



Stepping up:

Securing the future of quality
preschool in Australia

| Sarah Pilcher | Kate Noble | Peter Hurley



About us

The Mitchell Institute for Education and Health Policy at Victoria University is one of the country's leading education and health policy think tanks and trusted thought leaders. Our focus is on improving our education and health systems so more Australians can engage with and benefit from these services, supporting a healthier, fairer and more productive society.

Acknowledgements

The authors gratefully acknowledge contributions to this briefing from Dr Jen Jackson and John Cherry.

This project has been partially funded by the Minderoo Foundation.

Cover image by Rashid Sadykov on Unsplash.

Suggested citation

Pilcher, S., Noble, K. & Hurley, P. (2021). Stepping up: Securing the future of quality preschool in Australia. Mitchell Institute for Education and Health Policy at Victoria University, Melbourne.

Available from: www.mitchellinstitute.org.au

Executive summary

After a decade of solid progress in ensuring all young Australians can benefit from preschool, Australia now seems at risk of stagnating, or sliding backwards. The latest data shows that since 2017, there has been a small but steady decline in preschool enrolment in the year before full time school. And despite enrolment in three-year-old preschool increasing, progress has been uneven and therefore unequal. Given the weight of evidence supporting the social and economic benefits of two years of high quality preschool, and widespread public and political support, it should be a major national priority.

While one year of preschool is free in most jurisdictions, fees charged to families run into thousands of dollars in others. The Australian government continues to renew funding on a short-term basis, resulting in ongoing insecurity and instability across the sector. There remains no national approach to accessing two years of preschool. In light of this, several jurisdictions are now subsidising a second year (often called three-year-old preschool). Others support access, but only for particular cohorts. The result is a patchwork of policies that don't provide all Australian children with an equitable start to their education journey.

Achieving equity, consistency and stability in preschool education across Australia should be a central goal of early childhood policy reform at all levels. To do this, governments need to build on Australia's progress to date, by securing long-term funding for preschool in the year before school; developing a better, evidence-based understanding of delivery models to improve funding transparency; and working towards two years of funded preschool. Concurrently, efforts to lift participation levels and quality for all children, particularly the most disadvantaged, must continue and be strengthened.

As Australia continues to deal with the social and economic fall-out of COVID-19, the rationale for guaranteeing all children's access to two years of high quality preschool is startlingly clear. Two reforms are particularly critical to securing and furthering the gains Australia has made in making quality preschool affordable and accessible for all Australians:

- 1. Funding for one year of preschool for every Australian child should be made stable and secure immediately.**
- 2. A roadmap to a national commitment to two years of funded preschool should be developed as soon as possible.**

This means not only increasing our investment in these vital early years, but also some challenging but necessary structural reforms to early years funding models within the federation. Not only will this benefit children and families, but it will deliver social and economic dividends for Australia for generations to come.

What is preschool?

Preschool provides 'a structured, play-based learning program, delivered by a qualified teacher, aimed at children in the year or two before they commence full time school' (Productivity Commission, 2021). It is not 'school for small children', and looks quite different to the first year of school. Structure refers to a planned and intentional approach, not to timetables and teacher-led instruction. Play-based learning involves educators supporting children's learning through play, exploration and experimentation. The curriculum is guided by the Early Years Learning Framework, which places equal emphasis on all aspects of children's development.

Australia's national commitment is for all children to attend preschool in the year before school (see Table 1). This is often referred to as four-year-old preschool. Unless delivered in centre-based day care (CBDC), preschool education tends to be delivered in line with school terms, for 15 hours per week, spread over two-three days. A second year of preschool is often referred to as three-year-old preschool. Like four-year-old preschool, it is delivered during the school term for standalone preschools (often year-round at CBDC) but for a shorter duration, closer to six hours per week (usually over two separate sessions).

Table 1: Preschool programs and age of school entry in Australia, 2018-19

	Program name	Starting age for preschool in the year before full time school	School starting age
NSW	Preschool	Generally aged 4 and 5	5 by 31 July
Vic	Kindergarten	4 by 30 April	5 by 30 April
Qld	Kindergarten	4 by 30 June	5 by 30 June
WA	Kindergarten	4 by 30 June	5 by 30 June
SA	Preschool	4 by 1 May	5 by 1 May
Tas	Kindergarten	4 by 1 January	5 by 1 January
ACT	Preschool	4 by 30 April	5 by 30 April
NT	Preschool	4 by 30 June	5 by 30 June

Source: Productivity Commission, 2020

Preschool is similar to other forms of early childhood education and care (ECEC), which also use the Early Years Learning Framework. In fact, many children attend preschool within a day care centre. There are two key differences between ECEC broadly, and preschool as a specific form of ECEC. The first is that preschool must be delivered by a degree qualified teacher, who may be supported by other educators. The second is that the rationale underpinning preschool's design and funding is child development as the top priority. High quality ECEC also benefits child development, but the system has been designed and funded to facilitate parental workforce participation.

Around 12,000 providers across Australia deliver preschool programs for children aged between three and six. Nationally, 40.7 per cent attend a preschool program at a day care centre, 21.9 percent attend a non-government preschool,¹ and 15 per cent are at a government preschool (Productivity Commission, 2021). The composition of sectors varies by jurisdiction. For example, around two thirds of preschool is delivered in centre-based day care in New South Wales and Queensland, while the majority (65-75 per cent) is delivered by dedicated preschools co-located with primary schools in Tasmania, Northern Territory and Western Australia (ABS, 2020).

Why does preschool matter?

There is a solid and growing body of evidence demonstrating the beneficial impact of preschool on children, families, communities and the economy. High quality play-based early

¹ This category includes standalone (or sessional) preschools run by community organisations and preschools co-located with independent schools.

learning during this period can be hugely beneficial in supporting children's development (Sylva et al, 2010; Shuey & Kankaraš, 2018; Warren et al, 2018). Some effects fade over time, but evidence shows beneficial effects can last through school and even into adulthood (Melhuish et al, 2014; Cattani & Crawford et al, 2014; OECD, 2020a).

Research strongly suggests that two years of preschool are more beneficial than one (Fox et al, 2016 & Taggart et al, 2015), with benefits including stronger cognitive skills on school commencement, particularly in relation to communication and literacy skills (AIFS, 2015; Sylva et al, 2010; US Department of Health and Human Services, 2010).

Disadvantaged children benefit the most

While all children benefit, disadvantaged children stand to gain the most from high quality preschool (Sylva et al, 2010; van Huizen & Plantenga, 2015). Evidence shows that children from low-income families and other specific cohorts seem to benefit more, relative to their more advantaged peers (Ahmad & Hamm, 2013; Magnuson et al, 2007). One of the most well-known studies in this area, the Perry Preschool Project in the United States, focused on African-American children, finding that participants were more likely to complete high school, be employed as adults, and avoid incarceration (Lawrence et al, 2005).

