

Senate Education and Employment References Committee

Inquiry into the state of Australia's early childhood education and care system in rural, regional and remote communities

Submitted by



CONTACT

Tina Holtom, Chief Executive Officer
tina@childaustralia.org.au
Suite 4, 183 Great Eastern Highway,
Belmont WA 6104
1300 66 11 64 | childaustralia.org.au

Child Australia acknowledges the Traditional Custodians of the lands and waters on which we work, and pays respect to Elders past and present. We acknowledge the enduring knowledge Aboriginal and Torres Strait Islander families hold about raising strong children.

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SECTION 01

Who We Are

- 1 Child Australia has worked with children, families and early childhood professionals since 1987, when we began as the Resource Unit for Children with Special Needs. The work has changed in size and shape, but the purpose has not. We exist to make sure children can enter an early childhood setting, belong there, and be supported by educators who have what they need to do the work well.
- 2 We come to this inquiry as both a provider and a sector support organisation. We operate services ourselves, so we know what it means when a room is licensed but cannot open on Monday morning because an educator cannot be found. We also work alongside other services across Western Australia and the Northern Territory, including in places where the market model has never been able to carry the weight placed on it.
- 3 Child Australia operates 15 education and care services. Twelve are in the Northern Territory - eight outside school hours care services across Darwin, Palmerston and rural Darwin, and four early learning centres, including the Larapinta Child and Family Early Learning Centre in Alice Springs. Three are in Western Australia - two early learning centres and one outside school hours care service at Lockridge and Landsdale. Approximately 200 people work for us.
- 4 Alongside those services, we run a mobile children's service from South Hedland that takes an education and care program to remote Aboriginal communities across the West Pilbara, funded by the National Indigenous Australians Agency because the mainstream subsidy system cannot fund a service of that shape. In Darwin, we work with Bagot Community Aboriginal Corporation on outside school hours care, an early learning program named Bambatj Learning by the community, school attendance and a walking bus. We deliver HIPPY in Geraldton and recently transitioned the Hedland HIPPY to Aboriginal Community Controlled Organisation Julyardi.
- 5 With BHP funding we run Thriving Futures, a workforce development program now in its seventh year across the Pilbara and Goldfields. We also coordinate the Pilbara Waja Collective, which brings 47 organisations together around children and families in the Pilbara. Until 31 May 2026 we ran a Western Australian Government funded program supporting not-for-profit early childhood education and care services across the Great Southern, Peel, South West and Wheatbelt. That funding has now ended.
- 6 This submission draws on published national evidence, on regional audits and government data, and on Child Australia's direct experience in Western Australia and the Northern Territory. Where we rely on internal records or unpublished local evidence, we say so.

The Argument in Short

- 7 Since 5 January 2026, every Child Care Subsidy eligible family has had a base entitlement of at least 72 hours of subsidised early childhood education and care a fortnight, and the previous activity test no longer governs those base hours. Aboriginal and Torres Strait Islander children hold a base entitlement of up to 100 hours a fortnight regardless of their family's recognised activity. Those reforms were right. We supported them and advocated for them.
- 8 But an entitlement is not a place. It does not open a room, house an educator, train a director in Newman, keep a service operating through another wet season, or persuade a family in a remote community that this time the program will still be there next year. In much of rural, regional and remote Australia, families now hold a clearer entitlement than the local system can honour. The distance between the promise and the place is what this submission is about.
- 9 The national picture is not ambiguous. Between 2020 and 2024, places per child grew by 13.2% in major cities and by 7.6% in remote Australia. Remote Australia sits at 0.321 places per child and very remote Australia at 0.330, which is at or below the threshold used to define a childcare desert. Around 24% of Australians still live in childcare deserts, and about 700,000 live in areas with virtually no access to childcare. The headline improvement hides a widening geographic divide.
- 10 The Western Australian and Northern Territory picture is sharper still. In the Kimberley there are 912 approved long day care and outside school hours care places, but only 708 are operating. There are 991 children on waitlists and 697 children under five in remote communities with no service. In Hedland, services are approved for 368 places but can staff 291. In Newman, an outside school hours care service had 25 children waiting before it opened. These are not abstract shortages. They are parents declining shifts, women leaving work, employers unable to recruit, and children missing the early learning that would help them arrive at school ready.
- 11 Nothing in this submission asks for lower standards, weaker ratios or lighter child safety obligations for regional communities. We would oppose that. A place that cannot be staffed safely was never a real place. Our argument is the opposite: quality and access fail together and recover together. The Commonwealth should stop treating supply as something that will appear if families are subsidised enough, and should fund the conditions that make a safe, staffed, culturally secure place possible.

