

Victoria: Implementation Plan and Performance Report (Plan) - 2025

Preschool Reform Agreement – 2022 to 2025

This Plan covers:

- the implementation activities for the period 1 January 2025 to 31 December 2025 (Tables 2 – 4);
- the performance report for the period 1 January 2025 to 31 December 2025 (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 2025 to 31 December 2025.
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 fourth 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 Victoria, represented by their Minister for Children.
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 Victoria 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 2025.
10. This Plan may be varied by written agreement between the Commonwealth and the responsible State Minister.
11. 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.

PART 3: FUNDING CONTRIBUTION

Commonwealth Funding Contributions

12. The Commonwealth's estimated total financial contribution to the State of Victoria is set out in Tables 1a (program year) and 1b (financial year) of the Agreement.
13. 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 2025 are set out in **Table 1**.
14. **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.
15. 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: 2025 Commonwealth financial contribution to the State of Victoria

Category	Amount ¹
YBFS Financial Contribution	\$116,703,379
Additional funding to maintain 2021 levels	\$11,843,107
Total Commonwealth financial contribution (excluding implementation funding)	\$128,546,486
Preschool Outcomes Measure: Trial implementation support	\$1,000,000
Total Commonwealth financial contribution (including implementation funding)	\$129,546,486

¹Figures may not add due to rounding. These figures are based on the most recent YBFS population projections estimated by Australian Bureau of Statistics (ABS) in January 2025.

16. **Table 2** shows how the State of Victoria will use Commonwealth funding to meet the objectives of the 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 Cth funds allocated
Program year funding (Commonwealth Funding Follows Child)					
1.	Provision of 15 hours per week of four-year-old kindergarten	Quality, affordable preschool programs	To facilitate children’s early learning and development	All children have access to, and are able to participate in, an affordable, quality early childhood education program	\$116,703,379
2.	Strategies to facilitate participation in preschool by children in the YBFS	Quality, affordable preschool programs	To facilitate children’s early learning and development	All children have access to, and are able to participate in, an affordable, quality early childhood education program	
Additional funding to maintain 2021 funding levels					
3.	Provision of 15 hours per week of four-year-old kindergarten	Quality, affordable preschool programs	To facilitate children’s early learning and development	All children have access to, and are able to participate in, an affordable, quality early childhood education program	\$11,843,107
Total all programs and activities					\$128,546,486

Four-Year-old Kindergarten (preschool for children in the year before school) is delivered by a diverse range of service providers in Victoria, including government and non-government providers, private for-profit providers, and community service organisations. The Victorian Government funds these services, irrespective of setting to contribute to the cost of delivering a funded kindergarten program. Under Victorian Government kindergarten funding guidelines, children can only be enrolled in one Victorian funded kindergarten place at any one time.

Commonwealth Funding Follows Child will be calculated based on the per child funding amount and the number of Victorian Government funded Four-Year-Old Kindergarten enrolments. The data source to allocate and acquit Commonwealth Funding Follows Child, will be the Kindergarten Information Management System, which is Victoria's system for calculating kindergarten funding. This will provide data for the 2025 calendar year.

