

The opportunity to grow

How place, opportunity and disadvantage shape children's development in Australia

1 November 2026



Acknowledgment of Country

Social Ventures Australia acknowledges and pays respect to the
past and present traditional custodians and elders of this country on which we work.

‘After the Rains’ by Richard Seden for Saltwater People 2024

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Project acknowledgements

This report updates and strengthens SVA's earlier work on early childhood disadvantage, including work undertaken with Deloitte Access Economics and the Mitchell Institute. This latest report draws on new data from the Australian Early Development Census (AEDC) and culturally and linguistically diverse (CALD) communities. The SVA team comprised Caitlin Graham, Stephanie Chiang, Tess Woods, Emma Sydenham and Jack Coghlan.

We are grateful to Deloitte Access Economics, the Mitchell Institute, SNAICC, By Five, Uniting Vic.Tas East Bairnsdale Community Hub, the Hive, Early Childhood Australia and others for providing valuable insights to help shape the overlay of new data.

The section, *Culturally and Linguistically Diverse (CALD) communities*, was co-developed with SSI, whose expertise and contribution informed the analysis and recommendations presented in that section. SSI is a national non-for-profit organisation that delivers a range of human services that connect individuals, families, and children from diverse backgrounds with opportunities.

SVA would also like to thank our funding partners, Minderoo Foundation and the Berg Family Foundation for their generous support that enabled this work.

Legal disclosure statement

SVA has prepared this report in good faith on the basis of the research and information available to SVA at the date of publication.

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Glossary

Aboriginal and Torres Strait Islander Community Controlled Organisations (ACCOs): Organisations that have at least 51% Aboriginal and/or Torres Strait Islander ownership and/or directorship and are operated for the benefit of Aboriginal and Torres Strait Islander Communities.[i]

Statistical Areas Level 2 (SA2): are medium-sized areas built up from whole Statistical Areas Level 1 (SA1s) used by the Australian Bureau of Statistics (ABS) reporting data. Their purpose is to represent a community that interacts together socially and economically. In this report they are commonly referred to as 'communities' or 'areas' (see below).

Australian Early Development Census (AEDC): Tracks whether children are 'on track', 'at risk' or 'vulnerable' across five domains. The domains are physical health and wellbeing, social competence, emotional maturity, language and cognitive skills (school-based), and communication skills and general knowledge. This report uses data from 2024, the most recent available at time of publication.

Childcare Subsidy (CCS): A subsidy paid by the Australian Government to reduce fees parents pay for approved childcare.

Communities/areas: These terms are used interchangeably throughout the report to refer to Statistical Areas Level 2 (SA2) as defined by the Australian Bureau of Statistics.

Culturally and linguistically diverse (CALD): In this report, CALD data relates specifically to the percentage of the population that speaks limited/no English, and speaks another language at home (from 2021 Australian Census figures).

Early childhood/early years: These terms are used interchangeably in the report to refer to children and their development from birth to school entry (0-6 years).

Early childhood education and care (ECEC): In this report, ECEC refers specifically to formal education and care for children from birth to school entry, including long day care (LDC), preschool/kindergarten (PSK) and family day care.

ECEC Plus: An enhanced ECEC model that strengthens service capacity and adds supports to engage families and to meet the needs of children. It focuses on high quality, or high capacity preschool and long day care services in communities experiencing early childhood disadvantage.

Child and Family Hubs (hubs): an integrated service model that provides families with access to a wide range of supports and services, all in one place. By bringing together supports across health, education and social care, as well as providing parents with the opportunity to build social connections, hubs can help to identify emerging issues before they become entrenched and difficult to address and so help children to thrive.

Estimated number of children experiencing significant disadvantage: Children experiencing significant disadvantage are defined as children living in families with low income, have parents that are unemployed, or live in social housing, and live within communities of high early childhood disadvantage (see below). The number of children estimate is taken from the Counting by Families dataset from the 2021 Australian Bureau of Statistics (ABS) dataset.

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High early childhood disadvantage: A term used to describe communities with both high socio-economic disadvantage and early childhood vulnerability. These areas are in SEIFA (see below) deciles 1-4 and have over 10% of children developmentally vulnerable on two or more AEDC domains.

National Quality Framework (NQF): Australia's national system for ensuring quality in early childhood education and care. It sets consistent standards for regulation, assessment, and improvement across services.

Socio-Economic Indexes for Areas (SEIFA): These indexes, prepared by the Australian Bureau of Statistics, ranks areas in Australia according to relative socio-economic advantage and disadvantage. The indexes are based on information from the five-yearly Census. A key SEIFA index used in this report is the **Index of Relative Socio-Economic Disadvantage (IRSD)**. This report uses data from 2021, the most recent at time of publication.



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Executive summary

Every child should have the opportunity to thrive, regardless of where they grow up. Yet this report shows that the opportunities and conditions that support children's development and learning remain profoundly uneven across Australia.

The early years lay critical foundations for children's development, health, learning and wellbeing. Yet socioeconomic disadvantage and developmental vulnerability continue to intersect in communities across Australia, creating barriers that emerge early and can shape children's opportunities throughout life.

This report identifies 783 communities experiencing high early childhood disadvantage, up from 744 in our previous report.[ii] More than 703,000 children aged birth to six live in these communities. This represents an increase of 5% in the number of communities experiencing socioeconomic disadvantage over three years.[1] If this trajectory continues the scale of need will continue to outpace the reach of current policy responses, placing greater pressure on families, services and systems that support children's development and wellbeing.

These findings do not mean that where a child grows up determines their future. They point to where strengthening the conditions, services and systems surrounding children and families can make the greatest difference. Communities across Australia demonstrate significant strengths, resilience and local leadership. Yet children face very different opportunities depending on the economic and social conditions surrounding their families and the accessibility, quality and responsiveness of the systems and services available to them.

The analysis shows a strong relationship between socioeconomic disadvantage and developmental vulnerability. But disadvantage is not experienced in the same way everywhere. Regional, rural and remote communities are disproportionately represented, with remote and very remote communities accounting for 15 of the 20 communities experiencing the highest early childhood disadvantage despite making up a relatively small share of the population. Aboriginal and Torres Strait Islander communities, especially in remote and very remote areas, are heavily represented among communities experiencing the highest early childhood disadvantage. On the other hand, concentrated disadvantage among culturally and linguistically diverse communities is predominately in metropolitan areas and can be overlooked when using a national lens that typically focuses on regional, rural and remote communities.

Improving developmental outcomes therefore requires action on both the conditions in which children grow and the systems that surround them. Housing, income security, health, family support, community infrastructure and social connection matter alongside access to high-quality early learning and other child and family services. No individual program or service can compensate for weaknesses across these wider systems.

Australia now has a significant opportunity to act. Major early years reforms and investments provide an opportunity to build a more equitable, child-centred system. Initiatives like the $1b Building Early Education Fund, the 3 Day Guarantee, the Service Delivery Prices project, Thriving Kids, Early Years Strategy 2024-2034, Place Partnership Model and the development of state level early childhood

[1] Comparing 2024 AEDC data used in the current report with 2021 AEDC data used in our previous report: *Targeting investment where it counts*

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strategies offer an unprecedented opportunity to build a more equitable, child-centred early years system.

But greater investment alone will not be enough if funding, planning and delivery remain fragmented across portfolios and programs. The opportunity is to connect reform and investment around a clearer shared objective: improving children's development and wellbeing, with greater resources and support directed to children and communities facing the greatest barriers.

This requires stronger national stewardship of early childhood development, including clearer responsibility for children's outcomes, better alignment of investment and accountability across governments and portfolios, and stronger system intelligence to understand need, existing provision and gaps. It also requires funding and policy settings that enable locally responsive and integrated models rather than requiring communities and providers to navigate fragmented programs.

The policy challenge is therefore not simply to identify where disadvantage exists. It is to ensure Australia's early years system responds differently where children face greater barriers, while strengthening the universal systems on which all children and families rely.

Key findings

1. The opportunities and conditions that support children's development and learning, including access to quality services, safe and stable housing, adequate income and supportive family environments, remain profoundly uneven across Australia.
2. The number of communities experiencing high early childhood disadvantage has increased from 744 to 783, representing over 703,000 children aged birth to 6.
3. There is a strong correlation between socioeconomic disadvantage and the level of developmental vulnerability of children in a community.
4. Communities in regional, rural and remote Australia are significantly overrepresented among the areas experiencing the highest levels of early childhood disadvantage, and often are areas of high Aboriginal and Torres Strait Islander population.
5. Early childhood disadvantage among culturally and linguistically diverse communities is concentrated in outer metropolitan areas and strongly linked to socioeconomic disadvantage. These significant levels of early childhood disadvantage in metropolitan areas can be overlooked when disadvantage is assessed through a national lens that typically focuses on regional, rural and remote communities.