Recommendations

1

RECOMMENDATION 1

Establish a Regional and Remote Access Guarantee

Where the Three Day Guarantee cannot be met by locally available and staffed places, government should commission or provide supply against a published trigger.

2

RECOMMENDATION 2

Fund regional stewardship and local supply data

Publish annual data by remoteness on approved places, staffed places, waitlists, service openings and closures, and workforce vacancies.

3

RECOMMENDATION 3

Scale the ECEC Development Fund

Use multi-year place-based agreements that can combine capital, establishment funding, operating viability, workforce, housing, transport, digital connectivity, inclusion and disaster resilience.

4

RECOMMENDATION 4

Make early childhood a key worker housing category

Add educators, teachers, directors and trainees to Commonwealth and State key worker housing schemes, and fund place-based workforce pipelines tied to housing, mentoring, paid training and retention.

5

RECOMMENDATION 5

Adjust CCS and Worker Retention Payment settings for regional cost

Introduce a regional loading or equivalent adjustment to CCS hourly rate caps, and apply the same regional cost logic to Worker Retention Payment fee-growth rules.

6

RECOMMENDATION 6

Fund Aboriginal community-controlled integrated early years services properly

Implement the dedicated, single-source, block-based funding model recommended by SNAICC in 2024.

7

RECOMMENDATION 7

Fund regional inclusion partnerships

Cover outreach allied health, telepractice where appropriate, educator coaching, backfill, specialist visits and family support.

8

RECOMMENDATION 8

Support compliance without weakening safety

Provide proportionate implementation support for small regional services while maintaining all child safety, quality and reporting obligations.

SECTION 04

The Gap Between the Promise and the Place

- 12 Families do not experience early childhood policy as an hourly rate cap, a subsidy percentage or a grant round. They experience it as a yes or a no. Can I get care in this town? Can I add a day? Can I work a shift that finishes after school? Can my child with developmental delay attend and stay? Can my family trust this service to be here next year?
- 13 In many communities the answer is still no. A Pilbara parent told us she waited nearly three months to add one day a week to her child's enrolment. That one day was the difference between four days of work and three. In Karratha, a provider we work with has been taking three to six months to fill a single educator vacancy. In Port Hedland, three services are running above 95% occupancy and cannot take many more children. These details matter because they show what the national averages flatten.
- 14 Nationally, Australia has added places, and that should be recognised. The Mitchell Institute found that the proportion of Australians living in childcare deserts fell from 36% to almost 24% between 2020 and 2024, and that around 80,000 additional places were created. Yet the growth has been concentrated in metropolitan and major regional areas. Over the same period, remote areas grew least. A family in a very remote area is now much more likely to live in a childcare desert than a family in a major city.
- 15 The shape of the sector tells the same story. At 30 June 2025, 72% of ECEC services were in major cities, 25% in inner and outer regional Australia and 2% in remote and very remote Australia. Of the children using subsidised care in the December quarter of 2023, only one in a hundred lived in a remote or very remote community. Yet developmental vulnerability rises with remoteness. In the 2024 Australian Early Development Census, 22.5% of children in major cities were developmentally vulnerable on one or more domains, rising to 25.6% in inner and outer regional Australia and 35.8% in remote and very remote Australia.

