NYLGA
NORTHERN & YORKE
LOCAL GOVERNMENT ASSOCIATION

Submission to the Standing Senate Committee on Education and Employment Inquiry into the State of Australia's Early Childhood Education and Care System in Rural, Regional and Remote Communities.

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Executive Summary

Northern & Yorke Local Government Association (N&YLGA) welcomes the opportunity to contribute to the Senate Education and Employment References Committee's inquiry into the state of Australia's early childhood education and care (ECEC) system in rural, regional and remote communities.

N&YLGA represents 15 local governments across the Northern and Yorke region of South Australia, including:

- Adelaide Plains Council
- Barunga West Council
- The Barossa Council
- District Council of Mount Remarkable
- District Council of Orroroo Carrieton
- Northern Areas Council
- Port Pirie Regional Council
- Clare & Gilbert Valleys Council
- Copper Cost Council
- District Council of Peterborough
- Light Regional Council
- The Flinders Ranges Council
- Wakefield Regional Council
- Yorke Peninsula Council
- Regional Council of Goyder.

The region encompasses a diverse network of regional centres, smaller rural communities, agricultural areas, coastal communities and remote locations.

While communities differ considerably in size and circumstances, they share a common challenge: the availability of early childhood education and care is increasingly important to population retention, workforce participation, economic development and the long-term sustainability of regional communities.

For Northern and Yorke communities, ECEC cannot be considered solely as a children's service. It is essential economic and social infrastructure.

In the lead up to the 2026 South Australian State Election, childcare was listed as number 2 in regional priorities after water. Refer to the 2026 State Elections Priorities document at this link.

Similarly, N&YLGA was crucial in applying for and supplying Stage 2 funding from the Local Government Association of SA for the Regional Childcare Desert Advocacy Project being conducted by the then Grey Electorate in consultation with regional councils. The region and its various stakeholder organisations and communities have been active in this space for a

number of years in an attempt to improve childcare and ECEC services across Northern and Yorke, as demonstrated by the following:

- Port Broughton Regional Childcare Advocacy Launch
- Council led campaign seeks more regional childcare funding
- Regions Unite to tackle Childcare Desert
- Barunga West Council takes the lead of childcare desert advocacy project
- Desperate for Change – Regional SAs Call for more Childcare
- Regional Childcare Desert Advocacy Facebook page.

Where families cannot access appropriate and reliable childcare, the consequences extend beyond individual households. Parents may be unable to participate fully in the workforce; businesses experience difficulty attracting and retaining employees; young families may choose to live elsewhere; and employers seeking to expand operations can face an additional barrier to recruitment.

These challenges are particularly acute in smaller communities where the population base may be insufficient to support a conventional long day care business model, yet the community nevertheless has a genuine and sometimes significant need for care.

N&YLGA considers that the Commonwealth's approach to ECEC in regional Australia needs to recognise that market failure can occur at a much smaller population scale than in metropolitan Australia.

A service that is economically marginal in a small regional community may nevertheless be critical infrastructure for that community.

N&YLGA recommends that the Commonwealth:

- Develop a specific rural, regional and remote ECEC funding and service-delivery framework
- Recognise the higher fixed costs and lower economies of scale associated with small-community ECEC services
- Review the Child Care Subsidy and associated funding arrangements to ensure they adequately support low-volume and geographically dispersed services
- Establish more flexible funding models for communities where conventional long day care is not viable
- Substantially strengthen regional ECEC workforce development, including local training and career pathways
- Address the interaction between ECEC workforce shortages, regional housing availability and transport

- Support innovative models including family day care, in-home care, mobile services, occasional care, multi-purpose children's centres and shared-service models
- Ensure that the rollout of three-year-old preschool in South Australia does not inadvertently increase pressure on an already constrained regional workforce
- Strengthen Aboriginal-led and Aboriginal community-controlled early childhood services where these are required by local communities
- Establish a formal mechanism for local government and regional representative organisations to contribute to regional ECEC planning and investment decisions.

N&YLGA further recommends that the Commonwealth develop a Regional ECEC Viability and Access Program specifically targeted at communities where population size, distance and workforce availability make conventional market-based provision difficult to sustain.

About Northern & Yorke

Northern & Yorke Local Government Association represents 15 member councils across northern and central South Australia.

The region includes a combination of regional centres, rural townships, agricultural communities, coastal communities and geographically dispersed settlements. The region's communities support significant agricultural, food, manufacturing, mining, tourism and other regional industries.

N&YLGA's role is to provide a collective regional voice for its member councils and advocate on matters that affect the economic, social and environmental wellbeing of their communities.

