

Australian Capital Territory: Implementation Plan and Performance Report (Plan) - 2026

Preschool Reform Agreement – 2022 to 2027

This Plan covers:

- the implementation activities for the period 1 January 2026 to 31 December 2026 (Tables 2 – 4);
- the performance report for the period 1 January 2026 to 31 December 2026 (Annex 1 and 2).

PART 1: PRELIMINARIES

1. This Plan is a schedule to the Preschool Reform Agreement 2022 – 2027 (the Agreement) and should be read in conjunction with the Agreement. This Plan covers the period from 1 January 2026 to 31 December 2026.
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 fifth of six 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 Australian Capital Territory, represented by their Minister for Education and Early Childhood.
8. As a schedule to the Agreement, the purpose of this Plan is to provide the public with an indication of how the Australian Capital Territory 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 2026.
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 Australian Capital Territory 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 2026 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: 2026 Commonwealth financial contribution to the Australian Capital Territory

Category	Amount ¹
YBFS financial contribution	\$9,260,598
Additional funding to maintain 2021 levels	\$393,877
Total Commonwealth financial contribution (excluding project support funding)	\$9,654,475
Preschool Outcomes Measure: Project Support ²	\$TBC
Total Commonwealth financial contribution (including project support funding)	\$9,654,475

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 2026.

²Preschool Outcomes Measure details will be confirmed following agreement of *Appendix A.4 Preschool Outcomes Measure 2026-2027* and will be appended to this Implementation Plan once agreed.

16. **Table 2** shows how the Australian Capital Territory 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.	Commonwealth Funding Follows the Child financial contribution at the sector level, to the government school sector (3,860 children).	To facilitate children's early learning and development and transition to school, by maintaining universal access to free quality early childhood education for all children. To promote the importance of preschool and encourage enrolment for all children in the year before	All children have access to 600 hours of free, high quality preschool in the year before school.	All children, including Aboriginal and Torres Strait Islander children and vulnerable and disadvantaged children, have access to, and participate in, free quality early childhood education programs.	\$6,221,007.60

		formal schooling.			
2.	Implement the Commonwealth Funding Follows the Child financial contribution at the sector level, to the non-government school sector (1,404 children).	To support delivery of quality preschool programs and encourage attendance and participation in affordable, quality early childhood education programs.	All children have access to a high-quality preschool program in the year before school.	All children, including Aboriginal and Torres Strait Islander children and vulnerable and disadvantaged children, have access to, and participate in, quality early childhood education programs.	\$2,262,770.64
3.	Implement the Commonwealth Funding Follows the Child financial contribution at the sector level, for the non-government long day care sector (482 children).	To support delivery of quality preschool programs and encourage attendance and participation in affordable, quality early childhood education programs.	All children have access to a high-quality preschool program in the year before school.	All children, including Aboriginal and Torres Strait Islander children and vulnerable and disadvantaged children, have access to, and participate in, quality early childhood education programs.	\$776,820.12
Additional funding to maintain 2021 funding levels (delete if not required)					
1.	Provide a financial contribution towards 600 hours of free government preschool programs	To facilitate children's early learning and development and transition to school, by maintaining universal access to, and improving attendance, and participation in affordable, quality early childhood education	All children have access to a high quality and free preschool program in the year before school.	All children, including Aboriginal and Torres Strait Islander children and vulnerable and disadvantaged children, have access to, and participate in, free quality early childhood education programs.	\$393,877

		programs for all children.			
Total all programs and activities					\$9,654,475

2026 funding allocations for Funding Follows the Child contributions to the government and non-government school sectors are based on actual 2025 Enrolment Census data.

As the ACT does not hold child level enrolment data for the long day care sector, the 2026 funding allocation for the Funding Follows the Child contribution to the long day care sector is an estimate based on the balance of the year before full time school (YBFS) population estimate for 2026 (5,746) minus the 2025 Enrolment Census data for school-based preschools (5,264). This means that school-based preschool is considered the first setting for the purpose of Funding Follows the Child in the ACT.

In 2025, Enrolment Census data indicates 51 children attend more than one school-based setting. Government school-based preschool is considered the first setting for the purpose of Funding Follows the Child in the ACT, as this placement provides free preschool for families.