State context and funding contributions

17. Context influencing the State of Victoria delivery of preschool and the States' investment in preschool for 2025 is covered in this section.
18. The Victorian Government has an ongoing commitment to strengthening and expanding early childhood education. This work commenced with the release of the *Education State Early Childhood Reform Plan* in 2017; and the implementation of universal Three-Year-Old Kindergarten across the state from 2020. Three-year-old children across Victoria are now able to access up to 15 hours a week of funded kindergarten.
19. In June 2022, the Victorian Government committed an additional \$9 billion to expand early childhood education programs across the state to continue the Best Start, Best Life reform. This means that:
 - a. From 2023, Free Kinder has been available for all Victorian three- and four-year-old children at participating services in both standalone (sessional) services and long day care (childcare) settings – a saving for families of up to \$2,627 per child in 2025.
 - b. Four-Year-Old Kindergarten will transition to 'Pre-Prep' from 2025, commencing with 6 LGA's – increasing to a universal 30-hour a week program of play-based learning for every four-year-old child by 2036.
 - c. From 2026, priority cohort children will have access up to 25 hours of Pre-Prep statewide, increasing to up to 30 hours from 2028.
20. 50 Victorian government-owned and affordable childcare centres will be established. These centres will be built in areas that have unmet demand and will make it easier for families to access childcare. The first of the centres opened in 2025.
21. Victorian 2025 funding rates for all services are available on the Victorian Department of Education website at: <https://www.vic.gov.au/kindergarten-funding-rates>
22. As a condition of opting into Free Kinder, services providing a sessional program must offer all families a free 15-hour per week program for four-year-old enrolments and a free kindergarten program of between 5 and 15 hours for three-year-old enrolments. Where longer program hours are offered these additional hours must be optional. Participating sessional kindergarten services can charge parents for optional program hours over and above the 15 funded hours per week (600 hours per year) and / or 'wrap around' care if they are not located in a Pre-Prep roll-out area.
23. Long day care service providers that opt into Free Kinder are required to directly offset the full \$2,101 Free Kinder payment from the fees of parents with children receiving their funded kindergarten program at the centre. Long day care services must use any surplus funding (i.e., for the minority of cases where parents are charged less than \$2,101 in out-of-pocket fees for the year) on improvement efforts for the funded kindergarten program, such as improving quality and supporting engagement.

24. Service providers that do not opt into Free Kinder may charge families fees to help meet the cost of running kindergarten programs. Fees are set by individual services and can vary depending on service type, how many hours a child attends, group size and extra costs such as excursions.
25. In developing this Implementation Plan consideration has been given to the Victorian context. Key factors listed below:
- a. the historic community ownership of many kindergarten services
 - b. the maturity of the kindergarten system which is operating at close to full capacity (spaces and teachers) in some areas such as growth corridors and inner metropolitan suburbs
 - c. the extent to which the full range of early years services (kindergarten for both 3- and 4-year-olds, playgroups etc.) are embedded in and valued by local communities
 - d. anticipated continuation of the high participation rate in Victorian kindergarten programs
 - e. the ongoing commitment of the National Quality Framework
 - f. ongoing population growth in parts of Victoria
 - g. policy and legislation that may impact on access and participation (e.g. Victoria's No Jab No Play, the Australian Government's No Jab No Pay and the changes to the Child Care Subsidy)
 - h. the ambitious expansion of the Best Start, Best Life reform.
26. Victoria is implementing a full attendance data collection system across our sessional preschool sector – which is the largest and most diverse such sector in Australia. This is a large scale, complex project that requires creation of new system and change management strategies for services and our workforce.
27. Victoria will continue to work in good faith with the Commonwealth Government to develop the best possible picture about attendance levels, noting Victoria's attendance system is being implemented in a phased approach across 2025. To include as many enrolments as possible in the Term 2 2025 attendance dataset, this phased approach is prioritising roll-out to funded kindergarten service providers that currently use existing third-party attendance data collection software. The new attendance system can integrate with third-party software products to collect attendance data. In addition, services that currently use paper-based attendance data collection will be supported to transition to digital collection through the new IT system. These services are also being provided with devices for 'sign-in, sign-out' by parents and carers.
28. For 2025, Victoria will provide data from its attendance data collection system. As a significant change to service-level practice and data collection for the sector, including for small parent committee-run and other community-based services, there will be some variability in the data over time as the engagement with the attendance collection system matures. Data from 2025 and beyond will also not be directly comparable with 2024 data

as the interim collection arrangements that were in place for 2024 included a smaller proportion of sessional kindergarten enrolments. Analysis of national NECECC data indicates that measured attendance for children enrolled in CBDC services is typically higher than in sessional preschool settings, which means that Victoria's overall measured attendance rate will likely fall as the proportion of sessional enrolments in the total data set increases.

