



Early Childhood Education

2005 Update

Analysis of Data from the
Steering Committee for the Review of
Commonwealth/State Service Provision:

Report On Government Services
2005

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1. Introduction

The annual *Report on Government Services*, produced by the Steering Committee for the Review of Government Service Provision, provides one of the few sources of national data in regard to preschool education provision across Australia.

At the same time, the data contained within the 2005 *Report* continues to be limited in its scope and reliability for comparative purposes. This reflects the complexities of bringing together data on very different state structures and the time it can take to achieve agreed and detailed data standards. A major reason for the data constraints is the continued primary focus on Commonwealth funded childcare services and the distorting affect that this has on information about preschools.

For example, the labour force or employment status of parents with children in preschool and childcare is one of the few comparative tables provided in this report. Yet the information is provided for children aged 0-11 and includes after school hours services. There would seem to be little substantive value in providing a comparison of parents with 4 year old children at preschool who are not in employment with the whole cohort of parents with children aged up to 11 who use care services.

Nearly 246,000 children participated in preschool education in 2003-04, the vast majority of whom were in the year prior to school. Across Australia, 83.7% of children attended preschool in the year before school. This compares with the 229,603 places provided by Commonwealth approved centre based long day care services at June 2004. These places represent 18.1% of all children aged 0 – 4 years. There is no breakdown of attendance by year age. In total, 30.7% of children aged 5 years or younger attend Commonwealth funded or provided child care services, including long day care, family day care, outside school hours care and occasional care.

The reality is that of all early childhood education and care services, preschool education is the service with the largest number of enrolments across Australia, even given that access is for one or at most two years rather than from birth to 4 or 5 as can be the case for childcare. This makes it even more irksome that the exigencies of national structures and the limitations of national data collection make the reporting of preschool education a marginal footnote to the predominant childcare information, as evidenced by the *Report on Government Services* and the ABS *Childcare* survey.

2. Population trends

Since 2000 there has been a fall of 1.1%, or 16,700, in the total number of children aged five years and younger in Australia. In 2004, there were 2,000 fewer 4 year olds and 6,800 fewer 2-3 year olds than in 2000. There were also 1,100 fewer children aged 0 to less than two years.

The overall rate of fall has dropped only marginally compared with the 1999-03 period considered in the 2004 Update report. However the rate of fall for 4 year olds is considerably reduced from the 4.6% reported for 99-03 to 0.8% in the 2000-04 period.

In the year to June 2004, the total number of children under 5 years increased by 7,200 or 0.5%, across Australia. Within this overall picture the number of four year olds increased by 1500, or 0.6%, and the number of 5 year olds increased by 2,700 or 1.0%. However, the number of children aged 2-3 years fell by 6,700 or 1.3%, which may have an impact on preschool enrolments in 2005 and 2006. At the same time the number of children aged 0 to less than 2 increased by 9,700 or 2.0%, which is likely to affect preschool enrolments in 2006-2008.

The extent to which the slight drop in the number of 2 and 3 year olds will affect preschool enrolments in the short term will of course be mediated by trends in the participation rate.

Table 1

Estimated resident population younger than six years old							
(a)	2000	2001	2002	2003	2004	Change 00-04 (%)	Change 03-04 (%)
	'000	'000	'000	'000	'000		
0 to less than 2 years (1 year old or less)	504.7	508.5	499.7	493.9	503.6	-0.2	2.0
2 to less than 4 years (2-3 year olds)	512.2	512.4	513.9	512.1	505.4	-1.3	-1.3
4 to less than 5 years (4 year olds)	262.1	261.4	257.3	258.6	260.1	-0.8	0.6
5 to less than 6 years (5 year olds)	268.1	264.3	262.8	258.6	261.3	-2.5	1.0
TOTAL 0 to less than 6	1547.1	1546.6	1533.7	1523.2	1530.4	-1.1	0.5

(a) As at 30 June

3. Participation rates

3.1 Overview

SCRCSSP defines participation in two categories:

- children attending preschool in the year immediately prior to full time schooling, broadly categorised as 4 year olds. From 2002 on this also includes Western Australia, where the definition was previously based on 5 year olds in pre-primary, which is now full time and defined as the first (preparatory) year of school;
- younger children attending government funded preschool services.

Across Australia, 245,653 children attended state funded preschool education in 2003-04, of whom 217,563, or 88.6%, were in the year prior to school. This compares with a total of 239,270 children in attendance in 2002-03 and 240,019 in attendance in 2001-02. There was a total national increase of 6,383 enrolments over 2002-03, an increase of 2.7%, including both 4 year olds and younger children. The overall participation rate has increased.

