



Early Childhood Education

2007 Update

Analysis of Data from the
Steering Committee for the Review of
Government Service Provision
Report On Government Services
2007

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1. Introduction

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

As previous AEU papers have noted, the data available nationally continues to be limited in its scope, reliability and comparability across systems, and this is reflected in the 2007 *ROGS*. This reflects the complexities of bringing together data on very different state service structures and the time it can take to achieve agreed and detailed data standards. Work is continuing on the implementation of a National Minimum Data Set and the ABS is redesigning its Child Care survey to provide broader data on early childhood education and care. While this may suggest some cautious grounds for optimism in relation to achieving more reliable data in the future, for the moment the available data remains problematic in a range of ways.

There continues to be a primary focus on Commonwealth funded childcare services and, while there are now greater efforts to distinguish preschool education services in data collections, this information continues to be both limited and to some extent distorted by the primary focus on child care services.

One example of this is the limitation of data from NSW to services for which the Department of Community Services is responsible, which excludes the 100 preschools attached to government schools as well as any attached to private schools in that state which fall within the responsibility of the NSW Department of Education and Training. (Moreover, relevant footnotes are inaccurate and inconsistent.)

The employment status of parents with children in preschool education and childcare remains one of the few comparative tables provided in *ROGS*. Yet the information is still provided for children aged 0 -11 years and includes services such as those providing occasional care. 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. The updated ABS *Child Care* survey report does now provide separate data on the employment status of parents with children attending preschool but similar information published for child care services is not disaggregated by the age of children using the services. However it would seem likely that the SCRGSP would have access to such disaggregated data.

It is very pleasing to note, however, that data on the representation of special needs groups in preschool education is now compared with children in the community aged 3-5 years, rather than 0-12 years as was previously the case. The detailed statistical appendices continue to provide comparisons with childcare by using the general community aged 0-12 years as a comparator.

The 2007 *ROGS* includes new information from the 2005 ABS *Childcare* survey and for the second year includes available information about preschool costs.

Approximately 243,557 children participated in preschool education in 2005-06, the vast majority of whom were in the year prior to school. Across Australia, 85.7% of children attended preschool in the year before school, making it the most commonly used early childhood education/care service. This compares with the 247,318 places provided by Commonwealth approved centre based long day care services at August 2005 for children aged 0-5 years. In total, 34% of children aged 5 years or younger attended Commonwealth funded or provided child care services, including long day care, family day care, outside school hours care, vacation care and occasional care.

2. Population trends

Since 2002 there has been an increase of 0.4%, or 6,800 children, in the total number of children aged five years and younger in Australia. In 2006, there were 5,300 fewer 4 year olds and 8,800 fewer 2-3 year olds than in 2002. However, there were 23,400 more children aged 0 to less than two years in 2006 than in 2002, an increase of 4.7%.

In the year to June 2006, the total number of children under 5 years increased by 8,200, or 0.5%, across Australia. Within this overall picture the number of four year olds fell by 7,100 and the number of 5 year olds fell by 1,800. However, the number of children aged 2-3 years increased by 2,300 and the number of children aged 0-2 years increased by 14,800, or 2.9%. This changing demographic suggests that preschool enrolments are likely to increase over the next few years.

Table 1: Estimated resident population < 6 years

Estimated resident population younger than six years old							
(a)	2002	2003	2004	2005	2006	Change 02-06 %	Change 05-06 %
0 to less than 2 years (1 year old or less)	499.7	493.9	498.2	508.3	523.1	4.7	2.9
2 to less than 4 years (2-3 year olds)	513.9	512.1	503.9	502.8	505.1	-1.7	0.5
4 to less than 5 years (4 year olds)	257.3	258.6	259.1	259.1	252.0	-2.1	-2.7
5 to less than 6 years (5 year olds)	262.8	258.6	260.3	262.1	260.3	-1.0	-0.7
TOTAL 0 to less than 6 years	1533.7	1523.2	1521.5	1532.3	1540.5	0.4	0.5

(a) As at 30 June

3. Participation rates

3.1 Overview

The SCRGSP defines participation in two categories:

- children attending preschool in the year immediately prior to full time schooling. This data is reported as being largely presented on a comparable basis for all jurisdictions.
- younger children attending (government funded/provided) preschool services.