29. Given the potential difficulty in comparing data between 2024 and 2025 attendance, this will be taken into consideration when assessing Victoria's performance against attendance targets in 2025. Victoria will provide supplementary data to support fair and accurate comparison of performance between 2024 and 2025, due to the subset of services that were included in the 2024 interim collection being unrepresentative of the total Victorian service population. Victoria acknowledges the Commonwealth Government has committed to the principle that targets be non-punitive in nature, achievable, cognisant of baseline data and State's circumstances.
30. In Victoria, the Early Years Assessment and Learning Tool remains the approved early learning assessment tool and its use in kindergarten services will continue to be voluntary.
31. The Victorian Government undertakes a range of activities to help meet the objectives of maintaining universal access to affordable, quality preschool programs for all children, improving participation in preschool programs, and maximising the benefit of the preschool year by improving outcomes for children. These actions are outlined in Table 5.

Implementation Project Funding Contributions

32. This section includes a State's summary of details of implementation project funding provided by the Commonwealth including funding amounts, purpose and the State's progress in implementing the project to date. States 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 State of Victoria - Statement of Allocations (as per 2022 Implementation Plan)

Implementation Project (details)	Commonwealth funding	Actions (incl. deliverables)	KPI	Timing (incl. delivery schedule)
Attendance data collection	\$5,750,000 (provided in 2022)	<ul style="list-style-type: none"> • Develop a new state-based system to collect attendance data from sessional services e.g. IT system development • Develop change management approach. 	<ul style="list-style-type: none"> • System development complete • Change management approach complete 	December 2024

33. 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 State agreed the 2022 Implementation Plan.

Preschool Outcomes Measure: Trial Implementation Support

34. This section outlines the ways in which States intend to spend Commonwealth funding made available to support the 2025 national applied trial of the Preschool Outcomes Measure (as outlined in Table 1) in accordance with *PRA Appendix A.2 Preschool Outcome Measure Trial*. This can include alignment activities or trial preparatory activities undertaken in 2024.
35. Commonwealth funding is being provided on the following basis:
- For States participating in the 2025 national applied trial by nominating the new national tool as their 'primary tool' – up to \$3.4 million.
 - For States participating in the 2025 national applied trial by nominating a tool that is well developed, validated but not yet trialled at scale as their 'primary tool' – a mid-point funding, more than \$1 million and up to \$3.4 million, to be negotiated bilaterally.
 - For States participating in the 2025 national applied trial by nominating an existing tool as their 'primary tool' – up to \$1 million.

36. Where a state was not in a position to finalise details for Trial Implementation Support in its 2024 Implementation Plan, they should provide these details in 2025 Implementation Plans to access funding.
37. Implementation Plans will include high-level proposed expenditure categories for Trial Implementation Support funding.
38. When completing Table 4 below, States are requested to also outline State contributions, where relevant, including in-kind contributions.

Table 4: Overview of Preschool Outcomes Measure Trial implementation support for State of Victoria - Statement of Allocations

Activities (details)	Commonwealth funding	State contribution	Actions (incl. deliverables)	KPI	Timing (incl. delivery schedule)
<p>As per section 7.2 of Appendix A.2, Victoria will acquit participation in the national trial via alignment of the Early Years Assessment and Learning Tool and its reporting capabilities with the national learning progressions.</p> <p>Victoria will continue to implement the EYALT in line with established implementation arrangements and supports.</p>	\$1 million to be provided in 2025-26 to undertake the alignment process and activities consistent with 12.3 of Appendix A.2.	Victoria made significant investment in the development validation and trial of the Early Years Assessment and Learning tool. It continues to make significant investment in the rollout of the Tool.	Participate in the agreed process at section 7.2 of Appendix A2 to demonstrate the alignment of the EYALT with the final agreed learning progressions.	Assessment provided to Commonwealth that advises on alignment in accordance with Ministerially approved criteria and final learning progressions.	<p>The alignment process will commence following Ministerial approval of national learning progressions and alignment criteria. Reasonable time will be required to complete the process following EMM endorsement.</p> <p>Any modifications that may be required to nationally aligned tools resulting from the alignment process will be considered as part of Appendix A.3 following the national applied trial.</p>

39. Commonwealth funding for Preschool Outcomes Measure: Trial Implementation Support will be provided on the basis of the information provided above when the Commonwealth and State agree the 2025 Implementation Plan.