Australian research has found lower levels of developmental vulnerability in Aboriginal and Torres Strait Islander children who attended preschool, compared with those who did not (Biddle & Cameron, 2012). Reduced developmental vulnerabilities are also seen among non-Indigenous children who attended preschool (Lamb et al, 2020 & Warren et al, 2018). These findings hold after results are adjusted to account for family background and other relevant factors. Language benefits – particularly in comprehension – have also been measured in bilingual children attending more hours of preschool, compared with those attending fewer hours or none (Tayler, 2016 & O'Connor et al, 2014).

Quality is key

Quality early learning experiences at this age are not just about school readiness and literacy and numeracy, although these are important. They also provide a stimulating and nurturing environment in which to develop the social and emotional skills, confidence, creativity and sense of self that will set children up not just for school, but for life (Bartik, 2014 & OECD, 2020a).

It is important to note that benefits to children are dependent on delivery of high quality preschool (Torii et al, 2017). And quality is largely dependent on the approach and capabilities of educators, with evidence showing that warm and responsive engagement to be the most significant driver of quality and outcomes for children (Tayler, 2016). While beyond the scope of this paper, workforce reform and support to educators is also a critical area in need of attention (Jackson, 2021).

The benefits are widespread

At population level, investing in preschool also delivers economic benefits. Australian modelling estimates \$2 returned for every dollar spent (The Front Project, 2020). Economic analysis elsewhere has suggested higher returns of up to \$7-12 per dollar invested (Heckman et al, 2010). A good education from preschool through to post school education and transition to work results in better health outcomes, greater civic and community engagement, and reduced unemployment and even imprisonment in later life (Lamb & Huo, 2017).

Participation can also yield more immediate and direct economic benefits, allowing parents (often women) to engage in work, education, volunteering or other community activities (Nous, 2020). In the long term, this can help break intergenerational cycles of disadvantage, and provide a vital opportunity for parents to participate more fully in economic and social life.

For parents and families the benefits are immediate and tangible. A child's involvement in preschool provides parents with an opportunity to engage in a community of local children and families, allowing them to build social connections and capital that can last a lifetime (Danby et al, 2012; Farrell & Tayler, 2004). Where parents and carers are effectively engaged with educators and services, they can work in partnership – and much more effectively – for the benefit of the child (Emerson et al, 2012). Preschools can also assist families in accessing services such as allied health and early intervention (Hopwood, 2018 & Nous Group, 2020).

Most four-year-olds attend preschool, but the picture isn't all rosy

Access to preschool in the year before school is now close to universal in Australia, but there are indications of a concerning downturn in enrolment in recent years.² Table 1 shows an incremental reduction in the proportion of all Australian children enrolled in a preschool program in the year before school, from 92.4 per cent in 2016 down to 87.7 per cent in 2019. The biggest drops in enrolment rates have been seen in Queensland and Victoria, both states where costs to families have historically been high. By contrast, enrolments are still holding above 92 per cent where preschool is provided free (i.e. Western Australia, South Australia, ACT and Tasmania).

While current levels of enrolment represent a significant increase and achievement compared with 70 per cent of children enrolled in 2008, there is room for improvement (Productivity Commission, 2009). Many OECD nations that have 95 per cent or more of the population enrolled in preschool in the year before school (OECD, 2020b). Already declining enrolment rates could fall further as the impacts of employment stress drive reduced participation in early learning. However, more work is required to assess children's level of attendance and participation, not just their enrolment.

Table 1: Children enrolled in a preschool program in the state-specific year before full time schooling (for at least 15 hours per week)

	All children	Aboriginal and Torres Strait Islander children	Victoria	Queensland
2019	87.7	96.3	87.8	84.8
2018	88.5	96.3	88.5	85.2
2017	90.1	96.6	93.9	89.7
2016	92.4	93.6	98.4	93.8

Source: Productivity Commission, 2021.

² Historically, enrolment in preschool in the year before school has calculated the combined number of four and five-year-old children enrolled, as a proportion of the total population of four-year-olds. This results in some enrolment figures exceeding 100 per cent. It also counts an unknown proportion of four-year-olds attending a three-year-old program. New methodologies have been introduced to achieve a more accurate figure, and have been used by the Productivity Commission in recent years (Nous Group, 2020).

Enrolment and participation rates are still lower among some groups, and these tend to be cohorts that would benefit most from preschool education. In 2019, children experiencing disability, those living in remote and regional areas, and Aboriginal and Torres Strait Islander children were all slightly less likely to attend preschool in the year before school compared with the national average. Children in regional areas, however, participate on par with the national average (Productivity Commission, 2021). While lower compared with national averages, there has been substantial progress in increasing enrolment among key equity groups in recent years.

There is still significant variation in costs for access across the country (see Appendix). Children in most Australian jurisdictions can access quality preschool education for free. However children in Victoria, New South Wales and Queensland incur fees of up to \$4,000 per year, after subsidies. While there are historic reasons for different costs across the jurisdictions – partly due to market structures, and partly to funding commitments within jurisdictions – it creates significant inconsistency and inequity. When it comes to preschool education, how much parents pay depends on where they live, despite our attempts at a nationally consistent approach.

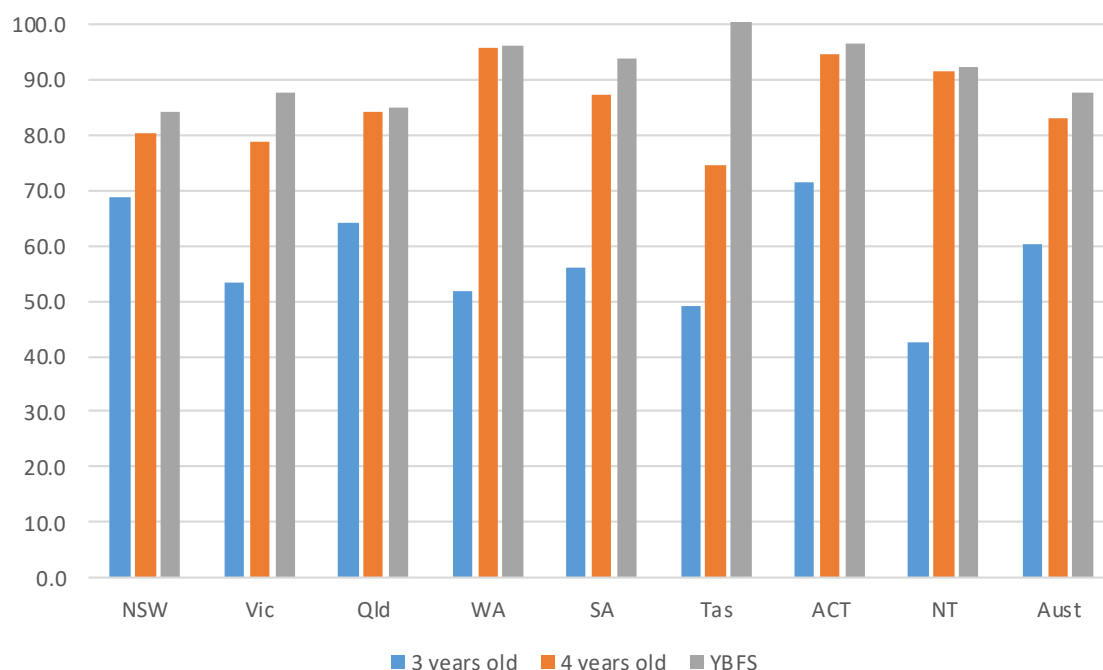
This significant increase in participation in pre-primary education is the result of a cooperative process among states and territories, where each jurisdiction has taken individual steps towards a nationally articulated goal. The *National Partnership on Universal Access* ('National Partnership') provided the initial roadmap in 2008, and Commonwealth funding to meet its objectives. Building on this progress in enrolments, much of the coordinated effort has now turned to improving engagement and attendance, and improving service quality.