Across Australia, 243,557 children attended state funded or provided preschool education in 2005-06, of whom 216,083, or 88.7%, were in the year prior to beginning fulltime school. This compares with a total of 244,200 children in attendance in 2004-05. There was a total national fall in enrolments of 504, or -0.2%, over the year from 2004-05.

3.2 Participation rates for 4 year olds

Across Australia, around 85.7% of 4 year olds attended preschool education in the year prior to school in 2005-06. This is an increase over the reported participation rate of 83.4% in 2004-05.

While there have been some fluctuations in the previously revised participation rates over recent years, there has been at least a modest upward trend, and the participation rate for 2005-06 is the highest to be reported. Data inconsistencies and revisions continue to make trends analysis somewhat problematic.

Participation rates range from over 100% in Western Australia, Queensland and Tasmania to 59.8% in NSW. These participation rates are approximate and use the 4 year old population as the base, while participating ages are actually more spread; moreover, the enrolments and population data are up to six months out of sequence. In some states there is double counting. In NSW particular caution is required given that access to preschool education is estimated on the basis of the number of children aged 4 to 5 years 11 months in child care services. NSW preschool programs are 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. (This means that smaller centres are not required to provide a qualified teacher.) Only services that fall within the responsibility of DOCS are included, with services provided under the Department of Education omitted. NSW data is not seen as comparable with other systems. Anecdotal reports have suggested that about 80% of children in NSW access some form of preschool education but the average hours of attendance are not reported.

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.

The national participation rate for children in the year before fulltime school has increased between 2004-05 and 2005-06. All systems apart from Victoria, Tasmania and the Northern Territory have reported increased participation in the year before school.

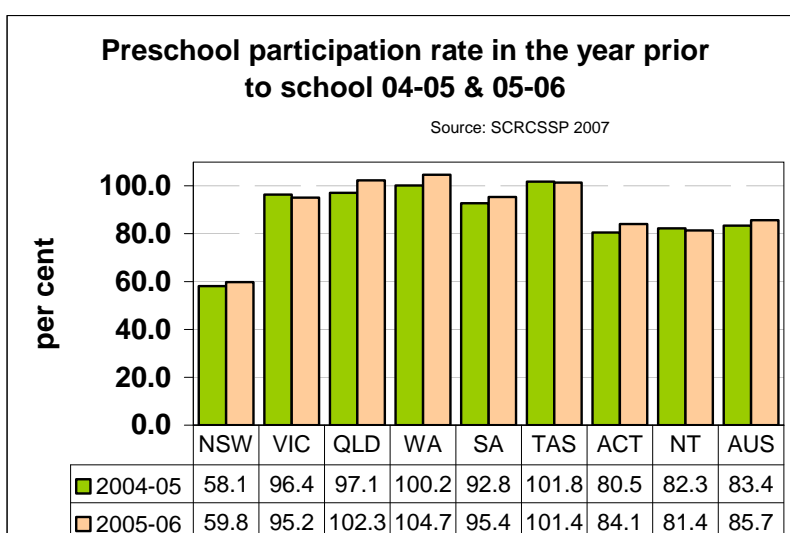


Figure 1: Preschool participation in the year prior to school 04-05 & 05-06

3.3 Participation rates of younger children

In NSW, Queensland, South Australia the ACT and the NT, 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, children with English as a second language and children with a hearing impairment. Some younger Indigenous children are also eligible to enrol in the Northern Territory and Western Australia. In Tasmania, early entry is offered to gifted children and children who attended a government school interstate at an age younger than four.

In 2005-06, around 27,474 younger children (3 year olds) attended preschool, or about 10.9%, slightly down on the 28,100 children, or 11.2%, participating in 2004-05.

Participation rates for younger children in funded preschool programs varied from 23.6% in South Australia, 22.0% in Queensland, 13.9% in NSW, 13.2% in the Northern Territory and 3.3% in the ACT. The reported participation rates for younger children fell in each of these systems apart from Queensland and NT between 2004-05 and 2005-06, but it is unclear whether this is due to data revisions or actual change. Limited or no funding is provided for younger children in Victoria, Western Australia or Tasmania.

Victoria announced in the May 2007 state budget that funding would be provided over four years to provide 10 hours per week access for Aboriginal three year olds who are, or whose parents/carers are, concession card holders.

