



## PRESCHOOL INVESTMENT AND REFORM PLAN

### PRESCHOOL AND LONG DAY CARE FUNDING

#### SUMMARY OF THE NEW PRINCIPLES and FUNDING RATES – JUNE 2008

- Funding equity will mean that the same funding rules apply across community preschools. The aim is that similar funding support is provided to services for children and families in similar circumstances.
- Preschool funding will be driven by the number of children who receive a service rather than the number of licensed places available in the service.
- Funding will be provided to preschools for every child attending the service each week, up to a maximum number of children.
- Each preschool's base rate of per-child funding will reflect the average income of families with children aged 0-5 in the service's Local Government Area. This rate starts at \$780 per-child per-year for high income LGAs and rises to \$1,600 per-child per-year for low income LGAs.
- A higher rate of funding will be provided for children from target groups to assist these children to access preschool programs. The target groups are:
  - all Indigenous children: \$3,000 per-child per-year;
  - children from low-income families (ie non-Indigenous, Health Care Card holders): \$1,750 per-child per-year;
  - children from culturally and linguistically diverse backgrounds (ie. language other than English is main language spoken at home): \$250 per-child per-year for high income LGAs to \$500 per-child per-year for low income LGAs.
- For Indigenous children and low-income families this funding will be higher than, and instead of, base funding. For CALD children it will be additional to base funding.
- A loading will be provided for mobile preschools (\$500 to \$1,000 per-child per-year) and another loading for remote services (\$765 per-child per-year) to account for the extra costs of these services.
- A year-to-year "smoothing out" process will be implemented to provide funding stability and predictability for services.
- From the start of the new funding model, DoCS funding will not increase for places that are Child Care Benefit approved or eligible. This is intended to reduce disparities between CCB eligible and non CCB eligible services.
- No preschool will receive less recurrent funding in 2008/2009 than they received in 2007/2008 because of the new funding approach.
- Services that have recurrent funding below the new funding model level will have their funding increased to the appropriate level.
- Services that have recurrent funding above the new funding model level will have their funding maintained at the current level for five years.
- Children with disabilities and challenging behaviours will continue to receive additional support under a revised SCAN program.
- There will continue to be priority of access targets for the following children (not in any particular order):
  - Children who are at risk of harm
  - Children in their year before school, with highest priority given to children closest to school entry (NB: Children will generally more than 3½ years and less than 6 years)
  - Aboriginal and Torres Strait Islander children
  - Children from low income families (ie those with Health Care Cards)
  - Children from culturally and linguistically diverse backgrounds
  - Children with disabilities