Risk Management

40. The State of Victoria 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

41. As part of the Agreement, the State of Victoria and the Commonwealth agree to work collaboratively to implement reforms outlined in the Additional terms in the Agreement.
42. The actions that the State of Victoria will undertake to meet these commitments are detailed in **Table 5**.

Table 5: Planned Actions for the period 1 January 2025 to 31 December 2025 for the State of Victoria

Reform Element	Actions	Timing
Reform Element One: Implement Commonwealth Funding Follows Child		
Details of how the Commonwealth Funding Follows Child at the setting level will be implemented in the State.	<p>Measures to be undertaken in 2025</p> <ul style="list-style-type: none"> • Victoria has a strong foundation for ensuring Commonwealth funding is allocated to settings in which children attend preschool, through its service agreement monitoring. • The eligibility criteria for services to receive Victorian Government kindergarten funding is outlined in Victoria's Kindergarten Funding Guide (https://www.vic.gov.au/kindergarten-funding-guide) • Victorian 2025 funding rates are available on the Victorian Department of Education website at: https://www.vic.gov.au/kindergarten-funding-rates • The Victorian Government processes monthly payments to funded kindergarten services based on child level enrolment data entered into the new Arrival IT system. • Victoria is continually reviewing how to strengthen and enhance current contract management arrangements and processes. <ul style="list-style-type: none"> ○ At the end of 2025, Commonwealth Funding Follows Child will be acquitted using information collected by the Victorian Department of Education on funded kindergarten enrolments. 	Throughout 2025
Reform Element Two: Implement a new national preschool attendance measure		
Agree details of preschool enrolment and attendance targets for 2025, to be measured using data provided to the Commonwealth, in accordance with Appendix A.1 in 2024 (to set the baseline) and 2025 (to measure performance against the baseline).	<p>Work towards meeting the following agreed targets for 2025:</p> <ul style="list-style-type: none"> • Improvement from the 2024 baseline proportion of children in the year before full-time school (x%) who attended a preschool program(s) for 75% of 600 hours (450 hours). <ul style="list-style-type: none"> ○ Improvement from the 2024 baseline proportion of Aboriginal and Torres Strait Islander children in the year before full-time school who are enrolled in a preschool program(s) for 600 hours. 	Detailed 2024 baseline data scheduled for delivery in May-June 2025

Reform Element	Actions	Timing
<p>Appendix A.1 to the PRA agrees attendance targets will be expressed according to the formula 'at least x% of children attend at least y% of 600 hours'.</p> <p>The PRA agreed attendance targets that are being introduced for the first time in 2025 will be negotiated bilaterally in good faith once national baseline data is available (refer pg.10, note 4 of the PRA and clause 15, Appendix A), and in accordance with the guiding principles PRA Appendix A.1.</p> <p>However, noting enrolment data in previous years was generally available in late March, delivery of 2024 baseline attendance data in May-June 2025 was not (and could not be) anticipated when the PRA was signed in 2022, before the details of the attendance data collection arrangements had been worked through multilaterally.</p> <p>In this context, to limit delays to the agreement of this IP and payment of the associated funding allocation attendance targets for 2025 <i>may</i> be agreed as:</p> <ul style="list-style-type: none"> • a proportion (y%) of 600 hours; • with levels of 'x' for each Performance Indicator becoming known when 2024 data becomes available (noting this is expected to occur after this Implementation Plan is agreed); and • <i>any improvement</i> in 2025 on the baseline level of 'x' in 2024 may be taken as meeting Target (a) as set out in the PRA to receive full funding under the specific Performance Indicator. <p>If a jurisdiction prefers to wait until baseline data is available – any improvement in 2025 on the baseline specified value of 'x' in 2024, against the agreed 'y' value may be taken as meeting Target (a) as set out in the PRA to received full funding under the specific Performance Indicator. The ABS expects to provide custom tables to test settings of this kind in early June 2025.</p>	<ul style="list-style-type: none"> ○ Improvement from the 2024 baseline proportion of Aboriginal and Torres Strait Islander children in the year before full-time school (x%) who are attending a preschool program(s) for 75% of 600 hours (450 hours). ○ Improvement from the 2024 baseline proportion of disadvantaged children in the year before full-time school who are enrolled in a preschool program(s) for 600 hours. ○ Improvement from the 2024 baseline proportion of disadvantaged children in the year before full-time school (x%) who are attending a preschool program(s) for 75% of 600 hours (450 hours). <p>Measures to be undertaken 2025</p> <ul style="list-style-type: none"> • Throughout 2025, Victoria will implement Arrival, a new purpose-built system that will include functionality to enable sessional kindergarten services to collect and report attendance data. • In order to include as many enrolments as possible in the Term 2 2025 dataset, the new attendance data collection system, Arrival, will be delivered in a phased approach that prioritises roll-out to funded kindergarten service providers that currently use existing third-party attendance data collection software. Following this, funded kindergarten service providers that currently use paper-based attendance collection processes will be progressively onboarded for attendance data collection. • Sessional kindergarten services that currently use paper-based attendance collection processes will be provided with digital devices to enable them to transition to the digital collection. • Victoria will provide supplementary data to support fair and accurate comparison of performance between 2024 and 2025, due to the subset of services that were included in the 2024 interim collection being unrepresentative of the total Victorian service population. 	<p>2025 performance data expected delivery March-April 2026</p> <p>Throughout 2025 quarterly status updates on implementation</p>

