

Productivity Commission Inquiry into Early Childhood Education and Care – Draft Report - *A path to universal early childhood education and care*

Northern Territory Government Submission

The Education Northern Territory (NT) Strategy 2021-2025 commits the NT Department of Education (the department) to build the foundations for learning through 3 key strategic actions:

- Design and implement a contemporary early childhood system for Territory families, to provide equitable access to quality services.
- Extend access to quality early learning to ensure all children can access 2 years of quality early learning in the years before school, following the Early Years Learning Framework and delivered by qualified staff in partnership with families.
- Strengthen transitions to school through early identification of children with additional needs, and collaboration with other NT Government agencies, to provide timely wrap around support.

In 2023, the department commenced and completed several reviews into early childhood programs and services in the NT to support delivery of these strategic actions, including:

- Preschool delivery and funding in the NT
- Families as First Teachers (FaFT) program
- Three-year-old preschool trial evaluation
- Quality review of 41 Community Child Care Fund Restricted (CCCFR) services on behalf of the Australian Government.

In 2024, the findings and recommendations of these will be considered alongside the significant reform work being undertaken in Australia to ensure the NT has an early childhood system that meets the needs of all Territory children and families.

This includes the Review of Preschool Provision and Funding in the NT, which was completed in November 2023. The findings of the Review are broadly consistent with related findings in the Productivity Commission's draft report. The Review is currently being considered by the NT government.

The NT Government's initial submission to the Productivity Commission (June 2023) provided comprehensive background information about the delivery of ECEC in the NT. It highlighted the systemic and structural barriers and unique strengths of providing education and care in the Territory.

Although the NT supports the principle of universal entitlement, given the extraordinary challenges of service delivery in the NT, reform cannot be achieved through universal funding. The problems identified in the report about availability, affordability and inclusivity are all amplified in the NT.

Workforce attraction and retention issues cannot be solved in the same way they may be solved in other jurisdictions. Despite the efforts underway to address workforce barriers, significant growth in qualified staff will be needed to expand quality, appropriate service provision to areas that need it most.

The NT welcomes the draft findings and recommendations related to upskilling, professionalisation, recognition and registration of the ECEC workforce. In particular, the draft recommendation to improve pathways and support for Aboriginal and Torres Strait Islander people to obtain ECEC qualifications.

The cost of service delivery in the NT is higher than in any other jurisdiction in Australia due to the complex environment including remoteness and disproportional levels of disadvantage. NT Government recurrent expenditure on ECEC services per child continues to significantly exceed all other jurisdictions. Changes proposed to demand and supply side funding models do not go far enough to meet the needs of the NT.

The report acknowledges that the availability of ECEC (including outside school house care services) varies markedly around the country driven by a lack of local demand or viability for ECEC providers. The picture in the NT is complex with characteristics of services, including cultural safety, and barriers associated with the current demand driven funding model all contributing to service quality and availability.

The NT supports a National Partnership Agreement on ECEC based on broader and more equitable changes to the funding approaches focussed on supply side, that are sector neutral. However, considering the overwhelming evidence that shows children benefit from attending high-quality ECEC, and the economic benefit this sector provides for Australia's economy, a commitment to longer term funding would be more effective than the short-term nature of a National Partnership Agreement.

Funding terms and conditions must enable innovative place-based solutions particularly those that are community led. Similarly, adaptable and flexible governance models that enable organisations to genuinely collaborate and share resources (including staff) to more effectively service their community.

Embedding local decision making and integrating learning with other child and family services can assist to overcome critical barriers for priority cohorts and create pathways for children and parents using other co-located services, increasing familiarity and trust.

In regard to the proposal that family day care could be part of the solution to increasing access to ECEC services in thin markets. This is unlikely to be a realistic solution to increasing supply in many of the NT's communities considering the complexity of socio-economic factors that could inhibit establishing this model in remote communities.

The draft report makes a number of recommendations regarding modifications to the Child Care Subsidy (CCS) that aim to remove access barriers.

The NT does not consider the CCS a successful model for rural and remote communities that have limited choice and access to services. While improvements to remove barriers are welcomed, including the complicated process, unclear eligibility and inequitable activity test, all of which are amplified for remote and English as an additional dialect populations, they are unlikely to have a significant impact where demand-based funding mechanisms have proven ineffective. In consideration of the NT's context, it is critical that any changes to funding models are focussed on improving equity and enable flexible responses to place-based needs.

The NDIS Review recommendation regarding investment in foundational supports to bring fairness, balance and sustainability to the ecosystem supporting people with disability has important implications for education and early childhood services. The Review proposes some major reforms and, while it is not yet clear what the full impact on schools and early childhood services will be,

service gaps will need to be considered and reflected in any future needs-based funding models, including considering alternative approaches to the assessment and referral architecture.

The Australian Early Development Census (AEDC) demonstrates that NT experiences high levels of developmental vulnerability across all learning domains. This correlates with the limited access to support NDIS provision and timely follow up of referrals experienced across many NT communities. Consideration towards alternative mechanisms for early developmental screening could assist to strengthen the provision of early intervention strategies.

The draft report proposes draft recommendations around ensuring appropriate quality regulation for services outside the scope of the National Quality Framework. In collaboration with the Commonwealth Government, the department is continuing its review of 41 unregulated CCCFR services for a further 18 months and will provide capacity building support for their ongoing quality improvement journey. This project will continue to provide the department with critical insight into the operations, capacity, and quality of these services.

Response to Information Requests

Information Request 2.1: Suitability of the National Quality Framework for Outside School Hours Care

The Commission seeks further information about the suitability of the National Quality Framework (NQF) for outside school hours care (OSHC) services.

