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

Committee: Education and Employment References Committee

September 2026

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Acknowledgement of Country

The National Rural Women's Coalition (NRWC) acknowledges the Traditional Owners of the land on which we work and live. We pay our respects to Aboriginal and Torres Strait Islander Elders past, present and future. We value Aboriginal and Torres Strait Islander histories, cultures, and knowledge. We extend our respect to Aboriginal and Torres Strait Islander women who for thousands of years have preserved the culture and practices of their communities on Country. This land was never surrendered, and we acknowledge that it always was and always will be Aboriginal land. We recognise that Aboriginal and Torres Strait Islander people must lead the design and delivery of services that affect them for better life outcomes to be achieved.

About the National Rural Women's Coalition

The National Rural Women's Coalition (NRWC) is a national advocacy organisation representing women in regional, rural and remote (RRR) Australia. We support policies that enhance gender equity, social inclusion, and economic participation, particularly for women and children in under-resourced areas.

We play a critical role in advancing gender equity in health, education, and economic opportunities for women and children in RRR Australia. The NRWC works to amplify the voices of RRR women, ensuring that their unique challenges, such as limited access to services, geographic isolation, and economic disparities are understood, highlighted and addressed through policy advocacy, emancipatory programs and initiatives. By focusing on intersectional barriers like gender, location, and socio-economic status, the NRWC strengthens RRR women's capacity to influence system change, advocating for gender-responsive policies, and economic empowerment initiatives. This work is crucial because RRR women often face greater inequities and have access to fewer resources than their urban counterparts. The NRWC therefore, engages in targeted action essential to achieving true gender equity and social inclusion across Australia.

The NRWC works tirelessly to address systemic disparities in all aspects of women's lives in RRR Australia. We advocate for women, their children, families and communities arguing that gender is not an incidental label which confines and erodes choice, but it is the result of entrenched power structures that marginalise certain people, especially in RRR communities. Addressing these inequities requires targeted policy interventions that actively dismantle structural oppression and promote meaningful inclusion, ensuring that all women in RRR communities, particularly those historically disadvantaged, have equitable access to resources and opportunities.

The NRWC's represents women, in all their diversity, living in rural, regional and remote Australia and is supported through peak member organisations, Australian Local Government Women's Association, Australian Women in Agriculture, National Rural Health Alliance, Women in Seafood and Transport Women Australia Limited.

Executive Summary

The National Rural Women's Coalition welcomes the opportunity to draw attention to the ongoing, systemic barriers to providing adequate, high quality and affordable childcare for rural, regional remote women and their families.
NRWC welcomes the Federal Government's commitment to improving access to childcare with the 3-Day Guarantee, and to address longstanding undervaluation of the female dominated early childhood workforce.

However, the dispersed population and high operating costs of delivering childcare in rural areas, means new, targeted approaches are needed. Due to the clear market failure, there is a role for stronger government intervention, either through more direct management of services or through targeted financial incentives that address the higher operating costs, more flexible models, the need for new infrastructure and staff recruitment. The In-Home Care program which is designed for remote families (as well as shift workers and children with complex needs), is underutilised due to lack of affordability. With some minor adjustments, it could become more accessible to many more rural and remote families. Similarly, some changes to Family Day Care arrangements, and funding for smaller, community-based, short term, occasional or co-located services could enable wider access in regional, rural and remote areas.

In 2024, NRWC joined an alliance of 76 organisations - the Access for Every Child Coalition - releasing a joint statement calling on the Commonwealth Government to implement six actions to ensure all children in regional, rural and remote areas receive equitable access to early education.[i] This submission restates our support for tailored solutions including investment in new facilities, incentives to overcome operating cost barriers in rural and remote areas, as well as dedicated First Nations child care services.

The NRWC again calls on the Commonwealth Government to:

1. Fund establishment of new ECEC centres in identified 'childcare deserts', ideally co-located with key industries, schools or employment providers.
2. Introduce financial incentives to attract and retain skilled staff in rural areas
3. Subsidise ongoing operating costs for a range of service models (i.e. community based, occasional. short term, onsite) in regional, rural and remote areas.
4. Increase funding for culturally safe First Nations ECEC centres in key identified locations.
5. Review eligibility for in-home and family day care operators in the ECEC Worker Retention Payment
6. Increase CCS hourly price cap for in home care

1. The extent and nature of ECEC service gaps across rural, regional and remote Australia, including long day care, family day care, in-home care, outside school hours care and preschool/kindergarten programs, relative to geographic distribution and community need;