Reform Element	Actions	Timing
<p>Similarly, noting enrolment targets will also be measured according to a new YBFS methodology, any improvement in 2025 on the baseline proportion (x%) of children who were enrolled for 600 hours in 2024 will be taken as meeting Target (a).</p> <p>This is a transitional measure for the first year of targets under new data collection arrangements and should not be considered as setting a precedent for future years.</p> <p>Targets will be set <i>and assessed</i> with reference to the PRA Appendix A, clause 15 and clause 21 and Appendix A.1 clauses 4.15, 4.16 and the principles set out in Appendix A.1 section 5, noting the Parties acknowledge:</p> <ul style="list-style-type: none"> attendance in preschool programs is not compulsory and influenced by parental choice and other factors attendance targets have been set in advance of understanding the outcomes from the 2024 preschool attendance collection the attendance measure is based on a new data collection and may be subject to year-to-year volatility; this volatility may be driven by a number of factors such as higher than average levels of illness and changes in the mix of provision within a jurisdiction (i.e. between school based / community preschool / CBDC) a range of sources of supplementary data may need to be provided and considered in good faith to properly assess performance against attendance targets capacity to demonstrate year-on-year improvements diminish the greater the proportion of children attending at the target attendance rate inclusion of targets within 2025 Implementation Plans do not constitute agreement to those same targets in future years or for future agreements. 	<ul style="list-style-type: none"> As Victoria's 2024 interim attendance data collection included all integrated long day care services but only a sample of 9 sessional kindergarten service providers (approximately 24% of sessional kindergarten enrolments), Victoria's attendance rates are expected to be significantly lower in 2025 due to the higher proportion of sessional kindergarten enrolments in the 2025 collection. In order to ensure accurate comparison between 2024 and 2025, Victoria will work with the Australian Government Department of Education and the Australian Bureau of Statistics to provide supplementary data that enables 2025 performance to be measured for the same subset of services that were included in the 2024 interim collection. Attendance data will need to be re-baselined in 2025 as the first year of full data collection. <p>Note, Victoria has historically reported high enrolment rates under the previous collection methodology and that the population of Aboriginal children and children experiencing disadvantage are small and subject to a level of volatility. Therefore, Victoria would expect full payment for these enrolment measures if a high level of performance is maintained in 2025, in the absence of improvement between 2024 and 2025.</p>	