Access to three-year-old preschool depends on where you live

Accurate data on the proportion of Australian children attending a second year of preschool is not available. Figures are available for the number of three-year-olds enrolled in a preschool program (see Figure 1) but these understate the number of enrolments, as they don't include four-year-old children (the number of four-year-olds enrolled is split across one and two years of preschool). While the Productivity Commission has recently developed a more accurate method of estimating the 'year before school' (YBFS) cohort, this work has not been done for a 'second year of preschool' cohort.

What we do have are figures for the number of three-year-olds participating in a program (197,141 in 2019), and an estimate of the proportion of three-year-olds enrolled in a preschool program (60 per cent nationally) (Productivity Commission, 2021). Of these children, a large majority – 92 per cent – attend preschool programs in long day care settings (ABS 4240). We also know that around 64 per cent of Australian three-year-olds participate in some form of ECEC (including preschool). This participation rate places Australia in the lowest quartile compared with other OECD countries. Thirteen OECD member states have enrolment rates exceeding 90 per cent (OECD, 2020c).

Figure 1: Proportion of children enrolled in a preschool program in the year before school (YBFS), and at age three and four (2019)



Source: Productivity Commission, 2021

The proportion of three-year-olds in preschool has remained fairly static for the past five years, between 58 and 60 per cent. Some funding for three year old preschool programs comes from the Australian government though the Child Care Subsidy. State and territory funding has historically been limited and directed towards disadvantaged children (i.e. in New South Wales, Victoria and South Australia).

As a result, the majority of children benefiting from a second year of state-subsidised preschool have been from more advantaged backgrounds (Tayler, 2016), with parents who can afford higher rates of unsubsidised programs. In Victoria, for example, fees can be up to \$2,500 per year, for six hours of preschool per week (see Appendix). We can expect additional funding to boost access for three-year-olds in some jurisdictions from 2020/21.

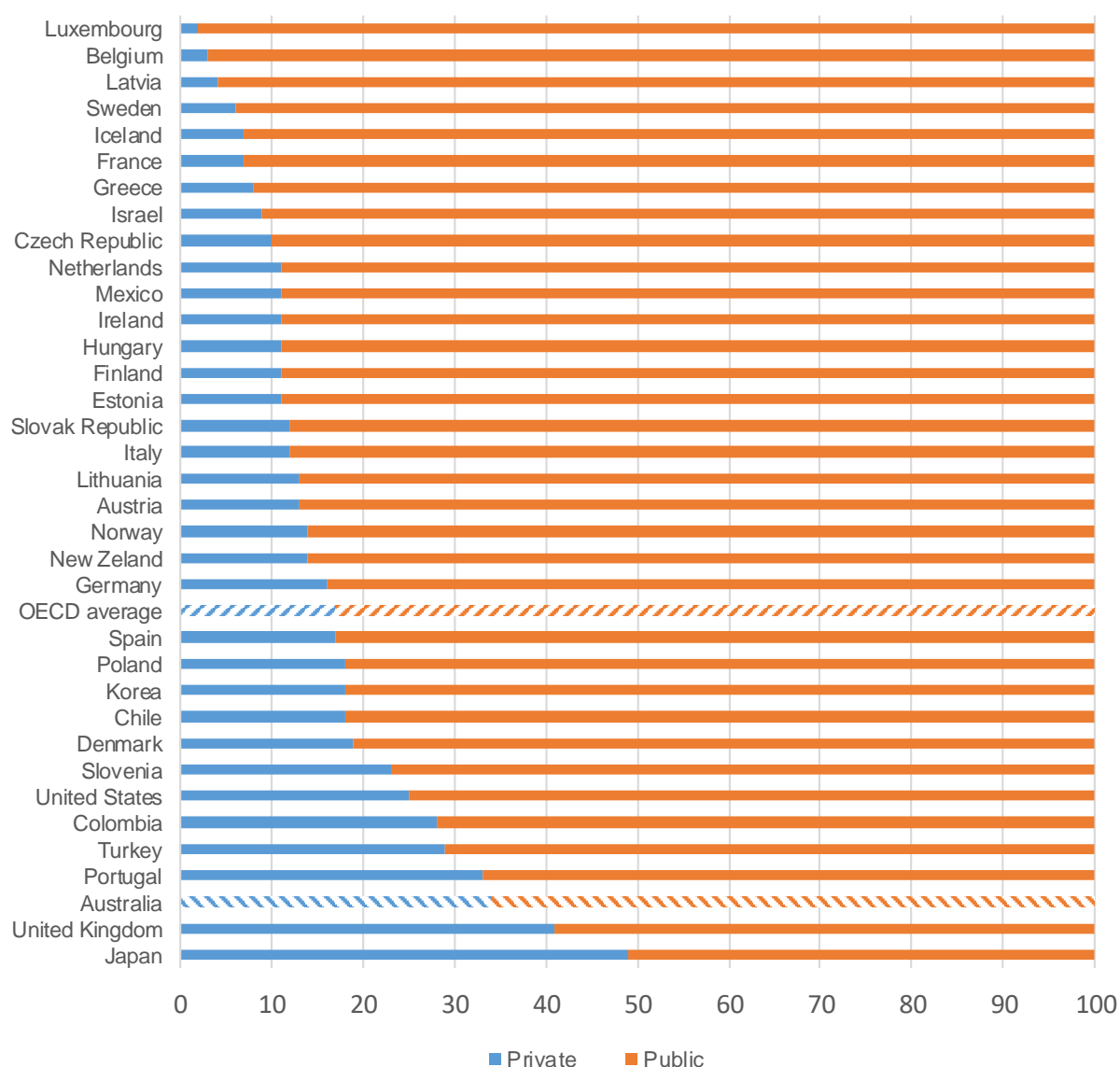
Government funding is inconsistent, and lags behind similar economies globally

In 2019-20 the Australian Government provided \$433 million under the National Partnership Agreement to support preschool in the year before school. In that year, state and territory spending on preschool in the YBFS was \$1.8 billion (Productivity Commission, 2021). The Front Project has calculated a total government spend per preschool child per year of \$6,789, compared with around \$15,000 per primary school child and \$19,000 invested per person in high school (The Front Project, 2019).