It is the policy of the AEU that all children in Australia should be guaranteed access to 20 hours per week of high quality, free, preschool education for the two years prior to school and that the Commonwealth, in partnership with the states and territories must take a responsibility for funding and planning preschool education accessible to all children. Clearly we are some considerable way from this goal and the AEU has proposed a ten year strategy for early childhood education and care.

4. Enrolment trends

The total number of children enrolled in preschool in the year prior to school (generally 4 year olds) increased by 2,157 or 1% between 2001-02 and 2005-06, within which there were significant variations between the states. However the inclusion of non-government students in WA from 2003-04 on is a very significant factor in this outcome. Reported enrolments in Western Australia increased by 8,347, or 46.5%, with enrolments up by 6,331 in 2003-04, the year in which non-government students were included. Reported enrolments in NSW fell by 6,628, or 11.8%, and fell by 14.3% in the NT, 8.2% in the ACT, 3.1% in Victoria and 2.5% in South Australia. Enrolments increased in Queensland by 6.1% and in by 1.3% over this period.

It is not possible to assess the extent to which these movements reflect changes in reporting or actual change in enrolments. The total number of 4 year olds in Australia fell by 5,300 between 2001-02 and 2005-06, or 2.1%, while the reported national participation rate for children in the year before school increased from 83.1% in 2001-02 to 85.7% in 2005-06.

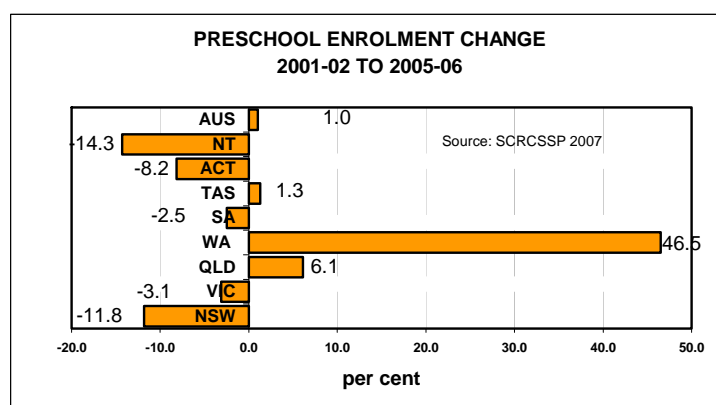


Figure 2 Preschool enrolment change 01-2 to 05-6

In the year to 2005-06, enrolments of children in the year before school across Australia remained stable. Reported enrolments grew by 2.6% in South Australia and Queensland and by 2.2% in Western Australia. Reported enrolments fell in the NT by 15.6%, in NSW by 2.7%, Tasmania by 2.5%, Victoria by 1.2% and the ACT by 0.9%.

Table 2 indicates that there have been fluctuations in enrolment within and across the states and territories, within an overall pattern of a modest increase in enrolments since 2001-02. The trend data must be treated with some caution given changes both in structures and revisions in data.

Table 2 Children using preschool services

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

Year before full-time school	2001-02	2002-03	2003-04	2004-05	2005-06
NSW	56 069	52 599	51 858	50 797	49 441
VIC	60 286	60 282	60 004	59 123	58 397
QLD	49 581	50 161	50 780	51 254	52 611
WA	17 944	18 680	25 011	25 725	26 291
SA	17 430	17 450	17 430	16 570	17 000
TAS	6 087	5 945	6 158	6 325	6 165
ACT	3 629	3 508	3 526	3 362	3 333
NT	2 900	2 941	2 796	2 946	2 485
	213 926	211 566	217 563	216 102	216 083

In NSW, preschool programs are defined as children attending both childcare and preschool services above the age of 4 years. Not comparable with other states. DET managed preschools, non-government school sector managed preschools, and long day care centres which are not funded or licensed by DOCS are excluded from the figures.

In Victoria, includes 8418 children attending preschool in long day care services in 05-06, 8461 in 04-05, 8946 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 01-2, 5 year olds in earlier years; non-government services included from 03-04.

Data for estimated resident population six months out of sequence, year before fulltime school includes a significant number of non4 year olds.

Between 2004-05 and 2005-06 the number of younger children reported to be attending preschool has fallen by 485 or 1.7%. While enrolments of younger children fell in NSW, ACT and South Australia, they increased in the NT and in Queensland. As indicated earlier, limited or no funding is provided for younger children in the other systems.

