Early childhood services subsidy - guidelines

Department of Education and Training

NORTHERN TERRITORY GOVERNMENT

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1. Overview

The early childhood services subsidy is a biannual payment paid directly to regulated early childhood education and care providers to help deliver quality educational programs and improve child safety.

2. Eligibility

2.1. Who is eligible?

The following regulated services are eligible to receive the subsidy:

- long day care
- family day care

2.2. What conditions does a service have to meet?

To be eligible for the subsidy, services must hold an overall rating of 'Meeting' or 'Exceeding' the National Quality Standard.

Services rated as 'Working Towards' for more than two consecutive Assessment and Rating Cycles from the commencement of the new administrative arrangements of the subsidy will lose funding in the following financial year.

Example

A service assessed in January 2027 and again in January 2028 received a rating of 'Working Towards' on both occasions. On 1 January 2029, the department determined that the service is ineligible for the subsidy. As a result, funding will be discontinued that 1 July 2029.

New services that have not yet undergone the Assessment and Rating process will remain eligible.

Eligibility will be determined using Assessment and Rating data published by the Australian Children's Education and Care Quality Authority (ACECQA). Service must also:

- Meet reporting requirements outlined in these guidelines and the Funding Agreement.
- Address Roles and Responsibilities as outlined in these guidelines.

3. How it is paid

The subsidy will be paid by electronic funds transfer into the service's Australian bank account nominated by the Approved Provider.

Family day care services will transfer the applicable amount to each of its educators. The Approved Provider must take reasonable steps to ensure that the money due to an educator is paid in a timely manner to an account in the educator's name held with a financial institution in Australia.

If the department has received all information required from the service, and the service is eligible for the subsidy, payments will be made in January and July of each year.

4. How it is calculated

Services will be paid $24.50 per equivalent full-time place, funded for all 52 weeks of the year, regardless of the attending child's age and the number of weeks the service operates.

Attendance data provided by services for Quarter 1 (1 July – 30 September) and Quarter 3 (1 January – 31 March) of the current financial year will be multiplied by 26 weeks to determine each of the biannual payments. Services are required to provide the attendance data on the template provided by the Department of Education and Training (the department). This template will calculate an average number of children attending during an identified week, forming the basis of calculations.

Payment is dependent on the service being operational at the time of payment. Operational status will be accessed from the ACECQA national register. If a service is not operating at the time of payment, no payment will be made. The service will be paid at the next scheduled payment period if they recommence operations.

5. What the subsidy can be used for

The subsidy can only be used for:

- Critical upgrades to building and outdoor areas
- Professional development for educators, with emphasis on child safety
- Family engagement activities to strengthen participation and boost child attendance
- Educational materials and resources to support educators and enhance program delivery.

It is expected that the subsidy is fully spent in the year that it is provided.

6. Reporting requirements

Services must provide evidence to the department showing how the subsidy is being spent. Services are to provide a profit and loss statement at minimum on an annual basis, or upon request. The statement must clearly show:

- The total annual income received from the early childhood services subsidy
- Expenditure breakdown by category, highlighting clearly showing how the subsidy was spent.

It is expected that the subsidy is fully expended within the same financial year.

The table below aligns the subsidy categories of expenditure against a standard chart of accounts. Account names may vary depending on the accounting software used (such as MYOB, Xero or Quickbooks). While the account name may differ, the expense should generally be recorded under the account number beginning with the number shown below. If you are unsure, speak with your service's bookkeeper or accountant.

What the subsidy can be used for	Record under an account name such as	Account Number starts with
Early childhood services subsidy	Income	4
Critical upgrades to building and outdoor areas (e.g. flooring, repainting, shade structures)	Repairs and Maintenance	6
Professional development for educators, with emphasis on child safety and quality practice improvement	Training and Development	6
Family engagement initiatives to strengthen participation and boost child attendance	Advertising and Promotion	6
Educational materials and resources to support educators and enhance program delivery	General and Administrative	6

7. Roles and responsibilities

7.1. Department of Education and Training

The Department of Education and Training will:

- Distribute the subsidy template and payments in a timely manner
- Confirm services' eligibility and meeting of conditions in line with these guidelines
- Review services' profit and loss statements to confirm subsidy funding is being used in line with these guidelines.