What a Region Looks Like When Someone Counts

- 16 The Kimberley Development Commission's 2024 childcare audit is one of the most useful pieces of evidence available to this inquiry because it counted what national datasets often cannot see. It counted the difference between approved places and operating places. That is the difference between supply on paper and supply that a family can use.

KIMBERLEY FINDING	WHAT IT SHOWS
912 approved long day care and OSHC places, 708 operating	About one fifth of approved capacity is not operating.
991 children on waitlists	Demand is visible, immediate and local.
697 remote children under five with no service	Some communities have no access at all, not merely long waits.
82% of surveyed services reported waitlists	The shortage is regional, not isolated to one town.
65% reported waits of 12 to 24 months	Families are being asked to plan employment around a place that may not arrive for two years.
3.34% of school-age children attend OSHC, compared with 34.4% nationally	Outside school hours care is a workforce participation issue, not a side issue.
32 additional staff needed, including nine early childhood teachers	The infrastructure problem cannot be separated from workforce.

- 17 In Hedland, Child Australia's 2024 analysis found more than 350 children on waitlists. Approved capacity was 368 places, but operating capacity was 291. The difference is an artificial cap created by workforce. Active development approvals could add 354 places, and family day care could add another 95, but only if the region can find roughly 80 additional educators. This is the ratio too often missing from announcements...one educator can make up to ten places usable, depending on the room configuration and the age of children.
- 18 That distinction should sit at the centre of the Committee's report. A region may have approved places, buildings, development approvals and demand, and still not have a real place for a child. National data should distinguish between capacity that is unused because families do not need it and capacity that is unusable because it cannot be staffed.

What Services and Families Told Us

- 19 Child Australia's September 2026 regional ECEC stakeholder survey was not designed to replace national data. It was designed to listen for what national data misses. The same themes came back repeatedly - housing, wages, access to training, exhaustion, waitlists, funding gaps, paperwork, cultural safety, engagement with Aboriginal families, buildings, internet connectivity and the practical strain of keeping services open when every local system is short-staffed.

- 20 The survey and our direct regional work showed how quickly a single vacancy can become a community problem. An outside school hours care service in Newman had 25 children waiting before it opened. In Karratha, one provider reported taking three to six months to fill a single educator vacancy. In Port Hedland, services running above 95% occupancy had little ability to absorb additional children, even where families needed only one extra day. These are small numbers in national policy terms. In a town, they decide whether a parent can work.
- 21 Services also described the quiet workarounds that keep regional ECEC functioning including directors covering rooms, educators delaying training because backfill is unavailable, families changing work patterns around vacancies, providers paying housing subsidies out of operating budgets, and staff travelling long distances for training that could have been delivered locally. None of these workarounds is sustainable. They are signs of a system being held together by people rather than by design.
- 22 The Committee should treat lived regional evidence as more than anecdote. In thin markets, a handful of families on a waitlist, one educator vacancy, or one unfilled director role can change the operating capacity of the whole town. National averages are useful for trend, but local data is the only way to understand whether the Three Day Guarantee can be honoured in a particular community.

Western Australia and the Northern Territory Need Different Tools

- 23 Western Australia and the Northern Territory have particular significance for this inquiry because they combine distance, workforce shortage, high housing cost, Aboriginal community need and thin or absent markets. In the Pilbara and Kimberley, demand is tied to major industries, public services, Aboriginal communities and families who want to stay in place. In Central Australia and the Barkly, distance and poverty intersect with service fragility, workforce turnover and the need for culturally secure models of care.
- 24 Ownership shapes where services go. Private for-profit providers now operate 71% of long day care services nationally. In 2013 the figure was 60%, and since then 78% of new long day care centres have been opened by for-profit operators. The Australian Competition and Consumer Commission found that for-profit providers are responsible for almost all the growth in the sector while the number of not-for-profit providers has remained largely unchanged, and that margins are highest in major cities and more advantaged areas. Supply has followed the margin. For-profit providers hold 75% of long day care services in major cities and 58% in regional areas, but only 15% in remote and very remote Australia, where not-for-profits run more than two thirds of what exists. We do not say that as a criticism of for-profit providers. We say it because a market that concentrates where returns are highest will not deliver the places this inquiry is about, and no amount of demand-side subsidy will change that.
- 25 In the thin markets of Western Australia and the Northern Territory, a standard market response is not simply slow, it is often irrational. A provider considering a small remote service faces high establishment costs, high staffing risk, high housing costs, relief staffing difficulty, thin

enrolments, exposure to weather and transport disruption, and no guarantee that the CCS hourly rate cap will meet delivery cost. A not-for-profit may enter because of mission, but mission does not pay rent, insurance, relief staff or compliance costs indefinitely.