Between 2001-02 and 2005-06, total enrolments of younger children have increased by 1,381 or 5.3%. All participant systems reported an increase in younger children's enrolments over the whole period with the exceptions of South Australia and the ACT. Despite fluctuations, there has been a modest upward trend in overall participation rates for younger children since 2001-02, but the overall number of enrolments remains small and is 10.9% of 3 year olds.

Table 3 Younger children in preschool

Younger children using State/Territory funded and/or provided preschool services						
	2001-02	2002-03	2003-04	2004-05	2005-06	
NSW	10 733	11 966	12 210	12 020	11 639	<i>In Queensland, community kindergartens and preschools under Creche and Kindergarten Association.</i>
VIC	na	na	na	na	na	
QLD	10 293	10 438	10 687	10 720	11 099	
WA	na	na	na	na	na	
SA	4 650	4 730	4 560	4 590	4 120	
TAS	na	na	na	na	na	
ACT	135	185	168	167	134	
NT	282	385	465	462	482	
AUST	26 093	27 704	28 090	27 959	27 474	

5. Children who are missing out

Recognising the limitations of the available data, across Australia, 85.7% of children in Australia are reported to have attended preschool in the year prior to school in 2005-06. While the overall participation rate for preschool education in the year before school has shown a modest increase over recent years, this still means that around 14.3% of children are missing out on a preschool education in the year before school.

On this measure some 36,000 children are estimated to be missing out on this vital educational experience. However, 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. In addition, the Report notes that there is some double-counting in some systems while in others not all enrolled children are included in the count.

An alternative measure is to compare preschool enrolments with enrolments in the preparatory year of school in the following year. When 2004-05 preschool enrolments in the year before school are compared with 2006 enrolments in the preparatory or reception year of school (Year 1 and the prep trial in Queensland), the estimated participation rate would be 78.9%. (SCRCSSP 2007, ABS 4221.0, 2007)

This would suggest that more than 57,000 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 and children with disabilities are more likely to be missing out on preschool education.

The 2007 Report had for the first time provided data which compares the representation of special needs groups in preschool education with data on the total number of 3-5 year olds within the community. This is a significant improvement on the previous data framework but the information available remains very limited.

6. Aboriginal and Torres Strait Islander children in preschool education

About half of eligible 4 year old Indigenous children do not enrol in preschool education. The *ROGS 2007* again notes that the proportion of Indigenous preschool enrolments (4.9%) ‘largely reflects the proportion of the population from Indigenous backgrounds (4.7%)’.

As previous AEU Update reports have indicated, the picture presented by the Report in relation to Indigenous children’s participation in preschool education tells little of the real story.

In the Northern Territory, for example, there are an estimated 2973 Indigenous children aged 3 and 4 years, of whom 1414 are enrolled in preschool. Some 1560 Indigenous children aged 3-4 years, or 52.4%, are missing out on a preschool education.

As the analysis provided in the 2004 AEU Update noted, a more detailed consideration of even the limited data provided in the 2004 Report indicated that an estimated 9,500 eligible Indigenous

children were missing out on preschool education. The inequity of

access between systems was also recognised in the 2004 AEU commentary, recognising that three year old Indigenous children were entitled to access preschool education in some but not all systems and/or locations. 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 at that time.

The *National Report to Parliament on Indigenous Education and Training, 2004* reported that between 2001 and 2004, total Indigenous preschool enrolments increased from 7,434 children to 9,055 children, an increase of 21.8%.

In 2004, there were 6,809 Indigenous children aged four and five enrolled in preschool education. The *National Report to Parliament, 2003* reported that there were an estimated 12,072 Indigenous children aged four across Australia. This indicates that Indigenous children have a participation rate of approximately 56.4% as four year olds, compared to the general preschool participation rate of 83.4% of four year old children across Australia in 2005.

In addition, 2,246 Indigenous children aged three or less were enrolled in preschool education in 2004, of a total three year old population (in 2003) of 12,037 Indigenous children. The three year