3.2 Participation rates for 4 year olds

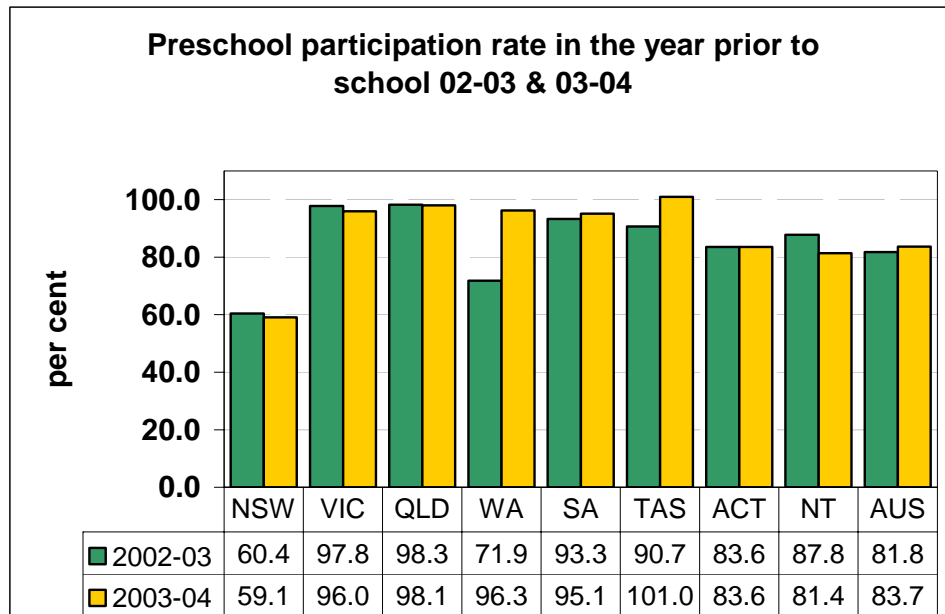
Across Australia, around 83.7% of 4 year olds attended preschool in the year prior to school in 2003-04. This is a slight increase on the reported participation rate of 83.5% in 2002-03 and a larger increase over the revised participation rate of 81.8% for 2002-03 arising from changes to population data in the 2005 report. Revised participation rates of 83.1% in both 2001-02 and 2000-01 and 81.8% in 1999-00 suggest that, even given uncertainty about the final rate for 2002-03, participation rates are continuing to show a modest upward trend.

Participation rates range from over 100% in Tasmania to 59.1% in NSW. These participation rates are approximate, and in NSW particular caution is required given the structures of NSW early childhood services, with preschool programs provided in both childcare and preschool centres, which are required to meet the same regulations and employ qualified teachers if there are more than 30 children in a centre. NSW data is not seen as comparable with other systems and a revised method of calculation has been used in 2003-04. In general, there are continued difficulties with the comparability of the data across systems and there are complexities arising from the way in which

participation rates are determined. Some of the changes reported here may be due to a revision of previous data.

Reported participation rates and enrolments have dropped slightly in NSW, Victoria and the Northern Territory. There has been a marginal drop in the Queensland participation rate although enrolments have increased: the transition to a full time preparatory year will add complexity to Queensland data. Tasmania has shown a substantial increase in both enrolments and the participation rate. The inclusion of nongovernment sector enrolments in Western Australia for the first time in 2003-04 is reported to have resulted in a significant jump in the time series; however no details are provided to enable an assessment of the impact of this change on the significantly increased enrolments and participation rates. It is unclear how much of these changes are due to revisions of the data.

Figure 1



3.3 Participation rates of younger children

In NSW, Queensland, South Australia, ACT and the Northern Territory, younger children have access to funded preschool education. In South Australia, a pre-entry program is provided for 10 weeks in the term before preschool and Indigenous children can enrol at 3 years. In the ACT, a range of children may be eligible for early entry into preschool, including Indigenous children. Younger Indigenous children are also eligible to enrol in the Northern Territory and Queensland.

In 2003-04, 28,090 younger children (3 year olds) attended preschool, or about 17.1%, compared to a participation rate of 17% in 2002-03 and 16.3% in 2001-02.

Participation rates for younger children in funded preschool programs varied from 24.9% in South Australia, 21.1% in Queensland, 14.0% in NSW, 13.7% in the Northern Territory and 4.0% in the ACT. No funding is provided for younger children in Victoria, Western Australia or Tasmania.

4. Enrolment trends

The total number of children enrolled in preschool in the year prior to school (4 year olds) increased by 3,236 between 1999-00 and 2003-04, largely due to the significant increase in Western Australia which is at least in part the result of changes in reporting but may also reflect increased participation in preschool arising from the structural changes in that state. Enrolments also increased by 1,565 or 3.2% in Queensland, while the 4 year old cohort increased by 1,162 or 2.3%.