ECEC is a significant regional priority for N&YLGA advocating on behalf of its 15 member councils and their communities.

Access to early childhood education and care impacts:

- Participation in the regional workforce
- Attraction and retention of young families
- Population growth and settlement
- Business recruitment and expansion
- Women's workforce participation
- Access to education and training
- Regional housing demand
- Community viability

- Children's developmental outcomes
- The ability of communities to sustain essential services.

For these reasons, N&YLGA considers ECEC to be core regional economic and community infrastructure.

The Northern & Yorke Context

The circumstances of Northern & Yorke demonstrate why a uniform national ECEC model does not adequately address rural and regional needs.

In metropolitan areas, a family may have access to multiple providers within a relatively short distance. In regional and remote communities, there may be only one provider, or no conventional provider at all.

This creates a fundamentally different risk profile.

Where a metropolitan service reaches capacity, families may have alternatives. Where the only provider in a small town reaches capacity, has difficulty recruiting staff or becomes financially unviable, there may be no alternative within a practical travelling distance.

The closure or reduction of a single service can have a disproportionate impact on an entire community.

N&YLGA considers that ECEC policy needs to distinguish between:

Demand failure: where insufficient families require a service; and

Market failure: where families need a service, but the local population, workforce, cost structure or geographic circumstances make conventional provision financially difficult.

The second situation is particularly important in regional Australia.

ECEC as Economic Infrastructure

ECEC should be considered alongside other forms of regional enabling infrastructure.

Regional communities routinely identify roads, housing, health services, education, telecommunications and workforce availability as factors affecting economic development.

ECEC is increasingly part of the same equation.

A business considering establishing or expanding in a regional community needs access to workers. Those workers need access to housing, schools, health services and childcare.

Consequently, the availability of ECEC can influence whether:

- A parent returns to work
- A business can recruit a skilled employee

- A health service can fill a position
- A school can attract a teacher
- A farmer can employ seasonal workers
- A professional family relocates to the region
- A young family chooses to remain in the community.

For Northern & Yorke, this means that ECEC investment should be considered as part of regional economic development policy rather than as a standalone social program.

Service Gaps and the Problem of Small Communities

The inquiry's first term of reference asks the Committee to examine the extent and nature of ECEC service gaps across rural, regional and remote Australia.

N&YLGA considers that service gaps in the region are likely to manifest differently from those in metropolitan Australia.

The principal issue is not necessarily simply the number of childcare places, it is whether the right type of service is available, at the right times, in the right location and at a financially sustainable scale.

Regional families can encounter:

- Limited numbers of available places
- Waiting lists
- Limited operating hours
- Difficulties accessing care for infants
- Limited availability of before- and after-school care
- Limited vacation care
- Insufficient flexibility for shift workers and seasonal workers
- Lack of services for families requiring occasional care
- Long travel distances
- Limited family day care availability
- Workforce-related closures or reductions in capacity
- Services that are vulnerable because they operate at very small scale.

These issues can compound one another.

For example, a regional service may technically have available places but be unable to provide those places because it cannot recruit the required qualified staff. This is particularly evident at present for the Kadina Childcare Centre. The Centre is set to expand and increase places by 162, however there is a lack of skilled ECEC workers available to ensure compliance across the delivery of these available childcare placements.

Consequently, place numbers alone are an inadequate measure of regional ECEC access.

The Commonwealth should measure regional access using a broader framework that considers:

- Geographical accessibility
- Actual vacancies
- Waiting-list demand
- Operating hours
- Age groups served
- Workforce capacity
- Travel distance
- Service continuity
- Affordability
- The viability of the service provider.

Workforce

Workforce is arguably the most significant constraint facing regional ECEC provision.

The inquiry specifically identifies the attraction, training and retention of qualified ECEC workers, including wages, housing, transport and career development. These issues are particularly interconnected in regional communities.

A regional ECEC provider may be competing for workers with:

- Schools
- Health services
- Aged care
- Disability services
- Hospitality
- Agriculture

- Mining
- Local government
- Other community services.

Where the available pool of qualified workers is small, even one or two vacancies can materially reduce a service's operating capacity. The challenge is not simply remuneration. Potential workers may also face:

- Limited affordable housing
- Long commuting distances
- Limited public transport
- Limited professional development opportunities
- Partner employment constraints
- Limited access to higher-level qualifications
- Relocation costs
- Fewer opportunities for career progression.

The Commonwealth should seek to support a regional ECEC workforce pipeline, rather than relying predominantly on metropolitan-trained workers relocating to regional communities.

Build the Workforce Locally

N&YLGA supports investment in local ECEC career pathways.

