Community preschool funding for 2016
Information for Families

Q1 How is the Preschool Funding Model performing after two years of operation?
Since the introduction of the Preschool Funding Model (PFM) in 2014, 95% of community preschools saw an increase in their base funding rate, with the highest increases directed to children who can benefit most from a preschool education.

The Preschool Funding Model is also already having a positive impact. As noted in the PFM One Year On report, overall enrolments of target cohort children increased by 2% between 2013 and 2014, and enrolments of Aboriginal children and children from low income families increased by 5%.

Q2 How is funding changing in 2016?
From 2016, the NSW Government will introduce new initiatives which will increase funding and support for community preschools, including:
- a new Preschools for Sustainable Communities program
- a new Community Preschool 600 Hours Incentive to ensure more children are enrolled for 15 hours per week.
- an increase in Preschool Funding Model base funding and loadings.

Q3 Has eligibility for a funded preschool changed in 2016?
No. Funding continues to be targeted to children in their year before school and to disadvantaged children aged 3 and over. Children eligible for funded preschool places will be either:
- At least 4 years old on or before 31 July in that preschool year and not in compulsory schooling; or
- At least 3 years old on or before 31 July and from a disadvantaged background (i.e. the child’s family must be holders of a Health Care Card and/or identify as Aboriginal).

Q4 Why are age-based eligibility criteria applied?
Under the National Partnership on Universal Access to Early Childhood Education, Commonwealth funding must be directed to children in the year prior to school.

As recommended by Professor Deborah Brennan in her review of early childhood education funding, the funding system for community preschools:
- Primarily directs funding to children in the year before school;
- Provides more funding for the most disadvantaged parents to support more affordable preschool access for 15 hours a week; and
- Supports preschool access by younger disadvantaged children (3 years old on or before 31 July).

Q5 What about children who aren’t eligible for government funding?
Preschools with spare capacity can continue to enrol and charge fees for children who aren’t eligible for a funded place, but will not receive government funding to reduce fees for these children.

Q6 Will preschools receive additional funding in 2016?
Yes. The Government will invest an additional $13 million into the sector over the next four years. This means:
- All preschools will see an increase in their base funding rate for 4 and 5 year olds.
- The minimum base rate will increase to $1,850
- The maximum base rate will increase to $5,402
- Funding for disadvantaged 3, 4 and 5 year olds (Aboriginal children and children from low income families) will increase to $5,402.

For more details on the features of the Preschool Funding Model please refer to www.dec.nsw.gov.au/cec
**Q7 What is the Preschools for Sustainable Communities program?**

The Preschools for Sustainable Communities program will provide additional funding to eligible services in rural and remote areas where access to preschool services may be limited, and where services could be experiencing viability issues.

**Q8 What is the Community Preschool 600 Hours Incentive?**

The 600 Hours Incentive program provides additional funding for community preschools to encourage them to increase their enrolment of 4 and 5 year old children in quality preschool programs for 600 hours per year in 2016 – equivalent to 15 hours per week. This is in line with the Commonwealth’s Universal Access target for all 4 and 5 year old children to be enrolled in a quality early childhood education program for 600 hours per year.

Under this initiative, community preschools that enrol more 4 and 5 year old children for 15 hours per week will receive additional funding.

**Q9 How will these changes affect my preschool fees?**

Community preschools will continue to set their own fees, and you will need to speak with your local preschool about their planned fees for 2016.

By better aligning funding with the level of family disadvantage in a community, the Preschool Funding Model is designed to have preschool fees more fairly match parents’ capacity to pay.

As a result of increased investment, we expect preschools to pass on lower fees for children for whom government funding is received, especially for Aboriginal children and children from low income families.

**Q10 What if my child has a disability?**

Under the Preschool Disability Support Program (PDSP) every community preschool receives the Universal Disability Loading (UDL) which provides funding to support the educational inclusion of children with a disability.

Individual child support is also available under the PDSP Child Focussed Targeted Support. The program is an application based program. Children with a disability or additional needs enrolled in a preschool aged 3 to school age are eligible for PDSP Child Focussed Targeted Support.

Funding is based on applications from preschools for individual children for up to 600 hours per year, based on three daily rates:

- **Level 3:** $120 per day for children that require intensive support to participate in preschool
- **Level 2:** $90 per day for children that require considerable assistance to participate in preschool
- **Level 1:** $45 per day for children that require moderate help to participate in preschool

**Q11 What if my child attends a mobile preschool?**

Mobile preschools will be funded on fixed term contracts to improve service delivery and universal access in remote areas. Eligible mobile preschools will also receive funding under the Preschools for Sustainable Communities program.

**Q12 What types of services are affected by these changes?**

The new Preschool Funding Model affects all community preschools receiving funding under the NSW Government Preschool Grants Program.

The 100 Department of Education preschools are not funded under the NSW Government Preschool Grants Program. However, the Department’s preschools are also focused on providing early childhood education for children in the year prior to school.

With the exception of a small number of community-based multi-service providers, long day care services are not eligible to receive NSW Government Preschool Grants Program funding and therefore will not be affected by the new Preschool Funding Model.

**Q13 What if my child attends a long day care service that receives NSW Government funding?**

The Commonwealth Government has primary responsibility for supporting families to access long day care services and for the administration of payments to services and parents through the Child Care Benefit and the Child Care Rebate. As such, the majority of these services are not affected by funding arrangements for NSW Government funded community preschools.

Some long day care services also receive funding under the NSW Long Day Care Grants program. Funding under these grants is provided to support the delivery of a quality preschool program delivered by a qualified teacher for children in their year before school.