

Submission to Senate inquiry:

State of Australia's early childhood education and care system in rural, regional and remote communities



The Early Learning and Care Council of Australia (ELACCA) welcomes the opportunity to provide a submission to the Senate Inquiry into the **State of Australia's early childhood education and care system in rural, regional and remote communities**.

About ELACCA

The Early Learning and Care Council of Australia (ELACCA) was established to promote the value of quality early learning and care as an integral part of Australia's education system. Our 16 CEO members include some of the largest early learning providers in the country, representing both not-for-profit and for-profit services.

ELACCA members offer one-quarter of all the long day care and preschool/kindergarten places in Australia. Together, our members serve 221,149 children and their families, and employ more than 58,738 staff, across Australia. Our members operate a total of 2,383 early childhood education and care (ECEC) services, including 2,002 long day care services, 304 preschool/kindergarten services and 77 OSHC services, covering every state and territory.

As well as promoting the value of quality early learning and the need for greater public investment, ELACCA advocates for the right of all children to access quality early learning and care, particularly children facing disadvantage. We do this by drawing on the knowledge and practical experience of our members and representing their views to decision makers in government, the media and the public.

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Thank you for considering our submission.

Introduction

Early childhood education plays a fundamental role in the lives of Australian children: it contributes to the development of healthy brains and bodies, improves cognitive and language outcomes, supports social development and helps prepare children for school (Love et al, 2002; Elliott, 2006). Longitudinal studies, such as the Perry Preschool Study, also clearly demonstrate that early childhood education brings a range of positive lifelong impacts, such as higher levels of education and employment, lower rates of incarceration and better health (Garcia et al, 2023).

The National Quality Framework (NQF) is a comprehensive system that sets out the quality benchmarks, assessment criteria and minimum requirements for early childhood education and care (ECEC) services in Australia. The NQF is designed to standardise quality, provide consistency across jurisdictions and ensure that children's learning is aligned with their developmental needs. The NQF has played a crucial role in enhancing the quality of early childhood education and care within Australia.

However, the early education opportunities for Australian children vary widely across the country, with remoteness a key factor in determining access. Many children living in rural and remote communities do not have equitable access to quality early education and care. Some larger regional cities and towns are oversupplied with ECEC places; supply in some ECEC services is doubly constrained by workforce shortages; and some smaller and remote towns in 'thin markets' are undersupplied. The types of barriers and shortages that can prevent children from rural, regional and remote communities participating in early education and care include:

- the limited availability of ECEC services in many rural, regional and remote areas
- affordability, which has been compounded in Australia's current cost-of-living crisis and is particularly impacting families on low incomes
- a shortage of qualified early childhood educators
- geographic isolation and the absence of reliable public transport, making it difficult for children to attend an ECEC service regularly
- limited access to support services, such as allied health professionals, for children in need (e.g. speech and occupational therapists, psychologists, etc.).

The Australian Early Development Census (AEDC), which measures children's development as they enter their first year of school, has found that where a child lives can affect how well-prepared they are for the first year of school. All six rounds of AEDC data collection (i.e. from 2009-2024) demonstrate that children living in regional and remote locations generally have higher levels of developmental vulnerability than children living in major cities (2025: 23).

Although developmental vulnerability is, sadly, increasing for children who live in major cities (an increase from 20.8% in 2021 to 22.5% of children in 2024), the difference between children living in cities and children living in remote areas is still significant. In 2024, there was a 13.3 percentage point gap between children with a developmental vulnerability living in major cities (22.5%) and those who lived in remote communities (35.8%) (2025: 27). The gap in developmental vulnerability between children living in major cities and remote/very remote communities is largest for the *language and cognitive skills* (school-based) domain, with a difference of 12.2 percentage points (2025: 25).

Research shows that high-quality early learning is a powerful tool in overcoming children's developmental vulnerability. Increasing the rate of participation in early learning is therefore a

strategy that can ameliorate the inequity in child outcomes that persists for children living in regional and remote communities (Wong et al, 2023: 218).

