

# NSW: 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 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 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 New South Wales 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 New South Wales**

Category	Amount <sup>1</sup>
YBFS Financial Contribution	\$140,099,822
Additional funding to maintain 2021 levels	\$721,774
<b>Total Commonwealth financial contribution (excluding implementation funding)</b>	<b>\$140,821,596</b>
Preschool Outcomes Measure: Trial implementation support	\$3,400,000
<b>Total Commonwealth financial contribution (including implementation funding)</b>	<b>\$144,221,596</b>

<sup>1</sup>Figures 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 New South Wales 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/activit y	Outputs		Objectives	Outcomes	Estimate d Cth funds allocated
<b>Program year funding (Commonwealth Funding Follows Child)</b>						
1.	Start Strong for Community Preschools	Supporting the delivery of 600 hours of accessible quality preschool education for all children in the year before full time school, particularly for Aboriginal and Torres Strait Islander, vulnerable and disadvantaged children, including in remote areas		To support quality uplift in preschool education, improve affordability and increase participation in the year 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	\$ 43.6m
2.	Start Strong for Long Day Care					\$ 84.3m
3.	NSW public preschools					\$ 4.7 m
4.	Start Strong Pathways	Delivering strategies and actions to support educational engagement of young children prior to		To support educational engagement of young children prior to preschool enrolment. To support	All children, including Aboriginal and Torres Strait Islander, vulnerable and disadvantage	\$ 7.4m

		preschool enrolment and to promote the importance of early childhood education to parents		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.	d children, have access to and participate in, an affordable, quality early childhood education program.	
<b>Additional funding to maintain 2021 funding levels (delete if not required)</b>						
5.	Digital Hub	Implementation of systems and processes to enable preschool attendance data collection for community and NSW public preschools	Digital readiness of the preschool sectors to report attendance data for PRA reporting	Measurement and reporting of preschool attendance that meets PRA requirements and informs future strategies to increase attendance		\$0.7 m
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>\$140.8m</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 number of children in each setting in 2023 with the 2024 YBFS population projection calculated by ABS.
- The proportion of children in each setting in 2023 is based on the Preschool Education Australia 2023 enrolment data (Source: PEA 2023, Table 28) and the 2023 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

17. Context influencing the State of New South Wales delivery of preschool and the States' investment in preschool for 2025 is covered in this section.

- a. As per 2023 Preschool Education Australia, of the children in the population estimate of YBFS, approximately 31.1% are enrolled in community preschools, 3.4% in public preschools and 60.2% in long day care. About 11.3% are enrolled in more than one setting and 5.3% 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 current funds using both Commonwealth and NSW government funding includes:
  - i. About 100 public preschools
  - ii. Approximately 740 community and mobile preschools
  - iii. Over 3,500 long day care services
- c. When signing the PRA in 2021, the NSW Government invested additional funds 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. As part of the 2024-2025 State Budget, NSW has maintained significant investment in the Early Childhood Education and Care sector and cost-of-living relief for families.
- e. This includes \$769 million commitment for 100 new public preschools in NSW by 2027 and \$60 million commitment towards new and upgraded preschools at non-government school sites.
- f. In addition, NSW has committed:
  - i. \$20 million to the two-year Flexible Initiatives Trial which aims to address barriers to workforce participation by promoting flexible hours in early learning;
  - ii. \$17.1 million to deliver scholarships and professional learning;
  - iii. \$5.3 million Business Capability Development Program to help small providers to thrive and support their local communities with high quality services;
  - iv. \$20 million for capital grants to expand community preschools for children in areas with immediate need and a
  - v. \$10 million partnership with TAFE NSW to support early childhood educators and teachers to access professional learning, launched in Spring 2024.
- g. The Budget provided over \$430 million in preschool fee relief for 2024-25.
  - i. This includes The Start Strong for Community Preschools program provides funding to deliver affordable quality preschool education for 3-