While investment in early years education has grown substantially over the past decade, (Hurley et al, 2020), Australia's expenditure doesn't compare favourably to other OECD countries. As shown in Figure 2, Australia spent an estimated 0.3 per cent of GDP on pre-

primary education in 2017 – half the OECD average of 0.6 per cent.³ By comparison, 14 out of 33 countries where data is available spend 0.7 per cent of GDP or more, and five countries spend one per cent of GDP or more (OECD, 2020b). This can be attributed partly to Australia's focus on funding only one year of preschool, compared with many OECD countries that fund more hours per week and/or more years of preschool.

Figure 2: Proportion of private and public expenditure on pre-primary education by OECD countries, 2017



Source: OECD, 2020b

³ 2017 is the latest date for which comparable data is available. These figures are estimates based on national data provided to the OECD, adjusted to account for variation across countries' preschool policies. They are indicative rather than precise, and should be treated with caution.

In addition to concerns regarding the level of funding, Australia has serious issues with funding security and stability. Funding through the Universal Access National Partnership has been renewed on a short term (one-two years) basis. The recent review of the agreement notes this has had ‘a debilitating effect on the sector’ (Nous Group, 2020: 11). Impacts have included cautious decision-making, challenges to retaining staff, administrative inefficiencies and compromised ability to plan (Nous Group, 2020). The impact of this goes beyond the sector and individual services, as quality staff retention is crucial to secure relationships with children and program quality.

Two funding models side by side

The Australian government does not fund three-year-old preschool programs expressly, however there is some cross-over between the two ECEC funding mechanisms – the Child Care Subsidy (CCS) and National Partnership funding. The provision of preschool programs delivered by a qualified teachers has increased substantially since 2020 when the National Quality Standards requirement of long day care centres employing a second teacher (or suitably qualified person) took effect, with many centres placing the second teacher in the three-year-old preschool room.

This means that despite there being no national funding framework for three-year-old preschool, some providers offer a preschool program for this age group within CBDC, with these parents eligible to receive CCS. It also means that in practice, some Commonwealth funding is already supporting three-year-old preschool, which would partly offset the cost of a national commitment to funding two years of preschool.

In the absence of a national commitment, some states and territories have already moved to increase access to three-year-old preschool. New South Wales is already subsidising a second year of preschool in community and mobile preschools (NSW Government, 2018), although a minority of three-year-olds benefit from the programs, as most (65.7 per cent) are enrolled in preschool at a day care centre (ABS, 2020). Victoria has embarked on a ten year plan to provide universal access to a second year of preschool in all settings, starting in selected disadvantaged communities in 2020 (DET, 2020).

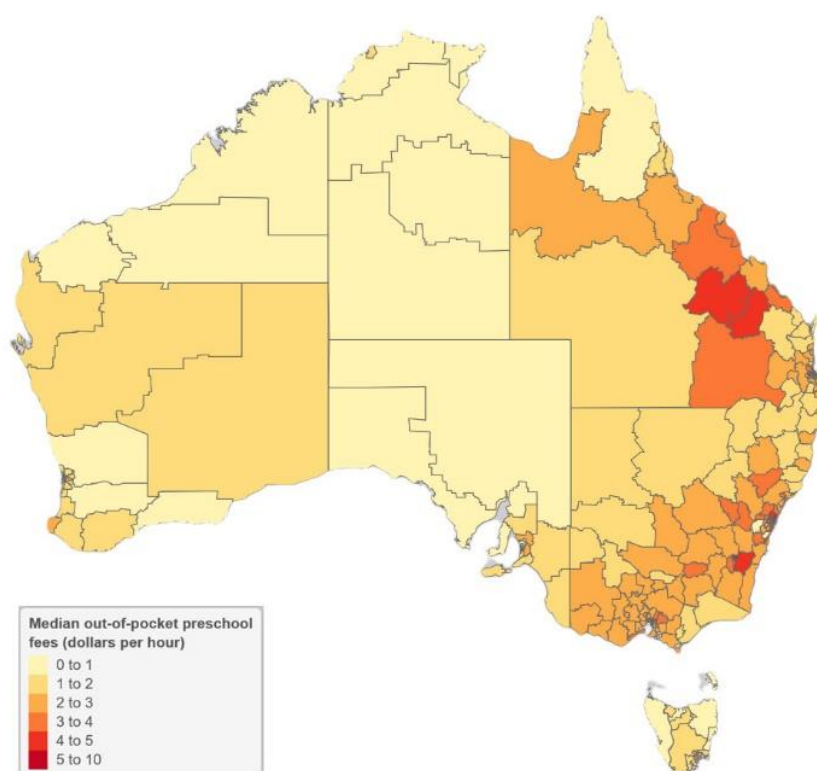
Plans to provide free access to a second year of preschool for all children in the Australian Capital Territory are in development (ACT Directorate of Education, 2020). Tasmania is piloting an initiative for three-year-olds in long day care (Working Together). South Australia offers access to some disadvantaged three-year-olds in government preschools, and the Northern Territory has committed to expanding access over coming years. Western Australia and Queensland are the only jurisdictions with no initiatives in place to support access to early learning for three-year-olds, although both states are piloting a facilitated playgroup model for three-year-olds (Kindilink).

Many parents bear substantial costs for preschool

Government expenditure is supplemented by fees charged to parents. Looking across all preschool provision, around one third of costs is borne by parents and the remaining two thirds by governments (OECD, 2020). On this measure, Australia is one of the worst-performing countries in the OECD, with families contributing the third highest proportion of costs (see Figure 2). Looking at preschool in the year before school only (i.e. excluding three-year-old preschool), the split is estimated at 79 per cent government supported, and 21 per cent parental fees (The Front Project, 2019).

Costs to parents also vary depending on where families live. Nationally, the median cost per hour for a preschool program in the year before school (after subsidies) was \$2.90 per child in 2019. Median hourly costs differ across geographical areas. In 2019, the median hourly cost of preschool programs (after subsidies) in major cities was \$3.10, compared to \$1 in remote areas, \$2.40 in inner regional Australia, and \$3.10 in major cities.⁴ This variation is shown in Figure 3.