- *Is the NQF suitable for an OSHC context and for school-aged children? If not, why?*
- *If not, would further guidance to services and assessing officers on how NQF requirements should apply in an OSHC setting be sufficient to address concerns?*
- *Or are modifications to the NQF required to account for the needs of school-aged children?*

The NT acknowledges the difficulty in ascertaining whether or not the NQF is appropriate for OSHC. It is evident that the sector is able to meet the NQS, albeit at a lower quality rating on average than other service types. This could be attributed to the workforce differences, such as qualifications and experience, in OSHC settings in comparison to other settings.

The planned review of the assessment and rating methodology for OSHC will look further into this, although the priority of this commitment within the current reform agenda is unclear.

It is also acknowledged that children attending OSHC services are owed a greater sense of agency due to their ages and stages of development. Increased clarity about what supervision looks like within an OSHC service and how it can be achieved while also ensuring a level of independence may be valuable.

Consideration should also be given to how OSHC service provision, and regulation, needs to adapt to changing policy settings. For example, considering the Commission's draft recommendation to give all children an entitlement up to 30 hours or 3 days per week of subsidised care, and considering state and territories announcements in regard to three-year-old preschool, demand for OSHC service provision particularly where preschool is provided in schools, could increase for young cohorts which require different regulatory considerations under the NQF.

As at 11 December 2023, there are 55 OSHC services in major centers in the NT, with 11 of those operated by NT Government school councils. It would be beneficial for operational guidance to be developed to support schools with the provision of a regulated OSHC service. This would be particularly beneficial for school council operated OSHC services given representatives generally comprise parent volunteers who may require capacity building to support them with operating a viable and compliant service.

The draft report recommends that all primary schools should ensure an OSHC service is available if demand exists. In a remote community, the provision of an OSHC service may not necessarily be driven by demand, but rather identified to support children's wellbeing, communities' need to engage children in positive extracurricular activities and/or re-engage children in learning. Considering the existing challenges of service provision in remote communities, and the administrative burden to meet funding and regulatory requirements, it is considered the OSHC service model may not be fit for purpose in a remote context.

Information Request 2.2: Cultural safety in ECEC services

The Commission seeks information on cultural safety in ECEC services for Aboriginal and Torres Strait Islander and culturally and linguistically diverse families and children.

- *What factors most effectively promote the provision of culturally safe ECEC?*
- *Should there be changes to the National Quality Framework to promote cultural safety and capability, beyond the updated learning frameworks? Would a national cultural competency framework help improve the cultural safety of ECEC services for Aboriginal and Torres Strait Islander families and children?*
- *Does the structure of the Inclusion Support Program adequately prioritise and allow provision of culturally safe ECEC in mainstream services? If not, what are the issues and how could these be addressed?*
- *Would professional development in cultural capability (draft recommendation 3.6) be adequate to promote inclusion in ECEC services, or are there other components required?*

The NT population is culturally diverse, with around 20% of its residents born overseas¹ and an Aboriginal population of 30.8%². Culture and family are inextricably linked and may influence the attitudes, beliefs, feelings and behaviour towards the education and care for children from different culturally and linguistically diverse backgrounds.

Even for culturally and linguistically diverse families in urban settings with greater access to ECEC services, the administrative aspects of enrolling and participating in a service may be daunting, due to language and comprehension barriers. Different cultures may also have a different understanding of the benefits of ECEC for their children's learning and development.

It may be of benefit to develop more resources in language to reach and support families with understanding the importance of quality ECEC and how to access these services. In the NT, the Family as First Teachers (FaFT) program, Connected Beginnings program and Child and Family Centres (CFC) act as connectors to engage families and communities with quality ECEC programs, assist them to navigate the local service system, and build parents' capacity to give their children the best start in life.

The NQF places importance on each child's individual differences and cultural safety. This has been further reinforced with the recent updates to the approved learning frameworks which strengthens Aboriginal and Torres Strait Islander perspectives and cultural responsiveness.

Services are often surrounded by concentrations of culturally and linguistically diverse families and communities. Improving non-government service provider's engagement with the Australian Early Development Census data could provide an opportunity for educators and providers to better understand the diversity that exists within their local community and consider the approach needed to support better inclusion and cultural capability relative to the needs of the service.

¹ [Multicultural Policy for the Northern Territory 2020-25](#)

² [Population - Northern Territory Economy](#)

Information Request 2.3: Functioning of the Inclusion Support Program in family day care

The Commission is seeking feedback on whether the Inclusion Support Program provides effective support to family day care services. Is the Family Day Care Top Up adequate?

Early Childhood Australia (ECA) delivers the Inclusion Support Program for the NT. It assesses the support required for family day care (FDC) services through its coordination unit and provides educators with expert advice and assistance. Typically, this support is initiated when developmental differences warrant early intervention, prompting investigation into diagnosis and additional assistance.

It has been reported that this process can be slow and administratively burdensome for both families and educators. A diagnosis is required to access the program and navigating documentation requirements needed for the additional support is complex. A family's willingness to accept the need for early intervention can also have an influence on the diagnostic process.

ECA NT have advised that the 2023-24 FDC subsidy rate of \$12.72 per hour is considered sufficient as fees typically trend lower than those in other jurisdictions.

Information Request 2.4: Transition to school statements

The Commission is seeking information on the extent to which transition to school statements are used, their adequacy and whether they contribute to more effective transitions.

The transient nature of the NT's population presents greater interstate mobility than any other jurisdiction, with an interstate migration rate of approximately 16% per annum, compared to approximately 3% to 6% across other states³. The NT also experiences highly volatile intra-territory mobility patterns, particularly for Aboriginal families. This presents substantial challenges for education delivery and children's learning and has a flow on impact on enrolment and attendance rates in both urban and remote services. Keeping up with children's movements and administration of duplicate records across multiple services can impact an effective transition process. Additionally, NT's highly transient workforce can also impact on program consistency for children's transition to school.

