



# MINDEROO FOUNDATION THRIVE BY FIVE

Productivity Commission Submission:  
Delivering Quality Care More Efficiently



## Every child deserves the best start to life.

Minderoo Foundation welcomes the opportunity to provide a submission to the Productivity Commission's inquiry on "Delivering Quality Care More Efficiently" following the interim report. We appreciate the important role of the Productivity Commission in shaping a more integrated, sustainable, equitable and high-quality care system in Australia.

Our response seeks to provide a perspective representative of our Thrive by Five campaign, specifically with a lens on children 0-5 years and what they need to thrive.

We ground our recommendations in the belief that strong regulatory frameworks, place-based collaboration and sustained investment in prevention and evidence based, high-quality, holistic early childhood services are essential to better outcomes for children, families and communities.

## The early years are critical for lifelong learning and wellbeing.

The evidence is clear, the first five years lay the foundation for lifelong learning, health and wellbeing<sup>i</sup>. Over 20% of Australia's children start school developmentally vulnerable<sup>ii</sup>, highlighting the urgent need for investment in this critical window. This figure is staggering on its own, but when looked at holistically, we learn that outcomes are going backwards. The percentage of children who are on track across all domains of readiness decreased from 54.8% in 2021 to 52.9% in 2024.

## The time for meaningful action and reform is now.

Failure to intervene early leads to persistent cycles of disadvantage, lost opportunities and a \$22.3 billion bill annually<sup>iii</sup>.

We know that investments in high-quality, timely and safe health, early education and support services for young children and their families makes a difference to children's outcomes as well as national productivity. To deliver quality care more efficiently and effectively, it is essential that children at the centre of action<sup>iv,v,vi</sup>. This includes treating inclusion and diversity as foundational to service delivery, not as an add-on.

## Efficiency alone isn't enough.

It is also critical to note that while efficiency and effectiveness are important building blocks to a successful and fully accessible early childhood education and care sector (ECEC) in Australia, this is only part of the equation.

For ECEC to truly underpin the wellbeing, safety and prosperity of Australia's children and families, it must first be built on a foundation of compassion, dignity and purpose for all. Good caring takes time, relationship and a commitment to more than the bare minimum.

## Many voices, one message.

For the past five years Thrive by Five<sup>vii</sup> has been advocating for a comprehensive, high-quality, universally accessible and affordable early learning system. This is because high-quality ECEC is known to provide incredible opportunities to both children and their families.

Great progress has been made towards this goal<sup>viii</sup> (e.g. childcare subsidy reforms, the abolition of the activity test and workforce investments), but there is work to come.

## Moving forward as one.

Australia needs national stewardship and accountability concerning young children's developmental outcomes.

Minderoo, as part of the Thrive by Five collective, believes that the establishment of an independent National Early Childhood Commission is needed to lead long-term reform across the ECEC sector.

A National Commission would provide strong, consistent leadership to Australia's fragmented and complex early years system, enabling coordinated planning and a shift from quick fixes to child and family centred approaches.

It is a clear pathway to strengthening quality and safety for all children. It would maximise the impact of government and taxpayer investment and elevate the professionalism and support for early educators.

Critically, a National Commission would also give families greater confidence and more transparency in the ECEC options available to them, while also amplifying the sector's voice.

We know that children thrive with consistent, high-quality early education and care, which requires stable and committed educators and enduring investment.

No current agency is fully responsible for workforce consistency or sector-wide accountability. A National Commission would drive and enforce improvements by tracking progress, incentivising retention and targeting support to underperforming providers.

With this said, we make the following recommendations in response to the interim report. We believe these are essential to delivering the outcomes Australia's children and families deserve.

## Draft recommendation 1.1

The Australian Government should pursue greater alignment in quality and safety regulation of the care economy to improve efficiency and outcomes for care users.

Minderoo welcomes the recommendation to achieve greater national alignment in quality and safety regulation where it benefits the quality of services for children and workforce.

As we consider early childhood development holistically, quality and safety regulation are essential to effective ECEC services, as well as other services such as allied health.

The commitment to a comprehensive national register for all employees in the ECEC sector is a positive step forward, however there are blind spots to consider.

There are significant risks to children's safety if it is not set up from the outset to include agency and temporary staff and out of scope services, which allow potential perpetrators to regularly move between services and states to evade detection.