Figure 3: Median preschool fees per hour after subsidies⁵



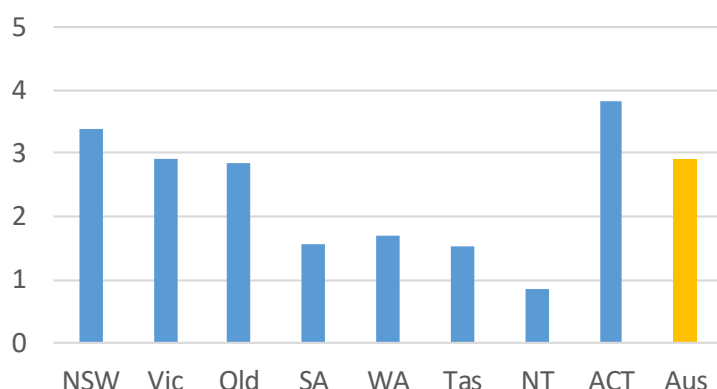
Source: ABS, 2019

Costs to parents depend not only on whether families live in urban or regional areas, but also the state or territory in which they live. Figure 4 shows median out-of-pocket costs per hour, per child for preschool education in each state and territory, and nationally. This provides a snapshot across the jurisdictions, for any preschool program (i.e. funded or unfunded), across all provider types.

⁴ Figures based on the authors' analysis of 2019 ABS data.

⁵ Median fees are mapped here by Statistical Area Level 2 (SA2). SA2s are medium-sized general purpose areas used by the ABS to represent a community that interacts together socially and economically. There are 2,310 SA2 regions covering the whole of Australia without gaps or overlaps.

Figure 4: Median preschool fees per hour after subsidies, by state and territory (\$)



Source: ABS, 2019

Most children attend one year of preschool for free in South Australia (51.2 per cent), Western Australia (56.5 per cent), Tasmania (51.4 per cent) and the Northern Territory (64.6 per cent). In those jurisdictions, a substantial minority of 30-40 per cent of families pay fees somewhere between \$1 and \$4 per hour for preschool in the year before school (ABS, 2020). Schools often charge levies or ask for voluntary parental contributions, and some parents elect to enrol in unfunded preschool programs, which explains these costs to parents even in jurisdictions where preschool is considered 'free'.

In New South Wales and Victoria, fees between \$1-4 per hour per child are charged to most families. 64.3 per cent of families in NSW pay fees in this range, compared with 61 per cent in Victoria (ABS, 2020). NSW and Queensland have the highest proportion of families paying \$5-9 per hour, at 28.9 per cent and 28.6 per cent respectively. By comparison, Victoria and the Australian Capital Territory are both under 20 per cent, and all other jurisdictions are below 8 per cent (ABS, 2020) (see Appendix for further information on fees per jurisdiction).

While most available data measures fees after subsidies per hour, it is also worthwhile considering weekly and annual costs to families. While \$1-4 per hour may seem low when compared with other service costs, at 600 hours per year, a total cost of \$2,400 is significant and may be unaffordable for some families, particularly when comparing with lower costs of other forms of ECEC. Annual fees in some jurisdictions are even more expensive – up to \$4,000 for four-year-old preschool in Queensland and more in the ACT.

Over the past four years costs to parents for preschool in the year before school have risen marginally (Nous Group, 2020). Year-on-year comparisons show the most volatile costs are for non-government services, while the cost to parents of government preschool has remained stable. Further research on the costs and benefits of various delivery models would be beneficial in understanding the impact of certain service delivery profiles on costs to governments and parents.

Families facing significant disadvantage face less of a financial barrier to preschool access, compared with all families. All jurisdictions deliver targeted support for certain cohorts of children and families that often reduce parental fees to very low or no cost. Policies on eligibility vary by jurisdiction.

COVID-19 has showed that preschool access may be vulnerable to changes in families' economic employment circumstances as well as instability within the sector. Families experiencing loss or reduction of employment face difficult choices in committing to preschool

(particularly if it is not funded) when the alternative is subsidised childcare. Temporary funding boosts for preschool education by NSW and Victoria provide short-term, but not sustained, assistance to families to keep their children engaged in preschool education.

Where are we at?

Significant additional investment in early childhood education and care occurred at both federal and state/territory levels in 2020 as part of the response to COVID-19. This was intended to ensure the sector remained viable, ease costs for families, and ensure young children who experienced significant disruption are supported as they transition into school in 2021. Notably, Victoria and New South Wales have boosted funding to deliver 'free' preschool for three and four-year-olds in 2021, with Victoria offering relief to children in all settings while NSW offered relief to the minority of children enrolled in community preschools (NSW Department of Education and Training, 2020 & Victorian Department of Education, 2020).

In several Australian jurisdictions, children are guaranteed a place in preschool in the year before school (see Appendix for detail). But at a national level, Australia's commitment remains an ambition (albeit with performance targets attached) rather than a legal entitlement (Australian Human Rights Commission, 2014). By contrast, around a quarter of OECD countries have strengthened this entitlement by guaranteeing children a preschool place in the year before school. Others have gone further (European Commission, 2019). In around one third of OECD countries one year of pre-primary education is compulsory. In France, Hungary, Israel and Mexico, participation is compulsory from age three (OECD, 2020b).

What should be done?

Australian Governments provide universal primary and secondary education. This is widely accepted to be an incontrovertible entitlement for every child, and a public good that supports social and economic well-being, and economic development.

The evidence base supporting two years of preschool is now well established, and this entitlement should be extended to the two years prior to school for every Australian child (The Front Project, 2019; Pascoe & Brennan, 2017; Fox & Geddes, 2016). Failing to do this risks entrenching inequality from the earliest age, and failing to capitalise on the incredible opportunity presented by the early years.

The rationale for government investment in preschool is startlingly clear.

Every three and four-year-old in the country deserves the benefits of a quality early education. Accessing this should not be dependent on where the child lives, their family circumstances or their parents' employment status. Ensuring this will benefit children and families, and set Australia up for a prosperous and productive future.

The ECEC sector is diverse, with a wide range of service types designed to meet the different needs of children and families. However a non-negotiable foundation must be universal access to a quality preschool program in the two years prior to school.

We need a consistent, national framework for two years of preschool education for every Australian child, and a stable and simple funding arrangement to make it happen. In order to achieve this, the following priority actions should be pursued:

- **Guarantee funding stability for one year of preschool immediately:** One of the key recommendations made by the review of the Universal Access National Partnership was

to commit funding under current arrangements, but with a long-term commitment to a five-year National Partnership from 2021 to 2025. This would provide time for research, framework development and negotiations that should be undertaken to transition to a National Agreement from 2026 onwards (Nous Group, 2020).

