

New South Wales: Implementation Plan and Performance Report (Plan) - 2022

PRESCHOOL REFORM AGREEMENT - 2022 TO 2025

PART 1: PRELIMINARIES

1. This Plan is a schedule to the Preschool Reform Agreement 2022 – 2025 (the Agreement) and should be read in conjunction with the Agreement. It covers the period from 1 January 2022 to 31 December 2022.
2. The Agreement reaffirms a national commitment to provide universal access to, and improved participation by, children in quality preschool programs in the year before full-time school (YBFS), with a focus on Aboriginal and Torres Strait Islander and disadvantaged children. These programs should be delivered in a manner that meets the needs of children, parents and communities at a cost which does not present a barrier to participation.
3. The objective of the Agreement is to facilitate children’s early learning and development and transition to school by maintaining universal access to quality preschool programs for all children, improving participation in preschool programs and maximising the benefit of the preschool year by improving outcomes for children.
4. The Agreement supports the delivery of 15 hours a week, or 600 hours a year of quality preschool programs, by a degree qualified early childhood teacher for all children, regardless of the setting in which programs are delivered, in the year before school.
5. The Agreement has a focus on improving preschool participation and outcomes including for Aboriginal and Torres Strait Islander children and disadvantaged children.
6. This Plan is the first of four annual implementation plans that will build on each other to deliver the reforms outlined in the Agreement.

PART 2: TERMS AND DEFINITIONS OF THIS PLAN

7. This Plan will commence as soon as it is agreed between the Commonwealth of Australia, represented by the Minister for Education and Youth, and the State of New South Wales (NSW), represented by their Minister for Education.

8. As a schedule to the Agreement, the purpose of this Plan is to provide the public with an indication of how the State of NSW demonstrates its capacity to achieve and deliver the outcomes of the Agreement.
9. This Plan will cease on completion of the final performance reporting and the processing of final payments against the performance benchmarks or milestones set out within it for 2022.
10. The Australian Government Department of Education, Skills and Employment and central agencies will develop a new template for Implementation Plans from 2023 in consultation with States and Territories. The Commonwealth will require new and additional information in accordance with the Preschool Reform Agreement and the Federal Funding Agreements Principles from 2023.
11. This Plan may be varied by written agreement between the Commonwealth and the responsible State Minister.
12. The Parties to this Plan do not intend any of the provisions to be legally enforceable. However, that does not lessen the Parties' commitment to the Plan and its full implementation.
13. Clarification is provided below on how Definitions, (page 15 of the Agreement refers) are applied in NSW and have been agreed between NSW and the Commonwealth in the case of '*Disadvantaged children*' and '*Preschool program*'
 - a. Noting the definition of preschool program in the Agreement, NSW and the Commonwealth confirm that:
 - i. Preschool program, including associated elements such as "delivery" and "early childhood teacher", will be interpreted in accordance with the National Quality Framework and where there is any inconsistency the NQF will be preferred.
 - ii. The Children (Education and Care Services) National Law (NSW) allows the regulatory authority to approve waivers from certain elements and requirements of the National Quality Standard and Education and Care Services National Regulations.
 - b. Noting the definition of disadvantage in the Agreement, it is agreed that the SEIFA score is to be applied based on the address of the child.
14. NSW and the Commonwealth acknowledge that there are limited data sets for accurate child-level measures of disadvantage and both parties are committed to working together to improve this to support shared policy aims for universal preschool participation.

PART 3: FUNDING CONTRIBUTION

Commonwealth Funding Contributions

15. The Commonwealth's estimated total financial contribution to the State of NSW is set out in Tables 1a (program year) and 1b (financial year) of the Agreement.
16. However, the Commonwealth's financial contribution in individual program years is adjusted in accordance with the notes to Tables 1a and 1b of the Agreement. Consistent with the agreed adjustment process, the final amounts for 2022 are set out in **Table 1**.
17. The Commonwealth contribution can only be moved between years with the agreement of the Commonwealth.