Figure 2

The total number of 4 year olds in Australia fell by 2000 between 1999-00 and 2003-04 and enrolments fell in every other state and territory during this period.

However, the national participation rate has increased and even if Western Australia is excluded from the calculation, is stable over that period.

In the year to 2003-04, enrolments fell in NSW by 2.6% (but in designated preschool centres by only 0.2%); in Victoria by 0.5%, in South Australia by 0.1% (20 enrolments) and in the Northern Territory by 4.9% (145 enrolments). The reason for that fall is unclear. In all other systems enrolments increased over the last year.

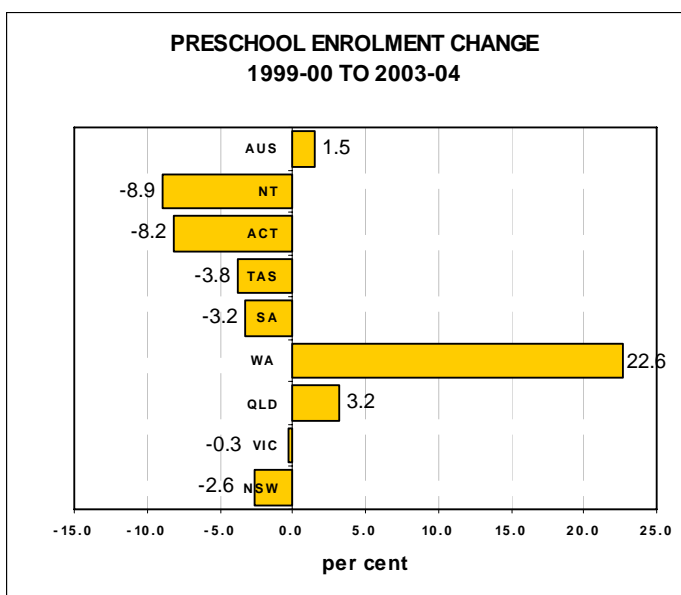


Table 2 indicates that there have been fluctuations in enrolment within and across the states and territories, within an overall pattern of modest or stable enrolment growth. The trend data must be treated with some caution given changes both in structures and revisions in data.

Table 2

Children using State/Territory funded and/or provided preschool services

Year before full-time school	1999-00	2000-01	2001-02	2002-03	2003-04
NSW	53 237	56 376	56 069	52 599	51 858
VIC	60 160	60 380	60 286	60 282	60 004
QLD	49 215	49 525	49 581	50 161	50 780
WA	20 394	20 500	17 944	18 680	25 011
SA	18 010	17 501	17 430	17 450	17 430
TAS	6 400	6 178	6 087	5 945	6 158
ACT	3 841	3 657	3 629	3 508	3 526
NT	3 070	3 145	2 900	2 941	2 796
	214 327	217 262	213 926	211 566	217 563

In NSW, preschool programs are defined as children attending both childcare and preschool services above the age of 4 years.

In Victoria, includes 8946 children attending preschool in long day care services in 02-03, 9265 in 01-02 and 8515 in 2001.

In Queensland, includes only children attending at schools for a minimum of 25 hours per fortnight and children at C&K preschools.

In WA, based on 4 year olds from 2002-3, 5 year olds in earlier years. Includes nongovernment services in 03-04.

In Tasmania, data include nongovernment preschool services.

Between 2002-03 and 2003-04 the number of younger children attending preschool has increased by 386, or 1.4%. There has been a fall of 170 younger enrolments in South Australia (3.6%) and 17 in the ACT (9.2%), with increases of 2% in NSW, 2.4% in Queensland and 20.8% in the Northern Territory.

While NSW enrolments of younger children have fallen by 1,284 or 9.5% since 1999-00 levels, there has been a steady increase in enrolments in the last two years. There have been small falls in both Queensland (0.5%) and South Australia (2.1%) over this period, but the base numbers are of course small. The ACT has, despite the drop in the last 12 months, increased younger children's enrolments by 28.2% since 1999-00 while the Northern Territory enrolments have increased by 80, or 137.2%. The participation rate for younger children has been increasing across those systems where funded access is provided, but the overall number of enrolments remains small and is 17.1% of 3 year olds.

Table 3

Younger children using State/Territory funded and/or provided preschool services

NSW	13 494	11 669	10 733	11 966	12 210
VIC	na	na	na	na	na
QLD	10 740	10 644	10 293	10 438	10 687
WA	17 102	9 157	na	na	na
SA	4 660	4 689	4 650	4 730	4 560
TAS	na	na	na	na	na
ACT	131	159	135	185	168
NT	196	211	282	385	465
	46 323	36 529	26 093	27 704	28 090

In Queensland, community kindergartens and preschools under Creche and Kindergarten Association.

