



## Frequently Asked Questions on Children's Services Program 2010/11 funding

### **Q. How was the 2010/11 funding for my preschool calculated?**

A. Funding for preschool services will be based on the LGA the service is located in. In addition to this base rate, the service may attract loadings depending on a number of variables such as: the characteristics of the children attending the service, whether the service is classified as remote and/or whether the service is mobile.

The calculation will be based on the data submitted to Community Services by service providers in August 2009.

Further details about funding calculations can be found at the [Community Services website](#). Follow the links: 'For agencies that work with us', 'Children's Services', 'About the Preschool Investment and Reform Plan'.

This website includes:

- 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

### **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 and the National Universal Access program, is to improve access to preschool programs for children in NSW.

The PIRP funding principles, which can be found on the Community Services website, identify the priority of access targets as children in the year before school, with the highest priority given to children closest to school entry.

### **Q. My preschool did not receive an increase in the 2010/11 funding allocation under the 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. 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 2010/11 under the new model, *and*
- have difficulty balancing their budget within existing income, or are in deficit, despite good financial management.

Community Services Partnerships and Planning Teams (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 Community Services Head Office, who will make the final assessment on whether to grant additional funding.

**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 ways to improve access for children from low income families, or from CALD or ATSI backgrounds, in order to attract additional funding to your service.

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. My service used the calculator on the Community Services website to work out the RAM for 2010/11. The RAM calculation is lower than last year's funding but the total funding allocation I have received for 2010/11 has not decreased. Why have I not received a decrease?**

A For preschool services a year-to-year "smoothing out" process will be implemented to provide funding stability and predictability. The "smoothing out" process will involve a 15% buffer on any year-to-year variations to a service's funding resulting from RAM recalculations. That is:

- variations below 15% of the service's total funding will not result in a change to funding, regardless of whether the variation is an increase or decrease
- variations exceeding 15% of the service's total funding will result in changes to funding. These changes may result in an increase or decrease in funding.

**Note:** In 2010/11, for services that should receive a decrease based on these principles, Community Services has made a decision to maintain funding at the 2009/10 level. This is in recognition of the fact that the Preschool Funding Model increases had not really had time to 'kick in' when the data was collected in August 2009 and acknowledges that some services in this category may have increased utilisation since then.

See Funding Principle 16 for more information about the "smoothing out" process.

**Q. My service received funding in 2009/10 through the PIRP Growth Phase but our funding calculation in 2010/11 doesn't reflect the additional places we have grown with the funding provided through the growth phase?**

A. The current 2010/11 funding calculations are based on the data submitted to Community Services during the representative week held in August 2009. Ongoing funding for "spots" established through Community Child Care Co-operative (CCCC) or CareWest is still the responsibility of the Growth Phase organisation, but will be transitioned to Community Services on a rolling basis commencing 1 July 2010.

**Q. My service specification does not include the places I have grown since receiving additional funding through the Growth Phase organisation in 2009/10. Will my service specification be amended in the future to reflect the growth I have achieved?**

A. New "spots" that have occurred through the Growth Phase during the 2009/10 financial year will not be included in individual service specification that service providers sign prior to 30 June 2010. A special data collection undertaken by the Growth Phase organisations in May 2010 will allow any increases in utilisation to be picked up through this data collection.

Service specifications and any subsequent funding increases will be amended from July 2010 as the 'spots' are transitioned to Community Services on a rolling basis, commencing 1 July 2010.

**Q. I received a one off payment at the end of the 2009/10 financial year. Why did I receive this payment and what should the payment be used for?**

A. Community Services, provided the following one-off payments to Preschools for the **2009/10** financial year;

1. A one-off payment to preschool services that recorded a 15% or more increase in utilisation in the August 2009 data collection compared to their previous year's figures, which resulted in a growth of preschool spots and improved access for the target group. Services in this category, will also receive an increase in their 2010/11 renewable funding amount.
2. A one-off payment to preschool services that recorded between zero and a 15% increase in utilisation in the August 2009 data collection compared to their previous year's figures, which resulted in a growth of preschool spots and improved access for the target group.

3. A one-off per child “bonus” payment to services whose August 2009 data resulted in a funding allocation greater than their historical (or preserved) funding allocation (2007/08).

The overall aim of the one-off payments is to reduce barriers to preschool access and increase child enrolment numbers for the remainder of the 2010 school year. If services are successful in achieving increased utilisation, increased days of attendance for existing children and/or a reduction in fees, this may lead to increases in future funding.

Services will be required to report on the expenditure of the one-off funds.

**Q. My service received funding from Community Child Care Co-operative (CCCC) for increased utilisation of places during 2009/10. If we get a one-off payment from Community Services will we have to pay the money back to CCCC?**

A. No. Some preschool services that recorded an increase in utilisation in August 2009 have already received funding for these increases through Community Child Care Cooperative (CCCC) or CareWest during 2009/10. The payments through the Growth Agencies have been taken into account when calculating the one-off payments

**Q. What period does Children’s Services Program funding cover? Our preschool operates on a calendar year.**

A. Community Services funding is provided on a financial year basis. Payments made this year under the preschool funding model cover the period from 1 July 2010 to 30 June 2011. It is the responsibility of the service provider to decide how to expend the funds throughout the year.

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

A. The funding model includes higher per child funding for children from low income and Indigenous families. This funding should be used towards reducing barriers to access such as cost through the reduction of 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.

In order for a service to attract additional funding from Community Services for families with low income, the evidence described above must be recorded, however the actual fee set for parents on low income is a matter for the individual service. Therefore a service may choose to reduce fees for low income families that do not hold a Health Care Card, they just won't attract additional Community Services funding for this reduction.

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

A. The Australian Bureau of Statistics (ABS) definition of remote was used when the remote status of each preschool was determined. The ABS definition is based on measures of population density and accessibility – the less people per square kilometre the more remote the area.

For preschools, 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.

The definition of remote currently being used by Community Services is under review. Should changes to the definition take place, the sector will be advised before any changes to funding levels are introduced.

**Q. What if I am 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 such issues and escalate them to Community Services Head Office if necessary.

**Q. Under the Preschool Funding Model, what children are regarded as being from a Culturally and Linguistically Diverse background?**

A. A child is considered to be from a Culturally and Linguistically Diverse 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.

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.

**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 Preschool Funding Model as the Supporting Children with Additional Needs (SCAN) program is still operating. You can still apply for funding through the SCAN program to support children with disabilities and other additional support needs

Please see the Community Services website for more information about the [SCAN Program](#).

**Q. Will funded Long Day Care services continue to receive their current funding beyond 2010/11?**

A. Yes, Long Day Care services approved to receive the Commonwealth Child Care Benefit (CCB) will continue to receive the same level of **renewable** funding as they received in the 2007/2008 financial year.

Long Day Care (LDC) services will not receive any increased funding (including indexation/CPI increases) from 2008/2009.

Ceasing growth in the Long Day Care program is intended to reduce the funding disparities between services that are eligible to receive CCB (such as LDC services) and those that are not eligible (such as preschools).

**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 2010/11. Occasional care services will continue to receive their renewable funding plus any indexation increases.