

8 October 2024

Jay Weatherill
Thrive By Five

Dear Jay,

Re: THRIVE BY FIVE EARLY CHILDHOOD GUARANTEE BILL 2024

GrainGrowers welcomes the opportunity to comment on the Thrive by Five Early Childhood Guarantee Bill 2024.

GrainGrowers is a national organisation working to enhance the profitability and sustainability of Australian grain growers. We achieve this through our focus areas of policy and advocacy, grower engagement, thought leadership and active investment in future focused activities for all growers. Australian growers are at the heart of all that we do and the focus of our work.

GrainGrowers welcomes the efforts made by many advocates in this space, and in particular this initiative by Thrive by Five in developing a draft exposure bill for stakeholder consideration.

GrainGrowers believes that access to early childcare education and care (ECEC) is a universal right that should be available to all children and families in Australia regardless of their geographic location. GrainGrowers sees ECEC as a key workforce enabler, particularly enabling women in the rural, regional and remote workforce in a supply constrained labour market.

An excerpt for GrainGrowers policy position:

'Universal not Uniform': Access to ECEC is a universal right for all Australians. Families in rural and remote areas must be guaranteed access to quality ECEC. However, the method of delivery will require a focus on tailored place-based solutions in light of the geographic and economic diversity of rural and remote areas.

In the past, the Australian Government did provide some early childhood education and care (ECEC) services directly, particularly in the form of government-run kindergartens and childcare centres. This approach varied by state and territory, with some operating their own facilities.

However, over time, the focus shifted toward a mixed delivery model, emphasising private and community-based providers, with the Government support to these services through funding and subsidies rather than direct provision.

Although the Australian Government provides financial assistance to families via subsidies, like the Child Care Subsidy, which helps reduce the cost of care from private providers, GrainGrowers is of

the position that there is market failure in many regional and remote agricultural areas due to the economic viability of commercially run ECEC services being unfeasible. Due to this government should in certain circumstances be enabled via legislation to provide ECEC services.

The bill is a huge step forward and could benefit agricultural communities further with an added remit regarding rural and regional communities.

The reduction in costs for individuals and families to access early childhood education and care (ECEC) services via the bill is a welcome development. Lowering fees can enhance affordability and accessibility, allowing more families to enrol their children in quality programs but in some markets, particularly those in cropping areas, where the supply of ECEC services is already limited, reducing costs without corresponding supply-side interventions may inadvertently drive-up demand.

It should also be noted that a perverse outcome of lowering fees may in some cases, where existing providers cannot accommodate the increased enrolment, produce longer waitlists or reduced options, undermine the benefits of cost reductions. Therefore, while making ECEC more affordable is crucial, it is equally important to ensure that adequate supply exists to meet the heightened demand in these regions.

We also make reference to the recently released final report from the Productivity Commission's (PC) on early childhood education and care, where it explicitly states that "in persistent 'thin' markets or communities with complex needs, the Australian Government should provide additional funding to enable the establishment of appropriate services and, where necessary, ensure their ongoing viability."¹

Scope to expand the role and function of the proposed Australian Early Childhood Development Commission

We believe there is scope to expand the role of the proposed Australian Early Childhood Australian Early Childhood Development Commission in the bill to include:

- a specific additional regional, rural and remote focus on the availability of supply of ECEC in regional and remote agricultural areas.
- consideration and recommendation of where government service provision may be warranted in 'thin' markets where there is market failure to provide ECEC services.

Possible amendments (subject to re-drafting) could appear in the form below:

In section 11 "Functions of the Committee", in part 2, GrainGrowers offers the following suggestion for inclusion:

¹ [Inquiry Report - A path to universal early childhood education and care - Productivity Commission \(pc.gov.au\)](#)

-“(f) to advise the Commonwealth, State and Territory Governments on the creation and implementation of funding agreements specifically for ‘thin’ rural, regional and remote areas experiencing market failure.”

In part 4 (b) add section below:

-“iv. direct government provision of ECEC services in thin markets.”

We are grateful to be able to contribute to the consultation regarding this bill. GrainGrowers would welcome the opportunity to discuss these issues further. For further information GrainGrowers Early Childhood Education and Care Policy can be found [here](#).

Should we be able to provide further assistance or if there are any enquiries relating to our submission, please contact Sean Cole, Advocacy and Rural Affairs Manager at sean.cole@graingrowers.com.au or on 0435991370.

Yours sincerely,



Shona Gawel
CEO