State context and funding contributions

17. Context influencing the Australian Capital Territory delivery of preschool and the Territory's investment in preschool for 2026 is covered in this section.
 - a. Quality early childhood education in the ACT is delivered in a range of settings including government preschools, non-government preschools and long day care centres.
 - b. The ACT Government is the primary funder of 600 hours per year, of quality early childhood education in government preschools in the YBFS. This provision is delivered by a qualified early childhood teacher under the National Quality Framework.
 - c. Aboriginal and Torres Strait Islander children in the ACT can access an additional 15 hours per week, 600 hours per year, of a free culturally safe early learning program through the ACT Government funded Koori Preschool Program.
 - d. The ACT Government supports transitions between early education settings, including all preschool settings, through the [Continuity and Transitioning Framework](#). All settings are also supported with the Preschool Pathways Partners and Preschool Practice Coaches.
 - e. The ACT Government also provides e-learning to all preschool settings on intentional teaching, Aboriginal and Torres Strait Islander Culturally Inclusive and Responsive Early Childhood Educational Practice, and trauma-informed practice.

Data Sharing and Transparency

18. The Commonwealth and the Australian Capital Territory reaffirm their commitment to using their best endeavours to share data between jurisdictions as a default position, where it can be done securely, safely, lawfully and ethically. This position is supported by the [Intergovernmental Agreement on data sharing between Commonwealth and State and Territory governments](#) and the Data Sharing Strategy endorsed by the Australian Education Senior Officials Committee.
19. Sharing of data in relation to the Agreement may occur for the purposes of research, statistical analysis or policy development that is in line with the stated objective of the Agreement to maximise the benefit of the preschool year by improving outcomes for children. Linkage and any subsequent publication of the results of linked data would only occur with the express consent of all parties. No outputs or outcomes of the research, statistical analysis or policy development would be used for determining payments under this Agreement.
20. The Commonwealth holds Child Care Administrative data. The Commonwealth undertakes to facilitate sharing of this data in accordance with appropriate legislation such as the Privacy Act 1988 and legislation underpinning the Child Care Subsidy. This may occur:
 - a. on an ongoing basis as part of the Australian Bureau of Statistics Secure Environment for Analysing Data (SEAD) platform once development has concluded;
 - b. on an ongoing basis as part of the Australian Bureau of Statistics Person Level Integrated Data Asset (PLIDA); or
 - c. via a data sharing agreement negotiated with the Commonwealth.
21. The Australian Capital Territory holds data in relation to ACT-funded preschool programs as part of the National Early Childhood Education and Care Collection and National Preschool Attendance Collection. The Australian Capital Territory undertakes to facilitate sharing of this data through:
 - a. the Australian Bureau of Statistics Person Level Integrated Data Asset for agreed projects that maximise the benefits of the year before full-time school (preschool) and early childhood education care to improve outcomes for children.
22. The Commonwealth may publish details regarding funding under the Agreement for the Australian Capital Territory following completion of the final milestone for the program year.

Implementation Project Funding Contributions

23. This section details implementation project funding provided by the Commonwealth 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 the Australian Capital Territory - Statement of Allocations (as per 2022 Implementation Plan)

Implementation Project (details)	Commonwealth funding	Actions (incl. deliverables)	KPI	Timing (incl. delivery schedule)
Development of system and process capabilities to support cross sectoral data collection (based on scoping and design work completed in 2023).	\$0.5 million	Development of system to support streamlined administration of funding follows the child from 2025	Information management system developed and operational.	Q1- 2025 - completed

24. 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: Project Support

25. Table 4, below, agrees:

- a. Commonwealth project funding made available for 2026 to support participation in the Preschool Outcomes Measure, in particular the pilot of the national tool; and
- b. the ways in which States intend to spend this Commonwealth funding in 2026.

26. When completing Table 4, States are requested to also outline State contributions, where relevant, including in-kind contributions.

27. If necessary, Table 4 maybe agreed in an addendum attached to this Implementation Plan following Ministerial agreement to the PRA Appendix A.4 *Preschool Outcomes Measure 2026-2027*. If an addendum is needed, this should be noted in the table.

28. A clearly labelled copy of Table 4 may be inserted below to agree, in 2026, Commonwealth funding made available for 2027, and the ways in which States intend to spend that funding in 2027.