- 26 This is why the Commonwealth should avoid treating regional, rural and remote communities as one category. Inner regional growth corridors, mining towns, remote Aboriginal communities and isolated pastoral towns need different service shapes. Long day care, outside school hours care, family day care, mobile services, in-home care, occasional care, preschool and integrated family support may all be part of the answer. A useful funding model would be flexible enough to combine them around place, rather than forcing place to fit one template.

SECTION 05

Workforce and Housing Are the Same Problem

- 27 Everything in regional ECEC eventually arrives at the same point. You cannot open a room without an educator, and in the Pilbara, the Kimberley, Central Australia and the Barkly, you cannot keep an educator without somewhere to live.
- 28 Jobs and Skills Australia continues to identify shortages across the ECEC workforce. The 15% wage increase supported through the Worker Retention Payment was the right thing to do. It recognises that educators have been underpaid for years, and it matters. But in high-cost regional towns, a wage uplift alone does not create a rental property, reduce travel, make training available locally or keep a director from burning out under the combined weight of compliance, rostering, enrolments, pedagogy, buildings and community need.
- 29 Housing is now one of the clearest constraints on service growth. REIWA data shows a median house rent in the Pilbara of around \$1,250 a week in the period to August 2026. Karratha reached \$1,450 a week in the March quarter, with a vacancy rate reported at 0.1% at the end of April. In the Kimberley, Kununurra sits at about \$730 a week. Port Hedland's rent has moved differently, falling to \$950 in the March quarter, but the conclusion is unchanged. An educator on an award wage cannot compete in these markets against the resources sector.
- 30 Other essential workers are housed because government understands that hospitals, schools and police stations cannot operate if staff have nowhere to live. Early childhood educators are just as essential to a functioning regional economy. Without them, parents cannot work, employers cannot recruit, and families leave. Yet services are often left to solve housing alone. Ten Kimberley centres reported providing staff housing or a rental subsidy from their own operating budgets. That is a regional delivery cost being carried by services and hidden from Commonwealth funding models.

- 31 Industry has recognised this more clearly than policy settings have. In June 2026, through the Resources Community Investment Initiative, BHP announced a \$45 million regional and remote housing investment, including \$15 million to convert up to 40 vacant houses in East Newman into affordable accommodation for essential workers including childcare, retail and hospitality workers, and \$30 million for housing in remote Aboriginal communities. In April 2026, BHP also committed \$60 million to government and essential worker accommodation in Port Hedland alongside the State Government, Rio Tinto and Hancock Prospecting. These investments show the issue plainly: childcare is economic infrastructure.
- 32 A workforce policy for regional ECEC should therefore be a housing policy, a training policy and a retention policy at once. Paid traineeships, backfill, local training delivery, mentoring after employment starts, director support, professional development tied to wage recognition and relocation support should be funded as a package. Piecemeal programs lose people at the handover points.