The NT Department of Education (the department) is exploring different avenues to better support transition to school. In partnership with the University of Melbourne, the department undertook a comprehensive research project, working with education system and school leaders to co-design and develop a continuity of learning framework to guide delivery of continuous learning experiences for every child in the NT⁴. In 2024, the department will continue to trial and refine this framework.

The department also has an existing Early Childhood Transitioning to School⁵ resource package to support children's transitions to and from preschool. While these documents are centrally located and are publicly available, it is difficult to ascertain the extent of their use as this is not currently measured.

However, based on NT services assessment against the National Quality Standard, 100% of services are meeting or exceeding element 6.2.1: Transitions, which requires services to demonstrate the

³ [Population - Northern Territory Economy](#)

⁴ [doe-annual-report-2022-2023.PDF \(nt.gov.au\)](#)

⁵ [Early childhood transitioning to school | Department of Education](#)

continuity of learning and transitions for each child are supported by sharing information and clarifying responsibilities. This indicates that ECEC service practices in this area are effective.

Information Request 3.1: ECEC-related vocational education and training

The Commission is seeking information on the quality of ECEC-related vocational education and training (VET). In particular, the Commission would welcome views on:

- *the impact of recent and ongoing reform – both to VET ECEC qualifications and the VET sector more broadly – on the quality of qualifications and the job readiness of ECEC graduates*
- *whether there are widespread problems with the quality of VET ECEC courses, and if so, what these problems are, why they exist and what should be done to address them.*

The capacity of NT Registered Training Organisations (RTOs) to keep up with demand for ECEC qualifications is an issue with significant waitlists for enrolment in ECEC certificate III and diploma courses reported.

In 2022, the NT Government invested approximately \$3.6m in ECEC training. This funding subsidised 826 students to study the nationally accredited certificate and diploma level ECEC qualifications. Of those enrolled in 2022, 13% were enrolled in remote locations and 29% were Aboriginal students. The number of enrolments in ECEC qualifications increased by 18% between 2020 and 2022.

It is difficult to ascertain whether this increase in enrolments is translating to more qualified educators working within the sector given the lack of completion data. While the National Centre for Vocational Education Research (NCVER) publishes data⁶ on completion rates, the data has been based on projections since 2019.

Although Fee Free TAFE relieves the burden of course fees, it does not consider the inequity of remote access to qualifications. Currently, many ECEC educators living and working in remote and very remote locations can only access and participate in mandatory training, and professional development (including practicum placements) by travelling to Darwin or Alice Springs for extended periods and multiple times over the duration of their course. In addition, the need to travel for study can require small services to close during this time as they cannot maintain adequate staffing levels.

Educators' travel requirements can also be affected by family and cultural commitments and health issues which can in turn affect an educator's availability and engagement in completing the qualification. At the time of this submission there are currently 8 unregulated Community Child Care Fund Restricted (CCCFR) services closed across remote communities in the NT, with 4 of these being long term closures due to a lack of qualified staff available to open them. This is envisaged to be a barrier for unregulated CCCFR services when building capacity to successfully transition into a regulatory framework should the opportunity arise in the future.

An NT strategy to alleviate the cost burden of delivering training in remote and very remote locations and promote remote Vocational Education and Training (VET) delivery, is to pay NT registered training organisations (RTOs) an additional 80% on top of the standard Annual Hours Curriculum (AHC) rate. While this funding goes some way to assist RTOs to deliver in remote and very remote locations, small enrolment numbers coupled with travel and accommodation expenses, and the additional support and course content adaptation requirements for delivering to participants who speak English as an additional language or dialect (EALD) and have completely different cultural context, continue to make this provision financially challenging.

⁶ [VET qualification completion rates 2022 \(ncver.edu.au\)](https://www.ncver.edu.au)

With regard to the recognition of prior learning and experience, some remote ECEC services have reported a lack of recognition within the current approved qualifications and from RTOs for the extensive cultural knowledge and experience that Aboriginal educators bring to the education and care of children. Better recognition of Aboriginal educators' cultural knowledge and experience in local child rearing practices can contribute to better outcomes in ECEC qualification completions. This is consistent with recommendations in the Early Childhood Care and Development Sector Strengthening Plan⁷ and the Commission's draft recommendation 3.5.

NT service providers and stakeholders have reported the following regarding ECEC VET courses:

- Some of the assessment conditions are outdated and no longer align with current ECEC practices.
- There is concern the Certificate III qualification is pitched at a higher Australian Qualification Framework level compared to other Certificate III level qualifications.
- Due to burnout within the workplace, there is opportunity to consider a dedicated mentoring program to better support students on practicum.
- Access to a tutoring program/community of practice for students in remote locations could help increase the number of students completing their qualifications.
- Reintroduce the direct entry into the ECEC diploma course.
- Consider incentives for ECEC leaders to undertake a training and assessment qualification to help increase the number of available trainers and promote a career pathway for experienced and qualified leaders to stay connected to the sector.

Information Request 3.2: Effectiveness of traineeship arrangements

The Commission is seeking information on the effectiveness of traineeships as a career pathway in ECEC, for trainees as well as ECEC providers.

The Commission would also welcome views on opportunities to improve traineeship arrangements.

Workforce pressures are extremely prevalent across the NT, in particular in remote and very remote contexts. Limited ECEC workforce reduces the capacity of services, i.e. number of child places based on ratio requirements, and is particularly problematic in the NT townships of Alice Springs, Tennant Creek and Katherine.

The effectiveness of ECEC traineeships depend on various factors such as the quality of the program, the support provided to trainees, the curriculum, the expertise of mentors and supervisors, recognition of prior learning and the practical learning experiences being offered. Ensuring training and qualifications are culturally appropriate, particularly for remote Aboriginal educators, will assist with growing a sustainable local workforce.