In order to redress the poorer outcomes experienced by children in regional and remote communities, the Australian Government needs to invest in a broad range of strategies to remove the current barriers that prevent them from enrolling and participating in early childhood education and care and also to promote the benefits of early learning to families and communities.

ELACCA members have considerable experience in operating ECEC services in rural, regional and remote communities. Our members operate a total of **638 services** in rural, regional and remote Australia. Using the Australian Statistical Geography Standard (ASGS) remoteness classification. These services include:

- 446 service in **inner regional Australia** (18.7% of member services)
- 172 services in **outer regional Australia** (7.2% of member services)
- 11 services in **remote Australia** (0.5% of member services)
- 9 services in **very remote Australia** (0.4% of member services)

This submission draws on ELACCA members' experiences in providing early education and care services in regional and remote areas throughout Australia. We focus on outer regional, remote and very remote locations – although we acknowledge that access to ECEC services can also be constrained in some inner regional areas.

Given the focus of this inquiry – the Australian Government's Child Care Subsidy (CCS) system – our submission does not address State and Territory provision of preschool and kindergarten services. However, we note that preschool and kindergarten services are vitally important sites for early learning in many regional, rural and remote communities, and that governments would do well to adopt a more community-centred, place-based approach to ECEC funding and provision. Bridging the gaps between funding systems could only help to ensure better ECEC services for children in these communities.

Consolidated list of recommendations:

1. That the Australian Government and the ECEC sector develop the existing evidence base for under-served regional and remote ECEC service delivery through the following activities:
 - Consult with regional and remote communities about the types of ECEC services and delivery models that would suit their needs.
 - Consult with approved providers that currently deliver ECEC services in regional and remote areas about service delivery models that are successful.
 - Invest in the independent evaluation of existing ECEC models and services in regional and remote areas.
2. That governments at all levels invest in the design and delivery of place-based ECEC services that meet the needs and preferences of rural, regional and remote communities.
3. That governments and large regional employers invest directly in housing in rural, regional and remote areas, in order to attract early childhood educators to these areas.
4. That reform of the Inclusion Support Program considers the challenges experienced by services in rural, regional and remote communities and identifies innovative responses, to make effective inclusion support available to all children, regardless of where they live.
5. That the Australian Government invests in the development of a virtual mentoring program for educators in rural, regional and remote locations, addressing key issues, such as inclusive practice.
6. That the Australian Government:
 - Reviews the CCS hourly rate cap to ensure that it aligns with the recommendations of the 2024 Productivity Commission review.
 - Develops service-level loadings for higher ECEC delivery costs, to address differences based on location, community profile and child cohorts.
7. That the Australian Government uses data collected for the Service Delivery Prices project to determine any future fee caps under the WRP program, to ensure that fee increases reflect actual increases in the cost of service provision.
8. That governments in Australia establish a National Early Childhood Education and Care Commission, to play a role in monitoring the supply and demand of ECEC services to ensure that services are established in places where families need them most.
9. That the Australian Government folds the CCCF and CCCFR programs into a larger ECEC Development Fund, as recommended by the Productivity Commission, to provide ongoing block funding for services that are deemed necessary for the community, but financially unviable.

A) ECEC service gaps across rural, regional and remote Australia

Although the number of approved ECEC services has increased significantly over the past decade – from 15,400 in 2016 to 18,136 on 1 July 2026 (ACECQA, [NQF Snapshot](#), 2016-26) - this growth has occurred predominantly in major metropolitan centres and inner regional locations. The growth in outer regional and remote areas has been much smaller, with the number of services in very remote areas actually decreasing by 10.7% since 2016.

