



Committee Secretary
Senate Education and Employment Committees
Parliament House
Canberra ACT 2600

To whom it may concern,

RE: Inquiry into the quality and safety of Australia's early childhood education and care system

I welcome the opportunity to contribute to this inquiry. Access to quality, affordable, and safe early childhood education and care, including Outside School Hours Care, is critical for regional communities such as those I represent in Indi in northeast Victoria.

Families in Indi face acute challenges in securing care. Childcare deserts exist right across my electorate, with more than three children for every available place. Across regional Australia more broadly, childcare deserts occur at much higher rate than in metropolitan areas.

Childcare shortages exacerbate workforce shortages, hurt economic productivity, and reinforce gender inequality. For example, The Australian Bureau of Statistics has found that ECEC shortages are the number one barrier to workforce participation for women, compounding serious skills shortages across regional industries and economies.

Issues with the Community Child Care Fund

In this brief submission, I wish to raise serious issues relating to the provision of Outside School Hours Care (OSHC) in my electorate and across regional Australia. In Australia, the Community Child Care Fund (CCCF) is the principal source of Commonwealth funding for sustainability support for OSCH.

This funding keeps services open that would otherwise close, supports families who travel from small towns to work in the bigger regional centres, and additionally supports the viability of small rural schools. The simple fact is that without smaller, generally unprofitable OSHC services, rural primary schools would struggle to survive. Without access to this care, working parents could be forced to move their children to schools in the larger regional towns where they work, and thus putting in jeopardy the viability of the small rural schools. These are serious unintended consequences.

Last year, this outcome became a real possibility for several small rural schools in my electorate when Round 4 of the CCCF's Disadvantaged and Vulnerable Communities Grant revealed a **75 per cent cut in funding to Indi**. Long-standing providers in Yackandandah, Mount Beauty, Rutherglen, Greta Valley, Whitfield and Moyhu were all rejected despite demonstrable need. These services are small, community-run, and loved by their local community.

The closure of OSHC services in these towns would devastate families and local economies. Without care, parents, often mothers, must reduce hours or leave the workforce altogether. Children lose access to safe, structured environments that support their development. Local jobs are also lost.

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Understandably, communities in my electorate were highly distressed, with funding that had been received for more than a decade disappearing overnight. Providers told me that services would close within months if additional funding wasn't secured. It wasn't just an issue in my electorate, with hundreds of meritorious services missing out on funding in the last round.

Securing Emergency Support

While I understand the importance of competitive, merit-based funding programs, not every program is suitable for competitive processes. CCCF funding keeps services open in areas where it will never be profitable to provide care, and by withdrawing funding the Government risks significant harms to these communities.

So, upon discovering the issue, I worked directly with affected schools and communities, raising the matter in Parliament, in the local media, and with the former Minister.

Fortunately, we were able to secure emergency Special Circumstances grants totalling \$846,000 for all six services – once again demonstrating their genuine need for this funding.

While this was a lifeline, it is only a stopgap, requiring repeated applications that drain time and resources from people trained to provide high-quality care, not write grant applications. One provider I recently spoke to is compiling a second special circumstances application that is taking them away from what they should be doing: caring for our young people. This isn't fair, and we need a long-term solution.

I am proposing a simple, costed reform: **Amend the CCCF – Disadvantaged and Vulnerable Communities grants so that sustainability funding is delivered on a demand-driven basis, not through a competitive grants process.**

This means that if you can prove your service needs support to remain open, and you are the only provider in your region, then you will receive support. The Parliamentary Budget Office costed this reform at \$58 million to fully fund all 801 eligible applicants in Round 4.

This is a modest investment compared to the scale of the problem and would provide certainty for hundreds of services nationwide. The economic benefits would likely far outweigh the costs. Investing in high quality care benefits our prosperity now and into the future, a fact emphasised in recent inquiries by both the Productivity Commission and the Australian Competition and Consumer Commission.

Indi's experience shows both the failure of the current model and the potential of a better approach. I urge the Committee to recommend this change.

Yours sincerely,

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