Regional communities are more likely to retain workers who have:

- Grown up in the community
- Undertaken training locally
- Completed placements locally
- Established family and community connections
- Been offered a pathway into ongoing employment.

This suggests a stronger role for partnerships between:

- Local government
- TAFE SA
- Regional schools
- ECEC providers

- Universities
- Employment services
- Aboriginal organisations
- Regional employers.

N&YLGA supports the development of regional ECEC workforce hubs that combine recruitment, training, placements, mentoring and employment.

South Australia already provides examples of targeted support for regional workforce development. The Department for Education identifies specific support for people studying in regional and remote areas and provides funding and assistance for careers in early childhood education.

However, these initiatives should be integrated into a longer-term regional workforce strategy rather than operating as isolated programs.

Housing and Workforce Attraction

Housing is an important but often overlooked component of regional ECEC workforce policy.

A community may identify a qualified educator who is willing to relocate but find that the person cannot secure suitable and affordable accommodation.

This is not solely an ECEC problem. It is a broader regional housing issue.

Nevertheless, the Commonwealth should recognise that workforce housing can be a prerequisite for maintaining essential services.

N&YLGA recommends consideration of targeted workforce housing assistance for priority regional ECEC workers, potentially through partnerships involving:

- Commonwealth funding
- State Government programs
- Local government
- Community housing providers
- ECEC operators.

The Child Care Subsidy

The inquiry specifically asks whether the Child Care Subsidy adequately reduces out-of-pocket costs for families in rural, regional and remote communities and whether its structure reflects the costs and models of care required in those areas.

N&YLGA considers that affordability needs to be considered from both sides of the ECEC market.

For families, the issue is the cost of accessing care.

For providers, the issue is whether the revenue generated by the service is sufficient to cover the actual cost of providing care.

In a small regional community, a provider may face relatively high costs for:

- Staffing
- Relief staff
- Recruitment
- Professional development
- Transport
- Utilities
- Compliance
- Insurance
- Administration
- Maintenance
- Management.

At the same time, the service may have relatively few children over which to spread those fixed costs. This creates a structural problem that cannot necessarily be solved by increasing family demand alone.

N&YLGA recommends that the Commonwealth examine whether the current funding architecture sufficiently recognises minimum service viability in small communities.

Flexible Models of Care

A central finding for Northern & Yorke should be that there is no single appropriate ECEC model for all communities.

In some locations, a conventional long day care centre will be appropriate. In others, viable options may include:

- Family day care
- In-home care
- Occasional care

- Rural care
- Mobile or outreach services
- Shared services across neighbouring communities
- Integrated children's centres
- School-based models
- Community-owned services
- Partnerships between government, not-for-profit and private providers.

South Australia's existing rural care arrangements demonstrate that government systems already recognise the need for differentiated models. The Department for Education's Rural Care Program provides for services operating in circumstances where conventional arrangements may not be appropriate. The Commonwealth should build upon this principle.

Regional ECEC policy should fund the service model that works for the community, rather than requiring every community to conform to the same service model.

Three-Year-Old Preschool Reform in South Australia

The South Australian Government is implementing universal three-year-old preschool progressively from 2026 to 2032.

Importantly for Northern & Yorke, the rollout is commencing with regional and remote communities. The State Government has identified 41 regional and remote government sites among the initial 2026 rollout locations.

N&YLGA supports the principle of improved access to early childhood education. However, implementation must be carefully managed in regional communities.

There is a potential interaction between:

1. Expansion of preschool places
2. Existing ECEC workforce shortages
3. Competition for qualified educators
4. Limited training pipelines
5. Small regional labour markets
6. Existing childcare service viability.

The expansion of preschool should be accompanied by workforce and infrastructure planning at a regional level. The objective should not simply be to create additional places. It should be to create sustainable additional capacity without destabilising existing ECEC services.

Infrastructure and Capital Funding

Regional ECEC infrastructure faces the same challenge as service delivery: economies of scale. A community may require a purpose-built facility even though the number of children does not justify the capital investment under conventional metropolitan benchmarks.

N&YLGA recommends that Commonwealth capital funding recognise:

- Low population density
- Long distances
- Limited private investment
- Construction cost escalation in regional areas
- Small service populations
- Shared-use infrastructure
- The importance of multi-purpose community facilities.

There is considerable potential for integrated facilities combining:

- Preschool
- Long day care
- Occasional care
- Maternal and child health
- Family support
- Allied health
- Parenting programs
- Community services.

South Australia's emerging integrated hub model provides a useful example. Port Pirie West Children's Centre opened in late 2025 as the State's first government integrated hub, while the State's broader reform program includes further integrated hubs.

