

# New South Wales: Implementation Plan and Performance Report (Plan) - 2023

Preschool Reform agreement – 2022 to 2025

This Plan covers:

- the implementation activities for the period 1 January 2023 to 31 December 2023 (Tables 2 – 4);
- the performance report template for the period 1 January 2023 to 31 December 2023. (Annex 1 and 2).

## 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. This Plan covers the period from 1 January 2023 to 31 December 2023.
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 children 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 second of four annual implementation plans that 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 Early Childhood Education, and the State of New South Wales, represented by their Minister for Education and Early Learning.
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 New South Wales 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 2023.
10. The Commonwealth Government Department of Education and central agencies will develop a new template for Implementation Plans from 2024 in consultation with states and territories (States). The Commonwealth will require new and additional information in accordance with the Agreement and the Federal Funding Agreements Principles from 2024.
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 (p.15 of the Agreement refers) have been applied in NSW and have been agreed between NSW and Commonwealth in the case of '*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 (NQF) and where there is any inconsistency the NQF will be preferred.
    - ii. The Children (Education and Care Services) National Law allows the regulatory authority to approve waivers from certain elements and requirements of the National Quality Standard and Education and Care Services National Regulations.
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 New South Wales 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 2023 are set out in **Table 1**.
17. **Table 1** does not include funding for children who repeat the YBFS. This funding will be calculated and paid in arrears per Appendix A.1 to the Agreement.
18. The Commonwealth contribution can only be moved between years with the agreement of the Commonwealth Minister. This would address extraordinary circumstances only and details would be agreed in the context, noting Commonwealth Funding Follows Child requires funding is expended in the year for which it is provided.

**Table 1: 2023 Commonwealth financial contribution to the State of New South Wales**

Category	Amount <sup>1</sup>
Estimated YBFS Financial Contribution	\$135,024,729
Adjustment to YBFS Estimated Financial Contribution	(-\$3,001,058)
Additional funding to maintain 2021 levels	\$8,797,925
<b>Total Commonwealth financial contribution</b>	<b>\$140,821,596</b>

<sup>1</sup>Figures may not add due to rounding. These figures are based on the most recent YBFS population projections calculated by Australian Bureau of Statistics (ABS) and provided to States in January 2023.

19. Table 2 shows how New South Wales will use Commonwealth funding to meet the objectives of the Agreement.

**Table 2: Program/activities objectives and outcomes**

	Program/activity	Outputs	Objectives	Outcomes	Estimated Cth funds allocated
<b>Program year funding (Commonwealth Funding Follows Child)</b>					
1.	Start Strong for Community Preschools	Supporting the implementation of accessible quality early childhood programs that meet the needs of parents and communities at a cost that doesn't present a barrier to participation, particularly for children who experience vulnerability and disadvantage.	To support quality uplift in preschool education  To incentivise increased enrolment and attendance in quality preschool programs in the years before school.	All children, including Aboriginal and Torres Strait Islander, vulnerable and disadvantaged children, have access to, and participate in, an affordable, quality early childhood education program.	\$38.7 million
2.	Start Strong for Long Day Care	Delivering strategies and actions targeting the participation of Aboriginal and Torres Strait Islander, vulnerable and disadvantaged children, including in remote areas.	To offer and promote quality early childhood programs to families who may otherwise not access it.  To improve affordability of preschool education.		\$83.3 million
3.	NSW Government preschools	Supporting enrolment in 600 hours of preschool education for all children in the year before fulltime school.			\$4.7 million
4.	Start Strong Pathways	Delivering strategies and actions to support	To support educational engagement of young	All children, including Aboriginal and Torres	\$5.3 million