SECTION 06

The Subsidy System Does Not Reflect Regional Cost

- 33 The Child Care Subsidy is designed around a national hourly rate cap. That is simple, but it does not reflect the actual cost of operating a service in a thin market where rents, freight, travel, relief staffing, professional development, repairs, insurance, cyclone preparation and compliance support all cost more.
- 34 Published cost data can mislead if read quickly. The Report on Government Services released in 2026 puts the median weekly cost of centre-based day care in 2025 at \$714 in major cities and inner regional areas and \$683 in outer regional and remote areas. That can look as though regional care is cheaper. In practice it often means services cannot charge what delivery costs because local families cannot pay it. The gap is absorbed until services cap their own capacity, rely on grants, defer work, or close.
- 35 The Worker Retention Payment has just been extended. The Bill that passed both Houses on 15 September 2026 adds \$3.6 billion over two years, extends support to 30 June 2028 and moves the special account's sunset from 30 June 2028 to 31 December 2029. It now reaches family day care and in-home care services that employ all their educators as employees, which matters in thin markets where those are sometimes the only models that work at all. We supported the extension. What follows is not an argument against it but we highlight the unintended consequences of the policy for organisations like ours.
- 36 The Worker Retention Payment shows the same problem in a different form. Services receiving the payment must comply with fee growth caps, including a 5.8% cap for existing participating centre-based day care and outside school hours care services from 8 August 2026 to 7 August

2027. That protects families from sudden increases, and that intention is sound. But a uniform percentage cap affects low-fee services differently from high-fee services. A 5.8% increase gives \$5.80 of headroom on a \$100 fee and \$9.28 on a \$160 fee. Services that kept fees low enter every future increase from a lower base, while still facing regional costs.

- 37 As an organisation we have historically kept our fees low, and that became a significant disadvantage with the introduction of the Worker Retention Payment. Our four mature early learning centres charge between \$118 and \$128 a day, which is \$23 to \$43 below the daily equivalent of the subsidy cap. Restraint is now a lower base for every future increase. A provider that was already paying above award carries that higher wage cost itself, because the payment cannot replace wages an employer was already funding.
- 38 The effect is visible in our financials, and we set it out here because a submission like this one is where it should be said. Total salaries in our largest entity rose by more than 40% in two years, from about \$7.6 million to \$10.7 million, while fees were capped. That entity moved from a surplus of about \$1 million in 2024 to a deficit of \$332,000 in 2026. Across the group, before investment income, operations run at a deficit of between \$250,000 and \$300,000 on a turnover of around \$26 million. We are not asking the Committee to solve our budget. We are pointing out that the providers most exposed to this design are the ones that held fees down for families and paid well above award for educators, and in regional Australia those are disproportionately the not-for-profits.
- 39 Rather than widen the deficit further, Child Australia will withdraw from the Worker Retention Payment when our current grant agreement ends in November. The wage increase does not end when the payment does. We will carry it ourselves, from fee revenue the same program has capped. We would ask the Committee to seek from the Department the number of providers that have withdrawn from the payment and where those providers are located.
- 40 Nor is the payment fully funded in practice. The amount a provider receives is set by a formula tied to child attendance, while the wage increase must be paid to every eligible contracted employee regardless of how many children were booked on a given day. A comparable large regional not-for-profit has confidentially reported a gap of about 15% between its actual eligible cost and the formula payment. Implementation has been unfunded as well, with back pay across two financial years, repeated rate changes and reclassification all absorbed by providers.
- 41 The cap also defers a problem rather than solving it. The longer fee growth is held below cost growth, the larger the correction families face when the program ends. Our own modelling puts that correction at about 12% for early learning and about 7% for outside school hours care, against the 5.8% cap. The point is not that families should pay more. The point is that a national model should not rely on families or small regional providers to absorb costs that arise because of geography. A regional loading or equivalent adjustment to hourly rate caps, and a regional cost test for Worker Retention Payment fee-growth settings, would be a more honest way to hold affordability and viability together.

