

NSW Implementation Plan and Performance Report – 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 State of NSW, represented by NSW's 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 NSW demonstrates its capacity to achieve and deliver the outcomes of the Agreement.
9. This Plan will cease on completion of the final performance reporting and the processing of final payments against the performance benchmarks or milestones set out within it for 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 State of NSW 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 State of NSW

Category	Amount ¹
YBFS financial contribution	\$163,058,089
Additional funding to maintain 2021 levels	nil
Total Commonwealth financial contribution (excluding project support funding)	\$163,058,089
Preschool Outcomes Measure: Project Support ²	TBC
Total Commonwealth financial contribution (excluding project support funding)	\$163,058,089

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 State of NSW 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.	Start Strong for Community preschools	Funding is paid to services on a per child basis with loadings depending on the circumstances of the child, family and the ECEC service.	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 children and children experiencing vulnerability and disadvantage, have access to, and participate in an affordable, quality early childhood education program in NSW in their year before full time school.	\$52.07 m
2.	Start Strong for Long Day Care				\$100.27m
3.	NSW public preschools				\$5.86m
4.	Start Strong pathways	Grant funding is paid to selected non-for-profit services that meet at least one of the three core program objectives.	To support access to a preschool setting for children who are ready to transition to these preschool settings, who are 4 years of age. To promote the importance of early childhood education to parents and communities through the provision of information for early childhood education, including culturally inclusive resources.	To support access to a preschool setting for children who are ready to transition to these preschool settings, who are 4 years of age. To promote the importance of early childhood education to parents and communities through the provision of information for early childhood education, including culturally inclusive resources.	\$4.9 m
Total all programs and activities					\$163.1m

This table presents the estimated number of children in each early childhood education setting, derived using the following methodology:

- The baseline proportions of children enrolled in each setting are obtained from the Preschool Education Australia 2024 enrolment data (Source: PEA 2024, Table 28).
- The estimated number of children in each setting is then calculated by multiplying the estimated proportions by the 2026 YBFS population projection provided by the Australian Government Department of Education.
- Children enrolled in multiple settings are included within the standalone community preschools category to avoid double counting.
- The estimated number of children enrolled in each setting is multiplied by the per-child funding amount for 2026 (\$1,611.66) to determine the total funding allocation for each setting.

Data Source: NSW DoE analysis of 2024 ABS Preschool Education Australia; Australian Government Department of Education 2024 Preschool Reform Agreement Predicted Total YBFS; NSW DoE Implementation Plan 2025 (NSW).

State context and funding contributions

17. Context influencing the State of NSW's delivery of preschool and the States' investment in preschool for 2026 is covered in this section.
 - a. The profile of preschool services funded using both Commonwealth and NSW government funding includes:
 - i. Approximately 100 public preschools
 - ii. Approximately 740 community and mobile preschools
 - iii. More than 3,500 long day care services
 - b. As part of the 2025-2026 State Budget, NSW maintained significant investment in the Early Childhood Education and Care sector and cost-of-living relief for families. The objective of this investment is to uplift participation and quality preschool provision.
 - c. NSW government directly funds public preschools and supports preschool in long day care, community and mobile preschool settings via the Start Strong program.
 - d. The Start Strong funding program is part of the NSW Government's commitment to ensure every child in NSW has access to 600 hours of quality preschool education before starting school.
 - i. The total program value in 2026 for the Start Strong for Long Day Care program is more than \$350 million.
 - ii. The total program value in 2026 for the Start Strong for Community Preschools program is more than \$480 million.

- e For those children not yet enrolled in preschool, NSW allocated up to \$15 million to the Start Strong Pathways program that funds place-based initiatives to provide early educational supports for children to encourage preschool enrolment and supports engagement with families.
- f NSW Government funds a range of other programs that support the Early Childhood Education and Care sector beyond participation, including:

Public preschool funding

The NSW Government will continue to fund and expand public provision of preschool by:

- i. continuing to operate 100 existing public preschools in NSW, including 10 preschools designated specifically for Aboriginal children and 13 preschools established to service communities with high numbers of Aboriginal children.
- ii. Taking the first steps towards universal preschool across NSW by building 100 new public preschools on public school sites by 2027. This will double the number of public preschools across the state and support more children and families to prepare for the best start in life and learning.
- iii. uplifting cultural responsiveness in public preschools to support better access, enrolment and participation of Aboriginal and/or Torres Strait Islander children and families.