		educational engagement of young children prior to preschool enrolment and to promote the importance of early childhood education to parents	children prior to preschool enrolment, and to strengthen their engagement within early childhood services.  To support pathways to preschool by promoting the importance of early childhood education to parents and communities, including vulnerable and disadvantaged families who may otherwise not access it.	Strait Islander, vulnerable and disadvantaged children, have access to, and participate in, an affordable, quality early childhood education program.	
<b>Additional funding to maintain 2021 funding levels</b>					
5.	Digital Hub	Implementation of systems and processes to enable preschool attendance data collection for community and NSW government preschools	Digital readiness of the preschool sectors to report attendance data for PRA reporting	Measurement and reporting of preschool attendance that meet PRA requirements and inform future strategies to increase attendance	\$8.8 million
6.	Start Strong	Refer 1 and 2 above	Refer 1 and 2 above	Refer 1 and 2 above	
<b>Total all programs and activities</b>					<b>\$140.8 million</b>

The Commonwealth Funding Follows Child allocation provided in Table 2 is based on the estimated number of children in each setting, calculated using the following methodology:

- The estimated number of children in each setting is derived by multiplying the proportion of children in each setting in 2021 with the 2023 YBFS population projection calculated by ABS.
- The proportion of children in each setting in 2021 is based on the Preschool Education Australia 2021 enrolment data (Source: PEA 2021, Table 28) and the 2021 YBFS population projection calculated by ABS. Children enrolled across multiple settings have been included within the standalone community preschools setting.

NSW's acquittal of Commonwealth Funding Follows Child will be against the funding allocation provided in Table 2 of this Plan.

## State context and funding contributions

20. Context influencing the State of New South Wales delivery of preschool and the States' investment in preschool for 2023 is covered in this section.

## New South Wales Context

21. 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. Of children in the YBFS, approximately 21 per cent attend community preschools, 4 per cent attend government preschools, and 63 per cent attend long day care. A further 8 per cent attend more than one setting and 4 per cent are not enrolled. The long day care sector represents a larger share of preschool provision in NSW than in most other jurisdictions.
- b. The profile of preschool services NSW currently funds using both commonwealth and NSW government funding includes:
  - i. Around 100 government-run preschools
  - ii. Approximately 740 community and mobile preschools
  - iii. Over 3,000 long day care services
- c. When signing the PRA in 2021, the NSW Government invested additional funds across through the life of the Agreement to support implementation of the reforms, including funding for programs that aim to boost participation in preschool for children experiencing vulnerability and disadvantage
- d. In 2022, as part of its historic [Early Years Commitment](#), the NSW Government announced the landmark Affordable Preschool initiative with an investment of \$1.3 billion over 4 years to provide fee-relief for families with children in preschool. This investment is in addition to the Commonwealth Government funding of \$560 million over 4 years to deliver the Preschool Reform Agreement's goals of increasing preschool access attendance and quality in the year before school. The Preschool Reform Agreement and the Affordable Preschool initiative will be delivered primarily through the Start Strong program.
- e. 2023 Start Strong for Community Preschools program will provide funding to deliver affordable quality preschool education for 3- to 5-year-old children enrolled in eligible community and mobile preschools in NSW. The 2023 Start Strong for Long Day Care program will provide funding to deliver affordable quality preschool education to children aged 4 and above who are enrolled in a preschool program in long day care services in NSW.
- f. Preschools run by the NSW Department of Education will receive funding to provide the equivalent of 5 days a fortnight of affordable preschool for all children.
- g. As per the 2022 NSW Department of Education Community Preschool Census data, 2022 saw a moderate increase in preschool enrolments in community and mobile preschools from the year prior, with a 1.6 per cent increase overall. This equates to more than 47,000 preschool enrolments across NSW, an increase of more than 700 enrolments from 2021. Enrolment for Aboriginal and Torres Strait Islander children increased by more than 2 per cent in 2022 to more than 5,000 enrolments. This was the highest levels of enrolment of children in community and mobile preschools since the implementation of the Start Strong Program. The enrolment growth in 2022 comes off the back of a significant 3.8 per cent increase seen in 2021.

## Uses of funding

22. Noting the suggested uses for funding in the Agreement (cl 6, Appendix A), it is agreed that the implementation of funding follows the child at the sector level provides 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

23. 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.
24. 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 2023.