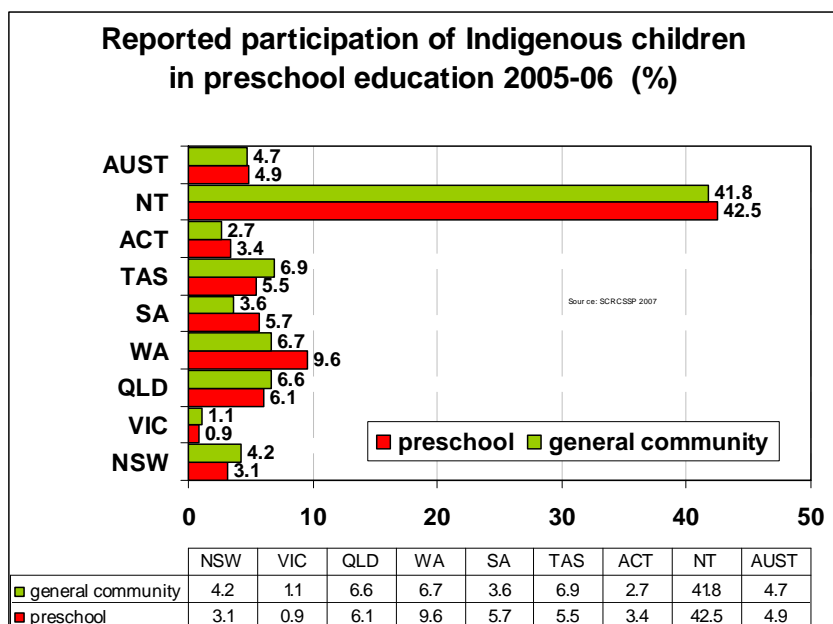


Figure 3: Participation of Indigenous children in preschool

old participation rate for Indigenous children is thus approximately 18.7% and the general three year old participation for 2005 was around 11.2%. However, a much higher proportion of Indigenous children across Australia are entitled to access preschool education at three years old than is the case for the population as a whole.

The *National Report to Parliament, 2003* indicated that there were 24,109 three and four year old Indigenous children in Australia in 2003. There were a total of 9,055 Indigenous children aged 3-5 years enrolled in preschool education in 2004. This suggests that around 15,054 Indigenous children aged 3 and 4 years missed out on a preschool education, an overall participation rate of around 37.6%.

Previous AEU Updates noted that, in the light of the information presented in the *National Report(s) to Parliament*, it is time that the Report on Government Services provided a less superficial and more searching picture of the access of Indigenous children to preschool education. This has become more pressing given the renewed attention being given to the issue of early childhood education by MCEETYA.

The MCEETYA Joint Ministers' Communiqué of 7 July 2006 indicated that:

The importance of early childhood education in improving Indigenous children's "school readiness" and successful participation in primary school was discussed by the Ministers and they agreed to examine the implementation of two years pre-school education for Indigenous children.

The aim of the plan would be that by 2012 all Indigenous children would have access to two years of high quality early childhood education before their first year of formal schooling.

It is the AEU view that all Indigenous children should be given priority access to two years of high quality, well resourced and culturally appropriate preschool education.

7. Access of target groups

Data on the proportion of preschool attendees from specified target groups remains patchy across systems but the move to a comparison with children aged 3 to 5 years in the general community is a positive step, although the age and source of the reported data remains varied.

The Report notes that:

Nationally the proportion of preschool attendees in 2005-06 who were from special needs groups were generally similar to their representation in the community, though some groups are over represented in some jurisdictions and underrepresented in others.

Once again it is impossible to know the extent to which this reflects poor data or varying definitions.

7.1 Children from non-English speaking backgrounds

Across Australia, children from non-English speaking backgrounds are significantly under-represented in preschool education. Several systems are still unable to provide data.

This analysis is again based on using 2001 Census data to establish the proportion of non-English speaking children in the community, as was the case prior to 2006. The 2006 Report presented data based on using the 2002 ABS Childcare survey to measure the proportion of children aged 0-11

years from non-English speaking backgrounds in the wider community and was inconsistent with earlier years and with the latest report. Such discrepancies are neither highlighted nor explained in the Report.

Extrapolating on the basis of the data provided, an estimated 15,500 children from non-English speaking backgrounds are missing out on a preschool education across Australia.

Table 4 Children from non English speaking backgrounds attending preschool

Proportion of children from non English speaking backgrounds attending preschool (per cent)									
2004-05	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	AUST
preschool	7.4	13.6	1.0	na	9.5	na	7.7	na	6.4
general community	8.8	8.0	2.7	3.6	3.0	1.1	2.1	4.1	6.1
2005-06									
preschool	8.2	13.3	2.8	na	9.4	na	15.1	na	7.0
general community	16.6	15.6	5.3	7.6	8.1	1.7	10.2	27	12.3

7.2 Children with disabilities

Children with disabilities continue to be under-represented across Australia and in every preschool education system for which data is available, with the exception of Victoria and South Australia. The Report notes that data is not directly comparable across jurisdictions because there is no national definition or standard on children with a disability. Reported preschool participation by children with a disability in Victoria continues to increase, rising from 8.8% of enrolled children in 2004-05 and 3.7% in 2003-04: it remains unclear whether this is due to a massive increase in enrolments and/or a result of revised methodology.