- **Develop a road map for two years of funded preschool:** This should form part of the National Agreement, provide adequate time to undertake research (including further investigation of funding and delivery modes by states and territories) and for states and territories to develop or adjust policies and delivery plans. The goal of 600 hours per year should be applied, to enable the policy to support parental workforce participation as well as children's outcomes.
- **Increase funding transparency and efficiency:** The review of the National Partnership found that jurisdictions with a higher prevalence of CBDC enrolments appear to invest less in YBFS preschool. It also found inadequate data to understand the reasons behind this. A national effort to assess and establish the cost per preschool place, per year, taking established needs into account, is crucial to improving funding transparency and consistency, as we have in primary school funding.
- **Investigate options to improve system consistency:** If preschool is regarded as a key element of each Australian child's education entitlement, consideration should be given to better integrating our preschool and school education systems. Consideration should also be given to a single, unified policy and funding framework to fund and deliver all ECEC services (including preschool), and to enshrining access to preschool as an entitlement in law.

Appendix: Overview of preschool policies, programs and funding by jurisdiction

State/territory	Four-year-old preschool (YBFS)	Three-year-old preschool	Summary
Australian Capital Territory	<p>No fees for attendance at government primary schools, though voluntary contribution levies may be charged, with amounts typically between \$90-160.⁶</p> <p>Median fees per hour for four-year-olds are \$2.34.</p>	<p>Plans to scale up to universal access for free three-year-old preschool from 2022-24.</p> <p>100 places in the Koori Preschool program for three-year-olds from 2020.</p> <p>Funding for up to 500 three-year-olds to access free kinder in 2020.</p> <p>Median fees per hour for three-year-olds are \$5.44.</p>	<ul style="list-style-type: none"> All four-year-olds children are guaranteed a place in a public preschool at one of 79 schools running free preschool programs. Enrolment and allocation of places is based on a set of published criteria. In 2019, 39.8 per cent of four and five-year olds were enrolled in a preschool, 35.9 per cent in preschool programs in long day care centres, and the remainder in both settings. Five Early Childhood Schools in ACT provide early education and care from birth to year two, after which children transition to a linked local primary school. <p>Sources: Australian Bureau of Statistics, ACT Education Directorate, ACT Early Childhood Strategy and ACT UANP Implementation Plan 2018-20.</p>
New South Wales	<p>Preschool subsidised through the Start Strong initiative, which reduces fees to parents and fully funds participation by Aboriginal children.</p> <p>Fees set by individual providers.⁷ Median fees per hour for four-year-olds are \$3.32.</p>	<p>Second year of preschool at community and mobile preschools subsidised from 2020, and will increase from 30% in 2020 to 50% by 2022.</p> <p>Median fees per hour for three-year-olds are \$3.55.</p> <p>Children with a disability or additional needs, Aboriginal</p>	<ul style="list-style-type: none"> Mixed market with most preschool delivered by CBDC providers. In 2019, 65.7 per cent of four and five-year olds were enrolled at a CBDC, 27.9 per cent at a preschool, and the remainder at more than one provider type. 11 preschools in NSW cater specifically to Aboriginal children; a further 13 cater to communities with high numbers of Aboriginal children. Start Strong provides funding to community preschools and limited funding to CBDC providers to reduce costs to parents. Providers must pass 75% of Start Strong funding onto families through fee reductions. <p>Sources: Australian Bureau of Statistics, Service NSW, and NSW Government - Education.</p>

⁶ Sample fees sourced from [Chapman PS](#) \$90, [Farrer PS](#) \$160, [Malkara PS](#) \$125, [Turner PS](#) \$90. These fees are per student where only one student per family is enrolled. Fees may be reduced per student where families have more than one child enrolled.

⁷ Sample fees sourced from [Mildura South Kindergarten Inc](#) \$1,608 for 4YO (15 hrs), \$1,806 for 3YO (8 hrs); [Gordon Community Preschool](#) \$615 (low income)-\$1,237 for 3YO; \$923 (low income)-\$1,599 for 4YO).

		children and children from low - income families are fully funded.	
Northern Territory	<p>One year of preschool provided fee-free.</p> <p>Children can start the term after they turn four (i.e. part way through the school year) and complete more than one year of funded preschool.</p>	<p>Three-year-old children from remote areas can attend preschool but must be accompanied by a parent until age 3.5.</p> <p>Median fees per hour for three-year-olds are \$3.22.</p>	<ul style="list-style-type: none"> Government schools are the largest provider of preschool services in the NT. In 2019, around two thirds of four and five-year olds were enrolled at a preschool, 13 per cent at a long day care centre, and the remainder at both. The Families as First Teachers Program, operating in more than 50 communities, supports Aboriginal children and parents from birth to develop resources within families and communities, engage in early learning, support connection between social services, and prepare for transition to school. <p>Sources: Australian Bureau of Statistics, Northern Territory UANP Implementation Plan 2018-19, Northern Territory Government and AIFS FaFT practice profile.</p>
Queensland	<p>Preschool is subsidised in a range of settings through the Queensland Kindergarten Funding Scheme (QKFS).</p> <p>Fees can range from \$2,400 to \$4,000 per year.⁸ Median fees per hour for four-year-olds are \$2.78.</p> <p>Aboriginal and Torres Strait Islander children attending Deadly Kindy participate for free.</p>	<p>Median fees per hour for three-year-olds are \$2.89.</p>	<ul style="list-style-type: none"> Mixed market with preschool delivered primarily by private and community sectors. Government delivers programs in 'areas of market failure' (including in remote and Aboriginal and Torres Strait Island communities). In 2019, around 28% of four and five-year olds were enrolled at community and government preschools, 68% at CBDC providers and the remainder at both. KindyLinQ is a facilitated playgroup for three-year-olds that operates at 25 government schools (expanding to 50 in 2021). Children attend with a parent/carer for six hours per week. QKFS subsidies are paid to sessional kindergarten services and CBDC providers, with additional loadings available based on SES and remote areas. Some loadings are conditional (i.e. remote per child loading must be used to attract and retain staff). QKFS Plus is a subsidy boost for specific cohorts. <p>Sources: Australian Bureau of Statistics, Queensland UANP Implementation Plan 2018-19, Business Queensland, Queensland Government.</p>
South Australia	<p>All children are entitled to a preschool program the year before they start school.</p>	<p>Some children can access government-funded preschool from age three, including</p>	<ul style="list-style-type: none"> In 2019, around half of four and five-year olds were enrolled at a preschool at one of 405 SA government funded and/or operated service providers, including

⁸ See [The Early Years](#) for indicative fees per day, based on family circumstances. Sample fees obtained from [Red Hill Kindergarten](#); [Chapel Hill Community Kindergarten](#); [K&C Western Suburbs Kindergarten](#); and [C&K Blue Skies Preschool and Kindergarten](#).

