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Productivity Commission
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Dear Commissioners

The Northern Territory (NT) welcomes the opportunity to provide a final submission to the Productivity Commission's inquiry into early childhood education and care (ECEC).

In the NT Government's initial submission, it was highlighted that ECEC policy reform requires careful consideration to the provision of early childhood services in thin markets where high concentrations of disadvantage and vulnerability exists. The delicate process of balancing an increase in supply and demand by extending coverage should not be to the detriment of quality service provision.

In response to the Productivity Commission's recommendations presented in its draft report, the NT Government affirms the need to rethink the path to universal ECEC and consider the investment that is needed to genuinely improve equity, access, affordability and quality for all children and families no matter where they live or what kind of learning challenges they may face.

Although the report contains some positive reforms to improve the current system, the findings and recommendations do not go far enough to acknowledge the significant differences of the NT's context, and the substantial work the NT Government put in to embed Aboriginal culture, language, knowledge and perspectives when building the foundations for learning.

The complex and challenging environment we operate in cannot be underestimated, with high levels of poverty, vulnerabilities, disadvantage and mobility that results in the highest per capita cost for service delivery which is disproportionate to the lowest level of funding provided for our population. This makes aligning the scale and scope of the recommendations with the government's stated ambition for the system as outlined in the draft National Vision on ECEC and other national initiatives challenging.

The NT would express caution in regard to the proposed establishment of a new ECEC Commission, who would have broad responsibilities but limited levers. This could complicate rather than streamline successful stewardship of the system.

In regard to the proposed universal entitlement of up to 30 hours of quality ECEC per week, it is unclear if the Productivity Commission has considered the application of this reform in regard to school-based preschool services. The operating environment is significantly different compared to a stand-alone preschool or long day care service. This reform requires further analysis as implementing it could not be achieved through a one size fits all approach.

Since the establishment of preschools in NT Government schools more than 70 years ago, attending preschool is considered a rite of passage and is the entry point into the school system. It is provided free of charge like all other stages of learning as it is recognised as an important stage of a child's education journey.

Schools, however, are not eligible to be a provider for the purposes of the Child Care Subsidy. The Schooling Resource Standard does not include funding consideration for school-based preschool provision and funding under the Preschool Reform Agreement only contributes to a fraction of the cost to deliver 600 hours (equivalent to 15 hours per week) of preschool.

The Productivity Commission's draft recommendation to support universal access in persistently thin markets via supply-side funding is welcomed. However, further flexibility is required to better support service integration across government and non-government services in remote areas, and maximise opportunities to share facilities and resources where these are limited. The proposed advisory program to facilitate access to existing funding programs should also consider strengthening the governance and capacity of local organisations to deliver ECEC services relative to the needs of the community.

In considering the children and families that benefit the most from access to a quality ECEC service, the administrative burden associated with the Child Care Subsidy will continue to be a barrier to access. Additionally, fees will continue to progressively increase regardless of subsidy amounts. The Productivity Commission should consider broader changes to funding approaches and how different educational needs could be better funded and coordinated with the Australian Government to achieve universal access for all children and families regardless of where they live or their circumstance.

Prioritising the sequencing of the Commission's recommendations for governments will require careful deliberation. More complex reforms will require further analysis, and some reforms may require additional phases and flexibility to achieve in different contexts.

The NT's response to the information requested by the Commission further elaborates on the complexity of the NT context and the challenge of equitable access and quality service provision, which are prevalent for our most vulnerable and geographically dispersed children and families.

In 2024, the NT will commence a journey whereby it will consider the recommendations from its Review of Preschool Delivery in the NT alongside the Commission's recommendations towards developing a contemporary early childhood system that meets the needs of territory families.

I would like to thank you for the constructive discussions held at the officials' level to support this inquiry. Should there be any additional queries, please contact Ms Agnes McGrath, Senior Director, Early Years and Primary in the Department of Education.

I look forward to reviewing the Commission's final report to government and continuing our collaborative efforts to improve universal access to quality ECEC and achieve better outcomes for our most vulnerable and disadvantaged families.

Yours sincerely

MARK MONAGHAN

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