Commonwealth Investment Needs a Different Delivery Model

- 42 The Commonwealth has begun to move in the right direction. The Building Early Education Fund is a \$1 billion investment, with \$500 million for capital grants and \$500 million for the Commonwealth to build, own and lease services. The Community Child Care Fund has extended some grants from two years to three. The Building Early Education Fund includes design features that matter, including priority for remote communities and funding ring-fenced for Aboriginal Community Controlled Organisations.
- 43 The problem is not intent, it is scale and mechanism. SGS Economics and Planning estimated in April 2026 that the January reforms alone would bring an additional 45,100 children into care and require about 27,200 additional places, at an estimated capital cost of \$155,000 a place, or nearly \$4.2 billion. A \$1 billion fund is significant, but it cannot meet the gap by itself, particularly if much of the ongoing operating risk is left to a market that has already shown it will not enter thin markets.
- 44 Recent announcements show both the value and the limits. In Western Australia, up to \$27.9 million of Commonwealth funding will support more than 140 ECEC places across four projects, including the Derby Early Learning and Family Centre. That centre is precisely the kind of model remote communities need - community-controlled, integrated with family services and built where there is unmet need. It is also one project in one town, expected to open in 2029, in a region where hundreds of remote children currently have no service.
- 45 In the Northern Territory, the Commonwealth has confirmed \$8.7 million for a new 60-place service at Manunda Terrace Primary School in Karama, with a Tennant Creek service also announced and details still being finalised. These are welcome investments and they also show why a standing access guarantee is needed. Families should not have to wait for occasional grant rounds or bespoke announcements to find out whether government will act where the market has not.
- 46 Other states already provide useful models. Queensland's State Delivered Kindergarten has a clear published trigger - it is offered in schools located at least 40 kilometres by road from the nearest approved kindergarten, in selected discrete Aboriginal and Torres Strait Islander communities, or in other communities where barriers to access exist. In 2024-25 it operated across 139 locations and served more than 850 children. South Australia publishes preschool market information by SA2 and directly delivers rural care programs through government preschools. Victoria has committed to 50 government-owned Early Learning Victoria centres by 2032, of which 18 are open and 40 have been funded in budgets to date.
- 47 Western Australia and the Northern Territory both deliver early childhood education directly, and that should be acknowledged. Western Australia runs kindergarten in its public schools. The Northern Territory Department of Education and Training is itself an approved provider under the National Quality Framework and operates 73 government preschools and six Child and Family

Centres, five of them in remote or regional Aboriginal communities. What neither jurisdiction has is the thing Queensland, South Australia and Victoria have built, and that is a standing rule that decides what happens when no provider comes forward. In Western Australia and the Northern Territory the response is project by project. Supply the land, supply the capital, contract a provider. That is how Derby and Karama are being built, and it works when a capable operator exists. It has no answer when one does not. The Commonwealth should not leave that gap in place.

- 48 The \$500 million build-own-lease component of the Building Early Education Fund is therefore critical. The Department of Education's published position is that an initial business case is being developed and next steps are subject to government decisions. No site has yet been announced under that component. The money exists. The mechanism needs to reach the places where a capital grant alone will not be enough.

SECTION 08

Aboriginal Community Controlled Services Must Be Funded for the Work They Actually Do

- 49 The access problem is inseparable from self-determination. SNAICC has reported that in 2024 there were only 107 Aboriginal and Torres Strait Islander community-controlled ECEC services in a system of roughly 18,000 services. That is about 0.59% of the sector. Childcare deserts overlap significantly with Aboriginal and Torres Strait Islander communities. That is not an accident. It is what happens when a market is allowed to organise itself around density, profitability and families who can pay.
- 50 The 3 Day Guarantee improves the entitlement side of the system for Aboriginal and Torres Strait Islander children, including by guaranteeing up to 100 subsidised hours a fortnight regardless of family recognised activity. But an entitlement does not solve the question of who delivers, whether the service is culturally safe, whether it is trusted, whether it is integrated with family support, and whether it can operate in a community where a standard centre-based model is not the right shape.
- 51 In July 2026, Closing the Gap Target 3 was reported as met nationally, with 101.7% of Aboriginal and Torres Strait Islander children enrolled in a preschool program in the year before school. That is important and should be acknowledged. The Productivity Commission also cautions that enrolment proportions can exceed 100% because the numerator and denominator come from

different sources, and that improved identification in administrative data can affect the result. More importantly for this inquiry, enrolment in preschool is not the same as access to ongoing early childhood education and care for children and families in remote communities.

