce availability. As a result, in a number of communities, state government-supported standalone preschool provision is weakening the viability of long day care services, especially for children under three. As noted by the ACCC, regional and remote households with children under the age of two face the greatest challenges accessing long day care⁴.

Case study of Dimboola, Victoria

Dimboola is a small rural town in the Wimmera Mallee region of Victoria, approximately 400kms northwest of Melbourne. Previously, the local long day care (LDC) and kindergarten (preschool) were co-located, enabling the delivery of both with shared staffing and infrastructure. With the rollout of Best Start, Best Life in Victoria and the expansion of publicly funded kindergarten hours from 15 to 30 hours, additional infrastructure was required. However, rather than expanding the existing LDC and preschool, Dimboola received a modular building to accommodate this expansion in a separate site. As the new infrastructure was funded by the Victorian Government, it cannot be used for LDC. As a result, preschool is now delivered across two geographically separate sites by two separate providers, with LDC available at only one. This has created additional complexity for families and staff, reduced

⁴ Australian Competition and Consumer Commission, [Childcare Inquiry: Final Report](#), December 2023

opportunities to share a scarce workforce, and placed further pressure on service efficiency and viability of the LDC. If the LDC were to collapse, there would be no care options for children under preschool age.

Case study of Orbost, Victoria

Orbost is a small rural town in the Gippsland region of Victoria. Addressing persistent workforce shortages (especially in health care and childcare) and the need to retain and support young families in the region are priorities for the community. The town is serviced by one LDC (with no formal kindergarten program) and a standalone kindergarten (3 and 4 year old groups, shorter hours). Neither centre has adequate staffing to operate on Fridays.

Parents report:

- needing more care hours than are available,
- having to temporarily leave work to transport children from the kindergarten to the long day care,
- having to rely on extended family to provide care, and
- having to reduce their own working hours or not return to work.

There are also no formal childcare options in the surrounding district, meaning nearby towns rely on childcare services available in Orbost, increasing the demand on an already stretched system.

Dividing limited workforce resources between the two centres significantly undermines viability, with families describing last minute service cancellations due to a lack of staffing. School Readiness Funding, a type of equity loading available to Victorian kindergartens, is only available to the kindergarten and not the LDC, despite often servicing the same children. This creates inequities in the service offering between the LDC and kindergarten, further undermining the value of the LDC. The LDC is not able or willing to offer a kindergarten program due to the arrangements for Victoria's rural per capita funding. This is available to rural kindergartens that offer the only kindergarten service in the town. If the LDC also provided kindergarten, they would undermine the supplementary funding received by the standalone kindergarten.

Although not part of the ECEC system, schools play a central role, especially in rural and regional communities. The Victorian Government's kindergarten facilities on school sites (KOSS) program provides kindergarten facilities on government school sites that are then leased and operated by local government or not-for-profit providers. The division between preschool and LDC means that KOSS sites are not able to be used for LDC, and as a result the addition of a KOSS site may splinter service provision within a community (as described in Dimboola case study), add pressure on an already thin workforce, and in the worst-case scenario, lead to a LDC having to close. This would lead to families having no ECEC available for their children under preschool age.

Schools in small communities also play an integral role in supporting the development of children. Some Principals with KOSS facilities on their school site have described the kindergarten as being beneficial for families in terms of a single drop off, and in providing familiarity to younger children that should help with school transition. However, they note a missed opportunity for integration of the two facilities, with schools not allowed to run or oversee the kindergartens, meaning Principals have very little insight into the needs of the children coming through the kindergarten. Pay awards, regulations

and governance are different between schools and preschools, meaning the co-location of preschools onto school sites doesn't necessarily provide opportunities for staff to work across the two settings or for additional capacity, brokered through funding such as School Readiness Funding, to be shared between sites.

Fragmented infrastructure investment

Infrastructure planning and investment frequently occurs within individual departmental or service boundaries, creating missed opportunities for integrated planning. Grant cycles and separate government priorities reinforce this fragmentation. For example, school infrastructure investment may not consider kindergarten provision, while kindergarten infrastructure planning may not consider childcare - even though the viability and accessibility of these services are closely interconnected.

Market stewardship role

An independent body such as the proposed Early Education and Care Commission is needed to steward the market. To be most valuable, it must be able to set system direction and align incentives and have the mandate to gather and report data on how the system is performing. This would allow governments to identify where children are missing out, determine the mix of services needed in each community, intervene where provision is not viable, coordinate decisions across portfolios and levels of government, and remain accountable for whether children can actually access a suitable service.

Investment in local and regional planning of ECEC services and other early childhood services

This section is relevant to Terms of Reference (d) and (f).