7.2. Providers

7.2.1. Long day care and services

Providers must:

- Collect accurate attendance data of children attending its service/s
- Ensure that services maintain approval to operate status under the *Education and Care Services (National Uniform Legislation) Act 2011* and Education and Care Services National Regulations
- Ensure that services comply at all times with the *Education and Care Services (National Uniform Legislation) Act 2011* and Education and Care Services National Regulations
- Hold and maintain an up-to-date Vendor ID with the NT Government for each of its services
- Operate a minimum of 48 weeks per year
- Maintain public liability insurance, asset insurance and where appropriate, workers' compensation insurance.
- Provide an annual profit and loss statements as outlined in the Funding Agreement
- Provide, if requested, audited annual financial statements for a service
- Communicate with the department regarding any discrepancies in the reported attendance data or any other information provided.

7.2.2. Family day care providers

Providers must:

- Keep and maintain a register of educators who provide education and care on behalf of the Provider's approved service, which includes the following:
    - The full name of each educator
    - Address of the residence where the educator provides education and care; and
    - The number of children the educator provides education and care to
- Collect accurate attendance data of children attending its services
- Pay family day care educators all money that is due to them from the subsidy
- Ensure that services maintain approval to operate status under the *Education and Care Services (National Uniform Legislation) Act 2011* and Education and Care Services National Regulations
- Ensure that services comply at all times with the *Education and Care Services (National Uniform Legislation) Act 2011* and Education and Care Services National Regulations
- Ensure service provided by family day care educators is delivered a minimum of 48 weeks per year
- Hold and maintain an up-to-date Vendor ID with the NT Government for each of its services
- Maintain public liability insurance, asset insurance and where appropriate, workers' compensation insurance.
- Provide an annual profit and loss statements as outlined in the Funding Agreement
- Provide, if requested, audited annual financial statements for a service
- Communicate with the department regarding any discrepancies in the reported attendance data or any other information provided.

8. Definitions

Table 1 - Definitions of key terms

Term	Definition
Approved service	The long day care or family day care service operated by the approved provider within the Northern Territory.
Approved provider	Refers to the legal entity that holds responsibility for managing the delivery of the education and care service.
Educator	An individual engaged by or registered with an approved service who provides education and care to eligible children enrolled at an approved service.
Subsidy	Refers to the Northern Territory Government early childhood services subsidy.

9. Profit and loss statement – Sample

This is an example of a profit and loss statement which includes the income and expense categories which must be reported on.

Profit and Loss Statement for Northern Territory Early Learning Centre

	January	February	March	April	May	June	July	August	September	October	November	December	Yearly total
Income	$ 50,000.00						$ 50,000.00						$ 100,000.00
Total Income	**$ 50,000.00**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 50,000.00**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 100,000.00**
Expenses													
Repairs and maintenance						$ 50,000.00			$ 30,000.00				$ 80,000.00
Training and Development				$ 5,000.00						$ 5,000.00			$ 10,000.00
Advertising and Promotion	$ 5,000.00												$ 5,000.00
General and Administrative	$ 2,500.00					$ 2,500.00							$ 5,000.00
Total expenses	**$ 7,500.00**	**$ -**	**$ -**	**$ 5,000.00**	**$ -**	**$ 52,500.00**	**$ -**	**$ -**	**$ 30,000.00**	**$ 5,000.00**	**$ -**	**$ -**	**$ 100,000.00**
NET PROFIT (net income)	**$ 42,500.00**	**$ -**	**$ -**	**-$ 5,000.00**	**$ -**	**-$ 52,500.00**	**$ 50,000.00**	**$ -**	**-$ 30,000.00**	**-$ 5,000.00**	**$ -**	**$ -**	**$ -**

Acronyms	Full form
ACECQA	Australian Children's Education and Care Quality Authority

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