Families living in rural, regional and remote Australia do not have consistent access to ECEC. An estimated 24% of Australia does not have access to ECEC (and effectively live in 'childcare deserts').[ii] Childcare deserts are disproportionately located in rural and regional areas and where there are higher proportions of children and families on lower income or below the poverty line.[i] Specifically, lack of childcare accessibility is more pronounced in regional towns, where demographic and economic fluctuations can make ECEC provision unviable, in remote communities, where the population is dispersed over a large area and service delivery is challenging and in Aboriginal and Torres Strait Islander communities, where Aboriginal Community Controlled Organisations may face challenges delivering services.[ix]

Evidence suggests that families experiencing socio-economic disadvantage and those living in regional and remote locations are under-represented in childcare services rated as high-quality.[iii] The Productivity Commission has also noted that lower quality services are more prevalent in regional and remote areas. [viii] This is likely due to lower demand and competition for services, as well as difficulties recruiting and retaining skilled staff in rural and remote areas.[vi] These barriers present challenges in delivering equitable standards of ECEC in rural, regional and remote areas.

The In Home Care program, which is designed for remote families, shift workers and children with complex needs is chronically under-subscribed. The program is expensive, difficult to access and carries high administrative burdens on families.[iv] The lack of affordability is likely due to the fact that although the program attracts the Childcare Subsidy, the hourly price cap does not adequately account for the significantly higher costs to the provide this kind of care.[v]

Caring for children is the number one reason why women are not in paid work.[vi] In addition to lack of childcare, rural workers face barriers to employment including fewer job opportunities and seasonal employment. In some cases, low staffing rates and high workloads compromise workplace flexibility, which is especially problematic for women, who are more likely to have caring responsibilities.[vii] For rural women, additional barriers to paid employment include lack of childcare options as well as travel distances to school and childcare (if it is available). Lack of high-quality ECEC prevents women from increasing their participation in the paid workforce and increasing their financial security. A 2024 survey by the Parenthood found that 86%

of regional, rural and remote parents struggling to access care face financial stress as a result.[viii]

The benefits of high-quality ECEC are strongest for disadvantaged children. At the same time, these same children are often less likely to be able to access high quality and affordable childcare. The 2024 Productivity Commission report found that one in four three-year-olds and one in 10 four-year-olds were not enrolled in ECEC. These families were more likely to live in regional or remote areas, or to find services unaffordable or unable to cater for their child's needs.[ix]

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

The difficulties attracting and retaining adequately qualified childcare staff is well documented.[x] High turnover and workforce shortages are attributed to several reasons including lack of liveable wages and the demands of the role. Low wages, low professional status, and lack of pay parity with school teachers are among the barriers impacting attraction and retention.[x]

While the ECEC Worker Retention Payment goes some way to address this system-wide issue, additional barriers remain for regional, rural and remote areas, including geographic isolation and lack of affordable housing and other services and infrastructure. Ability to attract and retain skilled staff is a key barrier to childcare provision in rural and remote areas.[xi]

Research shows the impact of these barriers, for example, staff turnover of early childhood teachers and educators has ranged between 20 to 37 per cent per year, with the lower figure more representative of metropolitan based services, and the higher representative of rural and remote services.[xii] The proportion of services with a staffing waiver (an exemption for staffing requirements that is considered a marker of staffing issues) is also correlated with remoteness. [xiii]

Lack of childcare options also compounds workforce challenges in other industries in rural and remote areas. Lack of childcare may prevent women living in the community from returning to work and simultaneously prevent new families moving to the region either for lifestyle choice or to fill specific skill gaps (i.e. health workers).

3. 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 Child Care Subsidy does not overcome the fundamental issue of lack of service accessibility. The cause of lower service accessibility is well documented with multiple co-occurring factors such as high operational costs, workforce shortages, and infrastructure gaps. These issues also rarely exist in isolation, and instead intersect and intensify, creating compounded challenges for communities.[xiv]

Cost barriers to providing childcare in rural, regional and remote locations include both capital infrastructure costs, and ongoing higher operating costs. Fundamentally, this problem comes down to the population base being spread across large geographic areas making services unprofitable. Services cannot generate the economies of scale (enough children) and higher fees that support business development in urban areas.[xv] Compounding these cost barriers are difficulties attracting, accrediting and retaining skilled staff in regional, rural and remote areas. Specific interventions that are needed to overcome these barriers include:

- Financial incentives to attract and retain skilled staff in rural areas
- Developing integrated early childhood facilities in priority rural locations, i.e. 'shared service' models with kindergartens, schools, or large employers
- Introducing incentives for providers in rural childcare deserts to cover higher operating costs.
- New capital infrastructure grants for facilities in rural and remote childcare deserts.

The Parenthood has similarly called out the need for new approaches, noting that

"Australia's current ECEC system is failing to meet the needs of regional, rural and remote families. The existing market driven approach, which prioritises areas with higher demand and where families have a higher capacity to pay - typically urban and higher socioeconomic locations - leaves other communities behind."