Table 4: Overview of Preschool Outcomes Measure Project Support for of the Australian Capital Territory - Statement of Allocations

Activities (details)	Commonwealth funding	State contribution	Actions (incl. deliverables)	KPI	Timing (incl. delivery schedule)
State to insert description – to be included in addendum	Cth to confirm funding – to be included in addendum	State to insert details, including in-kind contributions – to be included in addendum	State to insert actions, with reference to high-level expenditure categories - to be included in addendum	State to insert details – to be included in addendum	State to insert timing – to be included in addendum

Risk Management

29. The Australian Capital Territory 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

30. As part of the Agreement, the Australian Capital Territory and the Commonwealth agree to work collaboratively to implement reforms outlined in the Additional terms in the Agreement.
31. The actions that the Australian Capital Territory will undertake to meet these commitments are detailed in **Table 5**.

Table 5: Planned Actions for the period 1 January 2026 to 31 December 2026 for the Australian Capital Territory

Reform Element	Actions	Timing
Reform Element One: Implement Commonwealth Funding Follows Child		
<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 2026:</p> <ul style="list-style-type: none"> • The ACT will distribute funding directly to the government school sector through existing funding distribution arrangements: • The ACT will distribute funding to the non-government school based preschool sector through a Deed of Grant arrangement: <ul style="list-style-type: none"> ○ The Deed will clearly articulate the Commonwealth contribution to stakeholders. ○ Recipients will be required to apply funding in line with the requirements of the PRA, including implementation of initiatives that promote enrolment and attendance in preschool. ○ Funding will be distributed through two milestones: 30% will be provided on execution of the Deed and a progress report will be required to be provided to the Territory in order to release the remaining 70%. ○ An acquittal of funding will be requested at the end of the Deed period. • The ACT will invest funding into quality improvement strategies for the long day care sector (based on consultation themes), which may include: <ul style="list-style-type: none"> ○ Professional learning opportunities such as formal training on topics identified through the consultation ○ Coaching opportunities to lift quality in program delivery through Preschool Practice Coaches ○ Grant offerings to enable services to implement quality improvement strategies appropriate to their unique setting and/or to release staff to attend professional learning. Grants will be available via application and an acquittal of funding will be requested at the end of the Grant period. 	<p>Throughout 2026</p>
Reform Element Two: Implement a new national preschool attendance measure		

Reform Element	Actions	Timing
<p>Agreed details of preschool enrolment and attendance targets for 2026, to be measured using data provided to the Commonwealth, in accordance with Appendix A.1.</p> <p>For 2026 targets:</p> <ul style="list-style-type: none"> 2025 will be used as the baseline to measure 2026 performance. attendance targets will be measured according to the formula 'at least x% of children attend at least y% of 600 hours', where: <ul style="list-style-type: none"> 'y' is the agreed proportion of 600 hours; and 'x' is any improvement on the baseline year's proportion of YBFS children attending agreed proportion of 'y' hours. enrolment targets are any improvement on the 2025 baseline figure. <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 the attendance measure is based on an experimental data collection and may be subject to year-to-year volatility 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 (x) reduces the greater the proportion of children attending at the target attendance rate (y) inclusion of targets within 2026 Implementation Plans do not constitute agreement to those same targets in future years or for future agreements. 	<p>Agreed baseline year 2025</p> <p>Work towards meeting the following agreed targets for 2026:</p> <ol style="list-style-type: none"> Improvement from the 2025 baseline proportion of children in the year before full-time school (x%) who attend a preschool program(s) for 70% of 600 hours (420 hours). Improvement from the 2025 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. <ol style="list-style-type: none"> Improvement from the 2025 baseline proportion of Aboriginal and Torres Strait Islander children in the year before full-time school (x%) who attend a preschool program(s) for 65% of 600 hours (390 hours). Improvement from the 2025 baseline proportion of disadvantaged children in the year before full-time school who are enrolled in a preschool program(s) for 600 hours. <ol style="list-style-type: none"> Improvement from the 2025 baseline proportion of disadvantaged children in the year before full-time school (x%) who attend a preschool program(s) for 65% of 600 hours (390 hours). <p>Measures to be undertaken 2026:</p> <ul style="list-style-type: none"> The ACT Education Directorate will collect preschool enrolment data and preschool attendance data for Term 2 2026 for children enrolled in public schools. In 2025, three independent preschools in the ACT did not provide data to the Commonwealth through the CCSS. ACT Education Directorate will act as data collection agent and data will be provided directly to the ABS or via the CCSS if a service chooses this option. Catholic Education will continue to act as the collecting agent for preschool services provided by Catholic Education Early Learning Centres. Data will continue to be provided directly to ABS or via the CCSS. 	<p>2026 performance data scheduled for delivery in March- April 2027</p> <p>Throughout 2026</p>