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Recommendations

1. Embed **equity and child development outcomes** across government policy and investment decisions affecting children and families.
2. Build a mechanism to **strengthen national stewardship** of early childhood development across governments and sectors to address fragmentation and duplication.
    a. A strengthened stewardship approach must clarify roles and responsibilities across early childhood development systems, align accountability frameworks and support coordinated investment to improve outcomes for children and families.
    b. Establish the proposed national Early Childhood Education and Care Commission. A Commission needs to be able to set direction, align incentives and monitor whether ECEC is delivering for children and families. It should have the mandate to map need and gather and report data to inform government action on issues that matter to families, such as supply, prioritisation, workforce, quality and safety. There is potential over time to expand this into a broader stewardship role across other parts of the early years system.
3. Adjust funding and policy settings to **enable diverse, integrated place-based models** to be implemented and sustained in the areas with high early childhood disadvantage. This includes:
    a. Approaches such as flexible, relational funding arrangements, streamlined funding across departments and more support for local decision-making.
        i. Some of these approaches are being implemented in DSS's 18 Place Partnership communities. However, 78% of the 50 communities with the highest levels of early childhood disadvantage are not in these 18 locations emphasising the need to expand flexibility and local voice in funding decisions more broadly.
    b. Dedicated funding to support the work involved in integrating services – these 'integration enablers' include the work to build and maintain relationships, people, systems and backbone support that hold services together.
4. **Adjust ECEC funding** to better reflect the costs and value of high-quality provision for high need children, families and communities. This may include:
    a. Developing a needs-based funding mechanism for ECEC that provides additional support to children who need help to participate in, learn from and achieve outcomes from that learning. Funding should be able be used to resource integration in an ECEC centre including connections with other services and outreach to families not engaged in ECEC.
    b. Developing a sustained, supply-side funding mechanism to ensure ECEC service viability in unserved and underserved communities.
5. Implement a **dedicated funding model for ACCOs** that reflects the full cost of holistic service delivery, as detailed in the SNAICC report Funding Model Options for ACCO Integrated Early Years Services.

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6. Enable local communities and organisations to **plan rural and remote early childhood services** 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.
7. Governments should work with early childhood providers to **codesign service models that include soft entry points and integrated approaches** for culturally and linguistically diverse children. In addition, dedicated **funding for organisations working with culturally and linguistically diverse communities** is needed to scale up outreach initiatives to help culturally diverse families navigate the barriers to engaging in early childhood education.
8. **Improve access to data** across child and family service systems to improve collective intelligence and assist decision-making, service planning and service access. Priorities include:
    a. Community-level data on existing early childhood services and workforce, available to those involved in planning, funding and supporting access to services.
    b. Access to data below SA2 level on developmental vulnerability to enable better targeting of support to communities with high early childhood disadvantage.
    c. Improved collection and sharing of data that enables measurement and evaluation of the impact of different services, programs and supports e.g. linked data to track outcomes for individuals over time.

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Rankings of early childhood disadvantage

Table 1: The 10 areas experiencing the highest early childhood disadvantage – metropolitan areas

Rank	SA2	State	Estimated population aged 0-6 experiencing significant disadvantage (2024)	SEIFA decile	% of children developmentally vulnerable on two or more AEDC domains
1	Wacol	QLD	174	1	40%
2	Elizabeth	SA	537	1	31%
3	Roxburgh Park (South) - Somerton	VIC	142	1	31%
4	Riverview	QLD	109	1	31%
5	Hackham West - Huntfield Heights	SA	137	1	32%
6	Smithfield - Elizabeth North	SA	302	1	29%
7	Dandenong - South	VIC	236	1	29%
8	Ashcroft - Busby - Miller	NSW	835	1	29%
9	Woodridge	QLD	521	1	29%
10	Carlton	VIC	132	3	41%

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Table 2: The 10 areas experiencing the highest early childhood disadvantage – regional centres

Rank	SA2	State	Estimated population aged 0-6 experiencing significant disadvantage (2024)	SEIFA decile	% of children developmentally vulnerable on two or more AEDC domains
1	Moulden	NT	119	1	51%
2	Invermay	TAS	58	1	43%
3	Ravenswood	TAS	152	1	41%
4	Manoora	QLD	236	1	33%
5	Slade Point	QLD	65	2	37%
6	New Norfolk	TAS	77	1	31%
7	Risdon Vale	TAS	73	1	31%
8	Bridgewater - Gagebrook	TAS	482	1	29%
9	Gray	NT	90	1	30%
10	Bundaberg	QLD	91	1	24%

Table 3: The 10 areas experiencing the highest early childhood disadvantage – rural towns (large, medium and small)

Rank	SA2	State	Rural town size	Estimated population aged 0-6 experiencing significant disadvantage (2024)	SEIFA decile	% of children developmentally vulnerable on two or more AEDC domains
1	Beauty Point - Beaconsfield	TAS	Small	44	2	54%
2	Granville	QLD	Large	48	1	38%
3	Acton - Upper Burnie	TAS	Large	53	1	29%
4	Inverell Surrounds - West	NSW	Small	47	3	40%
5	Innisfail	QLD	Medium	224	1	32%
6	Yarrabah	QLD	Small	301	1	29%
7	Kingaroy Surrounds - North	QLD	Small	271	1	32%
8	Burnie - Wivenhoe	TAS	Large	44	1	27%
9	Herberton	QLD	Small	65	1	25%
10	Mooroopna	VIC	Large	118	1	31%

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Table 4: The 10 areas experiencing the highest early childhood disadvantage – remote and very remote communities

Rank	SA2	State	Estimated population aged 0-6 experiencing significant disadvantage (2024)	SEIFA decile	% of children developmentally vulnerable on two or more AEDC domains
1	Tiwi Islands	NT	211	1	81.25%
2	APY Lands	SA	234	1	77.78%
3	Yuendumu - Anmatjere	NT	206	1	64.00%
4	Tanami	NT	339	1	65.00%
5	Sandover - Plenty	NT	328	1	53.85%
6	Victoria River	NT	343	1	56.82%
7	Petermann - Simpson	NT	106	1	50.00%
8	Thamarrurr	NT	196	1	47.92%
9	East Arnhem	NT	689	1	47.00%
10	Barkly	NT	245	1	43.00%

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Introduction

About this report

This report was developed to support governments, communities, service providers, philanthropists and other decision makers to better understand where children and families face the greatest barriers to thriving, and where investment and system reform may be most needed. It is an update of SVA's 2025 *Targeting investment where it counts* report. This update takes advantage of the newly released 2024 AEDC data.

This updated report also incorporates data on Culturally and Linguistically Diverse (CALD) communities, derived from Australian Census data, to provide insight on patterns of socioeconomic disadvantage and early childhood disadvantage in these communities, and where community resilience is defying the odds.

The report also includes a more nuanced analysis of regionality. It uses an aggregated version of the Modified Monash Model to better understand the differences between seven categories of regionality.

In this report, communities[2] are defined as having high early childhood disadvantage if they are among the most socioeconomically disadvantaged groups (deciles 1-4) of SEIFA and also have more than 10% of children developmentally vulnerable on two or more domains of the AEDC.

Importantly, this analysis should be viewed as a starting point rather than a complete picture of children's lives. It is based largely on national datasets at an SA2 level and cannot fully capture community strengths, lived experience, local context or the diversity of children's experiences within communities. The case studies included throughout the report help illustrate some of this complexity, but continued engagement with children, families and communities remains essential.

Early childhood disadvantage in Australia

Every child deserves the opportunity to thrive. Yet this report shows that the opportunities and conditions that support children's development and learning remain profoundly uneven across Australia. Where a child grows up continues to have a profound influence on their health, development and life chances. Communities differ significantly in the resources, opportunities and supports available to children and families, and the impact from these differences emerge early in life.

This report examines where socioeconomic disadvantage and developmental vulnerability intersect across Australia. It highlights communities where children face greater barriers to thriving, while recognising the strengths, resilience and capabilities that exist within these communities.

In this report, 'early childhood disadvantage' refers to communities[3] that are among the most disadvantaged groups (deciles 1-4) of the Socio-Economic Indexes for Areas (SEIFA) and have more than 10% of children developmentally vulnerable on two or more domains of the Australian Early

[2] This analysis has been constructed using the Australian Bureau of Statistics (ABS) Statistical Areas Level 2 (SA2). For simplicity, SA2s are referred to as 'areas' or 'communities' throughout this report.

[3] This analysis has been constructed using the Australian Bureau of Statistics (ABS) Statistical Areas Level 2 (SA2).

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Development Census (AEDC). Together, these measures paint a picture of socioeconomic disadvantage and developmental vulnerability.

This work builds on SVA's earlier work *Targeting investment where it counts*, providing updated data and new overlays to support a more nuanced understanding of the state of early childhood disadvantage in Australia today.

The communities in the report have been identified by combining several key datasets:

1. Index of Relative Socio-Economic Disadvantage (IRSD), a SEIFA index
2. Australia Early Development Census (AEDC)
3. CALD indicators derived from the AEDC and Australian Census. These indicators were identified in consultation with SSI, building on earlier AEDC research undertaken by UniSA in partnership with SSI.[iii]

The research finds that early childhood disadvantage is a persistent issue in Australia today with **783 communities across the country having both high levels of socio-economic disadvantage and high childhood developmental vulnerability**. An estimated 703,926 children aged birth to six live within these communities, with 161,371 (22.9%) estimated to be experiencing significant disadvantage: defined as children living in families with low income, have parents that are unemployed, or live in social housing.