For example, in 2022, the NT ECEC Apprenticeship Support Program commenced in Tennant Creek with the objective of increasing the number of qualified Aboriginal ECEC educators in the town. The program attracted 19 individuals, all of whom enrolled in the Certificate III in ECEC as part of the apprenticeship. However, by July 2023, only 3 participants had completed their qualification and one participant is yet to complete their placement. Key learnings from this program demonstrated that extensive wraparound support from home-to-work-to-home is critical in supporting Aboriginal trainees.

⁷ [Sector Strengthening Plan: Early Childhood Care and Development \(closingthegap.gov.au\)](https://closingthegap.gov.au)

A strategic initiative developed under the *NT's Education Engagement Strategy 2022 to 2031*⁸ is the Remote Aboriginal Teacher Education (RATE) program⁹. This program aims to provide tailored and supported pathways to increase the number of Aboriginal teachers and sustainable models of teaching in government schools in identified local communities.

NT training organisations have reported that it is difficult to recruit to regional and remote areas. While interested vocational experts may apply, many do not hold the VET requirement for training and assessment and are required to be supervised while completing the Certificate IV in Training and Assessment (TAE) qualification. Work is currently underway to provide skillset units of competency in 'work skill instruction' and 'assessor' training to address this barrier.

Information Request 3.3: Falling completion rates for early childhood teaching qualifications

The Commission is seeking views on the factors that have led to a decline in completion rates of early childhood teaching qualifications.

It has been reported that several factors contribute to the decline in completion rates for early childhood teacher qualifications in the NT, including:

- financial challenges
- work-life balance
- limited accessibility to programs
- complexity and rigor of coursework
- lack of support and mentorship
- transient population
- students with English as an additional language or dialect.

Other industrial factors such as pay, recruitment, training and conditions of employment also contribute to shifting career preferences or pursuing other opportunities that are more attainable. While key actions under the *Shaping Our Future National Children's Education and Care Workforce Strategy*¹⁰ have been accelerated to help address the complex and longstanding workforce challenges experienced by the sector, this is a long-term strategy which will not relieve workforce pressures for the sector in the short term.

In the NT, only 61% of its ECEC workforce have an ECEC qualification compared to 87.1% nationally¹¹, indicating that many services are struggling to meet the qualification requirements of the NQF. Anecdotally, the percentage of ECEC qualified staff working in remote and unregulated contexts are much lower.

The requirement to complete 4 years of tertiary study to become an early childhood teacher, including an accredited teacher education program at a recognised university or higher education institution can be challenging, and even more so for educators in a remote context. Insufficient guidance, mentorship or academic support within education programs can contribute to feelings of isolation or inadequacy. Balancing coursework, practical experiences and personal obligations can be overwhelming, resulting in higher incompleteness rates.

⁸ [NT Education Engagement Strategy 2022 to 2031 | Department of Education](#)

⁹ [Aboriginal Educator Workforce Initiatives | Department of Education](#)

¹⁰ [Shaping Our Future: A ten-year strategy to ensure a sustainable, high-quality children's education and care workforce 2022–2031 \(acecqa.gov.au\)](#)

¹¹ [2021 Early Childhood Education and Care National Workforce Census report - Department of Education, Australian Government](#)

Workforce shortages also contribute to low completion rates as educators may not be well supported to undertake training due to operational requirements. 70%¹² of the NT's centre based day care providers are small business operators. Not having a staff member present while they are undertaking coursework can create additional challenges with operating a quality, compliant service.

In NT Aboriginal communities, there are additional factors for ECTs to navigate beyond the units of competency. Teachers and assistant teachers in government schools (including preschool and the NT's FaFT program) learn, plan, teach and assess together as a teaching team. This approach is required because English is not spoken at home for these children. This approach must be culturally responsive and pedagogically strong to ensure that relevant local knowledge is linked with the curriculum and informs pedagogy. Classroom teachers in these contexts are required to gain an understanding of Aboriginal ways of being, knowing and doing and to incorporate these into their teaching practices. Teachers also require the capability to work with a broader team of professionals to meet the needs of each child, for example, allied health, and incorporate specialised expertise into practice to support children's learning.

Information Request 5.1: Low rates of expansion among not-for-profit providers

The Commission is seeking information about possible reasons why not-for-profit providers have not expanded to meet the growing demand for ECEC. What, if any, barriers and limitations do they face?

In the NT, not-for-profit providers face many challenges in the ECEC sector, including:

- Limited and insufficient funds that impact on operating a quality service such as maintaining quality facilities, hiring qualified staff, offering competitive wages to educators, staff development and providing adequate learning materials.
- Comparative differences with for-profit providers in regard to access to adequate administrative support and marketing capabilities.
- Limited ability to scale up operations due to financial, resource and infrastructure constraints.
- Reliance on community support and fundraising efforts to sustain operations, which affects long-term viability of services.

The Australian Competition and Consumer Commission's (ACCC) childcare inquiry 2023¹³ found that while the cost to supply centre-based day care is similar for both for-profit and not-for-profit providers, costs are distributed differently. Not-for-profit providers incur substantially higher labour costs associated with a higher tendency to pay above award wage and greater use of employing full-time staff to minimise employee turnover and vacancy rates.

In the NT, not-for-profit providers are typically small community operated services. This means that profit margins are limited by their capacity to provide quality ECEC services for up to 50 approved places (on average). These providers generally operate a single service where administrative and regulatory requirements cannot be shared across multiple services. Small providers face more challenges in having the capacity to adequately manage workforce issues such as staff turnover and absenteeism. As highlighted in the initial submission, the NT is restricted in its provision of services as a small jurisdiction with neither the economies of scale or revenue base to comprehensively provide the solutions, particularly in rural and remote contexts. This has a compounding effect on not-for-profit providers in the NT.