In WA, there was a half cohort in 2000-01 as a result of changed school entry age. In 2002-03, pre-primary students transferred to school data and 4 year olds are now defined as in the year before school and included in table 2.

5. Children who are missing out.

Across Australia, 83.7% of children in Australia are reported to have attended preschool in the year prior to school in 2003-04. While the overall participation rate for preschool education in the year before school has been increasing, this still means that more than 16% of children are missing out on a preschool education experience in the year before school.

On this measure, some 42,500 children are estimated to be missing out on this vital educational experience.

Determining who is missing out is problematic given the inconsistency and unreliability of available national data. Definitions of preschool education differ from state to state, and participation rates are calculated on the basis of the 4 year old population, notwithstanding the fact that children may be aged 3 or 5 in their preschool year.

This is likely to mean that the participation rate is overestimated.

When 2002-03 preschool enrolments are compared with 2004 enrolments in the preparatory or reception year of school (year 1 and the prep trial in Queensland), the participation rate would be 78.4%. (SCRCSSP 2005, ABS 4221.0, 2005)

This would suggest that more than 58,000 children missed out on a preschool education in the year before school. The participation data informs us that children are more or less likely to be enrolled in preschool education on the basis of where they live. The limited data tells us that Aboriginal and Torres Strait Islander children, children with disabilities and children who live in regional and remote areas are more likely to be missing out on preschool education.

6. Aboriginal and Torres Strait Islander children in preschool education

All jurisdictions provided some data on the proportion of Indigenous children attending preschool education and the Report continues to record that:

'Across jurisdictions, the proportion of Indigenous children attending preschools in 2003-04 was broadly similar to the representation of Indigenous children in the community'. (p. 14.16)

As indicated in the 2004 AEU Update report, there is a need for considerable concern in relation to the picture presented by this data, and especially the comparison with the general community, since it is based on community population data for 0-14 year olds in the 2001 ABS Census of Population and Housing and the rapid growth in the number of young Indigenous children is likely to be understated.

The Report also suggests that the proportion of Aboriginal and Torres Strait Islander children attending preschool has varied across jurisdictions but has 'been relatively constant over time within jurisdictions except in the NT where it has increased steadily since 1999-00'.

The comments made in the Report are not necessarily inaccurate, but they are potentially misleading for this tells so little of the real story.

As the analysis provided in the 2004 AEU Update report indicated, a more detailed consideration of even the limited data provided in the report indicated that an estimated 9,500 eligible Indigenous children were missing out on preschool opportunities. The inequity of access between systems was also recognised in the 2004 commentary, recognising that three year old Indigenous children were entitled to access preschool education in some but not all systems and/or locations. However only Victoria is not reported to be providing any funded access to three year old Indigenous children.

Were all three and four year old Indigenous children entitled to participate, then around 12,300 children were estimated to be missing out on the opportunity.

The 2004 AEU Report noted that the *National Report to Parliament on Indigenous Education and Training* in 2002 and 2001 provided data which suggested that some 13,160 Indigenous children were missing out on preschool education.

The *National Report to Parliament on Indigenous Education and Training 2003* provides more substantial data on the access of Indigenous children to preschool education and in this light, it is

difficult to understand the superficial and potentially misleading commentary found in the *Report on Government Services*.

The 2003 *National Report to Parliament* provides both an ABS projection of the number of Indigenous children in 2003 by age, and the enrolments of Indigenous children in preschool education by age.

In 2003, there were 6,945 Indigenous children aged four and five enrolled in preschool education and an estimated 12,072 Indigenous children aged four across Australia. This indicates that Indigenous children have a participation rate of 57.5% as four year olds. This compares with the general preschool participation rate of 83.7% of four year old children across Australia.

In addition, 2,069 Indigenous children aged three or less were enrolled in preschool education, of a total three year old population of 12,037 Indigenous children. The three year old participation rate for Indigenous children is 17.2% and the general three year old participation is 17.1%. However, a much higher proportion of Indigenous children across Australia are entitled to access preschool education at three years old and clearly this is not happening at a greater rate than is true in the population as a whole.

Of all the 24,109 three and four year old Indigenous children in Australia in 2003, 9,051 were enrolled in preschool education and 15,058 missed out on a preschool education. This is an overall participation rate of 37.5%.

At the same time, the 2003 *National Report to Parliament* has reported a 21.8% increase in Indigenous enrolments between 2001 and 2003 and a rise in the Indigenous proportion of the preschool population.