Table 1: 2022 Commonwealth financial contribution to the State of NSW

Category	Amount
Estimated YBFS Contribution	\$140,736,094
Adjustment to Estimated YBFS Contribution	N/A
Top-up to maintain 2021 levels	\$85,502
Implementation Project funding	\$6,000,000
Total Budget	\$146,821,596

18. **Table 2** shows how the State of NSW will use Commonwealth funding to meet the objectives of the Preschool Reform Agreement. This may include strategies to facilitate preschool attendance by children in the year before full-time school.

Table 2: Program/activities objectives and outcomes

	Program/activity	Outputs	Objectives	Outcomes	Estimated C'th funds allocated
1.	Start Strong and targeted initiatives	<p>Implementing accessible quality early childhood programs that meet the needs of parents and communities at a cost which does not present a barrier to participation, particularly for children who experience vulnerability and disadvantage</p> <p>Delivering strategies and actions targeting the participation of Indigenous children, including in remote areas</p> <p>Delivering strategies and actions targeting the participation of vulnerable and disadvantaged children</p> <p>Supporting enrolment in 600 hours of preschool for all children in the year before fulltime school</p> <p>Supporting all children's quality early childhood education participation regardless of whether quality early childhood education programs are delivered through</p>	To facilitate children's early learning and development and transition to school, by maintaining universal access to, and improving participation in, affordable, quality early childhood education programs for all children	<p>All children, including vulnerable and disadvantaged children, have access to, and participate in, an affordable, quality early childhood education program.</p> <p>All Indigenous children have access to, and participate in, an affordable, quality early childhood education program</p>	\$140.736M

		schools (non-government and government), stand alone preschools or long day care centres			
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State context and funding contributions

19. Context influencing the State of NSW's delivery of preschool and the State's investment in preschool for 2022 is covered in this section.

New South Wales Context

20. In developing this Implementation Plan consideration has been given to the NSW context. Key factors that have influenced the proposed direction are listed below:
- a. Changes to the funding system and the resultant Start Strong funding model build on the achievements of the Preschool Funding Model (PFM). The PFM stemmed from a review by Professor Deborah Brennan, which made recommendations to ensure that funding for early childhood education was simpler, better targeted, and easier to understand to support preschool access, including for three-year-old children from disadvantaged backgrounds.
 - b. Of children in the Year Before Fulltime School¹, 21 per cent attend community preschools, 4 per cent attend government preschools, and 59 per cent attend long day care. A further 6 per cent attend more than one setting and 10 per cent are not enrolled. The long day care sector represents a larger share of preschool provision in NSW than in most other jurisdictions.
 - c. The profile of preschool services NSW currently funds using both Commonwealth and NSW government funding includes:
 - i. 100 government-run preschools
 - ii. around 740 community preschools
 - iii. over 2700 long day care providers.
 - d. In the 2018/19 budget the NSW Government allocated \$197.8 million over four years to extend the investment in preschool education under the Start Strong Program. The investment was directed to three key areas:
 - i. Extending funding to all three-year-olds in community preschools from 2019 to ensure universal access to two years of early childhood education
 - ii. \$42.1 million in capital grants funding over four years to support the creation of community preschool places in growth areas

¹ DoE estimates of YBFS enrolment by sector based on ABS PEA 2020 and ABS's revised YBFS methodology (2021)

- iii. Continuing Start Strong funding for preschool education in community preschools and long day care services for children in the year before school and equity three-year-olds.
- e. A further \$20 million over four years was allocated in the 2019/20 budget for new and existing community preschools to build, renovate or extend their facilities to cater for increasing enrolments across the state.
- f. In the 2020-21 budget, \$120 million was allocated to extend free preschool for community and mobile preschools until the end of 2021. This continues the fee-free preschool offered in terms 2, 3 and 4 2020. Additional support was also provided during April to July 2020 to preschools run by Local Government who were not eligible for JobKeeper payments.
- g. 2021 saw a significant increase in enrolments in Community and Mobile Preschools from the year prior, with a 3.8 per cent increase overall. This equates to more than 46,000 children enrolled across NSW, an increase of more than 1,700 children from 2020. Enrolment for Aboriginal and Torres Strait Islander children increased by more than 6% in 2021 to more than 4,900 children enrolled.

This was the highest levels of enrolment of children in community and mobile preschools since the implementation of the Start Strong Program.