Growth in ECEC services 2016-2026

	2016 Q2	2026 Q2	Increase	% increase
Major cities	11175	13242	2067	18.4%
Inner regional	2611	3203	592	22.6%
Outer regional	1234	1328	94	7.6%
Remote	213	214	1	0.4%
Very remote	167	149	-18	
TOTAL	15,400	18,136	2,736	17.7%

Source: ACECQA, [NQS Snapshot](#), excludes services with no ARIA classification

The Productivity Commission's report demonstrated that the incidence of "childcare deserts", with more than 3 children per approved ECEC space, was considerably higher in outer regional and remote markets than in major cities or inner regional markets (2024: 305).

Families living in smaller rural and remote areas of Australia often have limited or no access to early learning services for their children. The establishment of centre-based day care services is limited in such regions due to a number of factors, as outlined by the Productivity Commission (2024: 29):

- In many regional communities, the demographic and economic fluctuations make ECEC services financially unviable.
- In remote communities, the population is spread over a large area and service delivery is challenging.
- In First Nations communities, Aboriginal Community Controlled Organisations (ACCOS) can experience specific funding challenges when delivering services. The current funding system is overly narrow and siloed, and limits ACCOS' "capacity to deliver holistic, child-centred services needed to support Aboriginal and Torres Strait Islander children and families to thrive" (SNAICC, 2024: 11).

Establishing an ECEC service in some regional or remote communities can involve substantial initial investment (in infrastructure, for example), as well as persistently higher operational costs that can be attributed to transport costs, as well as lower and fluctuating enrolment numbers. As a result, thin markets in regional and remote areas can be both expensive and unpredictable.

Why does it cost more to run an ECEC service in a rural, regional or remote area?

One of ELACCA's not-for-profit members, which runs a number of ECEC services in remote areas, estimates that the cost of running a service in these areas is double the cost of operating a

service in a major city. The high cost of running a service in a non-metropolitan area is due to issues such as:

- high transportation costs, particularly for resources such as food (which often have to be brought in) as well as challenges for both families and workforce in accessing a service that is a substantial distance from where they live
- smaller enrolment numbers (which make operating services in these areas less attractive providers)
- difficulty attracting and retaining qualified educators
- infrastructure deficiencies and gaps.

In order to improve access to ECEC services for these communities, governments (both the Australian Government and State and Territory governments) need to collaborate and invest in the establishment of new services, as well as providing ongoing operational subsidy funding for the continued delivery of early learning. In some areas, additional funding (such as workforce incentives or capital grants) will also be required.

Service models for rural, regional and remote locations

A specific issue that hampers ECEC provision in under-served rural, regional and remote areas is the limited evidence about what can be done to improve access to quality early education and care in these locations (AERO, 2025: 8). ELACCA therefore strongly supports further consultation with under-served regional and remote communities about their specific needs, as well as consultation with approved providers about innovative solutions to the multiple operational challenges that are experienced by ECEC services in these communities.

Recommendation 1: That the Australian Government and the ECEC sector develop the existing evidence base for under-served regional and remote ECEC service delivery through the following activities:

- **Consult with regional and remote communities about the types of ECEC services and delivery models that would suit their needs.**
- **Consult with approved providers that currently deliver ECEC services in regional and remote areas about service delivery models that are successful.**
- **Invest in the independent evaluation of existing ECEC models and services in regional and remote areas.**

Place-based solutions

Children and families who live in regional and remote areas of Australia need access to readily available, quality and affordable early childhood education and care. However, it is important to recognise that regional and remote communities vary greatly and have specific and individualised needs. Place-based approaches to early learning in these areas of Australia are therefore essential. Place-based ECEC services are designed collaboratively with communities and respond to their localised needs. In smaller communities, where centre-based services may not be viable, other service models may be more appropriate, or ongoing subsidies needed, to make a formal care service viable. Place-based approaches are typically characterised by:

- ongoing collaboration with local families to ensure that the service meets their needs – i.e. if the community includes migrant workers, can they access the service and is it affordable for them?
- ongoing dialogue between Government and providers to ensure that supply of both places and workforce is sufficient to meet community needs.
- place-based pedagogy, which emphasises the connection between learning and the physical environment and promotes respect for cultural diversity and inclusion.