Reform Element	Actions	Timing
<p>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>	<p>Measures to be undertaken 2025:</p> <ul style="list-style-type: none"> • The department works closely with local government, kindergarten providers and other stakeholders to support attendance through initiatives such as: <ul style="list-style-type: none"> ○ Free Kinder – supports access to two years of high-quality kindergarten programs for all Victorian children by making this free. Free Kinder is available for 3 and 4-year-old kindergarten programs at participating services. ○ Early Start Kindergarten – provides targeted funding for vulnerable or Aboriginal children to attend a free kindergarten program two years before school. This creates a pathway for children who are at risk of not engaging to enrol in YBFS preschool programs in the following year. ○ Access to Early Learning program – provides additional support for children experiencing vulnerability and/or disadvantage to address complex barriers to participation in early childhood education and care. ○ Early Childhood LOOKOUT – supports children in out-of-home care to attend kindergarten and builds the capacity of the sector to identify and engage children in out-of-home care in kindergarten and support vulnerable children at risk of entering out-of-home care. ○ Pre-Purchased Places – targeted services receive funding to reserve places for vulnerable children or disadvantaged children who enrol late. ○ School Readiness Funding – supports kindergartens to reduce the impact of educational disadvantage. Services can use this needs-based funding to access high-quality programs and supports that benefit children in the priority areas of communication (language development), wellbeing (social and emotional), and access and inclusion. 	<p>State to insert timing</p>

Reform Element	Actions	Timing
	<ul style="list-style-type: none"> ○ Kindergarten Inclusion Support Program – supports children with a disability, high support needs, and/or complex medical needs. ○ Specialist support to address barriers to participation experienced by children and families from CALD and refugee backgrounds, including through outreach workers employed by 26 local governments. ○ Kindergarten Central Registration and Enrolment Schemes (CRES) – provides a single point of contact for families to apply for multiple kindergarten services in their area, to help secure a place that best suits their needs. CRES is underpinned by six principles that promote consistent, inclusive and equitable access to kindergarten places, and it supports the identification and engagement of families who may need more support to register and enrol. ○ Department of Education Early Childhood Improvement Branch staff – responsibilities include conducting outreach work with kindergarten service providers and local governments to support access to, and participation in, preschool programs. Significant investment to grow workforce and infrastructure capacity as part of the Best Start Best Life Reforms. 	
Reform Element Three: Implement a new national preschool outcomes measure trial in 2025		
<p>How the State will participate in the National Applied Trial of the preschool outcomes measure, in accordance with Appendix A.2. (Note, reform element has been updated to reflect Appendix A.2. The actions a State plans to undertake should be consistent with the timeline agreed to by Education Ministers in August 2024).</p>	<p>Measures to be undertaken 2025</p> <ul style="list-style-type: none"> • Victoria will implement the Early Years Assessment for Learning Tool • Victoria provides a one-off funding contribution for each service that opts to use in the Tool in 2025 (this contribution has also been provided to each service that opted to use the Tool in 2023 and 2024). • Victoria provides a package of professional development tools for services to encourage and support use of the Tool. 	<p>Throughout 2025</p>

Reform Element	Actions	Timing
	<ul style="list-style-type: none"> Victoria will engage in the alignment process as per the Alignment Criteria Manual, subject to Ministerial approval. This process will commence following that endorsement. It will be submitted at a reasonable time following Ministerial approval of the final national learning progressions. Ongoing participation in the POM WG and engagement with ACER/Nous, including drafting of Appendix A.3 Part Two. 	
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.	<p>Measures to be undertaken 2025</p> <ul style="list-style-type: none"> Victoria will continue to refine preschool data with the Australian Bureau of Statistics to ensure it most accurately reflects service delivery and the YBFS population in Victoria, noting that the 2024 enrolment and attendance data has not yet been made available. 	Throughout 2025