Children are still missing out on ECEC services despite Australian Government programs and investments aimed at improving access in rural, regional and remote communities. The design and funding of early childhood services overlooks the realities of these communities and of some population cohorts, including communities experiencing socioeconomic disadvantage, Aboriginal and Torres Strait Islander communities and culturally and linguistically diverse communities. There is an urgent need to recognise the importance of community-led responses and reconsider the way services are able to respond to local conditions.

Centralisation over local access

Services are increasingly centralised in larger regional centres, often on the basis of efficiency, viability and improved access. This has not reflected the experience reported by many rural families, who must travel significant distances to receive care. It is not unusual for families in the Wimmera Southern Mallee for example to travel 90 minutes each way to their ECEC centre. The burden falls particularly heavily on families experiencing vulnerability. Centralised models can also underestimate the value of relational practice, which is critical to delivering high-quality, person-centred and community-responsive services.

Service delivery support models designed for metropolitan or larger regional contexts

Early childhood services are often not designed with small communities in mind. In addition to the market-based viability issues this imposes on ECEC service provision, a metropolitan design in a rural setting can impose requirements that are difficult or impossible to sustain. For example, a preschool child may be entitled to an hour of allied health support each week, however, the time it takes for an allied health professional to travel to the community, plus the cost of travel, isn't factored into this provision. This results in children not getting the supports they need or getting them at a smaller/different dose to that required. Further, some roles are funded for only a small number of hours within a town or area—for example, a playgroup facilitator. These positions are often only viable when a suitably skilled person already lives locally.

Knowledge on what communities need, what services are already available, where there are gaps and how service provision can work most effectively across a region is held locally. It is important that different levels of government plan services with community input to respond to local conditions.

Unmet health and development needs

Children in rural, regional and remote communities on average have higher health and developmental needs⁵ yet poorer access to services such as maternal and child health and parenting supports.

The National Rural Health Alliance measured the expenditure deficit on health services in rural, regional and remote communities. It found the total annual gap in expenditure is \$8.35b, or \$1,090.47 per person, per year.⁶

The health underspend, together with challenges accessing services, further increase costs for ECEC providers to respond to children's needs. The inquiry should consider these impacts on ECEC service delivery as well as child development outcomes.

Establishing a needs-based funding model for ECEC would enable services to better respond to needs in their communities.

A coordinated, place-based approach can address structural issues

The need for integrated early years systems in rural, regional and remote communities

This section is relevant to Terms of Reference (f).

Some children require extra support to reap the educational and developmental benefits of ECEC. SVA research has found that more than half (57.4%) of all communities with high early childhood disadvantage are in non-metropolitan areas⁷. Families in regional, rural and remote communities face significant challenges in accessing the services they need. The reasons for this stem from structural

⁵ Commonwealth of Australia (Department of Education), [AEDC National Report 2024](#), 2025

⁶ Nous Group, [The Forgotten Health Spend: A Report on the Expenditure Deficit in Rural Australia](#), 25 August 2025

⁷ Social Ventures Australia (SVA), forthcoming unpublished research, 2026

barriers at the system design level. Government services are designed within portfolio siloes, each using their own data, funding and program logic to shift outcomes. Many programs across federal, state and local government target similar cohorts, and often the same families. As a result, program providers and funders are often unaware of the extent of duplication and inefficiencies and families experience a fragmented journey between visiting providers, long waitlists and different eligibility or referral pathways. Service models rarely enable genuinely integrated, wrap-around care. Instead, families are “busting it” (family interview)⁸ to move between services and systems that don’t easily talk to one another. This can mean travelling across long distances, often under transport and financial hardship. This requires families to take time and shoulder the mental load of fronting up to systems that aren’t designed to support their engagement, and the emotional toll of having to retell their story.

Integrated provision, like Early Childhood Hubs, provide non-judgemental and flexible support in a location that feels safe. Hubs build relationships with families, support navigation and reduce the need for families to repeat their story. Through one front door, families can access support for child development, parenting capability and community connection. Hubs not only support the primary need of the family but take into consideration their whole life. Hubs operate on a spectrum from crisis support to community building, which is reflected in the programs and services they house, in combination with place-based responsiveness and feedback to what their community needs. Families appreciate the ongoing, non-judgemental and flexible support during everyday interactions, as well as during moments of intensive support.⁹ This is particularly significant for children experiencing socioeconomic disadvantage, developmental delay, disability, or trauma, where families are more likely to interact with multiple systems and continuity and trusted relationships are critical.

Integrating services to make them easier to access for children and families enables more quality and effective service delivery and outcomes, as well as allowing service providers to better tailor their services so that government funding can be used more effectively. This will support workforce pressures, service planning and better access. However, establishing and sustaining these arrangements requires significant coordination and partnership management that is rarely funded and often relies on individual relationships. Dedicated funding for integration is needed so that services can plan collectively, maintain trusted relationships with families, and deliver culturally safe and coordinated supports.