¹² [NQF Snapshot Q2 2023 FINAL.PDF \(acecqa.gov.au\)](#)

¹³ [September 2023 interim report | ACCC](#)

Information Request 6.1: Potential modifications to the activity test

The Commission is seeking views on the costs and benefits of options to modify the Child Care Subsidy activity test. Draft recommendation 6.2 would relax the activity test to allow all families to access up to 30 hours of subsidised care a week (60 hours per fortnight) regardless of activity, providing a step towards universal access. Options for the levels of activity that should be required for hours above 60 hours of subsidised care per fortnight could include:

- retaining the current activity test for hours of care over 60 hours per fortnight. This would allow 60 subsidised hours for all families, up to 72 hours of subsidised hours for families with 16 to 48 activity hours per fortnight, and up to 100 hours of subsidised care for those with more than 48 activity hours
- simplifying the number of activity test tiers further by allowing 60 subsidised hours for all families and up to 100 subsidised hours for those with more than 48 activity hours
- simplifying the number of activity test tiers by allowing 72 subsidised hours for all families and up to 100 subsidised hours for those with more than 48 activity hours. The introduction of a modified activity test could also be phased, for example, starting with lower income families, in order to allow time for supply to respond to increased demand and to evaluate the effects of the change before relaxing the activity test more widely. The Commission is seeking views on the costs and benefits of a phased introduction, and which cohorts of families would benefit most from being able to access a relaxed activity test earlier.

NT service providers have reported examples of current barriers and complexities to the activity testing requirements, including:

- In 2 parent families, the allocated hours are determined based on the parent with the lowest working hours. For instance, if one parent works full-time and the other part-time or not at all, the allocated hours are based on the latter. However, challenges arise when the parent with the lowest hours cannot be at home with children, and the child attends full time, leading to families incurring significantly higher unsubsidised fees.
- The universal access provision of 60 or 72 hours per fortnight, and 100 hours for over 48 hours of activity, represents a significant improvement. However, it mistakenly assumes 2 conditions:
 - 10 hour sessions - a significant number of services provide 11 hour sessions which equates to 5.45 days across a 60 hour fortnight. Considering most services would not accommodate alternative week bookings (as in 3 days one week and 2 days the next), it is essentially the same as the pre 2018 CCB of 24 hours a week equalling 2 days.
 - Equal division between weeks - while CCS is calculated fortnightly, it is utilised on a weekly basis. For example, if you have 100 hours and the centre sessions total 110 hours, 55 hours of subsidy are allocated to the first week, and 45 hours to the second week. This discrepancy creates confusion for families when reading and understanding statements.

Information Request 6.2: Child Care Subsidy taper rates

The Commission is seeking views on how Child Care Subsidy taper rates could be designed if the top rate of subsidy was increased to 100% of the hourly rate cap, as proposed in draft recommendation 6.2. This includes options to adjust taper rates for the Higher Child Care Subsidy, available to families with multiple children aged five or younger in ECEC who are eligible for a subsidy.

NT service providers have provided feedback that to achieve this design, a complete reform of the system would be required because of the complexity of other considerations including:

- key principles and requirements under the Family Assistance Law for all parents who receive CCS to make a co-contribution to their child care fee
- subsidy caps
- activity test requirements

- 5% withholding
- tapers for one or multiple children.

Information Request 6.4: Potential expansions: CCS to families with restricted residency; Assistance for Isolated Children Distance Education Allowance to preschoolers in isolated areas.

The Commission is seeking views on the costs, benefits and practicalities of:

- *expanding CCS eligibility to include families who have restricted residency in Australia such as temporary protection visa holders*
- *expanding the Assistance for Isolated Children Distance Education Allowance to include children receiving a preschool education in geographically isolated areas.*

The NT considers that current workforce challenges and pressures on the ECEC sector would inform the prioritisation of expanding CCS eligibility to include families with restricted residency and temporary protection visa holders.

Families with restricted residency in Australia and temporary protection visa holders can experience vulnerability in various aspects of their lives. An educator or a service's ability to be cognisant of these vulnerabilities and be able to tailor to their specific needs is particularly important. Otherwise, it can exacerbate challenges experienced by these families and cause further stress and anxiety.

In the NT, Child and Family Centres¹⁴ provide a range of services under one site including early learning, family support and health service integration. This model of integrated support is considered to be more beneficial for families to build relationships, access services and develop capacity in a culturally appropriate and supported environment.

In the NT, isolated families can access free education for their children, including preschool, via school of the air. The NT Isolated Parents Association actively seek opportunities for children and families who live in remote Australia to access services such as mobile ECEC and playgroups, which is not consistently available across the NT. While some remote communities do provide opportunities such as playgroups and Families as First Teachers programs, geographical isolation is still a barrier for accessing these services.

Information Request 6.5: Potential measures to reduce CCS administrative complexity

The Commission is seeking views on the costs and benefits of potential measures to reduce Child Care Subsidy (CCS) administrative complexity. These may include:

- *streamlining the Higher Child Care Subsidy rate to be more aligned with the CCS rate over time*
- *allowing families who are already eligible for income support payments or a Health Care Card to be automatically eligible for CCS, and aligning processes that are similar across CCS and other payments*
- *extending the initial length of eligibility for Additional Child Care Subsidy (Child Wellbeing) from six weeks to 26 weeks and subsequent lengths of eligibility to between 26 and 52 weeks*
- *extending the length of eligibility for Additional Child Care Subsidy (Child Wellbeing) for those children on a long-term protection order, in formal foster care or in a formal kinship arrangement, while their circumstances remain unchanged*
- *extending Additional Child Care Subsidy (Grandparent) to recognise informal kinship carer arrangements*
- *maintaining a child's eligibility for CCS for a period of eight weeks when there is a change of guardian.*

¹⁴ [Early childhood support for remote children and families | NT.GOV.AU](https://www.nt.gov.au/early-childhood-support-for-remote-children-and-families)

In the NT, demand-based funding mechanisms are not effective in remote areas due to thin markets and insufficient demand to sustain the operations of a quality service. While cost and demand may be considered as correlating factors to barriers for access, this is not always the case.