- to 5-year-old children enrolled in eligible community and mobile preschools in NSW, including fee relief of up to \$4,347 per child.
- ii. The Start Strong for Long Day Care program provides funding to deliver affordable quality preschool education to children aged 3-to 5 years old enrolled in eligible long day care services in NSW, including fee relief of up to 2,174 per child for 4-year olds and above and up to \$515 per child for 3-year-olds. 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.
  - h. Preschools run by the NSW Department of Education receive funding to provide the equivalent of 5 days a fortnight of affordable preschool for all children.
18. As per the 2023 NSW Department of Education Community Preschool Census data, 2023 saw a moderate increase in preschool enrolments in community and mobile preschools from the year prior, with a 2% increase overall. This equates to more than 48,000 preschool enrolments across NSW, an increase of more than 900 enrolments from 2022. Enrolment for Aboriginal and Torres Strait Islander children increased from 10.7% in 2022 to 11.1% in 2023, which equates to more than 5,300 enrolments. This was the highest levels of enrolment of children in community and mobile preschools since the implementation of the Start Strong Program.
19. The enrolment growth from 2022 to 2023 is mainly due to a significant increase of 23.4% among children with disability. This is largely due to the expanded eligibility for equity loadings under Start Strong for Community Preschools, where children with approved applications for High Learning Support Needs under the NSW Disability and Inclusion program are now considered in this cohort as well.
20. 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 setting 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. For clarity's sake Clause 6, Appendix A states that "The Commonwealth contribution must be passed on to benefit children in the setting in which they attend via reduced out-of-pocket fees for families, and/or to improve quality such as through the provision of early childhood teachers. States will have a robust mechanism in place to provide assurance on how this funding is used."

## Data Sharing

21. The Commonwealth holds Child Care Subsidy (CCS) data which underpins 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. The Commonwealth and NSW have agreed to facilitate sharing of this data in accordance with appropriate legislation such as data privacy and Family Assistance Law and will work together to examine opportunities to establish consistent ongoing data sharing in 2025.

## Implementation Project Funding Contributions

22. This section includes a State’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. 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 New South Wales - Statement of Allocations (as per 2022 Implementation Plan)**

Implementation Project (details)	Commonwealth funding	Actions (incl. deliverables)	KPI	Timing (incl. delivery schedule)
Building up the attendance evidence base	\$1.4m	Commissioned research to build evidence base on attendance strategies	Report with actionable recommendations on effective strategies to improve attendance.	December 2023
Boosting Preschool Attendance (Grants Program)	\$4.6m	<p>Delivered as grants/additional loading to extend preschool programs.</p> <p>Funding available to community preschools, long day cares and public preschools delivering 600-hour preschool programs.</p> <p>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</p>	<p>Interim Report: Preschool Reform Agreement: Preschool Attendance Boosting Project</p> <p>Grants provided to services to deliver attendance programs</p> <p>Data collected to support evaluation of impact of attendance strategies</p> <p>Final report: Learnings from programs assessed to inform future attendance strategies</p>	<p>January 2025</p> <p>Mid 2025</p> <p>Over 2025</p> <p>Early 2026</p>

23. 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

24. 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.

25. Commonwealth funding to NSW is \$3.4 million on the basis that NSW participates in the 2025 national applied trial by nominating the new national tool as its 'primary tool'.

26. Implementation Plans will include high-level proposed expenditure categories for Trial Implementation Support funding.

**Table 4: Overview of Preschool Outcomes Measure Trial implementation support for State of New South Wales - Statement of Allocations**

Activities (details)	Commonwealth funding	State contribution	Actions (incl. deliverables)	KPI	Timing (incl. delivery schedule)
National Applied Trial	\$3.4 million	Support implementation of national tool as part of the National Applied Trial	Identify services to participate in the national trial.	Up to 100 services participate in NSW trial	March – April 2025
All activities necessary to support the trialling of the national tool			Work collaboratively with ACER to implement the national tool in NSW.	Participating services access support available to benefit their participation	June to September 2025
			Deliver localised support to services participating in the national applied trial	Participating services engage with evaluation activities and provide feedback on the national tool and associated supports.	June to September 2025
			Work collaboratively with Nous to support the evaluation of the Preschool Outcomes Measure National Applied Trial		

27. 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**

28. 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**

29. 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.
30. The actions that the State of New South Wales 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 NSW**

Reform Element	Actions	Timing
<b>Reform Element One: Implement Commonwealth Funding Follows Child</b>		
<p>Details of how the Commonwealth Funding Follows Child at the setting level will be implemented in the State.</p>	<p>Measures to be undertaken in 2025</p> <ul style="list-style-type: none"> <li>○ Continue to deliver the 2025 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 encouraged enrolment of children from low-income families, children with an Aboriginal and Torres Strait Islander background and children with disability or additional needs. The 2025 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 public preschools, targeted towards supporting affordable and quality preschool education for Aboriginal and Torres Strait Islander, vulnerable, and disadvantaged children.</li> <li>○ Continue to deliver Start Strong Pathways program that helps provide education support for young children prior to preschool enrolment and promotes the importance of early childhood education to parents.</li> </ul>	<p>Throughout 2025</p>
<b>Reform Element Two: Implement a new national preschool attendance measure</b>		
<p>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> <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>Work towards meeting the following agreed targets for 2025:</p> <ul style="list-style-type: none"> <li>● 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"> <li>○ 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.</li> </ul> </li> </ul>	<p>Detailed 2024 baseline data scheduled for delivery by the Commonwealth to NSW in May-June 2025</p>

