



## PRESCHOOL INVESTMENT AND REFORM PLAN PRESCHOOL AND LONG DAY CARE FUNDING

### FREQUENTLY ASKED QUESTIONS

**Q. How do I work out how the funding for my preschool was calculated?**

A. Details about funding calculations can be found at the [www.community.nsw.gov.au/PIRP](http://www.community.nsw.gov.au/PIRP).

There is also:

- A working model of the new funding approach
- A summary of the range of rates for each NSW Local Government Area (LGA)
- A summary of the per child funding rates

Funding levels are based on the number and characteristics of children using the service. The calculation was based on the data submitted to DoCS by services in September 2008.

**Q. Are we required to give priority of access to children in their year before school?**

A. Yes. The aim of the Preschool Investment and Reform Plan is to improve access to preschool programs for children in NSW.

The priority of access targets identified in the funding principles include children in the year before school, with highest priority given to children closest to the school entry.

**Q. I have a letter saying that the funding for my preschool will not increase this year. Does that mean it will decrease?**

A. No preschool will receive a decrease in their level of recurrent funding. At a minimum, preschools not allocated an increase under the funding model will have their funding maintained at 2007/08 levels (without indexation). Services that received increased allocations in 2008/09 will have their funding maintained at that level.

**Q. My preschool is not getting an increase and I have been told my funding for 2009/10 will be the same as in 2008/09. Can you tell me what my funding will be for 2010/11 and beyond?**

A. Under the preschool funding model, all preschools will have their funding reassessed based on annual data reports. Your funding allocation will change each year depending on the number and characteristics of children in your service. The working model on the DoCS website can help you work out your funding for future years.

**Q. My service is not receiving an increase and did not get indexation payments. Will we get indexation payments next year?**

A. Indexation payments have been incorporated into the new funding model and are no longer paid separately for preschools. Each year the per-child funding rates in the funding model will be updated so that any indexation DoCS receives from NSW Treasury is passed on.

This means that even if the model calculates your service is not to get a funding increase this year, you may receive an increase next year as the per child funding rates rise.

**Q. My preschool is not getting an increase in funding this year. What are some of the things our management committee should consider in planning for the next year and beyond?**

A. If numbers in your service are low the management committee should consider ways of increasing attendance and also how to improve access for children from low income families, or from CALD or ATSI backgrounds.

In developing longer terms plans for the service your management committee might like to consider:

- Reviewing the fee structures
- Changing the number of licensed places
- Changing days of operation
- Offering a mixed service model (with CCB approved places)
- Moving to a long day care or mobile service model.
- Developing partnerships with other services.

To assist with developing long term plans it is helpful to find out from parents what they want from your service, and to look at the role of your preschool within the broader community service system in your local area.

**Q. What period does the funding cover? Our preschool operates on a calendar year.**

A. DoCS funding is provided on a financial year basis. Payments made this year under the preschool funding model cover the period from 1 July 2009 to 30 June 2010. It is the responsibility of the service provider to decide how to expend the funds throughout the year.

**Q. My preschool did not receive an increase in the 2009/10 funding allocation under the new preschool funding model. Is there any way that I can have my funding allocation reviewed?**

A. There is a funding review process in place for services that received no increase in preschool funding in 2008/09. The review process is designed to give services with exceptional circumstances an opportunity to have their funding levels reassessed based on their individual situation.

Funding reviews will only be conducted for those eligible services with exceptional circumstances, for example, services in remote areas or services affected by factors that were not reflected in the calculation for funding allocation.

Eligible services are those who:

- did not receive a funding increase in 2009/10 under the new model, and
- have difficulty balancing their budget within existing income, or are in deficit, despite good financial management.

DoCS Partnerships and Planning Team (P&P) will consider your request and review your individual case based on knowledge of the local service system. The P&P Team will make recommendations to DoCS Head Office, who will make the final assessment on whether to grant additional funding.

**Q. Is the attendance figure for a service based on potential 2 x 6 hour day attendances? For example, if a service is open for 5 days and licensed for 30 children will they receive 60 x the base funding rate per child?**

A. The attendance figure is based on a 2.5 day model (some preschools do more than 6 hours). Funding is provided for each child attending the service each week, up to a maximum number of children. The number of children funded is capped at 'maximum licensed places' multiplied by 'days open per week' divided by 2.5 days.

So the cap for a 30 place service open five days per week is 60 children, and the cap for a 30 place service open 4 days a week is 48. Any children over the capped number won't be funded.

**Q. My service is open for two days. Does it receive less funding than a service open for five?**

A. A service open for two days would have fewer children compared to a service open for five and therefore less funding.

**Q. How will I know if a family should be charged a lower fee?**

A. The funding model includes provides higher per child funding for children from low income and Indigenous families. This funding should be used towards reducing the fees for children from these backgrounds.

To determine whether a family is entitled to lower fees, preschools should ask them to provide a copy of their low income Health Care Card, or ask families to inform services if they are Indigenous.

To be eligible for the low income Health Care Card, family income must be below a certain limit. Information on the income limits for entitlement to the low income Health Care Card can be found at [www.centrelink.gov.au/individual/payments](http://www.centrelink.gov.au/individual/payments).