For lower income families, the complexity associated with the CCS activity test eligibility requirements, the application process and updating family income estimates on a regular basis can create confusion and additional barriers to access.

For culturally and linguistically diverse cohorts, the administrative aspects associated with accessing CCS requires a level of language, literacy and numeracy comprehension, as well as digital literacy skills to navigate through Services Australia's digital platform.

ECEC services currently support families with CCS access and application for ACCS on their behalf, which creates additional administrative burden in requesting, checking and following up on the CCS status for each child.

In 2023, the NT conducted an audit of the 41 CCCFR services. The project found that the administrative burden placed on services to support the CCS application process for Aboriginal families creates additional barriers and can prevent access and participation for children experiencing vulnerability and disadvantage.

Streamlining requirements such as allowing families who are already eligible for income support payments or a Health Care Card to be automatically eligible for CCS and ACCS should be considered. This would eliminate the need for families to tell their stories to multiple parties to access different government services, and may also streamline the administration for services to assist families with the application process at the point of enrolment.

While modifying the activity test and reducing the administrative complexity of CCS may improve access, an increase in demand needs to be carefully balanced with the availability of quality service provision to make a genuine difference in children's learning and development. Consideration to ensure there is adequate infrastructure, workforce supply and quality services that meet the NQF is paramount, particularly in remote communities.

Further work is also needed to prepare the sector to identify and support children presenting with developmental issues and the inclusion of children from culturally and linguistically diverse backgrounds.

Information Request 7.1: The CCCF as a vehicle to address practical barriers to ECEC access

The Commission is seeking information on the appropriateness and responsiveness of the Community Child Care Fund (CCCF) to address practical barriers to ECEC access (such as transport) that families may face.

- *Do CCCF grants adequately and effectively respond to the various practical barriers (such as transport or food provision) that families face in accessing ECEC?*
- *Is the current frequency (that is, grant rounds every 2–3 years) and funding amount available to services for community-level supports sufficient? If CCCF is not accessed for this purpose, are services receiving funding for this elsewhere?*
- *If the current CCCF does not adequately and effectively respond to these needs, what funding changes are needed? Options could include:*
 - *a more flexible approach through CCCF, with an open pool of funds that could be applied for as needed and available to all services, provided they demonstrated community need in their application*

- *an expansion of the Inclusion Support Program, where funding could be provided through Innovative Solutions.*

The NT has the highest proportion CCCFR services nationally, most of which are in remote and very remote locations with limited resources in the vicinity. The associated costs to transition 41 CCCFR services into a regulated environment (future aspiration) will require consideration on how service provision and quality can be maintained and provide communities with continuity of service with minimal disruptions to access when funding agreements or service provider changes.

In 2023, the NT conducted the CCCFR Quality Review Project. Services raised concerns on the flexibility of the CCCFR funding guidelines and noted that the impact of not being able to utilise CCCFR funding to meet early childhood community needs as they change over time. The inability to deviate from the traditional model of childcare is challenging as services struggle to sustain a service or recommence service provision due to staff attraction and retention issues. All services provide food for children and some services transport children to and from their homes.

Services are seeking more flexibility to adjust the model to allow services to provide wraparound support to meet the holistic needs of children and families, and to shift the operations from a mainstream centre-based day care model to a targeted playgroup and multi-functional service that can incorporate parental capacity building and engagement, allow programs to respond to the needs of communities as they evolve, and have the enabling mechanism build trust and relationships to improve outcomes for children and families in these communities.

Information Request 7.2: 'System navigator' roles in the ECEC sector

The Commission is seeking views from inquiry participants on 'system navigator' roles in the ECEC sector.

- *Are current initiatives to support families experiencing additional barriers to navigating the ECEC system sufficient? Do they require additional information or support to perform this role?*
- *Is there a need for national investment in system navigator roles?*
- *If so, who would be best placed to perform these roles? Examples could include Inclusion Agencies or contracted delivery by a range of ECEC services, community organisations, local councils or ACCOs.*
- *How could this be delivered across different groups of families (for example, regional or remote, Aboriginal and Torres Strait Islander and culturally and linguistically diverse families), including ensuring delivery in a culturally sensitive manner?*

System navigator roles are particularly important for families from culturally and linguistically diverse backgrounds and those experiencing vulnerability and disadvantage. System navigator roles extend to the range of government services which are often fulfilled by service providers. Anecdotally, for some families such as EALD, providing various forms of evidence or identification documentation is challenging, and particularly in remote communities, name changes or lost documentation often requires extensive time and dedicated support to collate. A distrust in government and limited access can further impede Aboriginal birth registrations in remote communities.

National investment may assist with establishing a coordinated approach to support families with accessing services. Agencies that are best placed to assist should be trusted culturally safe organisations, within the local community, such as not-for-profit organisations or ACCOs, but utilising these organisations should be complemented with phased support to strengthen governance capacity and enable professional learning and development.

In Gali'winku, Shepherdson College's FaFT, Preschool and Connected Beginnings teams have aligned their work through what's internally referred to as the 'Family Hub'; a supportive environment that

assists families with navigating a range of government services and activities to help them achieve strong early childhood development outcomes for their children.

Information Request 7.4: Availability of occasional care

The Commission is seeking information about the availability of ECEC on an occasional basis. What barriers, if any, do services face in providing this type of care? How might these be resolved? Are families' needs for this type of care going unmet?