	<p>The average annual fee per child charged by government preschools in 2019 was \$437. These fees are not compulsory.</p> <p>Other preschools charge annual fees ranging between \$140 and \$520.⁹ Median fees per hour for four-year-olds are \$0.55.</p>	<p>Aboriginal children and those who have been in care.</p> <p>Median fees per hour for three-year-olds are \$2.97.</p>	<p>schools. Nearly a third were enrolled at a long day care centre and the remainder at a combination.</p> <ul style="list-style-type: none"> Subsidies ranged from \$1,230 to \$2,480 in 2020 for each child enrolled in preschool, depending on the socioeconomic area that the service is located. An additional \$1,850 per enrolment is applied if the child is Aboriginal or a concession card holder and a further \$3,080 if the child has a disability. 47 Children's Centres bring together care, education, health, community development activities and family services for children aged 0-8 and their families. <p>Sources: Australian Bureau of Statistics, South Australia UANP Implementation Plan 2018-20; Government of South Australia Department for Education, preschools.sa.gov.au.</p>
Tasmania	<p>Most kindergartens situated on a primary school site. Sessions may be half day or full day depending on the school.</p> <p>Children can attend government schools for free; levies may be charged but low-income families can apply for waivers. Median fees for four-year-olds are \$1.25.</p>	<p>'Working Together' (WT) provides 400 free hours of preschool to eligible children.</p> <p>'Gifted' three-year-olds can start kindergarten (at school) a year early.</p> <p>Median fees per hour for three-year-olds are \$2.87.</p>	<ul style="list-style-type: none"> Kindergarten is provided by around 150 public schools and 50 non-government schools. Preschool programs are delivered by more than 120 LDCs, but most are not registered as non-government schools, which is a requirement to be a registered kindergarten program and receive UANP funding. In 2019, around two thirds of four and five-year olds were enrolled at a preschool (including in government and non-government schools); 23 per cent at a CBDC provider, and the remainder at both. Working Together supports disadvantaged children to participate in early learning in the year before kindergarten, provided through participating CBDC providers. <p>Sources: Australian Bureau of Statistics, Tasmanian Department of Education (WT and kindergarten pages), WT3 pilot evaluation report, Tasmania UANP Implementation Plan 2018-19.</p>
Victoria	<p>Kinder programs delivered by a range of service types, including preschools (sessional kindergarten) and within long daycare centres.</p>	<p>Early Start Kindergarten fully funds a second year of kinder for Aboriginal children and children who have had contact with child protection services.</p>	<ul style="list-style-type: none"> In 2019, 45 per cent of four and five-year olds were enrolled in preschool at community or local government preschools, 46 per cent at CBDC, and the remainder were enrolled in both.

⁹ Sample fees obtained from [Clarendon Kindergarten](#); [Acacia Kindergarten](#); [Christie Downs Kindergarten](#); and [Moonta Kindergarten](#).

	<p>Fees determined by providers and can be up to \$2,500 per child. Median fees per hour after subsidies are \$2.80.</p> <p>An additional subsidy supports equity cohorts to attend free of charge.</p>	<p>Fees for unfunded places are set by providers and can range from \$990-2,530 per year;¹⁰ the median fees per hour for three-year-olds are \$3.53.</p> <p>Two years will be subsidised for all children by 2029, scaling up from 2020, starting with selected local government areas.</p>	<ul style="list-style-type: none"> Per capita grants for four-year-old kinder range from \$600 (for non-government schools)-4,500 depending on service provider type and location. The Kindergarten Fee Subsidy supports eligible children to attend a year of preschool free of charge. Eligible children include Aboriginal children, multiple births, asylum seeker children, and children from low income families. <p>Sources: Australian Bureau of Statistics, Victorian UANP Implementation Plan 2018-19, Victorian Government's Three-Year-Old Kindergarten page and Kindergarten Guide 2016.</p>
Western Australia	<p>Free kindergarten for 600 hours per year at 665 public schools and 18 community kindergartens.</p>	<p>Public schools in WA don't provide a formal education before the kindergarten year. Some independent schools operate a pre-kindergarten program.</p> <p>Median fees per hour for three-year-olds are \$4.07.</p>	<ul style="list-style-type: none"> Most preschool is delivered by public schools (fully funded) and independent schools (75 per cent funded). In 2019, nearly three quarters of four and five-year olds were enrolled in a preschool, 5.7 per cent at CBDC and 19.7 per cent attended more than one type of provider. KindiLink operates facilitated playgroups for Aboriginal children in 38 public schools the year before they start kindergarten. Children attend with a parent/carer for six hour per week. <p>Sources: Australian Bureau of Statistics, Western Australia UANP Implementation Plan 2018-20 and WA Department of Education KindiLink site.</p>

¹⁰ Sample fees obtained from [Alfred Road Kindergarten](#), [Maffra Queen Street Kindergarten](#), [Mildura South Kindergarten](#), [Brighton North Kindergarten](#) and [Bendigo Preschool](#).

References

- Ahmad, F. & Hamm, K. (2013). The school-readiness gap and preschool benefits for children of color. Center for American Progress, Washington.
- Australian Bureau of Statistics. (2020). *Preschool Education Australia 2019*. Retrieved February 11, 2021. <https://www.abs.gov.au/statistics/people/education/preschool-education-australia/latest-release>
- Australian Bureau of Statistics. (2019). *Children enrolled in a preschool program, 2019: Median of fees per hour – continuous*. Retrieved January 27, 2021.
- Australian Children's Education and Care Quality Authority (ACECQA). (2020). Quality ratings by socio-economic status of areas. ACECQA, Sydney.
- Australian Human Rights Commission. (2014). Australian Human Rights Commission Submission to the Productivity Commission Inquiry into Childcare and Early Childhood Learning.
- Australian Institute of Health and Welfare. (2015). Literature review of the impact of early childhood education and care on learning and development: working paper. Cat. no. CWS 53. AIHW, Canberra.
- Bartik, T. (2014). From Preschool to Prosperity: The Economic Payoff to Early Childhood Education. W.E. Upjohn Institute for Employment Research, Kalamazoo, MI.
- Biddle, N. & Cameron, T. (2012). Potential factors influencing Indigenous education participation and achievement. NCVER, Adelaide.
- Brennan, D. & Pascoe, S. (2017) Lifting our game: report of the review to achieve educational excellence in Australian schools through early childhood interventions. Victorian Government, Melbourne.
- Cattan, S., Crawford, C. & Dearden, L. (2014). The economic effects of pre-school education and quality. Institute for Fiscal Studies, London.
- Cloney, D., Cleveland, G., Hattie, J., & Tayler, C. (2016). Variations in the availability and quality of early childhood education and care by socioeconomic status of neighborhoods, *Early Education and Development*, 27(3), 384–401. doi:10.1080/10409289.2015.1076674
- Crawford, H. & Biddle, N. (2017). Preschool participation. CAEPR 2016 Census Paper No. 3. Centre for Aboriginal Economic Policy Research, Canberra.
- Danby, S., Morgan, R., Staton, S., Tayler, C. & Thorpe, K. (2012). Testing the Vision: Preschool Settings as Places for Meeting, Bonding and Bridging. *Children & Society*. 26:328–340 DOI:10.1111/j.1099-0860.2010.00336
- Department for Education and Training. (2020, July 15). Victorian Government. <https://www.education.vic.gov.au/about/programs/Pages/three-year-old-kinder.aspx>
- Education Directorate. (2020). Set up for success: An early childhood strategy for the ACT. ACT Government, Canberra.