The First Steps Strategy

The First Steps Strategy focuses on co-designed and strengths-based approaches to ensure Aboriginal and Torres Strait Islander children have access to high quality and culturally safe early childhood education and care. Funding priorities include:

- i. increasing the capacity and number of Aboriginal Community-Controlled Organisation led early childhood education and care services in NSW,
- ii. growing the Aboriginal workforce in the ECEC sector in NSW,
- iii. increasing participation of Aboriginal and Torres Strait Islander children and families in ECEC,
- iv. delivering programs to support Aboriginal children's early development and outcomes, including the Ninganah No More program which teaches Aboriginal languages to children across the state, and the Aboriginal Families as Teachers program which supports learning through high-quality educational practices.

Other initiatives and programs:

- i. Community and mobile preschools receive targeted equity funding to support equity cohorts to participate in preschool.

- ii. The Disability and Inclusion Program, which provides funding and support to enable children with disability or additional needs in not-for-profit community and mobile preschools to participate in a quality early childhood education program on the same basis as their peers, as well as to support quality uplift and ensure children have access to high quality early childhood education programs that drive improved outcomes.
- iii. Health and Development Checks continue in Early Childhood Education and Care settings.
- iv. The Expanding Quality Access Program will help community preschools expand their hours and cater for more children.
- v. The Flexible Initiatives Trial provides grants to services to test and trial new options for families including extended operating hours and flexible pick-up and drop-off times.
- vi. Building Capability Development Program supports the viability and sustainability of small and stand-alone Early Childhood Education and Care providers.
- vii. Building Early Learning Places program assists non-for-profit providers looking to create more spaces for children in communities with the greatest need.

To support workforce supply and quality, NSW Government is also investing in:

- i. The Early Childhood Education and Care Scholarship program helps about 2,000 aspiring and existing Early Education and Care professionals advance their careers in early learning.
- ii. The Early Learning Diploma to Degree programs supports more than 400 early childhood educators to turn their diplomas into degrees with university partners.
- iii. In partnership with TAFE NSW, NSW Government provides fee-free professional learning courses for more than 4,000 ECEC professionals.

Data Sharing and Transparency

- 18. The Commonwealth and the State of NSW 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 will only occur with the express consent of all parties. No outputs or outcomes of

the research, statistical analysis or policy development will 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 State of NSW holds data in relation to NSW-funded preschool programs as part of the National Early Childhood Education and Care Collection and National Preschool Attendance Collection. The State of NSW undertakes to facilitate sharing of this data through:
 - a. 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 State of NSW following completion of the final milestone for the 2026 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 State of NSW - Statement of Allocations (as per 2022 Implementation Plan)

Implementation Project (details)	Commonwealth funding	Actions (incl. deliverables)	KPI	Timing (incl. delivery schedule)
Boosting Preschool Attendance (Grants Program)	\$3.5m	Final report that sets out the results of the grants program in which 50 ECEC services received grants to implement attendance boosting initiatives.	Final report: Learnings from programs assessed to inform future attendance strategies. Interim Report: Preschool Reform Agreement: Preschool Attendance Boosting Project. Grants provided to services to deliver attendance programs. Data collected to support evaluation of impact of attendance strategies.	First quarter 2026 Completed Completed Completed
	\$1.1m	Funding for 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.	Evidence based attendance boosting activities.	Throughout 2026 and 2027
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.	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 NSW intends 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 may be 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 State of NSW - Statement of Allocations

<i>Activities (details)</i>	<i>Commonwealth funding</i>	<i>State contribution</i>	<i>Actions (incl. deliverables)</i>	<i>KPI</i>	<i>Timing (incl. delivery schedule)</i>
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 State of NSW 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 State of NSW and the Commonwealth agree to work collaboratively to implement reforms outlined in the Additional terms in the Agreement.
31. The actions that the State of NSW 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 State of NSW

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"> • Continue to deliver the 2026 Start Strong Program for Long Day Care and Community Preschools to support services to deliver quality affordable preschool education to children in the YBFS. The 2026 program guidelines are detailed on the NSW Department of Education website: https://education.nsw.gov.au/early-childhood-education/operating-an-early-childhood-education-service/grants-and-funded-programs/start-strong-funding • Continue to deliver funding to NSW public preschools, targeted towards supporting affordable and quality preschool education for Aboriginal and Torres Strait Island, vulnerable, and disadvantaged children. • Continue to deliver the Start Strong Pathways program that helps provide education support for young children prior to preschool enrolment, support access to a preschool setting for children who are ready to transition to these preschool settings and promote the importance of early childhood education to parents. 	<p>Throughout 2026</p>
Reform Element Two: Implement a new national preschool attendance measure		
<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 	<p>Agreed baseline year: 2025</p> <p>Work towards meeting the following agreed targets for 2026:</p> <ul 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 80% of 600 hours (480hours). <ul 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 who are enrolled in a preschool program(s) for 600 hours. 	<p>2026 performance data scheduled for delivery in March- April 2027</p>