NT service providers have reported that anecdotally, they would rarely receive a request for occasional care. This could be attributed to a few reasons that applies for both centre based and family day care:

- Families know that it is generally not an option as there is insufficient flexibility in the model that caters to the offering of occasional care.
- Babies and young children's attachment and security is based on relationships. Occasional care in most cases does not provide a positive experience for children, families or educators.
- Any 'pockets' is reliant on families being on time for arrival and departure.

NT service providers have provided feedback that the provision of occasional care provides tremendous logistical and viability challenges for the service, noting the delicate balance of staffing and utilisation is already difficult under current arrangements.

There's a misconception perpetuated by the media about ECEC services making significant profits due to high fees, suggesting they can afford to have unutilised spaces. However, key stakeholders have advised that this is not the case. Reserving spaces for the provision of occasional care would not be financially sustainable in most cases. Most services prioritise full-day sessions due to high operating costs, including costs associated with acquiring a more skilled workforce and recent wage increases to the sector following the Fair Work Commission's 2023 annual wage review¹⁵.

Information Request 8.1: Provision of service rating information for families

The Commission is seeking information on how service ratings information could be made more useful and more accessible to families. For example:

- requiring services to display ratings information on their website
- changing how ratings information is communicated:
 - to specify which element/s of the National Quality Standard a service did not meet
 - to make clearer what is meant by a rating of Working Towards
- requiring services to inform:
 - prospective families of their current National Quality Standard rating
 - current families of a new National Quality Standard rating. Would these changes be desirable, and how would they best be implemented? Are there other options that should be considered?

Consistent with the findings of the 2019 NQF Review¹⁶, families tend not to use information about service ratings when choosing an education and care service, and place greater value on their children's wellbeing when selecting a service such as positive interactions with educators.

NT service provider feedback notes that effective change for the service ratings information system involves education, positive reinforcement, and encouragement, rather than imposing strict regulatory

¹⁵ [Early education and care industry supported bargaining authorisation application | Fair Work Commission \(fwc.gov.au\)](https://www.fwc.gov.au/early-education-and-care-industry-supported-bargaining-authorisation-application)

¹⁶ <https://www.nqfreview.com.au/>

rules, taking a punitive or shaming approach. Families require assurance that a service is safe for their children. The focus on how ratings information is communicated should be on the continuous improvement journey to reflect the areas for improvement within the service.

In the NT, the regulatory authority supports transparency, integrity and consistency across all approved education and care services in the NT and continues to work with service providers to increase their knowledge and understanding of the regulatory requirements to support continuous improvement.

Information Request 8.2: Regulatory actions against serial underperformers

The Commission is seeking views about the most appropriate regulatory actions for serial underperformers, while considering the effects on families and children from more severe measures (such as service closure). Would this be best addressed by additional powers for regulatory authorities, or by regulators making more use of existing powers?

Quality Education and Care Northern Territory (QECNT) is the regulatory authority responsible for administering the NQF across the NT. In line with QECNT's compliance and regulation framework, the approach to regulation is proportionate to the program of issues that need to be addressed.

The Education and Care Services National Law (the National Law) provides an extensive range of powers for the regulatory authority. QECNT uses a contemporary approach to regulation to achieve voluntary compliance by providers through education and stakeholder engagement activities. QECNT ensures its powers are exercised in accordance with the National Law, and a risk-based approach to regulation is used and considered to ensure a rigor assessment process is prioritised with the available resources.

Providing the regulatory authority with greater resources, funding and provisions to enact and utilise all powers of the National Law would strengthen its ability to undertake more proactive actions and regulatory actions against serial underperformers rather than reactive measures. Consistent with the Commissioner's draft recommendation, additional resources would support improved workload management.

Information Request 8.3: Support for services to meet the NQS

The Commission is seeking information and evidence about the extent to which services need more support to meet the NQS, and the types of support required. For example, would the Quality Support Program offered in New South Wales provide the type of support needed by services in other states to meet the NQS?

QECNT considers that a proactive educational approach from a regulatory authority has a positive impact on regulation, relationships, and collaborative efforts to increase the level of quality services. While the provision of quality is the role of the approved provider and associated services, the regulatory authority recognises an important role in providing ongoing support, education and professional development to support services to meet the NQS, and ensuring that services meet the minimum standards of the National Law and Education and Care Service Regulations.

QECNT met with the NSW Quality Support Program (QSP) team early in 2020 to discuss the delivery of the QSP, and considers a delivery of similar program would enhance quality across the NT. The program has seen significant success for providers and services in NSW that have struggled to meet obligations under the NQS. It would be pivotal to fund and resource the regulatory authority in such a way that would enable provision of intensive support services in addition to the day-to-day functions of the regulatory authority. The current level of funding and staffing resources does not allow for such

a program to be considered or delivered in the NT, with many barriers preventing its operation and success.

Information Request 9.1: Scope for broader funding reform

The Commission welcomes views on the implications of broader funding reform in ECEC for children, families, service providers and governments, including the benefits and costs of expanding the use of supply-side funding mechanisms.

At the 2022 World Conference on Early Childhood Care and Education, all participating members adopted the Tashkent Declaration¹⁷ for early childhood care and education. UNESCO member states pledged to invest at least 10 % of total education spending on pre-primary education and to ensure that salaries and working conditions of preschool personnel are at least at par with those pre-primary education teachers.

The Barcelona targets for 2030¹⁸ recommended by the European Council of the European Union further commits member states to meet specified targets to increase children's participation in early childhood education and undertake actions to provide more accessible, affordable and better-quality care.

In Australia, the National Agreement on Closing the Gap¹⁹ has set an ambitious target for Aboriginal and Torres Strait Islander children to engage in high quality, culturally appropriate early childhood education in their early years.