ELACCA members that operate ECEC services in regional and remote areas confirm that providers need to take place-based approaches in these communities, and that an innovative solution to early learning delivery in one community may not always work in another.

Recommendation 2: That governments at all levels invest in the design and delivery of place-based ECEC services that meet the needs and preferences of rural, regional and remote communities.

B) Challenges in attracting, training and retaining a qualified ECEC workforce in these communities, including the role of wages, housing, transport and career development opportunities

Workforce shortages have plagued the ECEC sector over recent years, but these shortages are acute in some regional and remote areas. Services in these areas find it difficult to attract staff, due to the limited availability of housing and transportation. They also encounter challenges with retaining qualified staff, as many who move to regional and remote areas cite the lack of access to professional development opportunities as an additional reason for leaving positions at ECEC services. An additional challenge in some jurisdictions is that provisionally registered early childhood teachers require mentoring and sign-off from experienced colleagues in order to obtain full teacher registration; however, this type of professional support is often unavailable in regional and remote locations.

An ELACCA member based in Queensland operates a rural service which has been unable to recruit an early childhood teacher (ECT) for over 500 days, despite offering a substantial salary and additional subsidies to support the increased cost of living in this community. Consequently, the service has been unable to run a Free Kindy program for the same period. The impact of not being able to offer Free Kindy for this community is significant, as it means that none of the children living in this area have access to 15 hours of free preschool every week in the year before they start school. The Free Kindy program fosters foundational literacy and numeracy skills in children, as well as building their social and emotional confidence to enable them to transition successfully to primary school. If children cannot access preschool, they may find it difficult to develop the skills they need to thrive at school – such as being independent, making new friends, or forming a sense of belonging with the school community.

ELACCA members also pointed out that ECEC services in regional communities are losing staff to other professions. While many educators leave ECEC for the school sector, an increasing number are also being recruited into other industries. Large regional employers such as mining companies, for example, are now targeting women in their workforce campaigns. This naturally creates competition for the regional educator workforce, particularly if the conditions and pay are better in these industries than in ECEC.

Research conducted in 2023 (Wong et al, 2023: 225) identifies a number of workforce issues in regional and remote areas that adversely affect children's participation in early childhood education, including:

- the disparity between pay and conditions for ECTs and their counterparts in the school sector, which contributes to a higher rate of attrition of ECTs
- a shortage of suitable housing for educators
- professional isolation and lack of access to professional development opportunities.

ELACCA members who were consulted for this submission reported that a suite of factors, aligned with the issues outlined above, are responsible for ECEC workforce shortages in regional and remote communities. They stated that the combined impact of comparatively low pay rates, a lack of housing, as well as the increased compliance burden that educators have experienced over the past 9 months, have amplified workforce stress and made it even more difficult to attract and retain staff.

"We have several kindergartens in regional areas that now face staffing issues on a regular basis. There are no relief staff. If a staff member is sick, then the centre has to close. The situation is very challenging."

ELACCA member

The professional isolation of educators working in regional and remote communities was also highlighted by ELACCA members as an important issue. Because there are so many educator vacancies in regional and remote Australia, and approved providers are eager to fill roles in order for services to remain viable, the people who apply for these positions tend to be educators with less professional experience and skills. This is not necessarily problematic, but for these staff to gain professional expertise and knowledge, they need access to quality mentoring and supervision – and this type of professional guidance is frequently unavailable in services that are small, geographically isolated and under-staffed. Limited access to professional development has significant impacts on both workforce attraction and retention.

As one ELACCA member commented during this consultation, the most important input is staffing, and simply having another staff member to work alongside them is the single biggest factor that supports educators currently working in regional and remote Australia.