## Implementation Project Funding Contributions

25. This section includes the state of NSW's summary of details of implementation project funding provided by the Commonwealth including funding amounts, purpose and NSW's progress in implementing the project to date. NSW is required to provide details of how Implementation Project Funding will be used to deliver reforms, including key performance indicators (KPIs) and timing. Details are captured at **Table 3**.
26. Consistent with the terms of the Agreement, Commonwealth funding for Implementation Projects was provided as part of the first milestone payment of the Agreement, when the Commonwealth and NSW agreed the 2022 Implementation Plan.

**Table 3: Overview of Implementation Project Funding for State of New South Wales - Statement of Allocations (as per 2022 Implementation Plan)<sup>1</sup>**

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  Program evaluation	December 2023  December 2024
Boosting preschool attendance	\$5M	Delivered as grants/additional loading to extend preschool programs  Funding available to community preschools and long day care providers delivering 600-hour preschool programs.  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 ECEC services and support educators working with children who have additional needs.  Services may also be assisted to collect data and build a baseline.	Evidence-based attendance strategies developed  Grants provided to services to deliver attendance programs.  Data collected to support evaluation of impact of attendance strategies  Learnings from programs assessed, to inform future attendance strategies.	June 2024  July 2024  December 2024  December 2024

<sup>1</sup> While the project remains the same as the one indicated in the 2022 Implementation Plan, project delays have pushed the timelines by an additional year. NSW intends to carry over the \$6M one-off project implementation funding previously provided for this purpose.



## Risk Management

27. The State of New South Wales will actively identify, monitor and manage the risks associated with delivering outcomes under the Agreement, such as through maintaining their own risk management plan.

## PART 4: REFORMS

28. As part of the Agreement, the State of New South Wales and the Commonwealth agree to work collaboratively to implement reforms outlined in the Additional terms in the Agreement.
29. The actions that the State of New South Wales will undertake to meet these commitments are detailed in **Table 4**.

Table 4: Planned Actions for the period 1 January 2023 to 31 December 2023 for the State of New South Wales

Reform Element	Actions	Timing
<b>Reform Element One: Implement Commonwealth Funding Follows Child</b>		
Details of how the Commonwealth Funding Follows Child at the setting level will be implemented in the State.	<p>Measures to be undertaken in 2023</p> <ul style="list-style-type: none"> <li>• Deliver the 2023 Start Strong Program for Long Day Care and Community Preschools to support services to deliver quality affordable preschool education to children in the YBFS. Funding is distributed to eligible services, with the aim of incentivising preschool enrolment of 600 hours per year. Funding conditions and priority of access guidelines are also aimed to encourage enrolment of children from low-income families, children with an Aboriginal and Torres Strait Islander background and children with disability or additional needs. The program guidelines are detailed on the NSW Department of Education website. <a href="https://education.nsw.gov.au/early-childhood-education/operating-an-early-childhood-education-service/grants-and-funded-programs/start-strong-funding">https://education.nsw.gov.au/early-childhood-education/operating-an-early-childhood-education-service/grants-and-funded-programs/start-strong-funding</a></li> <li>• Continue to deliver funding to NSW government run preschools, targeted towards supporting affordable and quality preschool education for Aboriginal and Torres Strait Islander, vulnerable, and disadvantaged children.</li> <li>• Continue to deliver the Start Strong Pathways program that helps provide educational supports for young children prior to preschool enrolment and promotes the importance of early childhood education to parents. In 2023, NSW will also undertake an evaluation of the effectiveness of key program features and consider options to improve program delivery.</li> </ul>	Throughout 2023
<b>Reform Element Two: Implement a new national preschool attendance measure</b>		
Work to ready the State to measure preschool attendance in 2025 and provide baseline data to the Commonwealth in 2024.	<p>Measures to be undertaken in 2023</p> <ul style="list-style-type: none"> <li>• Develop an understanding of historical attendance patterns in centre-based day care sector.</li> <li>• Develop attendance data collection system and processes for community, mobile and NSW government run preschools.</li> <li>• Work with Commonwealth and States to: <ul style="list-style-type: none"> <li>○ agree on the process for determining YBFS population estimates for Aboriginal and Torres Strait Islander children and disadvantaged children</li> <li>○ agree Appendix B – Performance Indicator Specifications.</li> </ul> </li> </ul>	Throughout 2023