**Q. What if I have a low income family that is not eligible for the Health Care Card but I want to reduce their fees?**

A. The low income Health Care Card was chosen as a simple, universal indicator of disadvantage. Most families on low incomes should have a Health Care Card however some (such as refugees) may not. Other forms of documentation that services can accept as evidence of low income are:

- pensioner concession card
- Department of Veteran's Affairs Gold Card
- visa 447, 451, 785 or 786 (temporary resident visas for humanitarian or protection reasons)

Please note that Health Care Cards provided for children with disabilities are not means tested and therefore do not constitute evidence of low income.

It is up to individual services to determine if a family has a Health Care Card or other form of documentation to prove low income and keep the appropriate records (including expiry dates of the documentation). A question about this will be asked as part of future reporting.

The actual fee set for parents on low income is a matter for the individual service.

**Q. What preschools are regarded as 'remote'?**

A. The ABS definition of remote was used. The ABS definition is based on measures of population density and accessibility – the less people per square kilometre the more remote the area.

For children's services, this measure of remoteness helps to identify areas where there may be only one or two children's services in town (including long day care) and the population is likely to be insufficient to support consistently high enrolments.

**Q. What if I'm concerned about the future for my preschool despite the changes and increases to funding?**

A. If you have concerns about the ongoing sustainability of your preschool you should contact the Partnerships and Planning team in your area. They can help you work through any issues and escalate them to DoCS Head Office if necessary.

**Q. I thought there was going to be funding for additional new places?**

A. The new preschool funding model is for preschools that are already receiving DoCS funding. The rollout of additional places under the Growth Phase has now commenced. There is further information about this, including agency contacts, on the DoCS website.

**Q. Will funded Long Day Care services continue to receive their current funding beyond 2009/10?**

A. Yes, Long Day Care (CCB approved) services will continue to receive the same level of **recurrent** funding as they received in the 2007/2008 financial year, but from 2008/2009 will not receive any increased funding (including indexation/CPI increases).

From the start of the new funding model, DoCS funding will not increase for long day care services that are classified as 'Approved Care' and receive Commonwealth Child Care Benefit (CCB). This is intended to reduce the disparities between 'Approved Care' services (long day Care) and 'Registered Care' services (preschools) that are not eligible for CCB.

**Q. What about funding for occasional care?**

A. The aim of the Preschool Investment and Reform Plan was to review funding for preschools so unfortunately occasional care was out of scope. There are no plans to review funding for occasional care in 2009/10. Occasional care services will continue to get indexation increases.

**Q. My preschool specialises in taking children with disabilities. Do I get any extra funding for that?**

A. Disability funding has not been included in the new model as the Supporting Children with Additional Needs (SCAN) program is still operating. You can still get funding through the SCAN program.

**Q. I have been told that there will be no SCAN funding available for my service in 2009. Is this correct?**

A. There is no change to the SCAN program under the new model in 2009. Organisations administering the SCAN funding have not received any reduction in funding for 2009.

Services can continue to apply for funding for children from ATSI and CALD backgrounds, however as funding for these groups is included in the new funding model, DoCS has asked SCAN organisations to prioritise funds for children with disabilities and challenging behaviours.

DoCS is reviewing the SCAN program in light of the new funding model and will notify services of any changes at the end of 2009.

**Q. Under the model, what children are regarded as being from a Non-English Speaking (NESB) or Culturally and Linguistically Diverse background?**

A. Additional per child funding is provided for children from CALD backgrounds to assist preschools in supporting their inclusion in the service. Support should be targeted to those children for whom English is a second language or who require significant cultural support to participate in a preschool program.

A child is from a Non-English Speaking background if they or their parent(s) have been born in a non-English speaking country, and they speak a language other than English at home.

**Q. Will DoCS ask me to show evidence of the figures my service reports each year in the Annual Data Collection (previously know as ASPARD data)? What documents should be kept as evidence?**

A. Yes. As funding is linked directly to the figures you report annually, DoCS Community Program Officers from your regional Partnerships and Planning team may ask you to provide evidence of the figures you reported in the Representative week as a part of the accountability process.

You will need to demonstrate that the figures you reported, were an accurate representation of the children in attendance at your service during the Representative week (17 – 21 August 2009).

Evidence may include, but is not limited to, sign in and out sheets, records (including expiry dates) of Low Income Health Care Cards or other documentation indicating low Income and Enrolment Forms.

Additionally, you will need to be able to demonstrate that funding received for children from Indigenous and CALD background, or from Low Income families, is being used to reduce the barriers for these children in accessing your service.

**Q. What happens if the numbers of children change next year, will our funding be reduced?**

A. Calculations of funding for 2010/11 will be based upon the data reported during the week of 17 – 21 August 2009. If the funding is calculated to be more than your 2009/10 funding, you will receive an increase in funding next year.

If the calculation indicates a reduction in funding of less than 15% of the level you received in 2009/10, your funding will remain the same in 2010/11. If the calculation indicates more than 15% reduction, your funding will be reduced accordingly.

**Q. I received an increase in funding this year, and the variation sent to me indicates that my service received an additional 'one-off' payment, why is this?**

A. The Commonwealth and NSW State Governments have a National Partnership Agreement, where the Commonwealth will provide \$278 million over 5 years, 2008-2012 in addition to the NSW commitment of \$130 million provided each year under PIRP.

As this Agreement was endorsed late in 2008/09 the 2008/09 Commonwealth commitment, has been distributed to services as a one-off payment to those who received an increase in funding in 2009/10. Allocations were calculated by increasing the 4<sup>th</sup> quarterly payment in 2008/09 to be in line with the quarterly payments the service will be receiving in 2009/10.