Housing

The lack of access to affordable and appropriate housing in regional and remote Australia is a major contributor to ECEC workforce shortages in these communities. Housing in regional and remote areas is in short supply due to the high costs of construction and under-investment, which means that housing stock falls far short of demand. As educators earn modest wages, they can easily be out-priced in regional areas when rents surge. Consequently, educators often live outside of the communities where they work and commute long distances on a daily basis. This can then lead to stress and burn-out, resulting in educators resigning and leaving the sector.

One ELACCA member spoke about the innovative solutions that were alleviating some of this pressure, including developing partnerships with other stakeholders – such as employers or local councils – to address the housing shortage. In one regional community, for example, this provider supported their Centre Director to collaborate with the town's major employer (a mining company) to provide 10 subsidised houses for early childhood educators. This then allowed the ECEC

service to attract the staff they needed. The employer also benefitted, as it enabled them to retain staff with young families.

Inclusion support

AEDC data clearly show that childhood developmental vulnerability is a significant issue in regional and remote communities. For many children aged 0-5 living in these areas, active participation in early childhood education depends on effective inclusion supports. However, this support is exceedingly difficult for services located in regional and remote areas to access – due to the lack of allied health practitioners outside major cities, long wait lists and also the fact that educators working in regional and remote ECEC services have fewer opportunities to undertake professional development in inclusive education.

Large providers seek to resolve this crisis through the provision of inclusion support teams that travel to regional areas. These teams triage children's needs and provide immediate support but then depart – leaving educators to deal with complex situations on their own for the majority of the time. This can be particularly stressful for educators who provide care for children with complex medical needs or behavioural issues and receive little external support.

Recommendation 3: That governments and large regional employers invest directly in housing in rural, regional and remote areas, in order to attract early childhood educators to these areas.

Recommendation 4: That reform of the Inclusion Support Program considers the challenges experienced by services in rural, regional and remote communities and identifies innovative responses, to make effective inclusion support available to all children, regardless of where they live.

Recommendation 5: That the Australian Government invests in the development of a virtual mentoring program for educators in rural, regional and remote locations, addressing key issues, such as inclusive practice.

C) The effectiveness of the Child Care Subsidy (CCS) in reducing out-of-pocket costs for families with low or variable wages in rural, regional and remote communities, and whether the existing CCS structure reflects the costs and desired models of care in these areas

The demand-based funding system underpinned by the Child Care Subsidy (CCS) has supported a significant increase in ECEC places for children across Australia, but this increase has been uneven. While many communities in both metropolitan and regional Australia enjoy good access to ECEC places, some areas are under-supplied (Productivity Commission, 2024: 305). ELACCA supports the CCS as the primary mainstream funding mechanism for ECEC, but with significant improvements along the lines recommended by the Productivity Commission in 2024.

The Productivity Commission found that the CCS had improved affordability of ECEC overall, but this effect was muted over time by cost increases (2024: 346-347). Affordability was a particular challenge for low-income households, with the Commission recommending that the CCS rate be increased to 100% to remove cost as a barrier for low-income households (359, 383). Low-income families are disproportionately located in regional Australia, and ELACCA would strongly recommend that CCS rates be increased for low-income households.

In the past two years, the Australian Government has addressed ECEC affordability for families by capping fee increases as a condition of services receiving the Worker Retention Payment. This policy direction has coincided with approved providers of ECEC services grappling with substantial and sustained increases in operating costs. Some of these cost increases are driven directly by governments (through regulatory changes), while others are a result of the surge in inflation. Key increases include:

- inflation surging to 4.6% by March 2026, well ahead of the 4.2% cap on fees mandated by the Government
- award wages increasing by 4.75% in 2026, combined with increases of 20-30% in workers' compensation levies in the larger States
- increased labour costs, as regulators impose more conditions on services
- increases in State regulatory fees, of up to 1100% in some jurisdictions
- increased training costs due to new mandatory training requirements
- cuts to preschool operating grants in New South Wales and Victoria
- significant increases in insurance costs and property maintenance costs
- increases in payment processing costs.