PART 5: PERFORMANCE AND REPORTING ARRANGEMENTS

43. Part 5 sets out the performance and reporting arrangements for the State of Victoria for 2025.
44. The 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.
45. These data and performance specifications will be used to report State of Victoria performance, except for the supplementary data agreed by the Parties to this Plan.
46. 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).
47. 'Preschool program' is defined as per the Agreement (Definitions, p.15 of the Agreement - Preschool program (alternatives to agreed definition)), and will include:
 - a. an educational program delivered in accordance with the Early Years Learning Framework (or equivalent) and the NQF delivered by an early childhood teacher; and
 - b. an educational program the Victorian Department of Education approves to be delivered by a diploma qualified educator or primary teacher who is working towards an early childhood teaching qualification for a short-term, due to the absence of a qualified early childhood teacher.
49. From 2024, States were required to provide baseline enrolment and attendance data in order to receive their full performance funding. Appendix A.1 and Appendix B to the Agreement set out the nationally agreed approach for data collection, provision, and reporting.
 - a. Where a State has agreed with the Commonwealth transitional arrangements for 2025, these should be detailed in Table 5 and 6.
50. Table 6 covers information states are required to report annually to facilitate application of Appendix A.1 and Appendix B in 2025.

Table 6: State specific attendance and enrolment data considerations

Category	Required Information
Attendance collection period	<ul style="list-style-type: none"> The attendance collection period is Term 2. In Victoria in 2025, the standard Term dates will be from 21 April to 4 July 2025 (noting, the public holiday on Monday 21 April 2025 and will be considered operationally unavailable hours as per Appendix A.1). Further information on Victoria's school term dates is available at: https://www.vic.gov.au/school-term-dates-and-holidays-victoria
Data provision	<ul style="list-style-type: none"> Victoria will provide attendance and enrolment data in 2 separate datasets. Both datasets will be provided in line with the nationally agreed due dates for data submission to the ABS.
Child and state specific YBFS	<ul style="list-style-type: none"> In Victoria, children become eligible for YBFS preschool in 2025 if they turn four by 30 April 2025, which follows the same rules as previous years.
Children who repeat YBFS preschool	<ul style="list-style-type: none"> Victoria intends to claim funding for children who have an approved second year in a YBFS preschool program. In Victoria, where a child is observed to display delays in key outcome areas of learning and development, a second year of funded Four-Year-Old Kindergarten may be considered in exceptional circumstances. (For further information refer to Victoria's Kindergarten Funding Guide at https://www.vic.gov.au/kindergarten-funding-guide). <p>Children receiving a second year of funded YBFS preschool are flagged in Victoria's annual data submission to the ABS.</p>

Performance requirements, reporting and payment summary 2025

51. Performance Reporting for 2025 will capture progress against planned actions undertaken by the State of Victoria as detailed at Table 5. States should provide sufficient detail in performance reporting to enable consideration of progress against actions and provide the Commonwealth with a draft prior to submission of the final report.
52. Performance reporting will be signed off by the Commonwealth Minister who will then inform the State of Victoria Minister of the outcome through an exchange of letters.

Sign off

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

Signed for and on behalf of the State of Victoria by



Signature _____ Date 05 / 03/ 2025

Lizzie Blandthorn
Minister for Children

Signed for and on behalf of the Commonwealth of Australia by



Signature _____ Date 07/03/2025

The Hon Dr. Anne Aly MP
Minister for Early Childhood Education | Minister for Youth

Annex 1 – Funding Follows Child Acquittals

Commonwealth Funding Follows Child (CFFC) acquittals (updated by 31 March 2026)

Requirements for Commonwealth Funding Follows Child can be found in Appendix A to the PRA.

Examples of the types of program expenditure and subsidies that meet these requirements include:

- a. For enrolled children (in each setting):
 - i. Fee relief for families
 - ii. Provision of early childhood teachers to deliver preschool programs
 - iii. Quality improvements, including teacher recruitment and retention
 - iv. Program subsidies, including needs-based funding models or additional support
- b. For funding that cannot be attributed to any children enrolled in a quality preschool program:
 - i. Communication and outreach
 - ii. Enrolment and attendance strategies, particularly for Aboriginal and Torres Strait Islander children and disadvantaged children.
 - iii. Specialised programs, without which children would have no access to preschool programs, or programs that meet their individual needs

It is not the intention of Funding Follows the Child that per-child contributions are used to support:

- c. For enrolled children (in each setting):
 - i. Programs that cannot be attributed to settings
- d. For children who are not enrolled:
 - i. Universal program subsidies and fee relief for children enrolled in preschool programs.