Reform Element	Actions	Timing
<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"> <li>• a proportion (y%) of 600 hours;</li> <li>• 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</li> <li>• <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.</li> </ul> <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> <p>Similarly, noting enrolment targets will also be measured according to a new YBFS methodology, any improvement in 2025 on the baseline</p>	<ul style="list-style-type: none"> <li>○ 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).</li> <li>○ 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.</li> <li>○ 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).</li> </ul> <p>Measures to be undertaken 2025</p> <ul style="list-style-type: none"> <li>○ As per the transitional arrangements, NSW will undertake Term 2 (Monday 28 April - Friday 4 July) attendance collection from: <ul style="list-style-type: none"> <li>• all public preschools;</li> <li>• community preschools successfully integrated through the 2024 pilot (around 26 community preschools); and</li> <li>• 6 community preschools from one large community preschool provider.</li> </ul> </li> <li>○ 2025 attendance performance against 2025 targets will be calculated based on available 2025 Term 2 data from CBDCs, community, mobile and public preschools.</li> <li>○ The 2-week August 2025 attendance data from community, mobile and public preschools will be considered as supporting supplementary data to help NSW meet the performance targets, if required. This supplementary data will be prepared and provided by NSW, if required.</li> </ul>	<p>2025 performance data expected delivery from ABS Preschool Education Australia in March-April 2026</p> <p>November 2025</p>

Reform Element	Actions	Timing
<p>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"> <li>• attendance in preschool programs is not compulsory and influenced by parental choice and other factors</li> <li>• attendance targets have been set in advance of understanding the outcomes from the 2024 preschool attendance collection</li> <li>• 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)</li> <li>• a range of sources of supplementary data may need to be provided and considered in good faith to properly assess performance against attendance targets</li> <li>• capacity to demonstrate year-on-year improvements diminish the greater the proportion of children attending at the target attendance rate</li> <li>• inclusion of targets within 2025 Implementation Plans do not constitute agreement to those same targets in future years or for future agreements.</li> </ul>		
<p>Strategies to facilitate participation in preschool by children in the YBFS. For strategies relating to Aboriginal and Torres Strait Islander children,</p>	<p>Measures to be undertaken 2025</p>	<p>State to insert timing</p>

Reform Element	Actions	Timing
<p>consistent with the Closing the Gap agreement, engage those communities and/or representative bodies in the design process.</p>	<ul style="list-style-type: none"> <li>o 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>o 'Ningannah No More' Aboriginal languages program delivery – As part of the NSW Government's First Steps Strategy, the 'Ningannah No More' program supports 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>o Aboriginal Families as Teachers (AFaT) – The AFaT program encourages 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>o SSP with SNAICC - Sector Strengthening Partnership will continue throughout the 1 January 2025 to 31 December 2026 period building on the current partnership whilst supporting Aboriginal and Torres Strait Islander Children and the ACCO sector.</li> </ul>	
<p><b>Reform Element Three: Implement a new national preschool outcomes measure trial in 2025</b></p>		
<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"> <li>o NSW will use the national tool in the National Applied Trial</li> <li>o NSW will provide funding to services to support their participation in the trial</li> <li>o NSW will select up to 100 services to participate in the National Applied Trial. These services will constitute a representative sample of the preschool sector in NSW.</li> <li>o Ongoing participation in the POM WG and engagement with ACER and Nous, including drafting of Appendix A.3 Part Two.</li> </ul>	<p>State to insert timing</p>
<p><b>Reform Delivery/Implementation</b></p>		
<p>State-specific data and implementation issues and strategies for how these will be overcome in the context of assessing performance under the Agreement.</p>	<p>Measures to be undertaken 2025</p> <ul style="list-style-type: none"> <li>o Throughout 2025, NSW will continue working on the development of a new digital system to collect detailed attendance data required for the PRA. This represents a significant change journey for NSW</li> </ul>	<p>Throughout 2025.</p>