Emerson, L., Fear, J., Fox, S., and Sanders, E. (2012). Parental engagement in learning and schooling: Lessons from research. Australian Research Alliance for Children and Youth (ARACY) for the Family-School and Community Partnerships Bureau, Canberra.

European Commission/EACEA/Eurydice. (2019). Key Data on Early Childhood Education and Care in Europe – 2019 Edition. Eurydice Report. Publications Office of the European Union, Luxembourg.

Farrell, A., Tayler, C. & Tennent, L. (2004). Building social capital in early childhood education and care: an Australian study. *British Educational Research Journal*, 30: 623–632.

Fox, S. & Geddes, M. (2016). Preschool - Two years are better than one. Policy Paper No. 03/2016. Mitchell Institute for Education and Health Policy, Melbourne.

Heckman, J., Moon, S., Pinto, R., Savelyev, P. & Yavitz, A. (2010). The rate of return to the HighScope Perry Preschool Program. *Journal of Public Economics*. 94, 114–128.

Hopwood, N. (2018). Creating Better Futures: Report on Tasmania's Child and Family Centres. University of Technology Sydney.

Hurley, P., Noble, K. & Jackson, J. (2020). Australian investment in education: Early childhood education and care. Mitchell Institute for Education and Health Policy, Melbourne.

Lamb, S., Huo, S., Walstab, A., Wade, A., Maire, Q., Doecke, E., Jackson, J. & Endekov, Z. (2020). Educational opportunity in Australia 2020: Who succeeds and who misses out. Centre for International Research on Education Systems, Melbourne.

Lamb, S. & Huo, S. (2017). Counting the costs of lost opportunity in Australian education. Mitchell Institute for Education and Health Policy, Melbourne.

Magnuson, K., Ruhm, C. & Waldfogel, J. (2007). "Does prekindergarten improve school preparation and performance?" *Economics of Education Review*, Elsevier, vol. 26(1), 33-51.

Melhuish, E., Sylva, K., Sammons, P., Siraj, I., Taggart, B., Smees, R., Toth, K., Welcomme, W. & Hollingworth, K. (2014) Students' educational and developmental outcomes at age 16 EPPSE 3-16 Research Brief. UK Department for Education, London.

Nous Group. (2020). UANP Review: Final Review Report. Prepared for the Australian Government Department of Education, Skills and Employment. Nous Group.

NSW Department of Education. (2020). COVID-19 free preschool funding program for community and mobile preschools – 2021 program guidelines.

<https://education.nsw.gov.au/early-childhood-education/operating-an-early-childhood-education-service/grants-and-funded-programs/covid-19>

NSW Government. (2018, 19 June). NSW the first state to subsidise preschool for all three year olds. <https://www.nsw.gov.au/media-releases/nsw-first-state-to-subsidise-preschool-for-all-three-year-olds>

O'Connor, M., O'Connor, E., Kvalsvig, A. & Goldfeld, S. (2014). The relationship between early childhood education and care and English proficiency at school entry for bilingual children in Australia. *NZ Research in Early Childhood Education Journal*. 17:161–81.

Organisation for Economic Co-operation and Development. (2020a). Early Learning and Child Well-being: A study of five-year-olds in England, Estonia and the United States. OECD Publishing, Paris.

Organisation for Economic Co-operation and Development. (2020b). Education at a Glance 2020. OECD Publishing, Paris. <https://doi.org/10.1787/69096873-en>

Organisation for Economic Co-operation and Development. (2020c). *Enrolment rate in early childhood education data*. <https://data.oecd.org/students/enrolment-rate-in-early-childhood-education.htm#indicator-chart>

Pascoe, S. & Brennan, D. (2017). Lifting our game: Report of the review to achieve educational excellence in Australian schools through early childhood interventions. Victorian Government, Melbourne.

Productivity Commission. (2021). Report on Government Services 2021. Australian Government, Canberra.

Productivity Commission. (2009). Report on Government Services 2009. Australian Government, Canberra.

Schweinhart, L., Montie, J., Xiang, Z., Barnett, W., Belfield, C. & Norres, M. (2005). Lifetime effects: The HighScope Perry Preschool study through age 40. Monographs of the HighScope Educational Research Foundation 14.

Shuey, E. & Kankaraš, M. (2018). The power and promise of early learning. OECD Education Working Paper No. 186. OECD Publishing, Paris.

Sylva, K., Melhuish, E., Sammons, P., Siraj-Blatchford, I. & Taggart, B. (2010). Early childhood matters: Evidence from the effective preschool and primary education project. Routledge, Abingdon.

Taggart, B., Sylva, K., Melhuish, E., Sammons, P. & Siraj, I. (2015). How pre-school influences children and young people's attainment and developmental outcomes over time. Research brief. UK Department for Education, London.

Tayler, C. (2016). The E4Kids study: Assessing the effectiveness of Australian early childhood education and care programs. Overview of findings as at 2016. University of Melbourne.

The Front Project. (2019). A smart investment for a smarter Australia: Australia's first economic analysis of early childhood education in the year before school.

Torii, K., Fox, S. & Cloney, D. (2017). Quality is key in Early Childhood Education in Australia. Policy Paper No. 01/2017. Mitchell Institute for Education and Health Policy, Melbourne.

US Department of Health and Human Services Administration for Children and Families. (2010). Head Start Impact Study. Final Report. Washington, DC.

van Huizen, T. & Plantenga, J. (2015). Universal child care and children's outcomes: A meta-analysis of evidence from natural experiments. Tjalling C. Koopmans Research Institute, Utrecht.

Victorian Department of Education and Training. (2020). Free kinder.
<https://www.education.vic.gov.au/childhood/providers/funding/Pages/freekinder2021.aspx>

Warren, D., Daraganova, G. & O'Connor, M. (2018). Preschool and children's readiness for school. Australian Institute of Family Studies, Melbourne.