Reform Element	Actions	Timing
<ul style="list-style-type: none"> ○ '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. 	<ul 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 80% of 600 hours (480 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. - Improvement from the 2025 baseline proportion of disadvantaged children in the year before full-time school (x%) who attend a preschool program(s) for 80% of 600 hours (480 hours). <p>NSW will continue its transitional arrangements in 2026 and will collect attendance data in Term 2 (Monday 20 April – Friday 3 July) from:</p> <ul style="list-style-type: none"> ● all public preschools with valid attendance data ● community preschools successfully integrated with the ECEC Digital Hub through their childcare management system where attendance data is made available to the NSW Department of Education. ● 2026 attendance performance against 2025 targets will be calculated based on available 2026 Term 2 CCS data from CBDCs, similarly to how it was done in 2025, to ensure that there is consistency of datasets to test. This is to occur during the transitional arrangements. CBDCs form a large part of the sector in NSW so are representative of the whole population of YBFS children. ● Available 2026 Term 2 data from community and public preschools as well as the 2- week August 2026 attendance data from community, mobile and public preschools will, if required, 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. 	
<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 in 2026</p>	<p>Throughout 2026</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"> Start Strong equity loadings for Aboriginal and Torres Strait Islander children and other priority cohorts to facilitate preschool participation. The NSW Government continues to implement the Attendance Boosting Project. Three of the four KPI's for this project have now been delivered (interim report, grants program, data collection), with the remaining KPI (final report) on track to be delivered in line with the agreed timeframes. As part of the Grants program, 50 Early Childhood Education and Care (ECEC) services have received grants to implement attendance boosting initiatives. Services are implementing the agreed attendance boosting activities, including data collection to support evaluation of impact. This data collection will inform the final report, to be provided in the first quarter of 2026. 	
<p>Reform Element Three: Implement a new national preschool outcomes measure</p>		
<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>
<p>Reform Delivery/Implementation</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 in 2026</p> <ul style="list-style-type: none"> Throughout 2026, NSW will continue to develop its new digital system to collect detailed attendance data required for the PRA. This represents a significant change journey for the NSW community preschools that have low digital maturity. NSW will continue to implement the new IT system and the new attendance data collection in a phased manner over 2026 to ensure the transition is not disruptive for NSW services and it does not impose excessive workload burden on them. NSW will continue to support digital capability uplift of community preschool services where required. 	<p>Throughout 2026</p>

PART 5: PERFORMANCE AND REPORTING ARRANGEMENTS

32. Part 5 sets out the performance and reporting arrangements for the State of NSW 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 State of NSW's 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. 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.
37. 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"> • Term 2 (Monday 20 April - Friday 3 July) <ul style="list-style-type: none"> • NSW will provide Term 2 attendance data in 2026, which will include attendance data collected over the Term 2 period from: <ul style="list-style-type: none"> - all public preschools with valid attendance data; and - community preschools successfully integrated with the ECEC Digital Hub through their childcare management system where attendance data is made available to the NSW Department of Education (over 265 services). • August 2026 - 2-week census period

	<ul style="list-style-type: none"> Available 2026 Term 2 data from community and public preschools as well as the 2- week August 2026 attendance data from community, mobile and public preschools will, if required, 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.
Data provision	<p>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 nationally agreed due dates for data submission to the ABS will be provided by the Commonwealth to the jurisdictions.</p> <p>The August census data will be provided in the NECECC template, and the Term 2 attendance data will be provided in the NPAC template.</p>
Child and state specific YBFS	<p>In NSW children become eligible for YBFS preschool if they turn 4 on or before 31 July. The compulsory school starting age in NSW is 6. There has been no change in this range since 2025.</p>
Children who enrol in a year before full time school preschool program two years in a row	<p>NSW intends to claim funding for children who enrol in a year before full time school preschool program for their second year in 2026.</p> <p>NSW will provide information on the number of these children funded by the state through the new 'state funded second year YBFS child' indicator in its August 2026 NECECC census submission for community and mobile preschools and public preschools (if required) to ABS.</p> <p>NSW expects that the number of children identified through this indicator will far exceed the 6% cap under the PRA.</p>

Performance requirements, reporting and payment summary 2026

38. Performance Reporting for 2026 will capture progress against planned actions undertaken by the State of NSW 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 NSW 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 NSW by

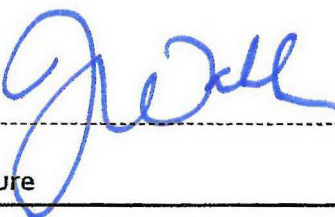
 8/5/26

Signature Date

The Hon Prue Car

Deputy Premier of NSW, Minister for Education and Early Learning and Minister for Western Sydney

Signed for and on behalf of the Commonwealth of Australia by

 13/5/26

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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