In the light of the information presented in the *National Report(s) to Parliament* it is time that the Report on Government Service provided a less superficial and more searching picture of the access of Indigenous children to preschool education.

7. Access of target groups

The report indicates that the data on the proportion of preschool attendees from specified target groups is not extensive across all jurisdictions. As for data relating to Indigenous children, there is a need for considerable caution, since here too the comparison with the general community is based on population data for 0-14 year olds and 0-11 year olds and the source and age of the data varies. Some of the data has been revised.

7.1 Children from non-English speaking backgrounds

Across Australia, children from non-English speaking backgrounds are reported to be enrolled in preschool education in proportion to their representation in the community, although they are reported to be significantly under represented in some systems. This is based on using the ABS Childcare survey to measure the proportion of children from non-English speaking backgrounds in the wider community. In contrast, last years *Report on Government Services* reported that children from non-English speaking backgrounds were substantially under-represented in preschool education; this was measured by using the 2001 Census data to establish the measure of the wider community. The difference between the two measures of the wider community is extraordinary but

no discussion is provided of the changes or the impact on the data presented, as can be seen from Table 4.

Table 4

Proportion of children from non English speaking backgrounds attending preschool (per cent)									
2002-03	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	AUST
preschool	6.5	12.7	1.0	na	9.1	na	9.3	na	
general community	20.4	19.9	7.1	11.0	11.2	2.6	13.1	29.4	
2003-04									
preschool	6.6	13.5	1.0	na	9.3	na	7.5	na	6.2
general community	8.8	8.0	2.7	3.6	3.0	1.1	2.1	4.1	6.1

7.2 Children with disabilities

Children with disabilities are underrepresented across Australia and in every preschool education system for which data is available, with the exception of South Australia. Once again the measure of the wider community share has changed. With the exception of Victoria, the proportion of children enrolled in preschool education is reported to have improved in every system for which the data is available for both of the last two years.

On the basis of the data presented in the Report it is estimated that some 11,100 children with disabilities are missing out on preschool education. The 2004 *National Preschool Education Inquiry Report, 'For all our children'*, identified the lack of adequate funding, resources and supports for preschool education for children with special needs as a significant barrier to equity and access.

Table 5

Proportion of children with a disability attending preschool (per cent)									
2002-03	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	AUST
preschool	6.8	4.3	1.0	2.3	14.2	na	4.1	5.1	
general community	6.6	6.6	8.1	10.4	9.9	7.5	na	na	
2003-04									
preschool	6.8	3.7	1.4	2.5	14.3	na	4.6	5.9	4.7
general community	8.6	7.2	7.9	9.2	9.9	7.3	7.2	na	8.2

7.3 Children from rural and remote areas

The 2005 Report distinguished between regional and remote area enrolments for the first time. Children from regional areas are reported to be significantly under-represented in preschool education Australia-wide, although enrolments from regional areas are greater than their representation in the general community in NSW, Victoria, South Australia, Tasmania and the ACT. The data reports that 23.1% of children in preschool are living in regional areas, while this is true for 33.4% of the wider community. On this basis it can be estimated that some 36,600 children living in regional areas are missing out on a preschool education.

Children living in remote areas are also reported to be underrepresented in preschool education. While 1.9% of preschool enrolments are in remote areas, this is true for 3.2% of the wider community. On this basis, it can be estimated that around 4190 children living in remote areas are missing out on a preschool education.

Table 6

Proportion of children from regional and remote areas enrolled in preschool, 2003-04									
Regional	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	AUST
preschool	32.2	29.3	na	23.5	29.1	98.6	0.9	na	23.1
general community	30.0	29.1	45.6	24.0	26.9	97.6	0.3	48.9	33.4
Remote									
preschool	1.2	0.1	na	9.9	5.7	1.4	na	na	1.9
general community	0.8	0.1	4.7	9.2	4.8	2.4	na	51.9	3

8. Average hours of attendance

NSW and Victoria again provided no data on the average hours of attendance. Previous information has suggested that children in Victoria attend an average of 10 hours per week.

Reported data for four year olds in 2003-04 shows a range from 10.5 hours in the ACT and Tasmania to 14 hours in Queensland. Queensland is moving towards a fulltime prep year which will replace the existing sessional preschool program in state schools.

From July 2005, the ACT will be trialling provision of 12 hours a week in 35 preschool.

There is less information on the attendance hours for 3 year olds.

The average attendance at centre based long day care in 2004 was 19.8 hours, up from the 19.2 hours reported for 2002 but still below the 24.7 hours reported for 20010.

9. Expenditure on preschool education

9.1 Total expenditure on preschool services

In 2003-04, the states and territories reported total expenditure of \$490.0m on preschool education services.

