

Victoria: 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 State of Victoria, represented by their Minister for Children.
8. As a schedule to the Agreement, the purpose of this Plan is to provide the public with an indication of how the State of Victoria demonstrates its capacity to achieve and deliver the outcomes of the Agreement.
9. This Plan will cease on completion of the final performance reporting and the processing of final payments against the performance benchmarks or milestones set out within it for 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 Victoria is set out in Tables 1a (program year) and 1b (financial year) of the Agreement.
13. However, the Commonwealth's financial contribution in individual program years is adjusted in accordance with the notes to Tables 1a and 1b of the Agreement. Consistent with the agreed adjustment process, the final amounts for 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 Victoria

Category	Amount ¹
YBFS financial contribution	\$131,256,814
Additional funding to maintain 2021 levels	\$0
Total Commonwealth financial contribution (excluding project support funding)	\$131,256,814
Preschool Outcomes Measure: Project Support ²	TBC
Total Commonwealth financial contribution (including project support funding)	TBC

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 Victoria will use Commonwealth funding to meet the objectives of the Agreement. This may include strategies to facilitate preschool attendance by children in the year before full-time school.

Table 2: Program/activities objectives and outcomes

	Program/activity	Outputs	Objectives	Outcomes	Estimated Cth funds allocated
Program year funding (Commonwealth Funding Follows Child)					
1.	Provision of 15 hours per week of four-year-old kindergarten	Quality, affordable preschool programs	To facilitate children's early learning and development	All children have access to, and are able to participate in, an affordable, quality early childhood education program	\$131,256,814
2.	Strategies to facilitate participation in preschool by children in the YBFS	Quality, affordable preschool programs	To facilitate children's early learning and development	All children have access to, and are able to participate in, an affordable, quality early childhood education program	
Total all programs and activities					\$131,256,814

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

Commonwealth Funding Follows Child will be calculated based on the per child funding amount and the number of Victorian Government funded Four-Year-Old Kindergarten enrolments. The data source to allocate and acquit Commonwealth Funding Follows Child, will be the Arrival

System, which is Victoria's system for collecting child level enrolment data from 2025 and for calculating kindergarten funding from 2026. This will provide data for the 2026 calendar year, including enrolment numbers and funding across sectors.

State context and funding contributions

17. Context influencing the State of Victoria delivery of preschool and the States' investment in preschool for 2026 is covered in this section.
- a. The Victorian Government has an ongoing commitment to strengthening and expanding early childhood education. This work commenced with the release of the Education State Early Childhood Reform Plan in 2017, followed by the implementation of universal Three-Year-Old Kindergarten across the state from 2020. Three-year-old children across Victoria are now able to access up to 15 hours a week of funded kindergarten. Implementation is nearing completion, with most three-year-old children now accessing 15 hours a week.
 - b. In June 2022, the Victorian Government committed an additional \$9 billion to expand early childhood education programs across the state to continue the Best Start, Best Life reform. This means that:
 - i. From 2023, Free Kinder has been available for all Victorian three- and four-year-old children at participating services in both standalone (sessional) services and long day care (childcare) settings – a saving for families of up to \$2,693 per child (based on a 15 hour program) in 2026.
 - ii. Four-Year-Old Kindergarten commenced transitioning to 'Pre-Prep' in 2025. In 2026, Pre-Prep will be delivered in 18 LGA's – increasing to a universal 30-hour a week program of teacher delivered play-based learning for every four-year-old child by 2036.
 - iii. From 2026, priority cohort children (including Aboriginal and Torres Strait Islander children) have access up to 25 hours of Pre-Prep statewide, increasing to up to 30 hours from 2028.
 - iv. The expansion of funded four-year-old kindergarten hours is being supported by significant investment in infrastructure, workforce capacity and capability, change management and community engagement.
 - c. 50 Victorian government-owned and affordable childcare centres will be established. These centres will be built in areas that have unmet demand and will make it easier for families to access childcare. The first of the centres opened in 2025.
 - d. Victorian 2026 funding rates for all services are available on the Victorian Department of Education website at: <https://www.vic.gov.au/childcare-funding-rates>. The 2026 kindergarten funding settings include a number of changes designed to support the expansion of Pre-Prep; simplify funding for services; and ensure funding is targeted to reflect need. These changes are outlined at: <https://www.vic.gov.au/childcare-funding-settings>

