

MEDIA RELEASE – 5 OCTOBER 2018

FEDERAL LABOR’S NEW PRESCHOOL FUNDING FOR 3 & 4 YEAR OLDS CAN INCREASE CHILDCARE AFFORDABILITY AND END THE FUNDING INEQUALITY AGAINST NSW CHILDREN AT LONG DAYCARE

In anticipation of the Federal Election anticipated in 2019, the Federal Labor Opposition has [announced](#) its \$1.75b National Preschool and Kindy Program for all 3- and 4-year old children beginning 2021 that could increase childcare affordability while ending years of government funding discrimination against NSW-based children enrolled at long daycare centres.

“We warmly welcome Federal Labor’s latest commitment to ensure access to 600 hours of subsidised preschool programs for 3- and 4-year olds, as well as ensuring that a Shorten Labor Government if elected will treat all children equitably regardless of whether they are enrolled in community preschools or long daycare services that provide a preschool program,” said Mr Chiang Lim, CEO of the Australian Childcare Alliance (ACA) NSW.

Primarily due to the funding inequality against NSW-based children at long daycare services in [2013-2014](#), [2015](#), [2016-2017](#) and [2018](#) where NSW preschool children attending long daycare generally attract the lowest amount of government funding of any state, NSW has the lowest preschool participation rate in the country at 72.5%.

Enrolment in 600 hours of preschool in the year before school

	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	AUS
Enrolled preschool	87,451	75,085	58,041	3,286	19,454	6,247	5,322	3,435	288,369
By %	84.9%	98.4%	93.8%	96.0%	94.2%	96.2%	98.3%	92.5%	92.4%
Enrolled 600 hours	74,969	74,261	56,410	32,556	19,255	6,250	5,257	3,405	272,361
By %	72.5%	97.3%	88.6%	93.9%	93.2%	96.2%	97.1%	91.7%	87.2%

Source: Productivity Commission’s Report of Government Services (RoGS) Table 3A.18 & ABS 42400D0003_2016, Nov 2016

State Government Spending on Preschool Programs Per Child by Sector

	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	AUS
Preschool spending \$m	278.3	385.3	175.0	171.6	329.1	47.7	46.1	35.6	1,351.9
Preschools \$/child	5,188	4,712	4,210	9,647	9,993	7,811	12,694	7,709	6,431
Long Daycare \$/child	456	3,695	2,011	2,121	N/A	N/A	180	N/A	1,724

Source: Calculations based on Productivity Commission’s Report of Government Services (RoGS) 2018, ABS 4240 Table 5 and State Government funding formulae for Long Daycare

The Organization for Economic Co-operation and Development (OECD)’s Starting Strong 2017 Key Indicators on Early Childhood Education and Care report placed Australia below the OECD average when it comes to enrolment rates for 3- and 4-year olds, and it ranks 30th out of 35 countries when it comes to spending on early childhood education as a percentage of Gross Domestic Product. Of greatest concern is when the OECD’s head of early childhood education research, Mr Eric Charbonnier, said “the proportion of household expenditure on childcare in Australia was the highest in the world”.

“We appreciate that Federal Labor has listened to ACA’s national and NSW-specific recommendations about the importance of quality play-based early childhood education and care for all children regardless of their parents’ choice of service provider as well as parents’ concerns about childcare affordability”, said Mr Lim.

Distribution of federal funding for children enrolled in preschool programs are normally jointly agreed to and supplemented by State Governments.

“In anticipation of the NSW State Election due on 23 March 2019, ACA NSW will seek commitments from the NSW Coalition and NSW Labor ensuring that all government funding for 3- and 4-year old children will be distributed equitably regardless of service type. We will further seek what supplementary amounts they will provide so that NSW children will no longer be disadvantaged compared to their interstate peers,” said Mr Lim.

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Australian Childcare Alliance (ACA) NSW (www.nsw.childcarealliance.org.au) is the peak body for privately owned early childhood education and care services in NSW, numbering approximately 1,600 childcare services and supporting over 125,000 families. ACA NSW provides advocacy, policy and regulatory and business support and advice, member services and professional development for members and their staff across the state.

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