These national and international commitments provide the scope for broader funding reform in ECEC to support sustainable development for the sector. However, given the makeup of ECEC service settings vary between jurisdictions, the one size fits all approach means that equal distribution of funding at the system level is not sufficient to support equitable access to ECEC.

There is a need to ensure underserved markets are adequately resourced whether through demand-side subsidies, supply-side subsidies or a mix, as well as any complementary regulatory measures that may be necessary.

In the NT, the cost of quality preschool delivery²⁰ is significantly higher than the national average, largely reflecting the cost of delivering government preschools, disproportionate funding models based on population estimates, high levels of disadvantage, resource limitations and supply challenges in remote and very remote areas. The large proportion of interstate migration generally detracts from population growth which may be a correlating factor to funding.

Reviews on the National School Reform Agreement²¹ and the University Accord²² acknowledged the challenges of remote and very remote service delivery, including the recognition of needs-based funding for equity groups and the capacity of small jurisdictions like the NT to appropriately fund on this basis.

¹⁷ [Tashkent-Declaration-ECCE-2022.pdf \(unesco.org\)](#)

¹⁸ [EU ministers adopt recommendations on early childhood and long term care - Consilium \(europa.eu\)](#)

¹⁹ [Closing the Gap targets and outcomes | Closing the Gap](#)

²⁰ [3 Early childhood education and care - Report on Government Services 2023 - Productivity Commission \(pc.gov.au\)](#)

²¹ [Study Report - Review of the National School Reform Agreement - Productivity Commission \(pc.gov.au\)](#)

²² [Australian Universities Accord - Department of Education, Australian Government](#)

Funding provided under the *Preschool Reform Agreement 2022-2025*²³ is calculated by the estimate resident population (ERP) of 4- to 5-year-olds in the Year Before Full-time School (YBFS) cohort and factors in net migration. This results in funding allocation of 1 per cent of the total funding pool of \$1,760.1M under the four-year agreement.

The Family as First Teachers (FaFT) program uses the Abecedarian Approach Australia, a set of evidence-based teaching and learning strategies for early literacy and numeracy supporting adult-child interactions to maximise children's learning outcomes. Negotiations on the National Partnership on Northern Territory Remote Aboriginal Investment (NTRAI) demonstrates that the design of long-term investment options are needed to ensure continuity of funded services, while empowering and developing the capacity of communities and Aboriginal Community-Controlled Organisations (ACCO) to drive and own desired outcomes alongside governments.

The notion of reimagining government as a system steward requires careful consideration in how it is resourced to support the delivery of better outcomes. While supply-side funding instruments can support service providers to cover all or part of its service delivery costs, there are unaccounted cost components for system stewards to co-design, influence, transform and be accountable for the system from which outcomes emerge. The unaccounted costs associated with delivering on key reform elements under the *Preschool Reform Agreement* exceeds current NT resourcing to deliver outside the scope of the current service provision.

The draft report recommends improvements should be made to the ECEC Workforce Strategy. This will require significant investment in the ECEC workforce and should be given the same priority as the school workforce. This has been recognised to some degree through the recent inclusion of the ECEC workforce in some of the initiatives of the National Teacher Workforce Action Plan (NTWAP). The disparity in the funding and support for NTWAP as opposed to the ECEC Workforce Strategy should be noted. Current investment in the NTWAP includes a \$337 million Australian Government investment to implement the action plan, and an additional \$5 million from states and territories to support a targeted national campaign to raise the status and value the role of the teaching profession. Australian Government and state and territory investment to date is \$2 million for implementation projects.

Information Request 9.2: An ECEC Commission

The Commission is seeking views on:

- *how the proposed ECEC Commission should be structured*
- *what the scope of its functions should be*
- *whether it should include the national regulator, the Australian Children's Education and Care Quality Authority (ACECQA).*

The national architecture sees that education and early years ministers progress ECEC matters of national strategic focus through the steering of the Australian Education Senior Officials Committee (AESOC) and Early Childhood Policy Group (ECPG). Considerations to the framework and changes to national arrangements should be prioritised to support an effective stewardship model, with roles and responsibilities explicitly articulated across different levels of government.

As key recommendations are being considered by governments, coordination is needed to ensure alignment of the policy reform landscape against broader social objectives, develop a mechanism to

²³ [PRA Variation compilation All States.pdf \(federalfinancialrelations.gov.au\)](#)

minimise the duplication of administrative efforts for governments, and support the realisation of system stewardship. This could include:

- Training and education to enhance the steward's conceptual understanding of the system's intricacies, updates, and best practices.
- Offer insights into policies, regulations or governance frameworks that may impact the steward's decisions or responsibilities. This may include establishing a framework that supports quality service provision and common principles that guide the range of out of scope services.
- Working in partnership with system stewards to conduct gap analysis and identify what model of service delivery and investment is required.
- Oversee an agreed national research agenda for ECEC to capture progress against key ECEC commitments against the broad spectrum of reform agenda and recommendations as listed above.
- Provide governance, educational support and nationally consistent arrangements for ACCOs
- Provide tools and technologic supports and solutions that streamline the steward's tasks and improve system management.

The introduction of an ECEC Commission with broad functions may further complicate the multifaceted system that currently exists, with no compelling case for its establishment. For the NT, the Regional Education Commissioner²⁴ already works with stakeholders across sectors to ensure all Australians can access and benefit from a high-quality education, regardless of where they live. A new Commission has also been proposed through the recommendations in the final report of the Australian Universities Accord . Having multiple commissions without clear alignment could create additional burden and fragmentation for stakeholders that are servicing large remote and very remote areas.

The NT does not consider that ACECQA's scope should be broadened beyond regulated services, noting its accountability to meet ministers' expectations and considering the size and complexity of the scope of their existing role.

²⁴ [Regional Education Commissioner - Department of Education, Australian Government](#)