Importantly, however, the findings do not suggest that disadvantage determines outcomes. Across Australia there are communities demonstrating resilience and strengths despite significant socioeconomic challenges. Understanding both where vulnerability is concentrated and where communities are defying the odds can help inform more effective and equitable policy responses.

The report findings reinforce that developmental outcomes are shaped by more than individual services. Adequate housing, income support and social security, community infrastructure, social connection, access to health care, family supports, early learning opportunities and broader government policy settings all help determine whether children have the foundations they need to thrive. As a result, addressing early childhood disadvantage requires both system-wide action and effective, accessible services.

Unequal beginnings matter because they shape children's life opportunities long before adulthood. When developmental vulnerability and socioeconomic disadvantage coincide, children face a greater risk of poorer outcomes across education, health, wellbeing and economic participation. Identifying and responding to these inequities early provides one of the greatest opportunities to improve outcomes across the life course.

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Methodology

This analysis has been constructed using the Australian Bureau of Statistics (ABS) Statistical Areas Level 2 (SA2). For simplicity, SA2s are referred to as 'areas' or 'communities' throughout this report. The analysis includes 2,454 SA2s.[4]

The modelling produced a shortlist of communities that were identified as being areas of high early childhood disadvantage, using data from the AEDC and SEIFA deciles. Z-scores were calculated based on DV2+% and percentage of the population in a SA2 living in a SA1 location with SEIFA decile 1-3. A combined z-score, weighting both equally, was then calculated. Provided lists are ranked based on this combined z-score, with 1 being the highest need.

Additional data sources, such as those relating to CALD communities, were then added to provide additional analysis (see Appendix 1).

For the analysis on rural, regional and remote, Aboriginal and Torres Strait Islander, culturally and linguistically diverse and metropolitan communities we also worked with not-for-profit organisations working with these cohorts to better understand their circumstances and interrogate the findings from the data.

Limitations and interpretation

This method should be interpreted as a structured prioritisation approach rather than a final decision rule. It identifies SA2s with relatively high early childhood disadvantage, but it does not measure local demand for early childhood education and care (ECEC) services, family preferences, workforce feasibility, site availability, implementation readiness, or the full-service system response needed in each community.

Communities that do not appear on our shortlist are not necessarily 'advantaged'; they are simply experiencing relatively lower levels of disadvantage according to the measures used. Children and families in these communities may still be in need of additional supports to help them to thrive.

Further, focusing on community-level disadvantage can obfuscate pockets of disadvantage in more advantaged communities. Research shows that more than 30% of families with low household income live in more advantaged neighbourhoods.[iv] As such, we suggest that the identified communities on the shortlist are a starting point – not an end point – for increased focus and potential investment in systems reform and early childhood services.

[4] Exclude shipping and no usual address codes.

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Findings

National early childhood disadvantage

This report identifies **783 communities as experiencing early childhood disadvantage** (see Figure 1). This has increased from 744 communities in the previous 2025 report (see Figure 1).[v] The findings highlight substantial geographic variation in children's access to the conditions that support healthy development, reflecting an uneven distribution of opportunity across Australia. **An estimated 703,926 children[5] aged birth to six live within these communities**, with 161,371 (22.9%) estimated to be experiencing significant disadvantage: defined as children living in families with low income, have parents that are unemployed, or live in social housing.

Figure 1: Communities with high childhood disadvantage comparing previous report to current findings

	Targeting investment where it counts[6] [7]	Current report[8]
All communities *(excluding shipping, no usual address codes, airports etc.)*	2,454	
Communities with high early childhood disadvantage	744	783
Estimated number of children aged 0-6 in these communities	674,947	703,926
Estimated number of children aged 0-6 in these communities experiencing significant disadvantage	113,973	161,371

[5] Source: ABS Regional Population by Age and Sex estimated resident population data, 2024

[6] Note that these figures differ from those published in our earlier report, *Targeting investment where it counts,* due to a re-calculation of 2021 data to match the updated methodology used for this report.

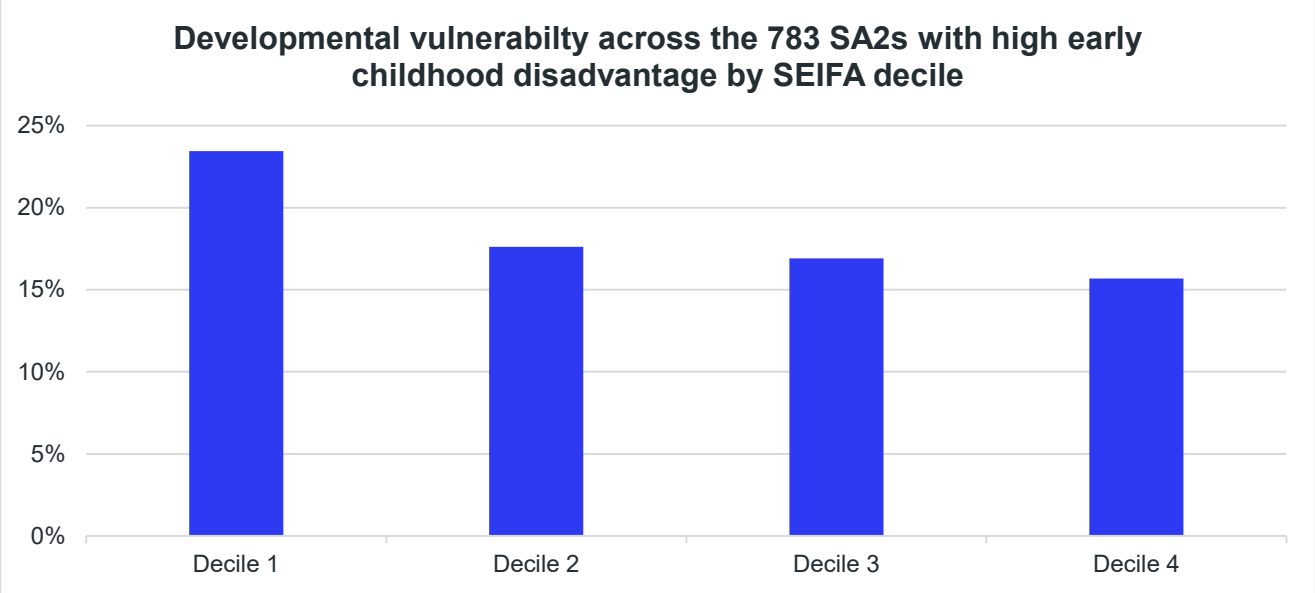
[7] *Targeting investment where it counts,* which used 2021 AEDC data

[8] Current report uses 2024 AEDC data (see Methodology)

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The report shows a strong correlation between the socioeconomic disadvantage (measured by SEIFA) of a community and the developmental outcomes of the children in that community. Although this data is only looking at communities where more than 10% of children are assessed as developmentally vulnerable, we still identify a clear relationship between higher levels of socioeconomic disadvantage and developmental vulnerability (see Figure 2).

Figure 2: Average percentage of children assessed as being developmentally vulnerable on two or more AEDC domains by SEIFA decile





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Case study: Mt Druitt, New South Wales

Mt Druitt is a highly disadvantaged area of Western Sydney, located around an hour west of the city. Across the Mt Druitt area, particularly in the outer suburbs, there are high rates of unemployment, crime, financial insecurity, domestic violence and poor mental health. One in five (20.6%) of children in the 2770 postcode are developmentally vulnerable on two or more AEDC domains (DV2), compared to one in 10 (11.2%) of children across NSW as a whole.

For many years, poverty indicators remained stubborn, despite the injection of significant resources into the community and the hard work of local organisations. The systems families were trying to navigate remained complex, siloed and centralised in the centre of Mt Druitt, leaving those with highest needs in the outer suburbs with significant barriers to accessing services.

In response, The Hive was established in 2015 by United Way Australia to bring together residents, local services, ECEC providers and the broader early years system to collaboratively address the complex needs families and children were facing. The Hive use an ecological model to shift outcomes for children. This means taking a community-wide view, recognising that the communities in which families and children live need attention. The Hive serves as the backbone for a Collective Impact initiative, *Together in 2770*, where organisations work collaboratively across four outer suburbs to support local infrastructure, social cohesion and resident leadership. Alongside this The Hive delivers early years focused initiatives with families and local services to directly support children and families.

The Hive and its collective partners endeavour to break down silos, recognising that for outcomes to change for Mt Druitt's children, a different approach is needed. The group seeks to share resources, be present in place to build trusted relationships with families, work slowly, and respond to local priorities. It works to deliver supports in places where families naturally gather, activating local parks and community spaces. For example, The Hive has partnered with the local health district to bring child health assessments into local early learning services and community spaces. By bringing these services to places where families already feel safe, there has been an increase in the number of developmental assessments completed prior to school, and wrap-around supports are supporting families to navigate any required referral pathways.

The Hive has also found that working in place and in a relational way is supporting families to overcome fear of judgement, lack of transport, and confusion of referral pathways, which can all act as barrier to accessing services. As a result of this shift, the service ecosystem in outer Mt Druitt has become more relational, collaborative and place-based. This is easier for families to navigate the supports they need, in the community they live, with people they trust.