Reform Element	Actions	Timing
	<ul style="list-style-type: none"> All other preschool services in the ACT submit enrolment and attendance data via the CCSS. This includes services provided by the other independent preschools 	
<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 in 2026:</p> <ul style="list-style-type: none"> Early Entry to government preschool for Aboriginal and Torres Strait Islander children. Koori Preschool for Aboriginal and Torres Strait Islander children at select government schools. Engaging Aboriginal and Torres Strait Islander families through Early Years Engagement Officers. Engaging vulnerable and disadvantaged families through Early Childhood Community Coordinators. Providing supported transitions and inclusive practices through Preschool Pathways Partners. 	<p>Throughout 2026</p>
Reform Element Three: Implement a new national preschool outcomes measure		
<p>Participate in activities that continue to support outcomes measurement</p>	<p>In good faith, participate in: the negotiation and agreement of Appendix A.4; activities as agreed through Appendix A.4; and the Preschool Outcomes Measure Working Group as required.</p>	<p>TBC.</p>
Reform Delivery/Implementation		
<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 2026:</p> <ul style="list-style-type: none"> The ACT undertakes to continue to work collaboratively with the Commonwealth to identify appropriate targets that take into account the impact of small numbers when measuring Aboriginal and Torres Strait Islander children's enrolment and attendance in preschool. The ACT undertakes to work collaboratively with the ABS to apply the Index of Household Advantage and Disadvantage (IHAD) methodology to measure disadvantage in the ACT context. The use of SEIFA and similar area-based measures is not appropriate for the ACT as the measure of disadvantage, due to the distributed nature of social housing and general social mobility in 	<p>Throughout 2026</p>

Reform Element	Actions	Timing
	the Territory. In the ACT, SEIFA identifies approximately 1% of children as being disadvantaged, rather than an estimated 12% to 20% under other measures.	

PART 5: PERFORMANCE AND REPORTING ARRANGEMENTS

32. Part 5 sets out the performance and reporting arrangements for the Australian Capital Territory for 2026.
33. 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.
34. These data and performance specifications will be used to report Australian Capital Territory 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 Minimum 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. The use of SEIFA and similar area-based measures is not appropriate for the ACT as the measure of disadvantage, due to the distributed nature of social housing and general social mobility in the Territory. In the ACT, SEIFA identifies approximately 1% of children as being disadvantaged, rather than an estimated 12% to 20% under other measure.
37. 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 2026, these should be detailed in Table 5 and 6.
38. Table 6 covers information states are required to report annually to facilitate application of Appendix A.1 and Appendix B in 2026.

Table 6: State specific attendance and enrolment data considerations

Category	Required Information
Attendance collection period	<ul style="list-style-type: none"> • The terms for which the state will provide attendance data, noting states must provide Term 2 data but may opt to also provide data for Term 1 and/or Term 3. However, where a State has agreed with the Commonwealth