It is essential that this register is developed in close collaboration with state and territory governments and regulators with the following principles in mind:

- **Universal is not uniform, consider the unique needs of the early years.** National consistency shouldn't mean "the same". Reform needs to build workforce capacity so that the developmental and pedagogical knowledge and relationship-based (including trauma informed) practices that high-quality ECEC delivery needs are there.
- **Support the workforce.** National consistency can be a lever for improving quality, confidence and conditions for educators – it should not create more administrative burden, increase costs to educators or dilute quality. Sustainable strategies for workforce shortages, quality of training and supervision and workforce pay are also important. As is practical consideration for remote services and cultural considerations for educators. For example, supporting the workforce with additional cultural context for First Nations communities beyond remote areas.
- **Ensure it is fit for purpose.** Administrative processes should be streamlined and congruent with other sector requirements to avoid unintentional consequences that could undermine workforce sustainability, service availability or quality.

National consistency in regulation and safety standards is one example of what a National Commission could oversee. Other benefits include:

- Strengthened service provider accountability, including more consistent penalties for poor performance and profit before outcomes standards.
- Coordinated policy reform and reduced admin burden on governments.
- Leadership through reform and crisis periods and less duplication to report to multiple levels.

## Draft recommendation 2.1

Governments should embed collaborative commissioning, with an initial focus on reducing fragmentation in health care to foster innovation, improve care outcomes and generate savings.

Minderoo endorses the recommendation to embed collaborative commissioning as a core feature of Australia's care ecosystem. Place-based, partnership driven approaches address system fragmentation, inconsistency and lack of continuity that are barriers to effective and efficient service delivery.

We recognise in the context of this inquiry, collaborative commissioning focuses on achieving more integrated and person-centred health care. We believe however, it's essential to recognise that the reach and impact of Primary Health Networks (PHNs) and Aboriginal Community Controlled Health Organisations (ACCHOs) is increasingly extending beyond the traditional parameters of health including ECEC, disability, family and community services.

PHNs and ACCHOs are playing two roles:

1. **Direct service delivery:** This may include developmental screening, provision of allied health services, health promotion and targeted programs delivered in ECEC or in the community. These often have a strong preventative and early intervention approach.
2. **Partnership and commissioning:** Involvement in establishing, funding, designing and governing place-based, wraparound hub models of care that require working in close collaboration with a variety of services and sectors.

Embedded collaborative commissioning allows for flexibility to meet local needs in local ways increasing suitability and engagement in services.

A leading example is the Commonwealth's **Connected Beginnings<sup>ix</sup>** initiative, of which the Secretariat of National Aboriginal and Islander Child Care (SNAICC) is the official Community Partner. Connected Beginnings resources ACCHOs to lead the co-design, governance and delivery of holistic early years, health and family services for Aboriginal and Torres Strait Islander children. The place-based, pooled funding model underpins shared local outcomes, enables flexible deployment of resources and puts Aboriginal community leadership at the centre of collective action. These are the key ingredients for success.

Similarly, **Child and Family Hubs<sup>x</sup>** operating across Australia serve as vital "front doors" for families seeking a range of coordinated supports, such as Cullunghutti Aboriginal Child and Family Centre<sup>xi</sup>. These hubs exemplify the "glue" of effective integration. By co-locating services, fostering collaborative partnerships and investing in workforce, family engagement and local leadership, hubs break down the silos that leave vulnerable families navigating complex, disconnected systems. Evaluations of hub models has shown improved access, equity and continuity for children and families facing adversity.

The newly announced **Thriving Kids<sup>xii</sup>** initiative provides a major opportunity to further embed collaborative commissioning by drawing together health, ECEC and community services at scale.



Thriving Kids, a \$2 billion national partnership between the Australian Government, state and territory governments, experts and community focuses on identifying developmental concerns early and establishing coordinated supports for children aged eight and under with mild to moderate developmental delay and autism.

By leveraging and scaling existing services, such as child and maternal health, primary care, playgroups and ECEC, the program will enable children and families to access the right support in the places they already are. This landmark initiative is being co-designed with sector experts and families, helping bridge historic gaps between health and early years systems. It offers a strong national platform for prevention, inclusion and improved long-term outcomes for children.

Lastly, the Centre for Policy Development's "Putting People First report"<sup>xiii</sup> is another example of relevant best practice thinking. It focuses on the principles of **Relational Commissioning** to create systems people can trust and depend on. This includes trust and outcome-based contracting, so that communities and partners are empowered in shaping their own futures.