Outcomes are also improving, with the Hive's Mount Druitt's Early Childhood Educators' Network supporting ECEC quality uplift in the region: services in the network that are meeting or exceeding National Quality Standards rose from 77% to 90% between 2021-26.[vi] Furthermore, more children are accessing pre-school programs (an increase from 76.4% in 2018 to 80.2% in 2024), and rates of developmental disadvantage are slowing compared to NSW as a whole. Beyond educational outcomes, there has been a 187% increase above the expected rate in child developmental health checks of four-year-olds, and the number of children being able to access the NDIS in Mt Druitt increased to 25% above the expected rate.[vii]

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Table 5. The 20 areas experiencing the highest early childhood disadvantage in Australia

(In all tables, 1 is the most disadvantaged in the 'Rank' column)

Rank	SA2	State	Remoteness classification (MMM)	SEIFA decile	% of children developmentally vulnerable on two or more AEDC domains	Estimated population aged 0-6 experiencing significant disadvantage	Aboriginal or Torres Strait Islander % of population
1	Tiwi Islands	NT	Very remote communities	1	77%	211	91%
2	APY Lands	SA	Very remote communities	1	73%	234	91%
3	Yuendumu - Anmatjere	NT	Very remote communities	1	74%	206	87%
4	Tanami	NT	Very remote communities	1	73%	339	88%
5	Sandover - Plenty	NT	Remote communities	1	61%	328	89%
6	Victoria River	NT	Very remote communities	1	55%	343	81%
7	Moulden	NT	Regional centres	1	51%	119	34%
8	Petermann - Simpson	NT	Very remote communities	1	63%	106	56%
9	Thamarrurr	NT	Very remote communities	1	48%	196	89%
10	Beauty Point - Beaconsfield	TAS	Small rural towns	2	54%	44	4%
11	East Arnhem	NT	Very remote communities	1	44%	689	93%
12	Barkly	NT	Very remote communities	1	43%	245	76%
13	Daly	NT	Very remote communities	1	48%	144	75%
14	Invermay	TAS	Regional centres	1	43%	58	5%
15	West Arnhem	NT	Very remote communities	1	42%	504	93%
16	Ravenswood	TAS	Regional centres	1	41%	152	12%
17	Wacol	QLD	Metropolitan areas	1	40%	174	18%
18	Halls Creek	WA	Very remote communities	1	40%	418	86%
19	Gulf	NT	Very remote communities	1	38%	359	85%
20	Meekatharra	WA	Very remote communities	1	36%	101	35%

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Table 6: The 20 communities experiencing the highest early childhood disadvantage in Australia – excluding remote and very remote communities

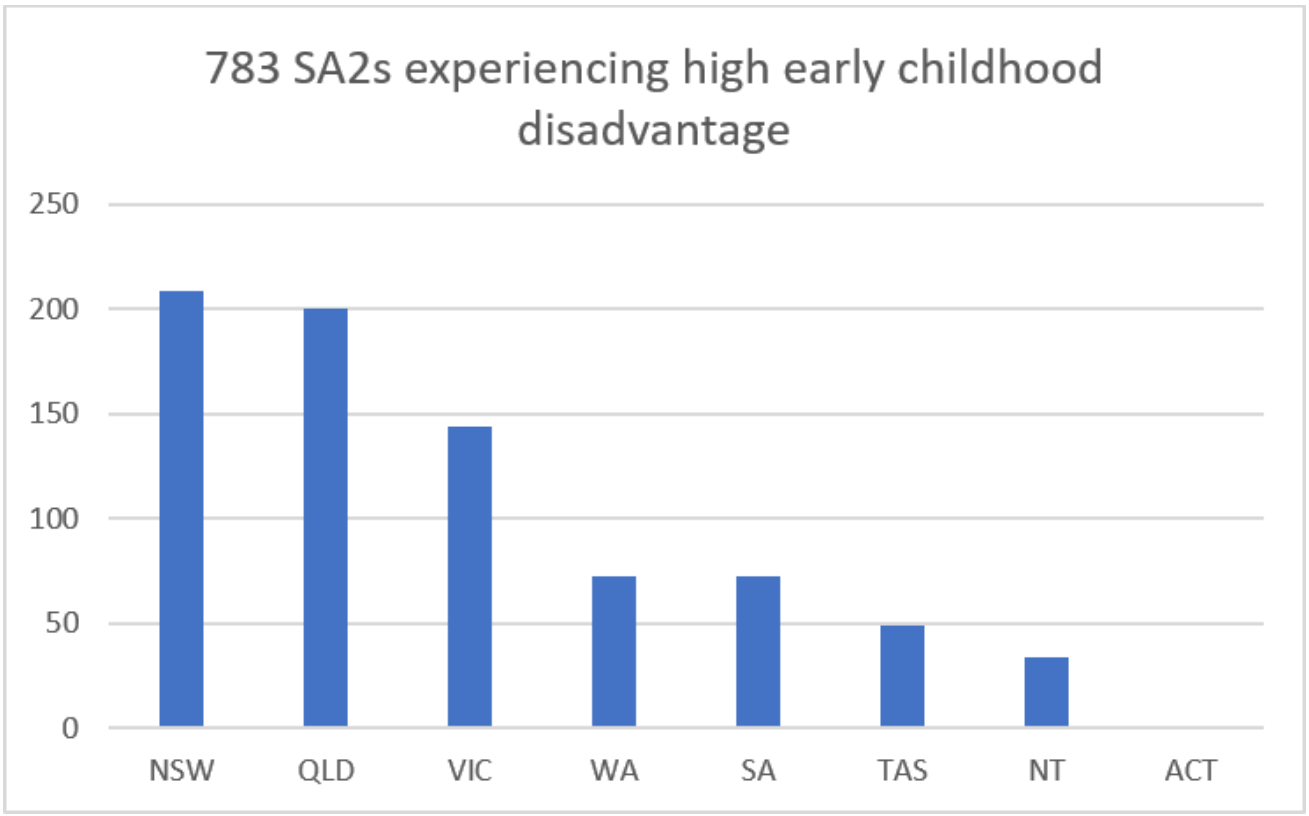
Rank	SA2	State	Remoteness classification	SEIFA decile	% of children developmentally vulnerable on two or more AEDC domains	Estimated population aged 0-6 experiencing significant disadvantage	Aboriginal or Torres Strait Islander % of population
1	Moulden	NT	Regional centres	1	51.35%	119	33.88%
2	Invermay	TAS	Regional centres	1	43.33%	58	4.84%
3	Ravenswood	TAS	Regional centres	1	40.91%	152	12.23%
4	Wacol	QLD	Metropolitan areas	1	40.00%	174	18.27%
5	Granville	QLD	Large rural towns	1	38.46%	48	6.64%
6	Manoora	QLD	Regional centres	1	33.33%	236	29.39%
7	Elizabeth	SA	Metropolitan areas	1	31.25%	537	7.32%
8	Roxburgh Park (South) - Somerton	VIC	Metropolitan areas	1	31.17%	142	0.40%
9	Riverview	QLD	Metropolitan areas	1	30.77%	109	13.42%
10	Hackham West - Huntfield Heights	SA	Metropolitan areas	1	31.76%	137	5.25%
11	Acton - Upper Burnie	TAS	Large rural towns	1	29.41%	53	11.43%
12	Smithfield - Elizabeth North	SA	Metropolitan areas	1	29.32%	302	7.80%
13	Dandenong - South	VIC	Metropolitan areas	1	29.46%	236	0.35%
14	Ashcroft - Busby - Miller	NSW	Metropolitan areas	1	29.20%	835	5.91%
15	Innisfail	QLD	Medium rural towns	1	31.71%	224	22.12%
16	New Norfolk	TAS	Regional centres	1	31.25%	77	7.69%
17	Yarrabah	QLD	Small rural towns	1	28.89%	301	97.96%
18	Woodridge	QLD	Metropolitan areas	1	28.57%	521	7.60%
19	Kingaroy Surrounds - North	QLD	Small rural towns	1	31.87%	271	22.03%
20	Risdon Vale	TAS	Regional centres	1	31.03%	73	13.18%

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States and territories

Although early childhood disadvantage is spread across the country, NSW and Queensland contain the largest number of SA2s experiencing early childhood disadvantage (209 and 200 SA2s respectively). Victoria is third with 144 SA2s, although when comparing the overall population of children aged 0-6 in these SA2s, Vic and Qld both have approximately 158,000 children and NSW has approximately 229,000. These findings are unsurprising given the concentration of Australia's population in these three states.