One ELACCA member, a for-profit provider which operates multiple ECEC services in regional Victoria, pointed to the escalation of costs in this jurisdiction as a reason why providers are often cautious about opening new services in regional markets, where service delivery costs are generally higher than in metro areas:

"The combination of [extremely high rates of] payroll tax and increases to service approval application fees act as a deterrent to providers who may be considering opening new services in regional and remote locations."

ELACCA member

CCS data released by the Australian Department of Education in September 2026 show that, nationally, 43.3% of Centre Based Day Care Services had an average hourly fee that was over the hourly fee cap (Australian Government, Dept of Education, 2026). Charging fees that are above the hourly fee cap means that the CCS does not cover a substantial part of fees, which increases out-of-pocket costs for families. As a result, access to early childhood education and care can become unaffordable for many families on low incomes.

Prior to the introduction of the CCS, funding for some rural and remote ECEC services was provided via the Budget Based Funding (BBF) program, which offered reliable block funding to services to cover operational costs. Changes to the BBF funding system were introduced in 2017 and were a response to "concerns that the BBF model was not responsive to a service's needs, including that services were not receiving additional funding as more children attended, and that funding was inequitably distributed across services" (Deloitte, 2024:11).

The transition to an enrolment-based funding model has proven challenging in communities where the population fluctuates or is highly dispersed, as is common in remote areas of Australia. Attendance rates of children at ECEC services in these communities often drop at particular times of the year (due to seasonal work, for example, or extreme weather events), which means that enrolment-based funding does not offer a consistent level of support.

During periods when enrolment is typically lower, services may find that they are unable to meet their basic operational costs – such as building maintenance, staff wages and utilities. As recognised by the Productivity Commission, an alternative funding model, which involves coordinated investment from both State and Australian governments, is required to ensure that ECEC services continue to operate in thin markets in regional and remote areas.

The current Service Delivery Prices (SDP) project provides the ideal opportunity to review the true cost of ECEC provision in rural and remote parts of Australia. We may find that a ‘CCS-plus’ model is required, to deliver additional funding to services in some communities.

Recommendation 6: That the Australian Government:

- **Reviews the CCS hourly rate cap to ensure that it aligns with the recommendations of the 2024 Productivity Commission review.**
- **Develops service-level loadings for higher ECEC delivery costs, to address differences based on location, community profile and child cohorts.**

Recommendation 7: That the Australian Government uses data collected for the Service Delivery Prices project to determine any future fee caps under the WRP program, to ensure that fee increases reflect actual increases in the cost of service provision

D) The effectiveness of existing Commonwealth programs and investments aimed at improving ECEC access in rural, regional and remote communities

Australian governments have historically not intervened in the supply of early childhood education and care services. Except in the case of government-owned and -operated services, they have allowed the market (developers and providers) to determine supply. Establishing a National Early Childhood Education and Care Commission that would play a role in monitoring supply and demand is a proposal that ELACCA supports.

In the absence of a Commission, there are two main grant programs that are designed to address undersupply in rural, regional and remote communities:

Building Early Education Fund (BEEF)

The Australian Government’s Building Early Education Fund (BEEF) is rolling out infrastructure to address undersupply issues in regional and remote areas. However, the program provides an ongoing form of support rather than a wholistic solution to the current supply and access issues in these communities. (The BEEF grant program is also at an incipient stage, with many grants newly acquired or still processing. The long-term impact is yet to be evidenced.)

Providing financial support for physical infrastructure through the BEEF program is much needed in regional and remote Australia, but this measure alone will not solve early learning access and participation problems faced by these communities. Broader sector issues, such as workforce attraction and retention, are also significant barriers to ECEC attendance and participation in regional and remote Australia. Even with initiatives such as the Worker Retention Payment program in place, regional ECEC services still find it difficult to attract and retain staff.

