



Mallee Track Health & Community Service

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Tuesday 20th September, 2016

To whom it may concern,

**Re: Senate Enquiry into the government's changes in relation to the Jobs and Families package
– the impact on Budget Based Funded Services**

Mallee Track Health and Community Service currently receive funding under the Budget Based Funded program to provide Early Childhood Education and Care (ECEC). Our service is delivered from 4 locations in rural North West Victoria across a catchment of 18,000 square kilometres. All children within our catchment are identified within the Australian Early Development Census are being vulnerable on 2 or more domains.

MTHCS has reviewed the Jobs and Families package and the anticipated requirements for BBF's to transition to a different model of service. Our concerns with the proposed changes are:

- BBF's will no longer exist under the proposed package – and there is no indicator in the package for how ECEC will be financially viable in rural and remote areas. There is a provision in the package for financial support and viability supplements – but these are time limited and do not consider the cost of service delivery in an ongoing fashion
- Our service operates in a geographical area where there would likely be market failure. BBF's are funded to provide a service 'at cost' and in areas where there have, historically, been market failure. The package does not address these issues in the rural context.

In response to the package, MTHCS has prepared a proposed model of service which we commend to the senate enquiry for consideration as part of the Jobs and Families package.

Yours sincerely,

Lois O'Callaghan

Director of Community Services

Cc: Ms McGowan, Member for Indi