

## EDUCATION, SCIENCE AND TRAINING

### SENATE LEGISLATION COMMITTEE - QUESTIONS ON NOTICE 2004-2005 BUDGET ESTIMATES HEARING

**Outcome:** 1

**Output Group:** 1.2 Assistance for individuals including those with special needs

#### DEST Question No. E131\_05

Senator Allison provided in writing.

#### Question:

How much would it cost to provide free preschool to all 3 and 4 year olds nationally?  
Please provide a breakdown for both age groups and for each state.

#### Answer:

##### *Free preschool education*

Currently there is no standard provision of preschool across States and Territories. This leads to difficulties in costing such a proposal. Based on the little information available from State and Territory Budget Papers and Departmental Annual Reports, the cost of preschool provision appears to vary widely.

South Australia has estimated per pupil expenditure in the order of \$5,500 while in the ACT the figure is \$3,200. It is likely that the level of service provision also varies significantly.

Below is a table of two estimates of the cost of providing free preschool to every 3 and 4 year old in Australia based on the average unit cost estimates available for the ACT and SA and based on ABS estimates (June 2003) of a population cohort of 257,513 3 year olds and 258,606 4 year olds.

#### **Cost of providing preschool services to all 3 and 4 year olds**

	NSW	Vic	Qld	SA	WA	Tas	NT	ACT	Aust
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
<b>Cost base on the SA Estimate of \$5,500 per pupil</b>									
3 Year Olds	479.6	340.4	279.2	100.7	141.0	33.8	18.6	23.0	1,416.3
4 Year Olds	479.2	339.1	280.7	102.9	143.0	36.1	18.4	23.1	1,422.3
Total	958.8	679.5	559.8	203.6	284.0	69.8	37.1	46.1	2,838.7
<b>Cost base on the ACT Estimate of \$3,200 per pupil</b>									
3 Year Olds	279.0	198.1	162.4	58.6	82.1	19.7	10.8	13.4	824.0
4 Year Olds	278.8	197.3	163.3	59.9	83.2	21.0	10.7	13.4	827.5
Total	557.8	395.3	325.7	118.5	165.2	40.6	21.6	26.8	1,651.6

It is worth noting that other factors could result in lower costs. Some of these could be:

- Pupils attending non-government facilities at no or lesser cost to the government;
- Parents choosing not to enroll students;
- Economies of scale may be achieved.

Additionally there would be savings to the Australian Government, States and Territories through lower demand for childcare and other publicly funded prior-to-school activities.