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- e. As a condition of opting into Free Kinder, services providing a sessional program must offer all families a free 15-hour per week program for four-year-old enrolments and a free kindergarten program of between 5 and 15 hours for three-year-old enrolments. Where longer program hours are offered these additional hours must be optional. Participating sessional kindergarten services can charge parents for optional program hours over and above the 15 funded hours per week (600 hours per year) and / or 'wrap around' care if they are not located in a Pre-Prep roll-out area.
- f. Long day care service providers that opt into Free Kinder are required to directly offset the full \$2,101 Free Kinder payment (based on a 15 hour program) from the fees of parents with children receiving their funded kindergarten program at the centre. Long day care services must use any surplus funding (i.e., for the minority of cases where parents are charged less than \$2,101 in out-of-pocket fees for the year) on improvement efforts for the funded kindergarten program, such as improving quality and supporting engagement.
- g. Service providers that do not opt into Free Kinder may charge families fees to help meet the cost of running kindergarten programs. Fees are set by individual services and can vary depending on service type, how many hours a child attends, group size and extra costs such as excursions. Priority cohort children attract additional funding to support affordability and access at services that do not opt into Free Kinder.
- h. In developing this Implementation Plan consideration has been given to the Victorian context. Key factors listed below:
 - i. the historic community ownership of many kindergarten services
 - ii. the maturity of the kindergarten system which is operating at close to full capacity (spaces and teachers) in some areas such as growth corridors and inner metropolitan suburbs
 - iii. the extent to which the full range of early years services (kindergarten for both 3- and 4-year-olds, playgroups etc.) are embedded in and valued by local communities
 - iv. anticipated continuation of the high participation rate in Victorian kindergarten programs
 - v. the ongoing commitment of the National Quality Framework
 - vi. ongoing population growth in parts of Victoria
 - vii. policy and legislation that may impact on access and participation (e.g. Victoria's No Jab No Play, the Australian Government's No Jab No Pay and the changes to the Child Care Subsidy)
 - viii. the ambitious expansion of the Best Start, Best Life reform.

- i. Victoria is continuing the implementation of full attendance data collection across our sessional preschool sector – which is the largest and most diverse such sector in Australia.
- j. A key objective in the implementation of attendance data collection is to minimise the administrative burden on sessional preschool services (many of which are small, volunteer run organisations). This is particularly important since the introduction of national and Victorian child safety reforms, which are a priority for services to implement and embed in their day to day practice.
- k. Victoria’s attendance data collection is predominantly through 2 methods – integration with third party software providers used by sessional preschool services, and the provision of digital sign-in, sign-out functionality as part of the Arrival enrolment and funding system for services that do not wish to engage a third party software provider. This dual approach is intended to respond to the diversity of the Victorian sessional preschool sector.
- l. Both of these collection methods are being expanded in 2026, which will enable Victoria to build on 2025 and further increase its sessional preschool attendance dataset. This will enable provision of attendance data for most Victorian YBFS sessional preschool enrolments for the 2026 NPAC dataset.
- m. As part of this continued implementation and expansion of attendance data collection, there will be dedicated engagement with and support for services where collection and reporting of attendance data is more challenging. This includes Aboriginal Community Controlled Organisation operated services, small rural services and independent schools that use bespoke systems.
- n. Victoria will also work with the ABS to help ensure comparability of the 2025 and 2026 NPAC datasets so that performance trends can be accurately measured.
- o. In Victoria, the Early Years Assessment and Learning Tool remains the approved early learning assessment tool and its use in kindergarten services will continue to be voluntary.
- p. The Victorian Government undertakes a range of activities to help meet the objectives of maintaining universal access to affordable, quality preschool programs for all children, improving participation in preschool programs, and maximising the benefit of the preschool year by improving outcomes for children. These actions include a very strong focus on priority cohorts and other children who face additional barriers in accessing and engaging with a preschool program and are outlined in Table 5.

Data Sharing and Transparency

18. The Commonwealth and the State of Victoria 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 State of Victoria holds data in relation to Victorian-funded preschool programs as part of the National Early Childhood Education and Care Collection and National Preschool Attendance Collection. The State of Victoria 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;
 - b. any other measures to be agreed
22. The Commonwealth may publish details regarding funding under the Agreement for the State of Victoria 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 State of Victoria - Statement of Allocations (as per 2022 Implementation Plan)

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

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 State of Victoria - Statement of Allocations

Activities (details)	Commonwealth funding	State contribution	Actions (incl. deliverables)	KPI	Timing (incl. delivery schedule)
To be included in addendum which will be completed following Ministerial agreement to the PRA Appendix A.4.	To be included in addendum which will be completed following Ministerial agreement to the PRA Appendix A.4.	To be included in addendum which will be completed following Ministerial agreement to the PRA Appendix A.4.	To be included in addendum which will be completed following Ministerial agreement to the PRA Appendix A.4.	To be included in addendum which will be completed following Ministerial agreement to the PRA Appendix A.4.	To be included in addendum which will be completed following Ministerial agreement to the PRA Appendix A.4.