	<p>transitional arrangements in relation to provision of Term 2 data for 2026, these should be specified here.</p> <ul style="list-style-type: none"> • The standard term dates for Term 2 in 2026 (and any other terms for which the state will be providing data). (noting these should align with published dates.) Using this information, the ABS will advise all states of the reference date for Term 2. • The ACT will provide 2026 attendance data for Term 2 only (Monday 20 April 2026 (student-free day) to Friday 3 July 2026).
Data provision	<ul style="list-style-type: none"> • Whether the state is choosing to provide their attendance and enrolment data separately or at the same time. (refer Appendix B, pg. 4). June attendance data and August enrolment data to be supplied in 2 separate datasets (TBC with Technical Working Group). • The nationally agreed due dates for data submission to the ABS (to be provided by the Commonwealth). <ul style="list-style-type: none"> • ACT Education Directorate will provide attendance and enrolment data separately (refer Appendix B, pg. 4). • June attendance data and August enrolment data will be supplied in two separate datasets, which will be provided at the same time for both geocoding (2-20 September), with initial data submission between 23 September and 11 October and final analytical data before 15 November). ACT Education Directorate will be following Option B for the provision of data for the National Preschool Attendance Collection (NPAC) and the National Early Childhood Education and Care Collection (NECECC).
Child and state specific YBFS	<ul style="list-style-type: none"> • The child specific YBFS age range(s) for 2026, that is, the age children become eligible for YBFS preschool (the year before they become eligible for school) to the age school becomes compulsory. Please note, the ABS must be notified as soon as possible if there are changes to school starting rules, including any changes since 2025. • Any changes to the age ranges used to calculate the state-specific YBFS must be agreed with the ABS. • The ABS must be notified as soon as possible of any known issues that may need to be considered by the ABS in developing the estimated (predicted) YBFS population and/or child-specific YBFS enrolment and attendance counts, including future issues. <ul style="list-style-type: none"> • A child is eligible for 4-year-old (YBFS) preschool when born between 1 May 2021 to 30 April 2022. • Parents can select to delay commencement of 4-year-old preschool if born between 1 May 2020 – 30 April 2021. • Children must be enrolled in compulsory education (first year of formal schooling) 10 days after their sixth birthday.
Children who repeat YBFS preschool	<ul style="list-style-type: none"> • Whether the state intends to claim funding for children who have a second year in a YBFS preschool program ('repeaters'). <ul style="list-style-type: none"> • If so, details of how they will provide the data to meet funding criteria as set out in Appendix A.1. • The state may use the claims form provided by the Australian Government at Attachment B. • ACT intends to claim funding for children who have a second year in a YBFS preschool program ('repeaters') in 2026

	<ul style="list-style-type: none"> • ACT will be able to provide an estimate of the number of children repeating preschool (School-based preschools and Catholic Education ELCs) in 2026 using data from the 2025 and 2026 February Censuses of ACT Schools. • ACT Education will provide statistical linkage keys for all child records submitted by the Directorate to the National Early Childhood Education and Care Collection and the National Preschool Attendance Collection. It is our expectation that other data providers will also provide child records with statistical linkage keys as per the requirements of the ECEC NMDS.
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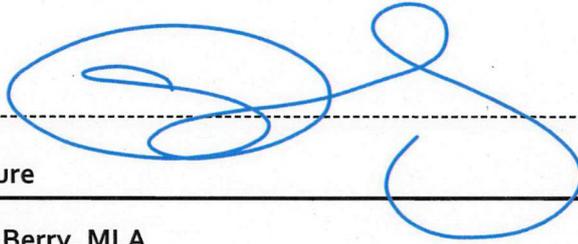
Performance requirements, reporting and payment summary 2026

39. Performance Reporting for 2026 will capture progress against planned actions undertaken by the Australian Capital Territory 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.
40. Performance reporting will be signed off by the Commonwealth Minister who will then inform the Australian Capital Territory 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 Australian Capital Territory by



24/02/26

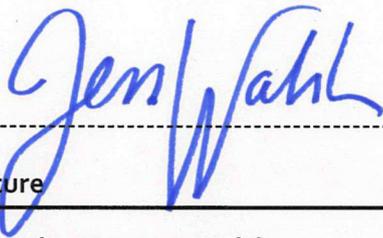
Signature

Date

Yvette Berry, MLA

Minister for Education and Early Childhood

Signed for and on behalf of the Commonwealth of Australia by



11/3/26

Signature

Date

Senator the Hon Jess Walsh

Minister for Early Childhood Education | Minister for Youth

Annex 1 – Funding Follows Child Acquittals

Commonwealth Funding Follows Child (CFFC) acquittals (updated by 31 March 2027)

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 2027.

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
			\$ 0.00

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 2026 (update by 31 March 2027)

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 2026		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 2026		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 2026		A progress update on actions agreed at Table 5.
Reform Element Three: Implement a new national preschool outcomes measure			
How the State will work collaboratively with the Commonwealth to progress the preschool outcomes measure.	As per Table 5 in the Implementation Plan in 2026		A progress update on actions agreed at Table 5.
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 2026		A progress update on actions agreed at Table 5.
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