

Senate Committee: Education and Employment

QUESTION ON NOTICE Budget Estimates 2017 - 2018

Outcome: Schools and Youth

Department of Education and Training Question No. SQ17-000738

Senator Paterson, James provided in writing

Preschool funding

Question

Is there any consistent basis upon which a pre schooler in Long Day Care is funded, as compared to the way that a pre schooler in a standalone preschool, is funded? What has this Government done to improve consistency?

Answer

Under current arrangements the Australian Government contributes more funding where preschool is delivered in a Long Day Care (LDC) setting because these children attract funding under the National Partnership Agreement on Universal Access to Early Childhood Education and fee assistance through the child care system. In 2018 the Government will contribute a consistent per-child amount of \$1237 under the extension to the National Partnership. From July 2018, when the Government's childcare reforms are implemented, children attending preschool in LDC settings will also attract an average of \$3900 per year through fee assistance.

This double subsidy was identified by the Productivity Commission in its 2014 Report into Childcare and Early Childhood Learning, available at: www.pc.gov.au/inquiries/completed/childcare/report. As a result, services and families in states and territories that rely heavily on LDC preschool provision receive more Commonwealth funding than those in jurisdictions with strong dedicated preschool sectors.

In addition, distribution of National Partnership funding varies across jurisdictions. While the Government respects the right of state and territory governments to distribute this funding in order to meet local needs and objectives, the outcome of existing arrangements is that children attending different preschool settings across different states and territories end up receiving vastly differing levels of National Partnership funding support.

In order to improve consistency, in 2015 the Government introduced a new requirement as part of National Partnership arrangements that states and territories must support "all children's preschool participation, regardless of whether preschool programs are delivered through schools (non-government and government), standalone preschools or LDC centres." The Minister has written to states and territories seeking advice on how this requirement is being met. However, the extent to which states and territories meet this requirement, particularly in relation to how much National Partnership funding is passed on to support preschool delivered in LDC settings, still varies markedly.