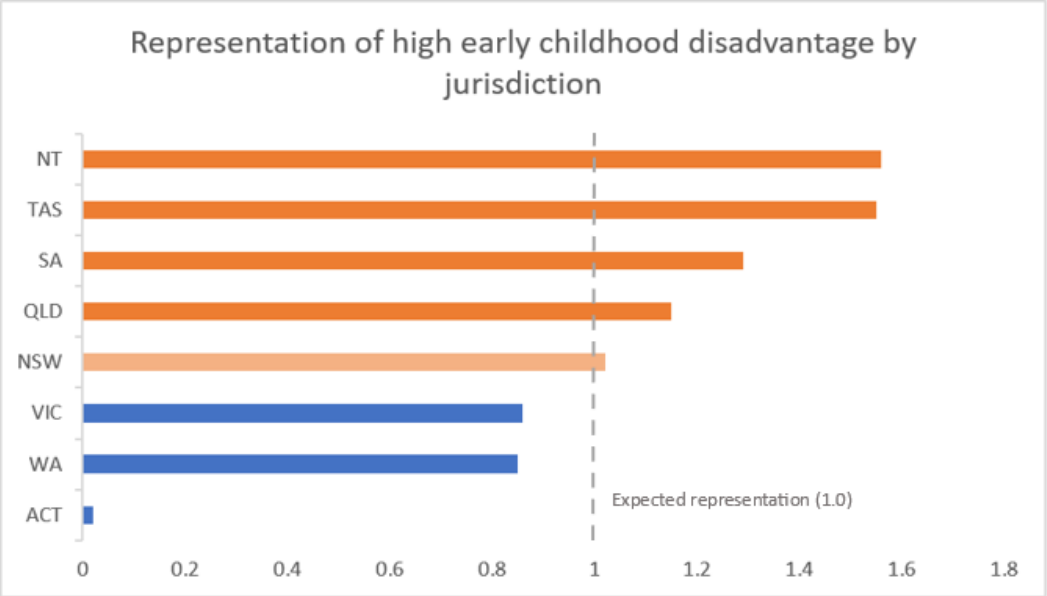
Figure 3: Count of SA2s experiencing high early childhood disadvantage by jurisdiction



Relative to their share of all Australian SA2s, high early childhood disadvantage was most overrepresented in the Northern Territory and Tasmania, where their share of disadvantaged SA2s was around 1.5 times greater than their share of all SA2s nationally. South Australia and Qld were also overrepresented. Vic and Western Australia were modestly underrepresented, while the ACT was substantially underrepresented.

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Figure 4: Representation of high early childhood disadvantage by jurisdiction



NB: *Representation ratio (1.0 = state represented in proportion to its share of Australian SA2s)*

Rural, regional and remote communities

The demographics of disadvantage are not spread evenly across Australia. Non-metropolitan areas are over-represented. 57.4% of the areas of high early childhood disadvantage are in non-metropolitan areas, with the majority in regional and rural areas (48.4% of all disadvantaged areas).

Remote and very remote communities are a small share numerically but likely represent the highest need. Remote and very remote account for 9.1% of total SA2s with high early childhood disadvantage, but make up 15 out of the top 20 most disadvantaged communities across Australia.

Table 7 shows, for each remoteness classification, the percentage of all SA2s in Australia that fall into that category, the percentage of all SA2s with early childhood disadvantage that fall into that category, and the difference in percentage between the two numbers (indicating under- or over-representation).

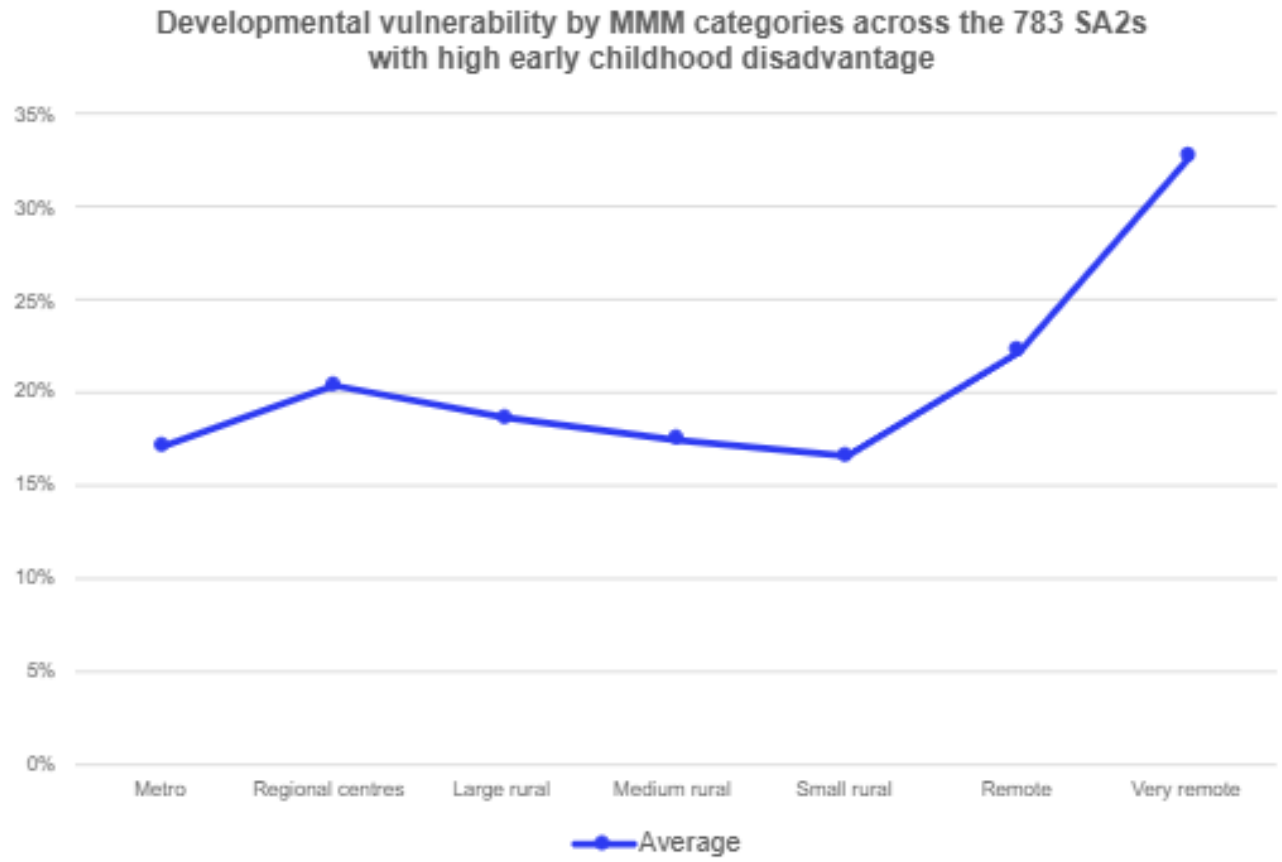
Table 7: Shortlisted areas by remoteness

Remoteness classification (MMM)	% of all SA2s	% of all SA2s with early childhood disadvantage	Difference (percentage points)
MM 1: Metropolitan areas	61.4	42.5	-18.9
MM2: Regional centres	12.4	14	+1.6
MM3: Large rural towns	5.7	8.6	+2.9
MM4: Medium rural towns	3.8	7.9	+4.1
MM5: Small rural towns	12.4	17.9	+5.5
MM6: Remote communities	1.8	3.2	+1.4
MM7: Very remote communities	2.4	5.9	+3.5

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Figure 5 shows developmental vulnerability across the seven remoteness categories. It shows a significant increase in developmental vulnerability in remote and very remote communities: 1.6 to 2.5 times that of metropolitan areas respectively. Regional and rural communities have developmental vulnerability that is 1.2 to 1.4 times that of metro communities. Small rural communities provide an exception, however, with slightly less developmental vulnerability than metro areas.

Figure 5: Developmental vulnerability by regionality (MMM) across the 783 SA2s with high early childhood disadvantage



It is important to note that as this analysis uses SA2-level data, pockets of disadvantage can be obfuscated. This effect is particularly pronounced in regional, rural and remote communities where there is a small population spread over a large geographic area. A very large SA2 may be home to a small community with high disadvantage, but due to other pockets of relative advantage, the SA2 does not appear high on our list of communities in need of additional support.

Regional, rural and remote communities often have poorer access to child and family services such as ECEC, health and wellbeing supports, and learning supports. When these services are available, families may have few choices, limited opening hours, and long travel times to access the support they need. These challenges are symptoms of deeper structural problems developed through policy, funding, commissioning and service systems that were largely designed for larger urban populations. Together, these barriers create a cycle of service fragility, workforce shortages and unequal access, leaving rural children and families less able to access the supports that are critical for healthy development and school readiness.

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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. More detailed recommendations addressing regionality can be found in SVA's submission to the *State of Australia's early childhood education and care system in rural, regional and remote communities* Senate inquiry.[viii]



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Case study: East Bairnsdale, Victoria

The community of East Bairnsdale, located in East Gippsland, is a rural town of approximately 1,352 people. The community experiences intersecting challenges, including low household income, high rates of social housing, financial stress, food insecurity and housing instability. Nearly 6% of the population identifies as Aboriginal or Torres Strait Islander.

Bairnsdale SA2 has high rates of early childhood developmental vulnerability, with 20.5% of children vulnerable on two or more AEDC domains. This number has almost doubled from 2021 (10.69%). This is well above the rates of vulnerability for Victoria as a whole (11.8% DV2), indicating urgent need for additional support for children in this region. Of note though, Bairnsdale is not in a childcare desert and is serviced by four long day care services. (A childcare desert is an area with more than three children per ECEC place. It is a measure of ECEC accessibility[ix]) However, the closure of the East Bairnsdale Kindergarten has put additional pressure on families who are now more geographically isolated from access to early learning, and anecdotally families have cited long waiting lists for other ECEC services.