Community Child Care Fund and Community Child Care Fund Restricted grants

Community Child Care Fund (CCCF) and Community Child Care Fund Restricted (CCCFR) grants have been moderately effective at keeping ECEC services open in disadvantaged

communities, many of which are located in regional and remote areas of Australia. However, current funding levels are generally insufficient to address the entrenched disadvantage that contributes to poor developmental outcomes for children aged 0-5 in these communities.

Services that receive these grants are typically located in communities that experience high levels of vulnerability and disadvantage, including,

“... families experiencing financial hardship (often extreme), mental health issues, intergenerational trauma, systemic racism, government reactions to “transience” (i.e. children who move between communities with family for cultural obligations), children with disabilities or complex/additional needs and insufficient supports, remote and isolated communities, overcrowded housing, families with substance misuse issues, families with low levels of education, families with English as a second language, children being impacted by family violence, children being removed by child protection, children in out of home care, and migrant or refugee families.”

(Deloitte, 2024: 81)

As a result of this complexity, the delivery of ECEC by the services eligible for CCCF and CCCFR grants needs to be co-designed with their communities.

A review of the CCFR grant program conducted in 2023 concluded that, although the CCCFR grant was designed with the aspiration that CCCFR services would transition to a mainstream funding environment:

“... only a small number of CCCFR services would be financially sustainable under the present mainstream options of CCS plus ACCS [Additional Child Care Subsidy] and parental fees alone... A significant portion of the current gap between what the grant supports and the roles CCCFR services are mandated to fulfil in their communities is being filled by alternative funding sources or the decision of staff and educators to volunteer their personal time. However, relying on these factors is unsustainable, and the existing gaps are anticipated to expand.”

(Deloitte, 2024: xiii)

CCCF grants also lack predictability and certainty. ELACCA understands from discussions with some of its members that providers who have previously been successful in CCCF grant rounds have failed to secure funding this year. Reporting on the number of grants awarded, and to whom, is currently unavailable, contributing to further frustration with the program.

The Productivity Commission recommended that the CCCF be rolled into a more effectively funded ECEC Development Fund, which would provide additional support in markets where ECEC providers are unlikely to invest. This support could include ongoing block grants to cover capital and operating costs where the level of demand is too low to support all the costs of operating a service (Productivity Commission, 2024:325).

Recommendation 8: That governments in Australia establish a National Early Childhood Education and Care Commission, to play a role in monitoring the supply and demand of ECEC services to ensure that services are established in places where families need them most.

Recommendation 9: That the Australian Government folds the CCCF and CCCFR programs into a larger ECEC Development Fund, as recommended by the Productivity Commission, to provide ongoing block funding for services that are deemed necessary for the community, but financially unviable.

Conclusion

Children who live in rural, regional and remote communities are often unable to access quality early childhood education. This lack of (or more limited) access to early learning has significant implications for both children and their families: children who have not actively participated in early childhood education can start their first year of school with increased developmental vulnerabilities, while families are unable to participate in the workforce and are financially disadvantaged.

In universal terms, the CCS is well-designed as a funding system that can meet the needs of most ECEC services. However, it is not able to support ECEC delivery in some locations (based on location and community need); and its effectiveness depends on the adequacy of its hourly rate. For these reasons (and others), the current SDP project is an important opportunity to determine the real cost of delivering safe, high-quality ECEC services in a range of communities, including regional, rural and remote. Australia's ECEC funding system needs to include greater flexibility and responsiveness, to meet the needs of all children and families.

Although there are a number of government grant programs designed to improve access to early childhood education in regional and remote locations, these resources do not cover the high operational costs of these services. ELACCA urges the Australian Government to invest in reform that can deliver innovative, place-based models of ECEC services, responding directly to the individualised needs of these communities.

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