States should provide an account of how CFFC is allocated across settings and describe their approach or methodology to derive their calculation for the number of children in the YBFS within a particular setting. States should also provide some explanation of their method for estimating the YBFS population which is not yet participating in preschool.

To acquit funding by setting, states will need to complete Tables 1, 2 and 3 below and submit these to the Commonwealth by 31 March 2026.

In Table 1, States should set out the number of children that attended preschool in their YBFS in each setting as determined using the methodology outlined in their implementation plans. They should also include the total funding spent in each setting.

Table 1. Summary of children and Commonwealth funding spent by setting

Setting	Number of Children attending preschool in the YBFS	Total Commonwealth funding spent in setting
CBDC	State calculation of [n] children in YBFS counted against setting.	\$N.Nm
Stand-alone	State calculation of [n] children in YBFS counted against setting.	\$N.Nm
School-based preschool	State calculation of [n] children in YBFS counted against setting.	\$N.Nm
Total Commonwealth Funding spent in all settings		<u><u>\$N.Nm</u></u>

In Table 2, states should provide a summary of expenditure by program for initiatives that were undertaken to promote enrolment and attendance in preschool in reference to clause 7 of Appendix A. Again, this should reflect the methodology described in the State's implementation plan.

Table 2. Summary of expenditure of Commonwealth funding not attributed to children in the YBFS enrolled in preschool (children in the YBFS who are not enrolled)

Estimated number of children in the YBFS, for which funding cannot be attributed to children in in any setting	Total Commonwealth funding spent
State calculation of [n] children	\$N.Nm

In Table 3, States should acquit funding against programs outlined in Table 2 of Implementation Plans. Where a program runs across more than one setting, a row should be added for each setting. This table relates to clauses 6 and 7 of Appendix A which outline the purposes for which Commonwealth funding should be used.

Table 3. Commonwealth funding by program and setting

Item	Setting	Program description	Amount (\$)
<i>Auto #</i>	<i>e.g. School-based</i>	<i>Type a description of the program.</i>	<i>\$NNN,NNN</i>
1.	Choose an item.	Click or tap here to enter text.	\$0
			<u><u>\$ 0.00</u></u>

Additional funding to maintain 2021 levels is not required to be acquitted through this template. However, States may choose to acquit this funding in these tables if this cannot be separated. States may also choose to include state funding at their own discretion.

Annex 2 – Progress Update

Progress update on actions agreed in the Implementation Plan

State and Territory reporting should provide updates on work agreed in Implementation Plans (Table 5) including implementation of attendance strategies in the following tables. The below table provides a template for the submission of this progress update.

Table 1: Reporting on delivery of Planned Actions for 2025 (update by 31 March 2026)

Element	Agreed Action		Progress Update
Reform Element One: Implement Commonwealth Funding Follows Child (CFFC)			
How Commonwealth funding follows child at the setting level will be implemented in the State	As per Table 5 in the Implementation Plan in 2025		A progress update on actions agreed at Table 5.
Reform Element Two: Implement a new national preschool attendance measure			
The approach to measure preschool enrolment and attendance and how data will be provided to the Commonwealth, in accordance with Appendix A.1.	As per Table 5 in the Implementation Plan in 2025		A progress update on actions agreed at Table 5.
Strategies to facilitate participation in preschool by children in the year before full-time school. 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.	As per Table 5 in the Implementation Plan in 2025		A progress update on actions agreed at Table 5.
Reform Element Three: Implement a new national preschool outcomes measure from 2025			
How the State will participate in the National Applied Trial of the preschool outcomes measure, in accordance with Appendix A.2.	As per Table 5 in the Implementation Plan in 2025		A progress update on actions agreed at Table 5. States should also provide an update on the use of Commonwealth funds provided through Preschool Outcomes Measure: Trial Implementation Support.

		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.	As per Table 5 in the Implementation Plan in 2025		A progress update on actions agreed at Table 5.