Integrated delivery depends on deliberate investment in the enabling conditions that hold services together. Our research finds that the relational, governance and coordination functions of integration are critical for impact, but are often overlooked or underfunded. SVA refers to these as the conditions of integration, sometimes described as ‘glue’ (see Box 1). Integration funding is not just a nice to have, it is vital. Service providers are not able to effectively provide integrated services without explicit funding to support integration.¹⁰

⁸ Social Ventures Australia (SVA), [In their words: The power of Early Childhood Hubs: Understanding the lived experience of families who engage with Early Childhood Hubs around Australia](#), October 2025

⁹ Social Ventures Australia (SVA), [In their words: The power of Early Childhood Hubs: Understanding the lived experience of families who engage with Early Childhood Hubs around Australia](#), October 2025

¹⁰ Social Ventures Australia (SVA), [From vision to viability: Funding requirements for effective Early Childhood Hubs](#), October 2025

Box 1: The conditions for integration¹¹

1. **Relational infrastructure:** Trusted individuals who build strong relationships between families, services, and partners – such as community facilitators, navigators, and linkers. These relationships are vital for building understanding across cultural backgrounds and service contexts. Just as important is a trauma-informed workforce with capabilities such as emotional intelligence, cultural competence, and collaboration skills needed to work across sectors. Ongoing training and time for relationship-building is essential to support this capability.
2. **Cross-sector governance and distributed leadership:** Governance structures and leadership at senior and operational levels that align services to a shared vision. This includes authorising environments that enable collaboration, distribute leadership across sectors and services, and drive accountability for integrated outcomes.
3. **Coordination systems and backbone infrastructure:** Operational systems and processes that enable collaboration, including shared data platforms, integrated referral processes and IT platforms, and joint case management (respecting client confidentiality). This includes both the digital and organisational infrastructure needed to hold integration together.
4. **Physical and place-focused design:** Physical design features that optimise access for families and collaboration for services – including single points of entry, co-located services, shared spaces such as staff rooms, and accessible, inclusive, culturally safe environments. Design should also be responsive to community needs and context.
5. **Collective care and accountability:** A shared culture of responsibility and collaborative ways of working for child and family outcomes among all staff, supported by inclusive governance, cultural safety, and mechanisms to embed family and community voices in service design and delivery. This also includes feedback loops and community-led decision-making.

Nonetheless, many ECEC centres are already providing a level of integration within their services. Often unpaid and unrecognised, teachers and directors build safe relationships with families and service providers to help connect families with supports.¹² They do this through warm referrals and community outreach, engaging families to ensure equity of access to and outcomes from ECEC.¹³

Services that already provide both ECEC and integrated services in an Early Childhood Hub environment report that financial sustainability is a prevalent central issue, with ECEC typically requiring cross-subsidisation from other revenue sources or staff. In communities experiencing socioeconomic disadvantage, limited fee-paying capacity and the need for higher staff-to-child ratios and more experienced staff contribute to elevated operating costs.¹⁴ When integration is funded and

¹¹ Social Ventures Australia (SVA), [Sticking points: Why the 'glue' helps Early Childhood Hubs thrive](#), September 2025

¹² Government of South Australia, [Royal Commission into Early Childhood Education and Care: Final Report](#), 2023

¹³ Government of South Australia, [Royal Commission into Early Childhood Education and Care: Interim Report](#), 2023

¹⁴ Social Ventures Australia (SVA), [From vision to viability: Funding requirements for effective Early Childhood Hubs](#), October 2025

prioritised, the impact of organisations is multiplied. SVA research showed that Early Childhood Hubs with funded glue can manage and integrate significantly more partnered delivery services (up to 22 times more by dollar value) than those without.¹⁵

The need for community-controlled services within communities with high Aboriginal and Torres Strait Islander populations

This section is relevant to Terms of Reference (e).

Across communities, Aboriginal and Torres Strait Islander children should have access to an ACCO-operated integrated early years services. ACCOs are more successful than mainstream services in attracting and retaining Aboriginal and Torres Strait Islander families and meeting children's needs. By embedding cultural child-rearing practices within holistic, community-led models, they have been shown to achieve stronger developmental outcomes.¹⁶ ACCOs should be supported as preferred providers for the establishment and expansion of ECEC services for Aboriginal and Torres Strait Islander children and families, recognising that community-controlled services are best placed to deliver culturally strong and responsive supports.¹⁷

Support for ACCOs should include embedding self-determination and shared decision-making throughout, including in service planning, funding, commissioning and implementation, consistent with the National Agreement on Closing the Gap. In practice, this means:

- Tailored funding models as endorsed by the national Early Childhood Care and Development Policy Partnership.¹⁸
- A comprehensive Aboriginal and Torres Strait Islander ECEC workforce strategy, alongside a workforce fund, to support recruitment, retention, leadership development, Recognition of Prior Learning, workplace-based learning and culturally safe training pathways that enable educators to train and work in their own communities.
- Investment in Aboriginal and Torres Strait Islander workforce development infrastructure, including mentoring, supervision, traineeships, community-controlled training providers and sector-wide communities of practice.
- Strengthening organisational capability and backbone supports across the ACCO early years sector, including governance, infrastructure, data, administration, policy capability, quality improvement and integrated service delivery.
- Sector-wide planning and expansion, ensuring Aboriginal and Torres Strait Islander communities have equitable access to community-controlled early years services regardless of where they live.