Reform Element	Actions	Timing
	<p>community and school-based preschools that have low digital maturity.</p> <ul style="list-style-type: none"> <li>○ NSW will implement the new IT system and the new attendance data collection in a phased manner over 2024 to 2026 to ensure the transition is not disruptive for NSW services and it doesn't impose excessive workload burden on them.</li> <li>○ Digital readiness planning to uplift digital capability of paper-based services.</li> </ul>	

## PART 5: PERFORMANCE AND REPORTING ARRANGEMENTS

31. Part 5 sets out the performance and reporting arrangements for the State of New South Wales for 2025.
32. 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.
33. The Parties acknowledge:
  - a. Attendance in preschool programs is not compulsory and influenced by parental choice and other external (to preschool provider) factors
  - b. Attendance targets have been set in advance of understanding the outcomes from the 2024 preschool attendance collection
  - c. 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 / long day care service)
  - d. A range of sources of supplementary data may need to be provided and considered in good faith to properly assess performance against attendance targets (see point g and h).
  - e. Capacity to demonstrate year-on-year improvements diminish the greater the proportion of children attending at the target attendance rate
  - f. Inclusion of targets within 2025 Implementation Plans do not constitute agreement to those same targets in future years or for future agreements.
  - g. For NSW with transitional arrangements in place that include data collection from only part of the sector, there might be additional year-to-year volatility. The effect of this volatility on NSW's ability to meet its target will be considered by the Australian Government in favour of that state or territory. For example, if 2024 baseline numbers are lower than 2023, there is an opportunity to revisit the target.
  - h.
34. These data and performance specifications will be used to report State of New South Wales performance, except for the supplementary data agreed by the Parties to this Plan.
35. 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).
36. 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. NSW has agreed with the Commonwealth transitional arrangements for 2025, these are detailed in Table 5 and 6.
37. 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"> <li>Term 2</li> <li>NSW will provide Term 2 attendance data in 2025, which will include attendance data collected over the Term 2 (Monday 28 April - Friday 4 July) period from: <ul style="list-style-type: none"> <li>all public preschools;</li> <li>community preschools successfully integrated through the 2024 pilot (around 26 community preschools) and</li> <li>6 community preschools from one large community preschool provider.</li> </ul> </li> <li>Like the transitional arrangements, NSW should be able to submit the 2-week August 2025 attendance data from public, community and mobile preschools as supporting supplementary data to help NSW meet the performance targets, if required.</li> </ul>
Data provision	<ul style="list-style-type: none"> <li>NSW will submit its attendance collection and enrolment collection at the same time by the nationally agreed due date for data submission to the ABS. The August census data will be provided in the NECECC template, and the Term 2 attendance data will be provided in the NPAC template.</li> <li>The nationally agreed due dates for data submission to the ABS (to be provided by the Commonwealth).</li> </ul>
Child and state specific YBFS	<ul style="list-style-type: none"> <li>In NSW a children become eligible for YBFS preschool if they turn 4 on or before 31 July. The compulsory school starting age in NSW is 6.</li> </ul>
Children who repeat YBFS preschool	<p>NSW intends to claim funding for children who have a second year in a YBFS preschool program ('repeaters') in 2025.</p> <p>NSW will provide information on state funded repeaters through the new 'state funded repeater' indicator in its August 2025 NECECC census submission for community and mobile preschools and public preschools (if required) to ABS.</p> <p>NSW expects that the number of repeaters identified through this indicator will far exceed the 6% cap under the PRA.</p>

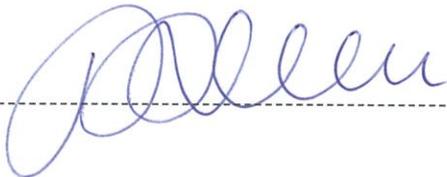
## Performance requirements, reporting and payment summary 2025

38. Performance Reporting for 2025 will capture progress against planned actions undertaken by the State of New South Wales 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.
39. Performance 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

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

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

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Signature

Date 5 March 2025

**Prue Car**

Deputy Premier of New South Wales | Minister for Education and Early Learning |

Minister for Western Sydney

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		\$N.Nm

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
			<b>\$ 0.00</b>

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.

**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
<b>Reform Element One: Implement Commonwealth Funding Follows Child (CFFC)</b>			
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.
<b>Reform Element Two: Implement a new national preschool attendance measure</b>			
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).	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.
<b>Reform Element Three: Implement a new national preschool outcomes measure from 2025</b>			
NSW's progress on its KPIs for its participation 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.
<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.	As per Table 5 in the Implementation Plan in 2025		A progress update on actions agreed at Table 5.