



Policy costing request—during the caretaker period for a general election

Name of policy:	Investing in Pre-School
Person requesting costing:	Senator Richard Di Natale
Parliamentary party:	Australian Greens
Date of request to cost the policy:	28 June 2016
<i>Note: This policy costing request and the response to this request will be made publicly available.</i>	
Has a costing of this policy been requested under Section 29 of the Charter of Budget Honesty (ie from the Treasury or the Department of Finance)?	No
Details of the public release of this policy (Date, by whom and a reference to that release):	http://greens.org.au/childcare
Description of policy	
Summary of policy (as applicable, please attach copies of relevant policy documents):	Extend the existing National Partnership Agreement on Universal Access to Early Childhood Education from 1 July 2017 to 30 June 2020.
What is the purpose or intention of the policy?	This initiative is aimed at guaranteeing a minimum level of access to preschool for all Australian families.
What are the key assumptions that have been made in the policy, including:	
Is the policy part of a package? If yes, list the components and interactions with proposed or existing policies.	It interacts with the government's childcare policy, as announced in May 2015 and included in the 2015/16 Federal Budget.
Where relevant, is funding for the policy to be demand driven or a capped amount? If a capped amount, are the costs of administering the policy to be included within the capped amount or additional to the capped amount?	Demand driven
Will third parties (for instance the States/Territories) have a role in funding or delivering the policy? If yes, is the Australian Government contribution capped, with additional costs to be met by third parties, or is another funding formula envisaged?	Yes. States and territories are responsible for the provision of preschool. All states and territories have now signed up to the National Partnership Agreement on Universal Access to Early Childhood Education for 2016 and 2017. This proposal would extend that agreement over the Forward Estimates.

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Are there associated savings, offsets or expenses? If yes, please provide details.	No			
Does the policy relate to a previous budget measure? If yes, which measure?	Yes. These changes are intended to interact with the government’s childcare policy, as announced in May 2015 and included in the 2015/16 Federal Budget.			
If the proposal would change an existing measure, are savings expected from the departmental costs of implementing the program?	No			
Will the funding/program cost require indexation? If yes, list factors to be used.	No			
Expected impacts of the proposal				
If applicable, what are the estimated costs each year? If available, please provide details in the table below. Are these provided on an underlying cash balance or fiscal balance basis?				
Estimated financial implications (outturn prices)^(a)				
	2016–17	2017–18	2018–19	2019–20
<i>(i) Underlying cash balance (\$m)</i>				
Administered	-	-130	-435	-310
Departmental	-	-	-	-
<i>(ii) Fiscal balance (\$m)</i>				
Administered	-	-130	-435	-310
Departmental	-	-	-	-
(a) A positive number for the fiscal balance indicates an increase in revenue or a decrease in expenses or net capital investment in accrual terms. A positive number in the underlying cash balance indicates an increase in revenue or a decrease in expenses or net capital investment in cash terms.				
What assumptions have been made in deriving the expected financial impact in the party costing (please provide information on the data sources used to develop the policy)?				
Has the policy been costed by a third party? If yes, can you provide a copy of this costing and its assumptions?	No			

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<p>What is the expected community impact of the policy?</p> <p>How many people will be affected by the policy?</p> <p>What is the likely take up?</p> <p>What is the basis for these impact assessments/assumptions?</p>	<p>All Australian children who attend preschool will benefit from this initiative.</p> <p>While attendance is not compulsory, early childhood education programmes are delivered in a range of settings including child care, stand-alone preschools and school-based preschools, in order to meet the needs of working families, and will be accessible to all Australian children, regardless of their location.</p>
<p>Administration of policy:</p>	
<p>Who will administer the policy (for example, Australian Government entity, the States, non-government organisation, etc)?</p>	<p>Federal Department of Education</p>
<p>Please specify whether any special administrative arrangements are proposed for the policy and whether these are expected to involve additional transactions/processing (by service delivery agencies).</p>	<p>None proposed</p>
<p>Intended date of implementation:</p>	<p>1 July 2017</p>
<p>Intended duration of policy:</p>	<p>To 30 June 2010</p>
<p>Are there transitional arrangements associated with policy implementation?</p>	<p>No, this is the extension of a current policy</p>
<p>List major data sources utilised to develop policy (for example, ABS catalogue number 3201.0).</p>	
<p>Are there any other assumptions that need to be considered?</p>	<p>No</p>
<p>NOTE:</p> <p><i>Please note that:</i></p> <p><i>The costing will be on the basis of information provided in this costing request.</i></p> <p><i>The PBO is not bound to accept the assumptions provided by the requestor. If there is a material difference in the assumptions used by the PBO, the PBO will consult with the requestor in advance of the costing being completed.</i></p>	