This is about 80.6% of all expenditure by the states and territories on children's education and care services. Total expenditure in some states and territories includes expenditure on funded preschool places for younger children as well as expenditure on child care services.

Table 7

HOURS OF ATTENDANCE 2003-04			
		4 YEAR OLDS	3 YEAR OLDS
NSW	(a)	na	na
VIC	(b)	na	na
QLD	(c)	14	11
WA		11.0	na
SA	(d)	11	3
TAS		10.5	na
ACT	(e)	10.5	5.3
NT	(f)	12.5	8.0

- (a) NSW has not provided this data for some years. A child enrolled for on day per week would usually attend for 6 hours.
- (b) Previous information suggests children attend an average of 10 hours per week in Victoria.
- (c) Based on average hours services operated. For state preschools, 12.5 hours attendance is assumed.
- (d) Pre-entry program in SA provides one session for 10 weeks in the term before preschool.
- (e) ACT has announced trials of 12 hours per week in 35 preschools from July 2005.
- (f) In NT estimate is based on the average sessional hours and the total number of children attendin

The Commonwealth spent about \$1.8B, of which 78.8% was for financial support to families through assistance with child care fees. The Commonwealth provides some funding directly to Queensland for the preschool year since other states are funded for a preparatory or reception year in school. Similar funding was provided to Western Australia but with the move to fulltime pre-primary, this would now be funded as part of primary schooling. The Commonwealth also provides supplementary funding for preschool education for Aboriginal and Torres Strait Islander children. With these exceptions, funding of preschool education is currently the responsibility of the states and territories.

It is worth noting that Australia spends about 0.1% of GDP on preschool education for children aged 3 or more, compared to average expenditure across the OECD of 0.4%. Most countries spend 0.4% to 0.6%. Australia is one of the four lowest spending out of 35 countries. (OECD 2002) Trends since 1999-00 are complicated by the changes in Western Australia, where the move of pre-primary into the schooling system led to a reported fall in expenditure of \$86m in the year to 2001-02. The NT was unable to provide expenditure information for 1999-00.

Tasmania and Queensland have both reported a drop in expenditure over that period although further information would be required, at least in Queensland's case, to establish how much this was due to changes in reporting rather than an actual fall in expenditure. Queensland has previously reported the need for caution in relation to historical data.

Substantial increases in expenditure were reported by Victoria (37.9%), South Australia (18.0%) and the ACT (10.4%).

When Western Australia and NT are excluded, average expenditure across Australia increased by 4.4% in real terms over the period 1999-00 to 2003-04.

In the 12 months between 2002-03 and 2003-04, expenditure across Australia increased by \$27.1 million, or 5.9% in real terms. Within that overall picture, expenditure in Western Australia fell by 14.3%, although any continued impact of the structural changes on this trend is unclear. Expenditure in NSW also fell, by 3.5% in real terms. Expenditure over the 12 month period increased in every other system, up by 20.1% in Queensland, 16.1% in the ACT, 14.2% in Victoria with modest increases elsewhere including 1% in Tasmania.