Reform Element	Actions	Timing
Strategies to facilitate participation in preschool 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.	<p>Measures to be undertaken in 2023</p> <ul style="list-style-type: none"> <li>• Start Strong equity loadings for Aboriginal and Torres Strait Islander children and other priority cohorts to facilitate preschool participation and achieve equitable outcomes for these children.</li> <li>• 'Ningannah No More' Aboriginal languages program delivery – As part of the NSW Government's First Steps Strategy, the 'Ningannah No More' program has been redesigned to support the delivery of the Strategy's goals, including that of increasing the number of Aboriginal children enrolled in the year before school to 95% by 2025.</li> <li>• Aboriginal Families as Teachers (AFaT) – The AFaT program has been expanded under the First Steps Strategy to encourage services to work side by side with Aboriginal and Torres Strait Islander families to promote the importance of early childhood education within families and communities, including participation in a quality preschool program for 600 hours in the year before school.</li> <li>• Better understanding of attendance patterns, barriers and opportunities for improvement to enable development of strategies that incentivise increased enrolment and attendance.</li> </ul>	Throughout 2023
<b>Reform Element Three: Implement a new national preschool outcomes measure from 2025</b>		
Plans for how the State will work collaboratively with the Commonwealth to develop the preschool outcomes measure.	<p>Measures to be undertaken in 2023</p> <ul style="list-style-type: none"> <li>• The state undertakes to continue to work collaboratively with the Commonwealth on the development of the preschool outcomes measure.</li> </ul>	Throughout 2023
<b>Reform Delivery/Implementation</b>		
State-specific data and implementation issues and strategies for how these will be overcome in the context of assessing performance under the Agreement.	<p>Risks, and measures to be undertaken, in 2023</p> <p>Key risk relates to digital maturity of the community and school-based preschools. It is anticipated that the first attendance data collection in 2024 may be impacted by quality of data. This is a complex transition for services that are currently recording attendance manually and there may be some services that are not yet ready to fully participate in the data collection in 2024.</p> <p>Measures to be undertaken:</p>	Throughout 2023

Reform Element	Actions	Timing
	<ul style="list-style-type: none"><li>• Understand sector needs and challenges to form strategy to enable digital readiness for attendance data collection.</li><li>• Enhance sector capability through effective tools and processes which support changes and training.</li><li>• The comparability of attendance data between 2024 and 2025 will be considered in setting attendance targets and assessment of performance under the PRA, noting this may require attendance data to be re-baselined in 2025.</li></ul>	

## PART 5: PERFORMANCE AND REPORTING ARRANGEMENTS

30. Part 5 sets out the performance and reporting arrangements for the State of New South Wales for 2023.

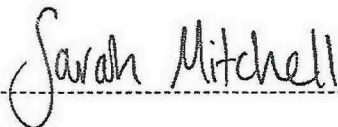
### Performance requirements, reporting and payment summary 2023

31. Performance Reporting for 2023 will capture progress against planned actions undertaken by the State of New South Wales as detailed at Table 4.
32. Performance results and reporting will be signed off by the Commonwealth Minister who will then inform the State of New South Wales Minister of the outcome through an exchange of letters.

### Sign off

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

Signed for and on behalf of the State of New South Wales by




Signature

Date 10/02/23

The Hon Sarah Mitchell MLC

Minister for Education and Early Learning

Signed for and on behalf of the Commonwealth of Australia by



Signature

Date 24/3/23

The Hon Dr. Anne Aly MP

Minister for Early Childhood Education | Minister for Youth