Despite these various pressures, the East Bairnsdale community demonstrates strong resilience and a clear commitment to supporting each another. One example of this is the Uniting Vic.Tas East Bairnsdale Community Hub (EBCH), a place-based, community-led service that strengthens wellbeing, connection, participation and early intervention. Operating as a welcoming, stigma-free 'one-stop shop', the hub brings together practical assistance, social connection, coordinated support and community-led programs in a trusted local setting.

The physical hub provides a familiar, accessible and welcoming local place where people can access practical support, participate in activities and connect with services without stigma. Its flexible shared areas, kitchen and outdoor spaces support social connection and learning, while private, accessible rooms enable confidential conversations, one-to-one support, including from visiting outreach services. It provides a food pantry, community lunches, an op-shop and one-to-one support. Local programs and services also run out of the hub, depending on community need. These currently include drumming, wellness programs and food literacy programs.

Strong partnerships are central to the hub's service model. EBCH works collaboratively with community health, child and family services, aged care, carer support, education, family violence, early years, housing and local council services. Staff emphasise a relational approach, slowing down and listening deeply to people who visit the Hub, which makes accessing services less intimidating for families. Behind the scenes, significant work goes into strengthening this relational approach and coordinating between services efficiently. Much of this is invisible work – trauma-informed practice, volunteer support, outreach, partnership management, local planning and the integration of services – often referred to as the 'glue'. This binds together the service and support network in East Bairnsdale, enabling families to seek help earlier, prevent problems from becoming crises, and strengthens confidence, dignity, belonging and community participation.

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Innovations such as the hub are producing positive outcomes for children in East Bairnsdale. This includes one-to-one support provided to 733 people in 2025-26, of which at least 1/3 were families with young children. This support included assistance navigating government services (Centrelink etc), housing, documentation and referrals. The hub also has a partnership with the Smith Family. A Family Partnership Co-ordinator from the Smith Family attends the hub fortnightly to liaise with families and support them to access its family programs. In the past six months this has resulted in six local families accessing the Smith Family's scholarship program. Aboriginal and Torres Strait Islander communities

Aboriginal and Torres Strait Islander children begin school with rich cultural identities, strong connections to family, community and Country, and diverse strengths and capabilities. At the same time, current measures show they are more than twice as likely as all other children to be assessed as developmentally vulnerable when they start school, reflecting persistent inequities in access, opportunity and support. High-quality early childhood education and integrated, family-focussed programs can build on children's strengths and improve outcomes, particularly when they are grounded in Aboriginal and Torres Strait Islander community ownership and leadership, embed culture, support sustainability and take a holistic approach that responds to community priorities.[x]

All 20 communities experiencing the highest early childhood disadvantage have a population of Aboriginal and Torres Strait Islander people above the national average. In over half of these communities more than 80% of the population are Aboriginal and Torres Strait Islander people. Responses should therefore be led by Aboriginal and Torres Strait Islander communities, drawing on local knowledge, strengths and priorities.

Aboriginal Community Controlled Organisations (ACCOs) play a central role in creating culturally safe spaces where families strengthen cultural pride, confidence and resilience, and nurture their children's strengths and skills. ACCOs bring deep community knowledge, trusted relationships and holistic approaches to service delivery. Their impact can be strengthened by addressing structural and funding barriers that constrain their capacity and sustainability. For more than 40 years, SNAICC – National Voice for Our Children has advanced social justice and policy reform to support a strong and sustainable Aboriginal and Torres Strait Islander community-controlled sector. SNAICC advocates for:

- A dedicated funding model that reflects community priorities and responds flexibly to local need
- Delivery and expansion of the Early Years Support program, which works across three jurisdictions to strengthen the capability, sustainability and impact of early years ACCOs
- Development of a National Operator to support the establishment of new early years ACCO providers and provide shared back-office support to smaller, independent ACCOs.

SVA and SNAICC are collaborating on a report that will further highlight the strengths, resilience and leadership of Aboriginal and Torres Strait Islander communities, examine the structural drivers of early childhood disadvantage, and explore the vital role of ACCO early years services.

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Culturally and Linguistically Diverse (CALD) communities

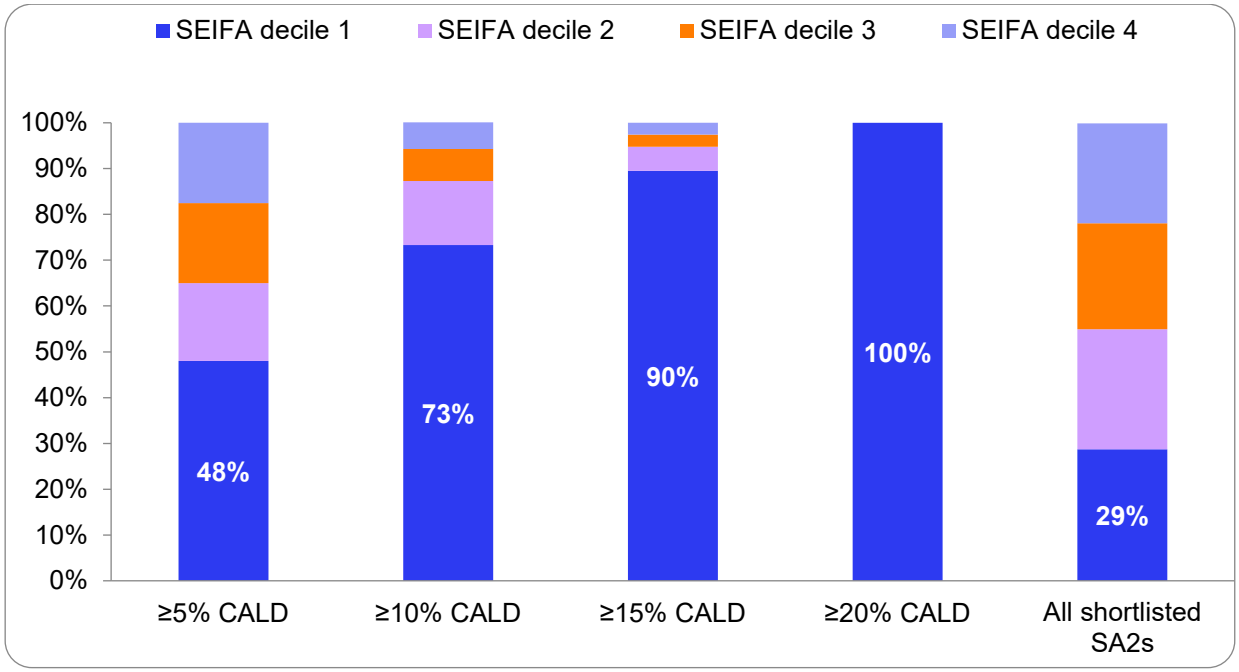
This section was co-developed with SSI, whose expertise and contribution informed the analysis and recommendations presented in that section. SSI is a national non-for-profit organisation that delivers a range of human services that connect individuals, families, and children from diverse backgrounds with opportunities.

Australia is highly diverse ethnically, linguistically and culturally. According to the 2021 Census, almost half of the Australian population are migrants or had at least one parent born overseas,[xi] and in one in every four households, a language other than English is spoken. Australia's children are also highly diverse. Almost 26% of children enrolled in first year of full-time school in 2021 were from multicultural backgrounds.[xii] While service providers may be aware of the potential barriers that CALD families and children face in accessing support for their health, development and wellbeing, there is limited research on this cohort, and there are significant gaps in data collection that could inform targeted policy and program responses.[xiii]

Early childhood disadvantage among CALD communities is heavily concentrated in outer metropolitan areas nationally, most notably in Sydney and Melbourne. These significant levels of early childhood disadvantage in metropolitan areas can be overlooked when disadvantage is assessed through a national lens that typically focuses on regional, rural and remote communities.

High socioeconomic disadvantage and high levels of cultural and linguistic diversity are often concentrated within the same communities. As the proportion of the population from a CALD background increases, socioeconomic disadvantage intensifies. 90% of communities with a CALD population of ≥15% and 100% of communities with a CALD population of ≥20% are in the most socioeconomically disadvantaged decile (SEIFA 1), compared to 29% of all communities identified as having high early childhood disadvantage (see Figure 6).