Figure 3

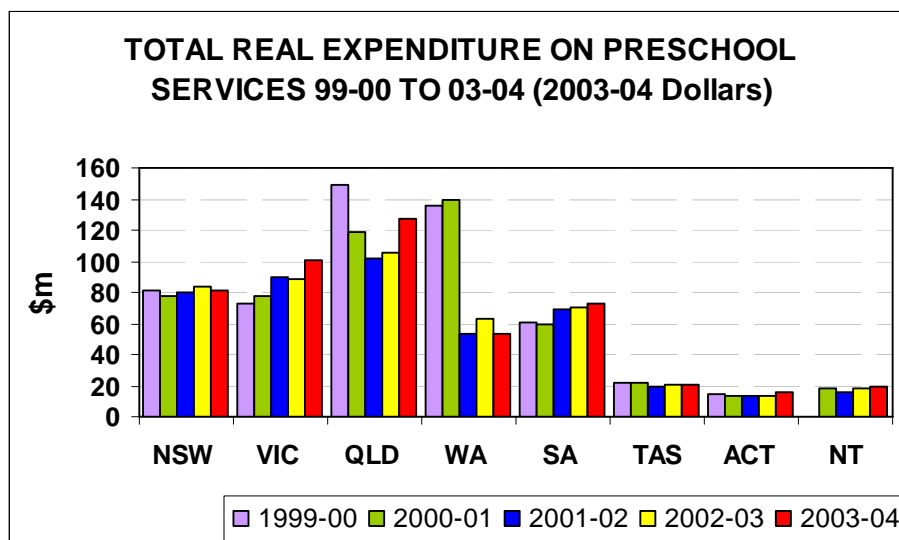


Table 8**TOTAL REAL EXPENDITURE ON PRESCHOOL SERVICES 97-98 TO 01=02 IN DOLLARS (\$m)**

	1999-00	2000-01	2001-02	2002-03	2003-04	Change 99-00 to 03-04	Change 02-03 to 03-04
NSW (a)	80.7	77.2	80.3	83.6	80.7	0.0	-3.5
VIC (b)	72.8	78.0	89.9	87.9	100.4	37.9	14.2
QLD (c)	148.5	118.7	101.5	106.0	127.3	-14.3	20.1
WA (d)	136.0	139.6	53.6	62.8	53.8	-60.4	-14.3
SA (e)	61.2	60.0	69.2	70.1	72.2	18.0	3.0
TAS	22.2	22.1	20.0	20.6	20.8	-6.3	1.0
ACT (f)	14.4	13.5	13.8	13.7	15.9	10.4	16.1
NT	na	18.4	15.4	18.2	18.9		3.8
AUS	na	527.5	443.7	462.9	490.0		5.9

(a) includes \$14.2m financial support to families

(b) includes \$4.0m subsidy to families

(c) Expenditure underestimated in 01-02 & 02-03, excludes expenditure by state and non state preschools, but includes C&K expenditure. Historical data to be used with caution.

(d) impact of changes to school entry age and move to full time schooling for pre-primary children. Does not include the nongovernment sector.

(e) includes combined admin salaries for preschool and childcare, accounting for \$3.1m in 00-01.

(f) Data for 99-00 and 00-01 includes salary on costs; increased expenditure reported in 03-04 is a result of new attribution of administration costs.

9.2 Estimated expenditure per preschool student

Calculation of estimated real expenditure per preschool student provides a way of gauging the actual impact of this increase in total funding.

Such a comparison is made more difficult by the fact that only in some systems are 3 year olds also funded to attend preschool education. Figure 6 provides estimates of change in per capita expenditure on preschool students in the year to 2003-04. It includes consideration of 3 year olds and is calculated on the basis of total enrolments. This has the effect of under-estimating per capita expenditure on 4 year olds in those systems which fund 3 year olds, since expenditure on 3 year olds is likely to be considerably less.

On the basis of including 3 year olds, the estimated per capita expenditure on preschool students across Australia increased from \$1873 to \$1981 in 2003-04 prices. This is an increase of \$108 per student, or 5.8% in real terms.

Within that national picture, reported expenditure per student fell by 2.8% in NSW and by 27.4% in Western Australia and increased in other systems. The largest reported increases in per capita expenditure were in the ACT (22.1%), Queensland (18.4%) and Victoria (16.8%).

Complexities in the historical data relating to both Western Australia and the NT make an analysis of trends somewhat more problematic. In 1999-00, Victoria spent \$1189 in 2003-04 prices, less than any other state per student. However even with a real increase in per capita expenditure of 40.8% between 1999-00 and 2003-04, Victoria continues to be the second lowest state in terms of per capita expenditure on preschool education.

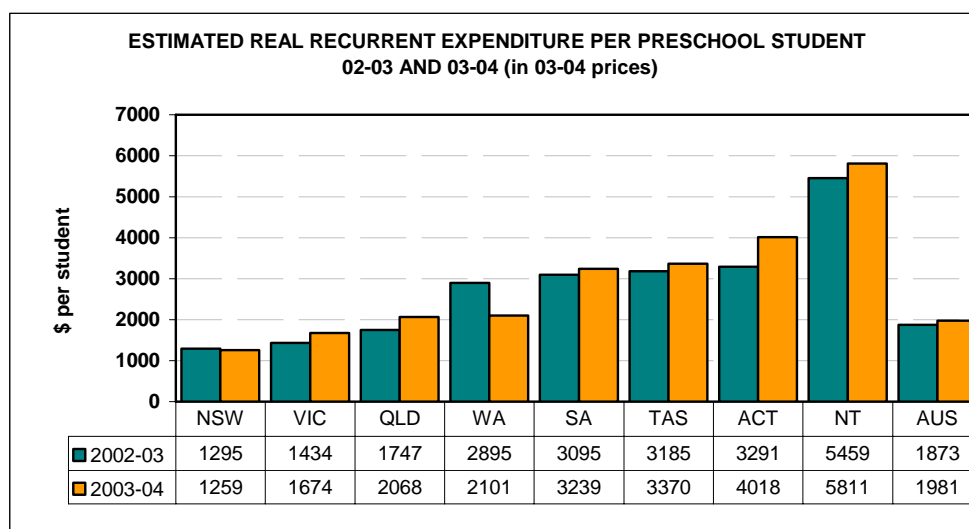
The dubious honour of spending less than any other system now falls to NSW, despite increasing per capita expenditure from \$1209 to \$1259, an increase of 4.2% between 1999-00 and 2003-04 in 2003-04 prices. Over the same period, South Australia increased per capita expenditure by 24.12%

and the ACT increased it by 14.7%. Queensland's reported per capita expenditure fell by 16.5% although a caution was noted on the reportage of historical data.