The 2024 Productivity Commission Report identified the need for direct funding support for regional and remote areas where supply side measures such as the CCS are not adequate to ensure provision of services. [ix]

Additionally, consideration should be given to seasonal workers who have a variable income and may not require care through the year at set times. Measures to expand Family Day Care services and support less formal childcare arrangements in community settings may also be a way to address some gaps. One Family Day Care service in rural Western Australia developed an in-venue care model across multiple small towns, where family day care educators operated out of existing community

buildings.[xvi] To enable greater flexibility of family day care, the Productivity Commission recommended the expansion of family day care availability, by allowing two family daycare services to be run in a single venue in regional and remote areas.[ix] This would allow two educators to provide education and care to up to 14 children at any one time at an approved family day care venue.[ix] On site community childcare has also been developed in some areas in response to lack of formal options. One service in the Blue Mountains area provides co-working spaces with onsite childcare, operating under voluntary mobile creche care guidelines. This service is advocating for sustainable funding opportunities to ensure it can continue.[xvii] Commonwealth funding for flexible and occasional childcare services is needed to meet the needs of regional, rural and remote communities. Expanding regulations to account for smaller, and sometimes short-term services that are not operated out of purpose-built centres is essential to meet the needs of smaller communities.

4. The effectiveness of existing Commonwealth programs and investments aimed at improving ECEC access in rural, regional and remote communities;

One specific program that is used by families in remote areas is in home care, which is funded by the government under specific circumstances including remoteness, shift work, and complex medical needs.[xviii] The wage increases for the childcare sector apply to in-home childcare workers, but until recently, the price protections that apply to long day care centres through the Worker Retention Payment did not apply to home care, placing these families at risk of even higher childcare costs.[xix] While the recently announced grants package for in home care[xx] go some way addressing the cost pressure caused by wage increases, it is unlikely to provide a long term solution.

The sustainability of this program should be addressed with longer term structural reform. For example, the CCS does not reflect the true cost of in-home care, leaving services and families to absorb the gap.[xxi] As a result, many eligible families are priced out of the care they need. This affordability problem is demonstrated by low uptake; with roughly 35 per cent of program's 3,200 places are filled.[iv] Under the current CCS cap, IHC services are struggling to recruit and retain educators, manage compliance, and maintain safety systems. Providers operating at a loss reduce placements or leave the program, shrinking access for families.[xxi] Three separate reviews have identified affordability as a barrier to accessing the in-home care program.[xix]

Family Day Care Australia has also raised concerns about operator eligibility for the Worker Retention Payment, which is currently for FDC employees (where the vast majority of FDC operators are independent contractors and small business

operators).[xxii] Similar concerns apply for in home care workers, the vast majority of whom are contractors.[xx]

5. The challenges that Aboriginal community-controlled organisations face in providing access to ECEC services for Aboriginal and Torres Strait Islander communities; and

Access to high-quality, culturally competent ECEC services is particularly important for First Nations children. There is evidence that First Nations families may experience barriers to accessing ECEC including language barriers, cultural disconnect and mistrust of service providers. Culturally sensitive early learning programs lead to better outcomes for First Nations children, including:

- Improved developmental outcomes
- Cultural identity and resilience
- Family and community strengthening[xxiii]

Because approximately 59 per cent of First Nations people live outside major cities and First Nations people make up roughly 30 per cent of the population in remote and very remote areas[xxiv], advocating for culturally appropriate childcare services for First Nations women and children is a critical concern for NRWC.

6. Any other related matters.

Women and their families living in rural, regional and remote Australia are at higher risk of being hospitalised from domestic violence.[xxv] State level data suggests overall prevalence of domestic violence is also higher in rural areas.[xxvi] One of the biggest barriers preventing survivors of domestic violence from leaving abusive partners is the financial ability to support themselves and their children. Victim-survivors need affordable, flexible, and reliable childcare, housing, and transportation to create a pathway to safety and stability for themselves and their children. Without access to childcare, survivors are unable to look for work, attend job interviews, or go to work or school.[xxvii] Additionally, high-quality childcare can protect children who are experiencing violence at home, by improving access to support services, reducing contact with perpetrators and offering the opportunity for strengthened emotional wellbeing.[xxviii]

Recommendations

The NRWC calls on the Commonwealth Government to:

1. Fund establishment of new ECEC centres in identified 'childcare deserts', ideally co-located with key industries, schools or employment providers.
2. Introduce financial incentives to attract and retain skilled staff in rural areas
3. Subsidise ongoing operating costs for a range of service models (i.e. community based, occasional. short term, onsite) in regional, rural and remote areas.
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6. Increase CCS hourly price cap for in home care

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