- 52 In May 2024, SNAICC delivered a report to the Department of Education on funding model options for Aboriginal community-controlled integrated early years services. Its central finding was that current funding approaches are not fit for purpose. It recommended a dedicated model that is single-source, block-based and needs-based, with backbone support funding and base funding scaled according to population, remoteness and need. The Commonwealth should implement that model, with Aboriginal Community Controlled Organisations and Aboriginal peak bodies leading the design of implementation.
- 53 The funding model must also recognise that some of the services children need will not look like a standard long day care centre. Mobile services, occasional care, blended early years and family support models, transport, outreach and community development are not peripheral in remote communities. They are often the only realistic pathway to participation.

SECTION 09

Inclusion and Safety Need Regional Support, Not Regional Exemptions

- 54 Child Australia began with inclusion, and we return to it here because access is not only a question of vacancies. It is whether a child who needs more than the room can easily give can come, stay and be properly supported. The Australian Competition and Consumer Commission found that supporting children with disability or complex needs can carry higher provider costs, including additional staffing, specialised training and allied health. In a metropolitan service, proximity absorbs some of that cost. In a remote service, the speech pathologist may be hundreds of kilometres away.
- 55 The services we support ask for the same things year after year including speech pathology and occupational therapy that comes to them, inclusion support that arrives without months of paperwork, coaching for educators working with trauma and complex behaviour, and funded backfill so educators can train without leaving the room short. The Inclusion Support Program has a base of \$133 million a year. It received a further \$54.8 million in the 2026-27 Budget, on top of \$59.2 million at the 2025-26 Mid-Year Economic and Fiscal Outlook. There is still no dedicated regional or remote allocation within it that reflects the cost of allied health outreach, travel and backfill.

- 56 The same principle applies to child safety reforms. We support stronger safety requirements, higher penalties for serious breaches and stronger action against providers that repeatedly fail children. The question for small regional services is not whether obligations should apply. They should. The question is whether implementation support is proportionate to size, remoteness and administrative capacity. A small service in a remote town should not have to choose between time in rooms and time deciphering a changing compliance load without support.
- 57 Government should fund regional inclusion partnerships and compliance support as part of place-based access agreements. That would strengthen quality and safety rather than trade them off against access.

SECTION 10

The Pilbara Case Study

- 58 The Pilbara shows what happens when a community stops treating workforce as a recruitment problem and starts treating it as an ecosystem. It also shows the limits of what co-investment can do if housing and recurrent viability remain unresolved.
- 59 In 2020, childcare waitlists in Newman ran past eighteen months. Hedland services were operating below their licensed capacity because they could not staff the rooms. Families were waiting up to two years for a place. Employers could not recruit. Women in particular were reducing hours, declining promotions or leaving the region because the care system could not support work.
- 60 Thriving Futures began in July 2020 as a partnership between Child Australia and BHP. It was not built as a recruitment campaign. It was built around the educator. The Educator Recognition Program supports people already working in the sector through continuing professional development, wage recognition, scholarships, mentoring, career pathways, relocation and retention support. The Academy supports people who are curious about the work but not ready to commit to a qualification, combining short workshops, online modules, work placements, incentives and a traineeship pathway. Each participant has a mentor, and that mentor stays with them after employment starts.
- 61 Around the workforce program, Child Australia provides onsite business and practice support to centre directors, and coordinates the Pilbara Waja Collective. The Collective brings 47 organisations together across early childhood services, schools, Aboriginal organisations, local government, industry, training providers and regional development bodies. It is the kind of regional stewardship often assumed to happen by goodwill. In practice, it is skilled work and it needs to be funded.

SOURCE	OUTCOME RECORDED
Western Australian Government Resources Sector Awards for Excellence 2025	Childcare waitlists reduced by 75% in Newman and 52% in Port Hedland. 67 jobs created. 39 scholarships and training pathways provided for local women. Community Partnership Award to BHP and Child Australia.
BHP, August 2025	\$3.9 million current commitment over three years, from March 2025 to February 2028, across five participating centres in Port Hedland and Newman.
Child Australia program records since July 2020 to 2025.	67 candidates employed, 79 actively mentored and 39 scholarship recipients. The Academy included 35 students and 12 graduates, with 83% of graduates employed at participating centres. The Educator Recognition Program included 74 participants, 93% reporting they were motivated to stay, and all reporting higher satisfaction.