In support of collaborative commissioning, Minderoo recommends that the government:

- **Broaden collaborative commissioning mandates** to ensure PHNs and ACCHOs can work alongside ECEC, disability, family and community services, not just within conventional health silos. This is particularly important as Thriving Kids and changes to NDIS are designed and implemented.
- **Embed the Early Years throughout collaborative commissioning and partnership arrangements.** All Australian governments (federal, state and territory) should adopt an evidence-based, agreed framework that guarantees explicit attention to the early years at every stage of collaborative partnership cycles. This includes joint needs assessment, planning, priority-setting, service commissioning, monitoring and evaluation. This should occur across Local Hospital Networks, PHNs, ACCHOs and other relevant agencies.
- **Commit to holistic data and outcomes.** Commissioned programs and pooled funding frameworks must support the collection, sharing and transparent use of data on child and family outcomes. This should go beyond acute health metrics to include developmental, social and educational indicators.
- **Provide sufficient, flexible and ongoing funding** to enable place-based collaborations to be responsive to the needs of different communities, with performance and accountability measures that reflect impact and shared outcomes. Examples of this being improved child development, family engagement and local service integration instead of narrow, sector-specific targets. Funding needs to include provisions for robust evaluation, quality and culturally responsive governance and community feedback. It should also be flexible enough for longer term investment in quality programs and services.
- **Strengthen data sharing and integrated governance at the local level** so that needs assessments, planning, delivery and evaluation can be genuinely joint, transparent and community informed. This is necessary to ensuring long-term sustainability and measurable improvement for children and families.



## Draft recommendation 3.1

**Establish a National Prevention Investment Framework to support investment in prevention, improving outcomes and slowing the escalating growth in government care expenditure.**

Minderoo welcomes and strongly supports the Productivity Commission's draft recommendation to establish a National Prevention Investment Framework to underpin more effective, cross-jurisdictional investment in prevention, early intervention and whole-of-community benefit.

Minderoo recognises the critical economic and social return generated by robust investment in prevention, particularly in the early years<sup>xiv</sup>.

As highlighted in the Commission's report, high-quality prevention programs deliver both immediate and long-term benefits. These extend from reducing government expenditure on acute services and demand for crisis intervention, to enhancing life opportunities for the most vulnerable Australians.

Minderoo and Thrive by Five have consistently advocated for national structures that incentivise prevention by including rigorous assessment, long-term funding streams and mechanisms for cross-sector co-investment and cost-sharing where benefits accrue beyond a single agency or level of government.

In August 2025 Minderoo and The Front Project released the **2024 Cost of Late Intervention report<sup>xv</sup>**, which revealed the economic burden of failing to identify health and development issues in young Australians.

It shows that late intervention doesn't just have social and human costs, but significant economic and productivity impacts too. In 2024, the cost of late intervention surged by almost 50 per cent (from 2019) to \$22.3 billion annually.

Shifting policy and investment upstream into evidence-based, timely supports as early intervention strategies suggest, changes the trajectory for our kids and Australia's prosperity.

Minderoo particularly welcomes the explicit reference to the Victorian Early Intervention Investment Framework (EIIF), which calculates and reinvests cross-government savings from prevention efforts, as an example to be built upon at national scale. However, as noted in our previous submissions, national reforms must address vertical fiscal imbalances, so that where state or territory spending results in Commonwealth-level savings, these returns can be captured and reinvested in prevention at the jurisdictional level. This vertical alignment is critical for delivering sustained, whole-of-government investment.

In its establishment, the Framework should give definitional clarity to what prevention covers and its measurable outcomes.

Specifically, Minderoo recommends:

- **Quarantined and sustained prevention funding.** The Framework should have a ring-fenced budget line, offered for multiple years to enable long-term planning. It should



mandate that a minimum proportion of care-related expenditure be allocated to prevention, aligned with or exceeding National Preventive Health Strategy targets.

- **Cross-sectoral governance and accountability**, with the authority to allocate funding and monitor outcomes. The Framework should also be embedded in legislation or a National Strategy to ensure durability outside political cycles.
- **An early implementation focus** on cross-portfolio interventions targeting children 0–8 and their families, including evidence-based integration of family supports, maternal and child health and community-led early childhood hubs.
- That an **equity lens** is applied to data driven investment priorities, so supporting interventions are provided to those most in need first.
- **Investments are independently evaluated**, with ongoing funding contingent on clear outcomes and co-design with service users, local providers and peak advocates.
- **Horizontal and vertical gains**. The Framework establishes clear mechanisms for identifying and pooling “unrealised savings” across both horizontal (agency-to-agency) and vertical (Commonwealth/state) divides, ensuring prevention efforts are not undermined by cross-jurisdictional fiscal siloes.
- That **novel approaches to momentum are considered**, such as philanthropic co-investment and partnerships with initiatives like the Investment Dialogue for Australia’s Children, Children in The North, and the Early Years Partnership.

## Summary

Minderoo strongly supports the Productivity Commission’s efforts to deliver a care system that is efficient, equitable and outcomes focused. The evidence is unequivocal: a national commitment to prevention, early intervention, place-based collaboration and sustained investment in children’s earliest years will not only improve lifelong outcomes but strengthen Australia’s prosperity and resilience.