For regional communities, integrated infrastructure may provide a more sustainable model than separate facilities and services.

Aboriginal Communities

N&YLGA recognises the importance of culturally appropriate ECEC for Aboriginal children and families. The Senate inquiry specifically identifies the challenges experienced by Aboriginal community-controlled organisations in providing ECEC services.

Any regional ECEC strategy should:

- Support Aboriginal-led service delivery where appropriate
- Provide culturally safe services
- Support Aboriginal workforce participation
- Recognise the importance of local community governance
- Support Aboriginal organisations to develop service capacity
- Avoid imposing metropolitan service models on Aboriginal communities.

Partnerships with Aboriginal Community Controlled Organisations should be developed according to local community priorities rather than through a one-size-fits-all approach.

The Role of Local Government

Local government is often the level of government closest to the community's understanding of local service gaps.

Councils understand:

- Population change
- Housing development
- Local employment
- Transport
- Community facilities
- Infrastructure constraints
- Demographic trends
- Local businesses
- Community organisations
- Emerging service needs.

However, local government should not be expected to assume responsibility for funding or operating ECEC services simply because a market gap exists.

N&YLGA considers there is an important distinction between local government facilitating regional ECEC investment; and local government being required to subsidise an otherwise unviable national childcare system.

Commonwealth and State funding should remain the principal mechanisms for ensuring equitable access to ECEC.

Local governments can contribute through:

- Land and facilities
- Planning
- Community development
- Local workforce initiatives
- Economic development
- Coordination
- Advocacy
- Partnerships.

A formal regional planning role for local government would improve the effectiveness of government investment.

Recommendations

N&YLGA recommends that the Commonwealth:

Recommendation 1
Recognise ECEC as regional economic infrastructure

Recognise accessible ECEC as essential social and economic infrastructure necessary to support workforce participation, population retention, regional business and community sustainability.

Recommendation 2
Establish a Regional ECEC Viability Program

Establish a dedicated funding program for communities where conventional market-based ECEC services are not financially viable because of low population density, geographic isolation or high fixed costs.

Recommendation 3
Review funding for small services

Review Commonwealth funding arrangements to ensure they recognise the fixed costs and limited economies of scale associated with small regional ECEC services.

Recommendation 4
Fund flexible models

Increase support for family day care, rural care, occasional care, in-home care, mobile services, shared services and other locally appropriate models.

Recommendation 5
Develop regional workforce pipelines

Fund regional partnerships between ECEC providers, TAFE, schools, universities, local government and employers to recruit, train and retain local ECEC workers.

Recommendation 6
Address regional workforce housing

Develop mechanisms to support suitable housing for critical ECEC workers in communities experiencing workforce shortages.

Recommendation 7
Support regional professional development

Provide additional funding for professional development, mentoring and career progression for ECEC workers in regional and remote communities.

Recommendation 8
Coordinate preschool expansion with childcare capacity

Ensure the rollout of three-year-old preschool in South Australia is accompanied by regional workforce, infrastructure and service-capacity planning so that expansion does not unintentionally reduce existing childcare capacity.

Recommendation 9
Support integrated children's services

Prioritise investment in integrated children's centres and multi-purpose community infrastructure where these models are appropriate to regional communities.

Recommendation 10
Strengthen Aboriginal-led provision

Support Aboriginal Community Controlled Organisations to develop and deliver culturally appropriate ECEC services in accordance with local community priorities.

Recommendation 11
Measure access rather than places alone

Develop a national regional ECEC access measure incorporating vacancies, waiting lists, travel distance, operating hours, age-group availability, workforce capacity, affordability and service viability.

Recommendation 12
Establish regional planning partnerships

Create a formal mechanism for Commonwealth, State, local government and ECEC providers to jointly identify regional service gaps and prioritise investment.

Conclusion

For Northern & Yorke, the question is not simply whether children have access to early childhood education and care. The question is whether regional communities have reliable, affordable, appropriately located and sustainable ECEC services capable of supporting families, employers and communities over the long term.

The economics of regional ECEC are fundamentally different from those of metropolitan Australia.

Small populations, distance, workforce shortages, housing constraints and limited economies of scale can make a service essential to a community while simultaneously making it difficult for that service to operate on a conventional market basis.

Government policy must recognise that equity of access does not necessarily mean identical service models. Northern & Yorke communities require flexible, locally responsive and financially sustainable models of ECEC.

Investment in these services should be understood as investment in the future workforce, population and economic resilience of regional Australia.

N&YLGA encourages the Committee to recognise the particular circumstances of small regional and remote communities and to recommend a funding and service-delivery framework that ensures geography and population size do not determine a child's access to high-quality early childhood education and care.

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