Uses of funding

- 21. Noting the suggested uses for funding in the Agreement (cl 6, Appendix A), it is agreed that the purpose of funding follows the child is to provide flexibility for all states to direct core funding for preschool in ways that meet jurisdictional needs including to drive equity outcomes and, provide for economies of scale from sector wide actions.

Data Sharing

- 22. NSW and the Commonwealth are committed to an open flow of information to facilitate shared policy aims in relation to universal preschool participation. The Commonwealth holds data which underpin the delivery of reforms, including the development, delivery and evaluation of policy initiatives to drive quality and participation outcomes in early childhood education in NSW.
- 23. The Commonwealth and NSW have agreed to facilitate data sharing and will work together to identify what data is available and ensure that it is shared in accordance with appropriate legislation such as data privacy and Family Assistance laws with an intent to share initial data and examine opportunities for a consistent multilateral approach in 2022.

Implementation Project Funding Contributions

24. This section includes the State of NSW's summary of details of implementation project funding provided by the Commonwealth including funding amounts and purpose. The State of NSW will be required to provide details of how Implementation Project Funding will be used to deliver reforms, including key performance indicators (KPIs) and timing. Details will be captured at **Table 3**.

Table 3: Overview of Implementation Project Funding for the State of NSW - Statement of Allocations

Implementation Project (details)	Commonwealth funding	Actions (incl. deliverables)	KPI	Timing (incl. delivery schedule)	
Building-up the attendance evidence base	\$1M	Commissioned research and behaviour analytics on attendance strategies	Report with actionable recommendations on effective strategies to improve attendance	December 2022	
			Program evaluation	December 2023	
Boosting preschool attendance	\$5m	Delivered as grants/additional loading to existing preschool programs.	Evidence-based attendance strategies developed	June 2023	
			Funding available to community preschools and long day care providers delivering 600 hour preschool programs.	Grants provided to services to deliver attendance programs	July 2023
			Services will be funded to deliver evidence based attendance boosting initiatives including those that improve community and family outreach, increase access to preschool, enhance cultural safety and inclusiveness of ECE services and support educators working with children who have additional needs.	Data collected to support evaluation of impact of attendance strategies	December 2023
			Services may also be assisted to collect	Learnings from programs assessed, to inform future attendance strategies	December 2023

		attendance data and build a baseline.		
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25. Consistent with the terms of the Agreement, Commonwealth funding for Implementation Projects will be provided as part of the first milestone payment of the Agreement, subject to the Commonwealth and the State of NSW agreeing to this Plan.

Risk Management

26. The State of NSW will actively identify, monitor and manage the risks associated with delivering outcomes under the Agreement, such as through maintaining a risk management plan.

PART 4: REFORMS

27. As part of the Agreement, the State of NSW and the Commonwealth agree to work collaboratively to implement reforms outlined in the Additional terms in the Agreement.

28. The actions that the State of NSW will undertake to meet these commitments are detailed in **Table 4**.

Table 4: Planned Actions for the period 1 January 2022 to 31 December 2022 for the State of NSW

Reform Element	Actions	Timing
Reform Element One: Implement Commonwealth Funding Follows Child		
Steps to ready the state to ensure Commonwealth Funding Follows Child can be implemented in 2023.	<p>Measures to be undertaken in 2022</p> <ul style="list-style-type: none"> • Noting the ABS YBFS measure is an estimate only, NSW and the Commonwealth will work together to: <ul style="list-style-type: none"> ○ Identify and agree the data source to inform this work ○ Confirm data sharing arrangements ○ Agree timeframe for provision of data ○ Agree the process for applying the ABS estimate of YBFS population to 4- and 5-year olds in NSW ○ Agree the process for determining YBFS for specific cohorts. Aboriginal children and children who experience disadvantage • Review existing funding programs and develop funding and program guidelines to align with outcomes, including the requirement that funding follows child: • Review IT systems to ensure capacity to deploy new funding • Publish revised program guidelines on the website to make the approach transparent to families • Work with the Commonwealth to agree data sets and timeframes for acquittal • Work is underway to better understand the reasons why families do not engage with ECE and develop strategies in response • Incentive payments are provided to services that enrol children in the YBFS who have not previously engaged with ECE 	By end 2022
Reform Element Two: Implement a new national preschool attendance measure		
Work to ready the State to measure preschool attendance in 2024 and provide baseline data to the Commonwealth in 2023.	<p>Measures to be undertaken in 2022</p> <ul style="list-style-type: none"> • Access and analyse Commonwealth supplied CCS attendance data to understand historical attendance patterns in LDC • Develop attendance data collection IT system and processes for roll out to the sector • Ongoing liaison regarding the Dandolo report on attendance • Clarify details of process for working through Appendix A.1 with the Commonwealth 	By end 2022