Excluding Western Australia and the Northern Territory, average per capita expenditure across Australia increased from \$1801 to \$1909 between 1999-00 and 2003-04, an increase of 6% in real terms (2003-04 prices).

The *Report on Government Services* no longer provides information about the level of fees which apply in some states. In NSW and Victoria, services receive some funding and eligible families receive financial support. The most recent data included in previous SCRCSSP reports indicated that in 1999-00, average costs in NSW were \$1.86 per hour and in Victoria \$1.15 per hour while other states provided access free or on the basis of voluntary contributions, as part of the public school system. In Queensland, C&K services, largely provided for younger children, averaged \$1.80 per hour while preschool provide within the state school system was free. Anecdotal information received in 2004 indicates that in NSW, parents pay a reported average of \$30 per day or \$60 per week, while in Victoria, parents are paying an average of \$140 per term or \$14 per week. In all other states and territories preschool education is part of the public education system and is provided free or a voluntary contribution is requested. In Queensland too, preschool education is free in state schools but costs about \$12 per day in Crèche and Kindergarten centres which cater primarily for younger children.

Figure 4



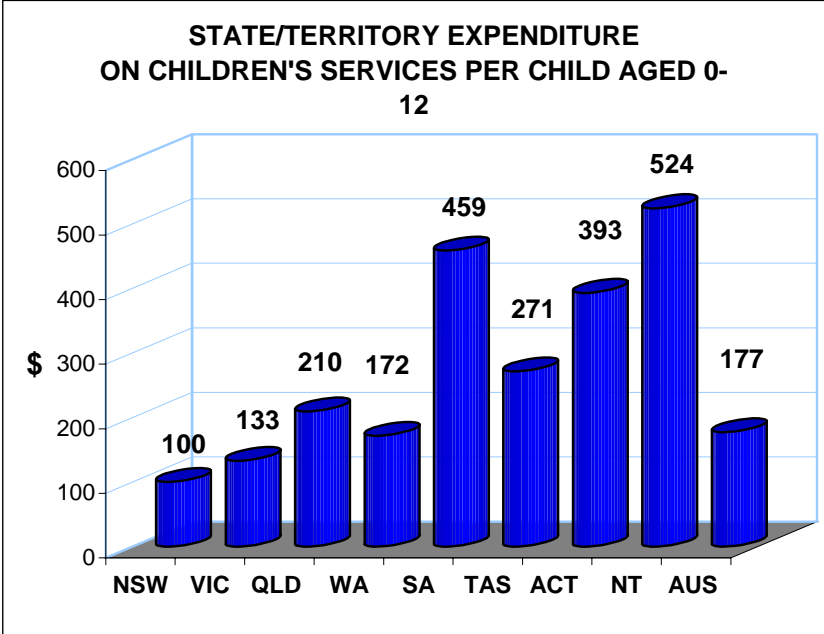
9.3 Expenditure by the states and territories on children's services

Preschool education provision is structured differently in NSW and Victoria than in other states and territories. Rather than being part of the education system, preschool education is in both states part of community services and linked more to childcare than to education. In Victoria, provision of funded preschool programs in long day care centres has been encouraged. In NSW, education and care centres are subject to the same regulations and all centres with 30 or more children are required to have a qualified teacher.

It is therefore worth comparing expenditure on children's early education and on care services as a whole. The Report provides data on expenditure per child aged 0-12 years in each system. This data indicates very clearly that NSW remains the lowest spender and Victoria is second lowest, even when expenditure on other children's services is included in the comparison. In fact, NSW spends

56.5% of the national average of \$177.11, while Victoria spends 75.1% of the national average on children's services.

While NSW and Victoria are not spending even average amounts on preschool education, this does not appear to be because they are directing those funds to other children's services.



Sources:

Data in this report unless otherwise indicated is drawn from: SCRCSSP (Steering Committee for the Review of Commonwealth/State Service Provision), *Report on Government Services 2005*, vol. 2, Productivity Commission, Canberra.

Other sources:

ABS *Labour Force*, 6203.0, October 2002
ABS *Childcare* June 2002, 4402.0
OECD, *Education at a Glance 2002*