We welcome the Commission’s leadership in advancing these reforms and urge government and sector partners to act with ambition. At the same time, we ask that compassion, integrity and equity for all sits at the heart of decision making.

Through collective action and stewardship, Australia can create a world-class care system where every child, family and community is given the opportunity to thrive.



<sup>i</sup> Australian Government, Starting Blocks: Brain Development In Young Children, July 2025 - <https://startingblocks.gov.au/resources/your-childs-development/brain-development-in-children>

<sup>ii</sup> Australian Government, Department of Education: Australian Early Development Census National Report 2024, July 2025 - [https://www.aedc.gov.au/docs/default-source/default-document-library/aedc-national-report-2024\\_da7-409a37b9d-95ce-43e7-af00-51aa604cf0b3.pdf?sfvrsn=b56015ba\\_1](https://www.aedc.gov.au/docs/default-source/default-document-library/aedc-national-report-2024_da7-409a37b9d-95ce-43e7-af00-51aa604cf0b3.pdf?sfvrsn=b56015ba_1)

<sup>iii</sup> Minderoo Foundation, The Front Project, The Cost of Late Intervention 2024, August 2025 - [https://www.thefrontproject.org.au/images/FINAL\\_4%20SEPT\\_COLI%20-2024-report-e-version-FINAL.pdf](https://www.thefrontproject.org.au/images/FINAL_4%20SEPT_COLI%20-2024-report-e-version-FINAL.pdf)

<sup>iv</sup> National Child & Family Hubs Network: The 'glue': Enabling connected, quality services and supports for children and families, June 2025 - <https://www.childandfamilyhubs.org.au/media/vmapg4bw/glue-resource-2306.pdf>

<sup>v</sup> Mitchell Institute, Victoria University: Unequal From The Start: The Achievement Gap And The Early Years, April 2025 - <https://content.vu.edu.au/sites/default/files/documents/2025-04/unequal-from-the-start-report-march-2025.pdf>

<sup>vi</sup> SNAICC, Integrated service delivery for Aboriginal and Torres Strait Islander children and families, March 2012 - [https://www.snaicc.org.au/wp-content/uploads/2023/09/120301\\_8\\_Integrated-Service-Delivery-Paper.pdf](https://www.snaicc.org.au/wp-content/uploads/2023/09/120301_8_Integrated-Service-Delivery-Paper.pdf)

<sup>vii</sup> Thrive by Five - <https://thrivebyfive.org.au/>

<sup>viii</sup> Australian Government, Department of Education: Building a universal early education and care system – Mid-year economic and fiscal outlook – early childhood measures, December 2024 - <https://www.education.gov.au/early-childhood/announcements/building-universal-early-education-and-care-system>

<sup>ix</sup> SNAICC, Connected Beginnings About Page - <https://www.snaicc.org.au/our-work/early-childhood-development/connected-beginnings/>

<sup>x</sup> Child and Family Hubs - <https://www.childandfamilyhubs.org.au/>

<sup>xi</sup> Australian Government, Department of Education: Co-Development Framework for developing an intensive ECEC program for Aboriginal and Torres Strait Islander children (the Framework), September 2024 - [https://www.education.gov.au/closing-gap/resources/codevelopment-framework-developing-intensive-ecec-program-aboriginal-and-torres-strait-islander?utm\\_source=chatgpt.com](https://www.education.gov.au/closing-gap/resources/codevelopment-framework-developing-intensive-ecec-program-aboriginal-and-torres-strait-islander?utm_source=chatgpt.com)

<sup>xii</sup> Australian Government, Department of Health, Disability and Ageing, Thriving Kids Fact Sheet, August 2025 - <https://www.health.gov.au/sites/default/files/2025-08/thriving-kids-fact-sheet.pdf>

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<sup>xiii</sup> Centre for Policy Development, Putting People First: Transforming social services in partnership with people and communities, November 2024 - <https://cpd.org.au/work/putting-people-first/>

<sup>xiv</sup> Centre for Policy Development, Avoidable Costs: Better outcomes and better value for public money, June 2025 - <https://cpd.org.au/work/avoidable-costs/>

<sup>xv</sup> Minderoo Foundation, The Front Project, The Cost of Late Intervention 2024, August 2025 - [https://www.thefrontproject.org.au/images/FINAL\\_4%20SEPT\\_COLI%20-2024-report-e-version-FINAL.pdf](https://www.thefrontproject.org.au/images/FINAL_4%20SEPT_COLI%20-2024-report-e-version-FINAL.pdf)