Risk Management

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

PART 4: REFORMS

30. As part of the Agreement, the State of Victoria and the Commonwealth agree to work collaboratively to implement reforms outlined in the Additional terms in the Agreement.

31. The actions that the State of Victoria will undertake to meet these commitments are detailed in **Table 5**.

Table 5: Planned Actions for the period 1 January 2026 to 31 December 2026 for the State of Victoria

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"> • Victoria has a strong foundation for ensuring Commonwealth funding is allocated to settings in which children attend preschool, through its service agreement monitoring. • The eligibility criteria for services to receive Victorian Government kindergarten funding is outlined in Victoria’s Kindergarten Funding Guide (https://www.vic.gov.au/kindergarten-funding-guide) • Victorian 2026 funding rates are available on the Victorian Department of Education website at: https://www.vic.gov.au/kindergarten-funding-rates • The Victorian Government processes monthly payments to funded kindergarten services based on child level enrolment data entered into the Arrival IT system. • Victoria is continually reviewing how to strengthen and enhance current contract management arrangements and processes. • The new Kindergarten Audit and Assurance Program (KAAP) will help ensure that funding is being used appropriately and that services are being delivered in line with the Kindergarten Funding Guide and Service Agreement contractual requirements. The KAAP commenced in October 2025 and throughout the first year around 100 providers, responsible for about 420 early childhood services with funded kindergarten programs will be audited. As well as auditing individual providers, the KAAP is being used as an important learning tool to help strengthen the department’s overall monitoring and oversight processes and guidance to service providers. • At the end of 2026 Commonwealth Funding Follows Child will be acquitted using information collected by the Victorian Department of Education on funded kindergarten enrolments 	<p>Throughout 2026</p>
Reform Element Two: Implement a new national preschool attendance measure		

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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"> 1. Improvement from the 2025 baseline proportion of children in the year before full-time school (x%) who attend a preschool program(s) for 75% of 600 hours (450 hours). <ol style="list-style-type: none"> 2.1 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. 2.2 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 75% of 600 hours (450 hours). 3.1 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. 3.2 Improvement from the 2025 baseline proportion of disadvantaged children in the year before full-time school (x%) who attend a preschool program(s) for 75% of 600 hours (450 hours). <p>Measures to be undertaken in 2026</p> <ul style="list-style-type: none"> • In 2026, Victoria will use Arrival, a purpose-built system that includes functionality to enable sessional kindergarten services to collect and report attendance data. • Victoria will work with the ABS to help ensure comparability of the 2025 and 2026 NPAC datasets. <p>Note, Victoria has historically reported high enrolment rates under the previous collection methodology and that the population of Aboriginal children and children experiencing disadvantage are small and subject to a level of volatility. Therefore, Victoria would expect full payment for these enrolment measures if a high level of performance is maintained in 2026, in the absence of improvement between 2025 and 2026.</p>	<p>2026 performance data scheduled for delivery in March- April 2027</p>

Reform Element	Actions	Timing
<p>Strategies to facilitate participation in preschool by children in the YBFS. For strategies relating to Aboriginal and Torres Strait Islander children, consistent with the Closing the Gap agreement, engage those communities and/or representative bodies in the design process.</p>	<p>Measures to be undertaken in 2026</p> <ul style="list-style-type: none"> • The department works closely with local government, kindergarten providers and other stakeholders to support preschool enrolment, engagement and attendance through initiatives such as: <ul style="list-style-type: none"> ○ Free Kinder – supports access to two years of high quality kindergarten programs for all Victorian children by making this free. Free Kinder is available for 3 and 4-year-old kindergarten programs at participating services. ○ Early Start Kindergarten – provides targeted funding for vulnerable or Aboriginal and Torres Strait Islander children to attend a free kindergarten program two years before school. This creates a pathway for children who are at risk of not engaging to enrol in YBFS preschool programs in the following year. ○ Access to Early Learning program – provides additional support for children experiencing vulnerability and/or disadvantage to address complex barriers to participation in early childhood education and care. ○ Early Childhood LOOKOUT – supports children in out-of-home care to attend kindergarten and builds the capacity of the sector to identify and engage children in out-of-home care in kindergarten and support vulnerable children at risk of entering out-of-home care. ○ Pre-Purchased Places – targeted services receive funding to reserve places for vulnerable children or disadvantaged children who enrol late. ○ School Readiness Funding – supports kindergartens to reduce the impact of educational disadvantage. Services can use this needs-based funding to access high-quality programs and supports that benefit children in the priority areas of communication 	<p>Throughout 2026</p>