Figure 6: Composition of increasing concentration of CALD population by SEIFA decile



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While these communities experience very high levels of socioeconomic disadvantage, early childhood developmental vulnerability is lower than might be expected when compared to other communities experiencing similar levels of disadvantage. On average, just over 16% of children in communities with a high CALD proportion (≥15%) are developmentally vulnerable, slightly below the average of 18.7% across all 783 communities with high early childhood disadvantage. The fact that highly culturally and linguistically diverse areas are generally concentrated in metropolitan geographies may account for this discrepancy. There may also be protective factors, strengths and forms of community resilience operating within CALD communities that warrant further investigation. It is also important to note that the 2024 AEDC results show that a higher percentage of children with a language background other than English are developmentally vulnerable on two or more domains (14.7%) compared to all children (12.5%).[xiv]

To support children from CALD communities experiencing high levels of socioeconomic disadvantage to thrive, it is essential that policies and programs are designed and delivered to meet their needs. It is critical that early childhood service providers and governments engage with communities in the co-design of service models that include soft entry points and integrated approaches for CALD children. Hubs can play a key role in supporting culturally and linguistically diverse children to access appropriate supports. Further, resources and outreach to families must be available in preferred community languages, be culturally responsive, and not further marginalise communities that have historically been overlooked and ignored.[xv]



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Table 8: 20 SA2s experiencing the highest early childhood disadvantage with CALD population of ≥10%

Disadvantage ranking (within CALD ≥10%)	SA2 name	State	% of children developmentally vulnerable on two or more AEDC domains	CALD %	% Children experiencing significant disadvantage
1	Roxburgh Park (South) - Somerton	VIC	31%	12%	20%
2	Dandenong - South	VIC	29%	14%	24%
3	Ashcroft - Busby - Miller	NSW	29%	13%	45%
4	Campbellfield - Coolaroo	VIC	28%	15%	31%
5	Broadmeadows	VIC	25%	12%	38%
6	Logan Central	QLD	25%	12%	34%
7	Bankstown - South	NSW	25%	20%	25%
8	Hallam	VIC	24%	10%	17%
9	Roxburgh Park - North	VIC	24%	15%	22%
10	Doveton	VIC	23%	13%	23%
11	Greenfield Park - Prairiewood	NSW	23%	19%	26%
12	Noble Park North	VIC	25%	10%	12%
13	Delahey	VIC	21%	13%	18%
14	Cabramatta - Lansvale	NSW	21%	33%	23%
15	Smithfield - Wetherill Park	NSW	20%	17%	22%
16	Guildford - South Granville	NSW	20%	14%	27%
17	Canley Vale - Canley Heights	NSW	20%	28%	21%
18	Campsie - South	NSW	20%	24%	19%
19	St Albans - South	VIC	20%	21%	24%
20	Fairfield	NSW	19%	28%	33%

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Case study: Logan, Queensland

Logan in Southeast Queensland is recognised as Australia's most multi-culturally diverse local government area. It has more than 403,515 people from more than 234 different cultures, including many Aboriginal and Torres Strait Islander communities. Logan is home to many families from refugee and migrant backgrounds who speak many languages and bring a wide range of cultural, social and community strengths. There are 33 SA2s within the City of Logan, 17 of which experience high early childhood disadvantage. The majority (76%) are in SEIFA deciles 1 and 2, and six SA2s also have more than 21% of children developmentally vulnerable on two or more AEDC domains.[xvi]

Families in Logan have strong aspirations for their children's health, wellbeing and educational opportunities. At the same time, many families are raising young children while navigating the challenges of settlement, employment, housing pressures, and adapting to unfamiliar and complex systems. Understanding how to access services can be overwhelming, and language barriers, limited awareness of what supports are available, long wait times, transport challenges and complex service systems can make it difficult to access help.

Although there are a range of services available, when services are delivered in way that doesn't consider the needs of multicultural families, communities find it difficult to access them and engage with them meaningfully. Families are often turned away from mainstream services because they are considered too 'complex' or 'hard-to-reach' and are then referred to multicultural services such as SSI.

Through hubs and complementary initiatives such as Early Years Community Connectors and the Health Impact Project, SSI works alongside families in familiar and trusted community settings. These programs provide opportunities for families to connect, participate in playgroups and parenting activities, and build confidence and skills to meaningfully engage with available supports.

Families often engage initially for social connection, practical support or activities for their children. Over time, trusted relationships can help identify developmental, health or school-readiness concerns that may otherwise go unnoticed or unaddressed. Culturally responsive navigation and engagement can support families to access developmental assessments, early intervention services, educational supports and disability pathways while building their confidence to advocate for their children. This approach of 'walking alongside' communities helps reduce the burden on families who may be unfamiliar with Australian service systems or hesitant to seek support due to fear or stigma.

Improving outcomes for children is not only about service availability, but also accessibility and relational care. Logan highlights the importance of providing universal services that are culturally appropriate, place-based and relationship driven. SSI has shaped and guided services to work in more culturally responsive ways and advocates for the rights of children to access equitably designed programs.

The story of Logan highlights the importance of focusing on families, as well as children, as critical to driving outcomes. This means ensuring families are supported to understand and navigate the complex service landscape and that services are welcoming, safe, family-centred and culturally responsive. For multicultural communities, place-based approaches that build trust and strengthen connections can help respond to the needs of families who would benefit most from them.

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Discussion: The opportunity to grow

The findings in this report point to a fundamental issue for Australian early years policy: children across different parts of the country do not have equal access to the conditions and opportunities they need to thrive.

What happens in the first five years of life is deeply impactful, affecting outcomes through life. Investment during this period can generate significant social and economic returns, particularly for children experiencing disadvantage[xvii]; investing as early as possible from birth generates the highest rate of return. Investing in early childhood prevents more entrenched issues and the need for tertiary services in the future as well as ensuring children can have the best life possible. This makes early childhood investment not simply a question of service provision, but a long-term investment in children's capabilities and Australia's social and economic wellbeing.

Yet the evidence in this report shows that developmental vulnerability and socioeconomic disadvantage remain strongly intertwined. This cannot be addressed through early childhood services alone. Children's development is shaped by the conditions surrounding them and their families, including income security, housing, health, employment, community infrastructure and social connection, alongside access to high-quality early learning and family supports.

This creates a dual policy imperative: strengthen the universal systems that support all children, while directing greater resources, capability and flexibility to the children and communities facing the greatest barriers. The goal should not be identical provision everywhere, but equitable access to the conditions, opportunities and support children need to thrive.

Australia has an opportunity to turn significant investment into a more coherent early years system.

Australia is at a pivotal moment in early childhood reform. Significant initiatives like the Building Early Education Fund, the Service Delivery Prices project, the 3-Day Guarantee, Thriving Kids, the changes to the Australian Government's Children and Families Support program, and the Early Years Strategy 2024–2034 create an unprecedented opportunity to build a more equitable, child-centred early years system. However, the potential benefits of these reforms will only be realised if they work together; connected, aligned, and grounded in equity.

The persistence and concentration of disadvantage identified in this report highlights the need for a coordinated system response that deliberately targets investment, infrastructure and support towards communities experiencing greatest need, while realigning and strengthening the broader ecosystem. This includes housing, income support, employment, family support, community infrastructure and health, ensuring these policy settings do not perpetuate inequities in children's opportunities and life chances and enable families to access the basic conditions they need to thrive.

At present, responsibility for the systems affecting young children is dispersed across governments, portfolios, funding streams and service systems. The report identifies fragmentation in funding, service design, delivery and regulation, creating the potential for gaps, inconsistencies and duplication.

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Stronger national stewardship can help address this fragmentation. This means establishing clearer responsibility for early childhood development, clarifying roles and responsibilities, aligning investment, incentives and accountability across governments and sectors; and developing the system intelligence required to identify need, understand existing provision and direct resources more effectively to improve outcomes for children and families. Improved systems planning and intelligence would support improved visibility of existing investments and identification of opportunities to better leverage these. This intelligence could then support a shift in funding and policy settings to enable diverse, place-based models to be implemented sustainably in the areas where they are needed. The proposed national ECEC Commission presents one potential foundation for stronger stewardship within ECEC, with potential over time for a broader stewardship role across the early years system.

Equity requires systems to respond differently to different places

National stewardship should not mean greater uniformity. One of the clearest findings of the report is that disadvantage manifests differently across Australia. Regional, rural and remote communities face different barriers from metropolitan multicultural communities, while Aboriginal and Torres Strait Islander communities require responses grounded in community leadership, culture and self-determination. The case studies in the report reinforce that mainstream models can fail when financial, geographic, cultural and other barriers to access are not built into their design.

Equity therefore requires policy and funding settings that allow communities to shape how resources are combined and delivered in response to local strengths, circumstances and needs. Governments are already making significant investments in the early years. Yet this investment is often in single purpose infrastructure and siloed service delivery that may duplicate or even undermine the viability and effectiveness of other investments.

Integration can increase the impact of existing investment

Hubs and other integrated models provide one mechanism for addressing this problem. They are a critical place-based infrastructure, providing a local platform through which early learning, health, family and other supports work together, making services more accessible to families. Hubs have the potential to not only reduce duplication and improve outcomes for children but also maximise the social return on public investment. They are part of a proportionate universal response that ensures all children and families can access the services they need to thrive, with additional supports available where needed.

Importantly, integration does not happen simply by co-locating services. Evidence identifies the relationships, people, systems, and backbone support that bring services together around the needs of children and families as critical enablers for integrated approaches. They unlock existing funding in the system through stronger workforce collaboration, more equitable access to services, and more efficient and effective service delivery. Funding these functions should therefore be recognised as part of the infrastructure required for effective service integration, rather than treated as an optional overhead. This also suggests a different way of thinking about place-based investment. Rather than adding new programs, governments could ask how existing investment can be organised more effectively around children and families, where additional capacity is required, and where funding or policy settings prevent local systems from responding effectively. This requires recognising that needs, barriers to access and the strengths communities can draw on differ significantly between places and populations. Place-based investment should therefore enable local responses to build

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from community strengths and adapt existing resources and services around the needs and circumstances of children and families.