- 62 The headline lesson is simple. The places already existed, they were licensed, built and empty. What made them real was not a construction program but the activation and retention of people. That does not make capital unimportant. Hedland still needs more places. Newman still needs care. Remote communities outside the main towns remain largely untouched by this model and need different service shapes. But the Pilbara shows that staffed-place activation can be faster and more cost-effective than waiting only for new builds.
- 63 It also shows what co-investment should and should not be. BHP's investment added to public responsibility; it did not replace it. The places and workforce benefits were not restricted to one employer's workforce, so the benefit reached the whole town rather than one payroll. Those two conditions should be built into any national co-investment framework. Without them, co-investment can narrow access while appearing to widen it.
- 64 The limits are just as important. Housing remains unresolved. Recurrent viability remains unresolved. The coordination itself is fragile. The Pilbara Waja Collective's January to July 2026 reporting records that participation was affected by staffing changes, workforce movement, competing priorities and lack of capacity. Four meetings were held in the first reporting period against nine scheduled for the year. That is not a failure of goodwill. It is what happens when regional stewardship is treated as an add-on rather than core infrastructure.

What Should Happen First

- 65 The Commonwealth should identify where the Three Day Guarantee cannot currently be met by staffed local supply and publish that assessment. It should fund regional stewardship and shared demand data in priority regions, beginning with the Pilbara, the Kimberley, the Goldfields, Central Australia and the Barkly. It should direct immediate help to services that are operating below licensed capacity because they cannot staff existing rooms.
- 66 Housing and workforce pilots should be started in the same places, with early childhood educators, teachers, directors and trainees included in key worker housing. The Building Early Education Fund business case should be required to explain how the build-own-lease component will reach remote Western Australia and the Northern Territory, not only outer suburbs or larger regional markets. The Development Fund should be scaled and redesigned so one place-based agreement can cover the real cost stack: capital, establishment, operating viability, workforce, housing, inclusion, transport, connectivity, safety and coordination.
- 67 The Committee should be wary of any answer that separates affordability from supply, supply from workforce, workforce from housing, or access from culture and inclusion. Regional families live those things as one system. Policy should meet them there.
- 68 The activity test no longer controls the base entitlement, and that is real progress. What remains is the harder work of building the supply, workforce, housing and community-controlled models that make the entitlement real. The market will not do that work by itself in the Pilbara, the Kimberley, Central Australia or the Barkly. It never has.

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Recommendation Map

RECOMMENDATION	PRIMARY EVIDENCE BASE	IMPLEMENTATION FOCUS
1. Regional and Remote Access Guarantee	3 Day Guarantee, Mitchell Institute access data, Queensland SDK model	Publish trigger and commission services where supply is absent.
2. Regional stewardship and supply data	Kimberley audit, Hedland analysis, Goodstart occupancy and unmet demand data	Annual SA2-level reporting on staffed places and waitlists.
3. Scaled ECEC Development Fund	Building Early Education Fund, SGS capital estimate, state direct provision models	Multi-year place-based agreements covering full cost stack.
4. Workforce and housing package	Pilbara and Kimberley workforce shortages, REIWA rental data, BHP housing investment	Key worker housing and local workforce pipelines.
5. Regional cost adjustment	ROGS cost data, CCS hourly rate caps, Worker Retention Payment fee caps	Regional loading or equivalent adjustment to caps and fee rules.
6. ACCO-led early years model	SNAICC 2024 funding model report, Closing the Gap data	Single-source block funding scaled to population and remoteness.
7. Regional inclusion partnerships	ACCC cost findings, ISP funding, provider experience	Allied health outreach, coaching, backfill and family support.
8. Compliance support	National safety reforms, regional service capacity	Maintain obligations and fund implementation support.