¹⁵ Social Ventures Australia (SVA), [From vision to viability: Funding requirements for effective Early Childhood Hubs](#), October 2025

¹⁶ Campbell, M., Hunt, J., Scrimgeour, D., Davey, M. & Jones, V., [Contribution of Aboriginal Community-Controlled Health Services to improving Aboriginal health: an evidence review](#), *Aust Health Rev*, 42(2), 218-226, 2018, doi: 10.1071/AH16149.

¹⁷ Early Childhood Australia and SNAICC – National Voice for Our Children, [Ensuring equality for Aboriginal and Torres Strait Islander children in the early years](#), 2019

¹⁸ SNAICC, [Funding Model Options for ACCO Integrated Early Years Services: Final Report](#), SNAICC, May 2024

As the national peak body for Aboriginal and Torres Strait Islander children, SNAICC's (National Voice for our Children) leadership is critical to achieving a strong, sustainable and self-determined early years system.

Data collection and linkage changes are needed to enable change

Governments, policymakers, service delivery providers and communities rely on evidence of community characteristics and local need in decision-making. We have heard consistently from communities we work with, that the available data lets them down.

Limitations of existing data collections include thin data on child wellbeing, mental health and service access, and poor coverage of priority populations. This includes availability of data at sufficient geographic granularity to support planning and funding of services to meet the needs of rural and remote communities. Addressing these data gaps and ensuring relevant and timely data is available to those engaged in planning and delivering services is critical for equity-focused decision-making and accountability.

Recommendations

SVA recommends that the Australian Government, in partnership with the state and territory governments where appropriate:

1. Make a national commitment to delivering ECEC in every community that is responsive to the needs of the community, including integration with other early childhood services where appropriate.
2. Establish a national Early Education and Care Commission that can set direction, align incentives and monitor whether the system is delivering for children and families. The Commission should have the mandate to gather and report data to meaningfully inform government action on issues that matter to families, such as supply, workforce, quality and safety.
3. Adjust ECEC funding settings so that the cost of delivery in rural, regional and remote communities is better reflected in the funding model. This could include:
 - a) In the short term, a dynamic hourly rate cap under the Child Care Subsidy that reflects delivery costs in different communities.
 - b) Funding the Worker Retention Payment on the basis of actual staff costs and reasonable associated administrative costs in underserved regional, rural and remote communities.
 - c) As a longer term solution, developing a needs-based ECEC funding model incorporating equity loadings and a sustained, supply-side funding mechanism for unserved and underserved communities.

4. Support planning of rural and remote early childhood services together with local communities as a collective system rather than as separate programs, recognising that the viability of long day care, kindergarten, workforce, infrastructure and integrated supports are interconnected in rural communities.
5. Resource and fund the conditions of integration to sustain Early Childhood Hubs and other integrated models to help the existing system achieve its goals by reaching children who are not currently accessing services, ensuring greater uptake of services and avoiding service duplication.
6. Position and support Aboriginal Community Controlled Organisations as preferred providers for the establishment and expansion of ECEC services for Aboriginal and Torres Strait Islander children and families, recognising that community-controlled services are best placed to deliver culturally strong and responsive supports. This includes implementing a dedicated funding model for Aboriginal and Torres Strait Islander community controlled organisations that reflects the full cost of holistic service delivery, as detailed in the SNAICC report Funding Model Options for ACCO Integrated Early Years Services.¹⁹
7. Collectively gather and link data and make it available so that service access, outcomes and service gaps can be better understood.

Conclusion

Children in rural, regional and remote Australia should not have fewer opportunities to learn, develop and thrive because standard funding and service models do not work in their communities. The evidence set out in this submission shows that current gaps are not simply a problem of provider supply. They reflect fragmented responsibility, funding arrangements that do not support low-volume provision, and decisions made without sufficient understanding of local service systems. Addressing these challenges requires active government stewardship, sustainable supply-side investment, Aboriginal and Torres Strait Islander community-controlled and locally led solutions, and coordinated planning across ECEC and the broader early childhood system. With these foundations in place, governments can create a system in which every community has a viable and locally appropriate pathway to high-quality early learning and support to support a productive workforce and thriving children.

¹⁹ SNAICC – National Voice for Our Children, [Funding Model Options for ACCO Integrated Early Years Services](#), SNAICC, 2024