Strategies to facilitate preschool attendance by children in the YBFS. For strategies relating to Aboriginal and Torres Strait Islander children, consistent with the Closing the Gap agreement, engage those communities and/or representative bodies in the design process.	Measures to be undertaken in 2022 <ul style="list-style-type: none"> Better understanding patterns of attendance, barriers and opportunities for improvement The Commonwealth agrees to share child-level attendance data for the previous three years to enable NSW to analyse patterns of attendance and identify where support is most needed Review of existing programs and literature Consultation with Aboriginal ECE Advisory Group and other key community groups Co-design strategies to support attendance that are sensitive to community concerns around the pandemic and children's health 	By end 2022
Reform Element Three: Implement a new national Preschool Outcomes Measure from 2025		
Plans for how the State will work with the Commonwealth to develop the preschool outcomes measure.	Measures to be undertaken in 2022 <ul style="list-style-type: none"> The state undertakes to work collaboratively with the Commonwealth on the development of the Outcomes measure 	Throughout 2022
Reform Delivery/Implementation		
State-specific data and implementation issues and strategies for how these will be overcome in the context of assessing performance under the Agreement.	Measures to be undertaken in 2022 <ul style="list-style-type: none"> Finalise data sharing agreement with Commonwealth to develop better understanding of Centre Based Day Care attendance patterns NSW does not currently collect attendance data –NSW will implement appropriate interim measures in consultation with sector 	By end 2022

PART 5: PERFORMANCE AND REPORTING ARRANGEMENTS

29. Part 5 sets out the performance and reporting arrangements for the State of NSW for 2022.
30. Commonwealth and State based collections or data sources and methodologies, agreed by both the Parties to this Plan, to measure progress against the performance milestones and benchmarks and targets in the Agreement, are set out in Part 5 of this Plan and Appendix B of the Agreement.
31. These data and performance specifications will be used to report the State of NSW's performance, except for the supplementary data agreed by the Parties to this Plan.
32. Supplementary data reports must contain the following details for each Performance Indicator (PI) where the method is not consistent with the Early Childhood Education and Care Minimal Data Set (NMDS):
 - a. PI calculation description (numerator, denominator, computation and presentation)
 - b. numerator information (collection name and population description)
 - c. denominator information (collection name and population description)
 - d. calculation notes (including any information about how the PI is calculated)
 - e. methodology
 - f. rationale for supplementary data and reporting (including any additional information to explain how and why the specifications for the supplementary data differ from the specifications in the NMDS).

Performance requirements, reporting and payment summary 2022

33. Performance Reporting for 2022 will evaluate the planned actions undertaken by the State of NSW as detailed at **Table 4**.
34. Performance results and reporting will be signed off by the Commonwealth Minister who will then inform the State of NSW's Minister of the outcome through an exchange of letters.

Sign off

35. The Parties have confirmed their commitment to this agreement as follows:

Sarah Mitchell

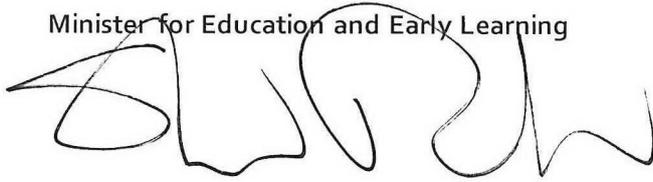
09 April 2022

Signature

Date

The Hon Sarah Mitchell MLC

Minister for Education and Early Learning



29 April 22

Signature

Date

The Hon Stuart Robert MP

A/g Minister for Education and Youth