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Reform Element	Actions	Timing
	<p>(language development), wellbeing (social and emotional), and access and inclusion.</p> <ul style="list-style-type: none"> ○ Kindergarten Inclusion Support Program – supports children with a disability, high support needs, and/or complex medical needs. ○ Specialist support to address barriers to participation experienced by children and families from CALD and refugee backgrounds, including through outreach workers employed by 26 local governments. ○ Kindergarten Central Registration and Enrolment Schemes (CRES) – provides a single point of contact for families to apply for multiple kindergarten services in their area, to help secure a place that best suits their needs. CRES is underpinned by six principles that promote consistent, inclusive and equitable access to kindergarten places, and it supports the identification and engagement of families who may need more support to register and enrol. ○ Department of Education Early Childhood Improvement Branch staff – responsibilities include conducting outreach work with kindergarten service providers and local governments to support access to, and participation in, preschool programs. Significant investment to grow workforce and infrastructure capacity as part of the Best Start Best Life Reforms. <ul style="list-style-type: none"> • From 2026, Aboriginal Community Controlled Organisations (ACCOs) delivering funded kindergarten programs will receive a new increased and streamlined funding rate. This will provide more certainty and greater flexibility in using funding. 	
Reform Element Three: Implement a new national preschool outcomes measure		
Participate in activities that continue to support outcomes measurement	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.	TBC

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Reform Element	Actions	Timing
	Further details will be provided in an addendum to this Implementation Plan, following agreement to Appendix A.4.	
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.	Measures to be undertaken in 2026 <ul style="list-style-type: none"> • Victoria will continue to refine preschool data with the Australian Bureau of Statistics to ensure it most accurately reflects service delivery and the YBFS population in Victoria. • Victoria will facilitate sharing of data in relation to Victorian-funded preschool programs as part of the National Early Childhood Education and Care Collection and National Preschool Attendance Collection through 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. 	Throughout 2026

PART 5: PERFORMANCE AND REPORTING ARRANGEMENTS

32. Part 5 sets out the performance and reporting arrangements for the State of Victoria 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 Victoria 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. 'Preschool program' is defined as per the Agreement (Definitions, p.15 of the Agreement - Preschool program (alternatives to agreed definition)), and will include:
 - a. an educational program delivered in accordance with the Early Years Learning Framework (or equivalent) and the NQF delivered by an early childhood teacher; and
 - b. an educational program the Victorian Department of Education approves to be delivered by a diploma qualified educator or primary teacher who is working towards an early childhood teaching qualification for a short-term, due to the absence of a qualified early childhood teacher.
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 attendance collection period is Term 2. In Victoria in 2026, the standard Term dates will be from 20 April to 26 June 2026. Further information on Victoria's school term dates is available at: https://www.vic.gov.au/school-term-dates-and-holidays-victoria
Data provision	<ul style="list-style-type: none"> Victoria will provide attendance and enrolment data in 2 separate datasets. Both datasets will be provided in line with the nationally agreed due dates for data submission to the ABS.
Child and state specific YBFS	<ul style="list-style-type: none"> In Victoria, children become eligible for YBFS preschool in 2026 if they turn four by 30 April 2026, which follows the same rules as previous years.
Children who repeat YBFS preschool	<ul style="list-style-type: none"> Victoria intends to claim funding for children who have an approved second year in a YBFS preschool program. This is a rigorous approval process that ensures children only have access to a second funded year based on assessment by an early childhood teacher or another relevant professional. In Victoria, where a child is observed to display delays in key outcome areas of learning and development, a second year of funded Four-Year-Old Kindergarten may be considered in exceptional circumstances. (For further information refer to Victoria's Kindergarten Funding Guide at https://www.vic.gov.au/kindergarten-funding-guide). Children receiving a second year of funded YBFS preschool are flagged in Victoria's annual data submission to the ABS.

Performance requirements, reporting and payment summary 2026

39. Performance Reporting for 2026 will capture progress against planned actions undertaken by the State of Victoria as detailed at Table 5. States should provide sufficient detail in performance reporting to enable consideration of progress against actions and provide the Commonwealth with a draft prior to submission of the final report.
40. Performance reporting will be signed off by the Commonwealth Minister who will then inform the State of Victoria Minister of the outcome through an exchange of letters.

Sign off

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

Signed for and on behalf of the State of Victoria by



22.4.26

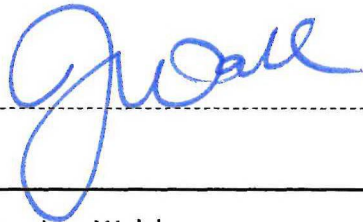
Signature

Date

Lizzie Blandthorn

Minister for Children and Minister for Disability

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.

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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			

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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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