Integrated service delivery is also an important mechanism to embed equity in universal ECEC. It serves to increase the accessibility and availability of family and child supports to children already attending ECEC. It also builds connections for families who are not attending and helping them overcome barriers to access. The delivery of playgroups or outreach programs through ECEC, for example, serve as soft entry points for families. Further, for families whose children do attend ECEC, the provision of integrated services through the child's regular ECEC centre means that they're already in a space where they feel safe and are more likely to engage with the service. Having engaged in the service, children are better placed to benefit from the educational and developmental benefits of ECEC.

From identifying disadvantage to acting on it

The value of this analysis is ultimately not in producing a list of disadvantaged communities. It is in helping governments ask a different set of questions about how the early years system responds to unequal opportunity.

The 783 communities identified through this analysis provide a starting point for understanding where developmental vulnerability and socioeconomic disadvantage intersect. They should not operate as a fixed eligibility boundary or substitute for local intelligence. SA2-level data cannot capture all local demand, service availability, workforce feasibility or pockets of disadvantage within otherwise more advantaged communities. Used alongside other forms of system intelligence, the analysis can help governments identify where additional investment may be required, where existing investment could be better coordinated and where policy or funding settings need to change.

Australia's opportunity is not simply to invest more in the early years, but to build an early years system that is capable of responding to different levels and forms of need. That means universal systems that work for every child, greater support where barriers are greatest, stronger stewardship across the system, and enough flexibility at the local level to turn resources into opportunities for children and families.

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Recommendations

1. Embed **equity and child development outcomes** across government policy and investment decisions affecting children and families.
2. Build a mechanism to **strengthen national stewardship** of early childhood development across governments and sectors to address fragmentation and duplication.
    a. A strengthened stewardship approach must clarify roles and responsibilities across early childhood development systems, align accountability frameworks and support coordinated investment to improve outcomes for children and families.
    b. Establish the proposed national Early Childhood Education and Care Commission. A Commission needs to be able to set direction, align incentives and monitor whether ECEC is delivering for children and families. It should have the mandate to map need and gather and report data to inform government action on issues that matter to families, such as supply, prioritisation, workforce, quality and safety. There is potential over time to expand this into a broader stewardship role across other parts of the early years system.
3. Adjust funding and policy settings to **enable diverse, integrated place-based models** to be implemented and sustained in the areas with high early childhood disadvantage. This includes:
    a. Approaches such as flexible, relational funding arrangements, streamlined funding across departments and more support for local decision-making.
        i. Some of these approaches are being implemented in DSS's 18 Place Partnership communities, which is strongly supported. However, 78% of the 50 communities with the highest levels of early childhood disadvantage are not in these 18 locations emphasising the need to expand flexibility and local voice in funding decisions more broadly.
    b. Dedicated funding to support the work involved in integrating services – these 'integration enablers' include the work to build and maintain relationships, people, systems and backbone support that hold services together.
4. **Adjust ECEC funding** to better reflect the costs and value of high quality provision for high need children, families and communities. This may include:
    a. Developing a needs-based funding mechanism for ECEC that provides additional support to children who need help to participate in, learn from and achieve outcomes from that learning. Funding should be able be used to resource integration in an ECEC centre including connections with other services and outreach to families not engaged in ECEC.
    b. Developing a sustained, supply-side funding mechanism to ensure ECEC service viability in unserved and underserved communities.

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5. Implement a **dedicated funding model for ACCOs** that reflects the full cost of holistic service delivery, as detailed in the SNAICC report Funding Model Options for ACCO Integrated Early Years Services.
6. Enable local communities and organisations to **plan rural and remote early childhood services** 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.
7. Governments should work with early childhood providers to **codesign service models that include soft entry points and integrated approaches** for culturally and linguistically diverse children. In addition, dedicated **funding for organisations working with culturally and linguistically diverse communities** is needed to scale up outreach initiatives to help culturally diverse families navigate the barriers to engaging in early childhood education.
8. **Improve access to data** across child and family service systems to improve collective intelligence and assist decision-making, service planning and service access. Priorities include:
    a. Community-level data on existing early childhood services and workforce, available to those involved in planning, funding and supporting access to services.
    b. Access to data below SA2 level on developmental vulnerability to enable better targeting of support to communities with high early childhood disadvantage.
    c. Improved collection and sharing of data that enables measurement and evaluation of the impact of different services, programs and supports e.g. linked data to track outcomes for individuals over time.

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Conclusion

Every child deserves the opportunity to thrive. Yet this report demonstrates that where children grow up in Australia continues to have a profound influence on their health, development and life chances. Across Australia, 783 communities experience both high socioeconomic disadvantage and high levels of developmental vulnerability, affecting more than 700,000 young children during the most critical years of development.

This report reinforces what a growing body of evidence tells us, there is a strong correlation between the socioeconomic disadvantage of a community and the developmental outcomes of the children in that community. Children's developmental outcomes are shaped by the broader conditions in which they grow up, including housing, income security, health, community infrastructure, social connection and access to opportunity. An effective response must be holistic, build from community strengths and work with this complexity, as demonstrated by the experiences of communities such as Logan, East Bairnsdale and Mt Druitt, and the leadership of Aboriginal and Torres Strait Islander communities.

Australia is at a unique moment for reform with policy opportunities to move beyond fragmented responses and build a more equitable early years system. This is the opportunity to shape policy, funding, infrastructure and services around a shared goal: ensuring every child has the foundations they need to thrive.

This requires a deliberate focus on equity. It means directing additional investment and support to communities facing the greatest barriers, ensuring our funding systems enable quality service provision in all communities, addressing the structural conditions that shape children's opportunities, strengthening ACCOs, improving accessibility for CALD families, building more coordinated responses in rural and remote communities, and creating integrated systems that are easier for families to navigate.

Unequal beginnings are not inevitable. With sustained commitment, coordinated action and a willingness to place children's wellbeing at the centre of policy and investment decisions, Australia can build an early years system in which every child can develop their capabilities, realise their potential and contribute fully to their communities regardless of where they grow up.

Future work needed

Increased engagement with communities

More research is needed to understand the experiences of children and families living in highly disadvantaged communities, and what additional supports, services and approaches could make a material difference in their lives. Ongoing engagement with communities with high early childhood disadvantage is critical, and will help to better identify local strengths, needs and service gaps. Co-developing solutions with communities will increase the likelihood that supports will be appropriate, taken up by the people living there and effectively respond to need.

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Data

Currently, there is a paucity of detailed and joined-up data on the quality, quantity and participation in early childhood services. Higher-quality data is needed to ensure children experiencing disadvantage are able to access the services they need to help them thrive.

Improved data can also ensure that government and private investments in the early years space are being used efficiently. Governments should take the lead in the collection and analysis of data related to current needs and service supply. Furthermore, making this data available to those engaged in planning and delivery services and help drive local service improvement.



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Appendix 1: Data sources used in methodology

The analysis combined seven main data inputs, summarised in Table 9:

Table 9: Key data sources used within the modelling

Source	Purpose
ABS Socio-Economic Indexes for Areas (SEIFA) deciles	SEIFA is a series of indexes that are measured for areas, that provide insight on the socio-economic attributes of an area. There are several indexes available, with this analysis focussing on Index of Relative Socioeconomic Disadvantage (IRSD). IRSD is a number between 1 and 1,000 that describes an area's relative level of socioeconomic disadvantage. This report uses data from 2021, the most recent at time of publication.
Australian Early Development Census (AEDC) results by SA2, focused on the percentage of children developmentally vulnerable on two or more domains (DV2+) in 2021 and 2024	The Australian Early Development Census is data collected on developmental vulnerability in children starting their first year of full-time school. It assesses children's level of vulnerability as Vulnerable, At Risk, or On Track on 5 domains (physical health and wellbeing, social competence, emotional maturity, language and cognitive skills, communication skills and general knowledge). It is collected every three years (2018, 2021, 2024). This report uses 2024 data. DV2+ is a key measure from AEDC. It reports the number and percentage of children who have been identified as vulnerable on two or more domains. In this analysis, areas are deemed to have high early childhood disadvantage if they are classified as SEIFA deciles 1-4, and more than 10% of children in the area identified as DV2+%.
ABS Regional Population by Age and Sex estimated resident population data	Used to understand the size of the population – including children aged 0-6 – in each SA2.
ABS 2021 Census TableBuilder and Census DataPack extracts for child population and selected cultural and language indicators	To understand the degree of cultural and linguistic diversity in communities, we used Census data indicating the proportion of the population that speaks limited/no English and speaks another language at home.
ABS Estimates of Aboriginal and Torres Strait Islander Australians	Used to understand the size of the Aboriginal and Torres Strait Islander population in each community.
ABS *Counting by families* Census 2021 dataset	Provides information on the number of families who have a low income, have parents that are unemployed, or live in social housing.

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