



NSW Department of
Community Services

PRESCHOOL INVESTMENT AND REFORM PLAN

Per child funding levels under the new preschool funding model
for the financial year 1 July 2009 to 30 June 2010

The purpose of this paper is describe the 'per child' funding rates that will apply to DoCS funded community preschools following the introduction of the new preschool funding model.

The funding levels are based on the Preschool Investment and Reform Plan funding Principles, and the total available funds under the Reform Plan from 2009/2010. The following information should be read in conjunction with the Principles.

The following are all annual amounts per child for 2009-2010. The number of children is those 'attending or ill' during the 2008 Children's Services Annual Data Collection representative survey week.

Indigenous children:

\$3,300 per child. A payment provided to the preschool, irrespective of family income, and matching the typical full cost of fees for two days per week for a full year.

OR

Children whose families are low income earners and hold a Health Care Card:

\$3,000 per child. A payment provided to the preschool for each child whose family holds a Commonwealth Health Care Card (or similar evidence of low income)

OR

All other children attending the service - LGA rate:

From \$1,250 to \$2,950 per child (with an average of around \$2,300). The level of this payment is linked to the average income of families with children aged 0-5 in each local government area, according to the 2006 census.

The funding level is set so that, for an average-income family¹ the fees are a constant percentage of their disposable income. For example, a preschool in an LGA where the average income is \$50,000 receives the 'all other children' per child payment at a level that is enough to make its fees half as much as a preschool in an LGA with a \$100,000 average income².

Children from Culturally and Linguistically Diverse (CALD) backgrounds:

¹ Only income data on families with children aged 0-5 in each LGA are included.

² The actual percentage depends on several factors such as the extent to which income is split between partners & local fee levels. However, in general when taxes & welfare payments are considered, the lower income level (\$40k) equates to around half as much disposable income compared to the higher income level (\$120k).

From \$200 to \$500 per child (with an average of around \$390). This payment is for each CALD child *in addition to* the 'LGA rate' or the 'low income families' payment.

The level of the CALD per child payment is linked to the level of the 'LGA rate' payment. For example, a preschool in a local government area where the 'LGA rate' payment is \$2,950 will receive an additional \$500 per CALD child. A preschool with the minimum (\$1,250) 'all other child payment' will get an additional \$200 per CALD child.

The result is that preschools catering for a more disadvantaged mix of children will get higher funding per CALD child than preschools with a wealthier mix of children. If the CALD child also fits the 'low income family' test, then the CALD payment to the preschool will be on top of the \$3,000 low income family payment.

Children from families who are both Indigenous and from CALD background will receive only the Indigenous subsidy, not both.

Remote service payment:

\$850 per child. An additional payment to preschools for the average extra cost of servicing remote communities and services such as lower capacity utilisation³.

'Remote' means where there is only one or two services in each town and not enough population to support consistently high enrolments. This amount is based on the DoCS Costing Manual.

Mobile service payment⁴:

\$1000 per child in remote areas, \$500 per child in all other areas. An additional payment to mobile preschools to assist with costs such as fuel. This amount is based on the DoCS Costing Manual.

Children with disabilities and challenging behaviour:

These children will continue to receive additional support to assist them to access DoCS-funded children's services under a revised SCAN program. The number of children who receive the funding will be monitored and reviewed annually using the accountability and review process.

³ Costing Manual data shows that rural preschools are \$1.49 (2005-06 \$) per hour more expensive than metro preschools. For the 480 hours benchmark this equates to \$765 p.a. in 2007-08 dollars.

⁴ Note that the mobile payment is higher than previous preschool funding guidelines. Currently mobile services receive a fixed additional subsidy of \$13,707 for services in rural and remote localities; \$6,134 for services operating on the urban fringes of Sydney and \$2,793 for services operating in the greater metropolitan area of Sydney