Across the country, the proportion of children with a disability reported as enrolled in preschool education has increased from 5.9% in 2004-05 to 6.4% in 2005-06. Yet this compares with 8.0% of 3-5 year old children with a disability in the community as a whole, indicating that a significant number of children with disabilities are missing out on a 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 Children with disabilities attending preschool

Proportion of children with a disability attending preschool (per cent)									
2004-05	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	AUST
preschool	6.4	8.8	1.3	3.1	16.0	na	5.2	na	5.9
general community	8.6	7.2	7.9	9.2	9.9	7.3	7.2	na	8.2
2005-06									
preschool	6.5	10.2	2.0	2.8	15.4	na	4.3	8.4	6.4
general community	7.7	6.5	8.6	10.2	8.3	7.2	14.3	np	8.0

7.3 Children from rural and remote areas

The 2007 Report reports that children from regional areas attend preschool education at a level greater than their representation in the community. While 37.2% of preschool attendees are reported to live in regional areas, this is true for 32.5% in the community. The main change is in the data for NSW, where reported participation has returned to 32.6%, close to the 2003-04 data but well down on the 68.6% reported in 2004-05. Once again it is not possible to ascertain whether this increase is due to changed enrolments and/or revised methodology.

Children living in remote areas are also reported to attend preschool at a level greater than their representation in the community. While 4.8% of preschool enrolments are in remote areas, this is true for 3.3% of the wider community. The main change is in the data for Western Australia, where reported participation has returned to 9.8%, close to the 2003-04 data but well up on the 3.8% reported in 2004-05. Queensland data suggests that 8.5% of children enrolled in preschool live in remote areas, compared to 4.8% of the wider Queensland community.

Table 6 Children from regional and remote areas attending preschool

Proportion of children from regional and remote areas enrolled in preschool, 2005-06									
Regional	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	AUST
preschool	32.6	31.7	50.7	23.3	29.3	98.2	0.2	45.2	37.2
general community	28.3	27.8	44.6	24.5	26.5	97.5	0.2	49.2	32.5
Remote									
preschool	1.2	0.2	8.2	9.8	5.8	1.8		54.8	4.8
general community	0.9	0.1	4.8	9.1	4.6	2.5		50.8	3.3

8. Cost to parents

Information provided by ROGS about the weekly cost to parents of children attending preschool education does not take into account measures of child age, hours of service provided or the number of sessions attended. It is not disaggregated by type of provider, whether government, community or private for profit. Nor does it take into account other services which may be provided, such as meals or materials. Limited as the data thus is, it does nonetheless give a rough indication of the variability of costs across jurisdictions.

Table 7 Proportion of children in preschool by weekly cost range

Proportion Of Children In Preschool By Weekly Cost Range (after subsidies), 2005						
	\$0-\$9	\$10-\$19	\$20-\$39	\$40-59	\$60+	Total
NSW	9.1	11.8	27.5	25.0	26.6	100
VIC	24.9	42.7	22.2	2.9	7.2	100
QLD	56.0	3.8	17.6	13.4	9.1	100
WA	78.1	12.8	4.7	np	np	100
SA	81.5	8.7	np	np	np	100
TAS	76.4	np	-	np	np	100
ACT	70.3	np	np	-	24.8	100
NT	78.3	np	-	-	-	100
AUST	37.3	18.6	19.3	11.6	13.2	100

np = not published. Some data from smaller states have a relative standard error above 25%.

In the systems in which preschool education is part of the public education system, the overwhelming majority of parents are paying a fee ranging from no cost to \$9 per week. This is true for some 70.3% of parents in the ACT, over 75% in Tasmania, NT and WA and 81.5% in South Australia. Some children in these systems would of course be enrolled in preschool education in private schools, where fees would be paid.

In Queensland too, some 56% of parents pay between nothing and \$9 per week. Apart from enrolment in private schools, in Queensland younger children in particular attend preschool in C&K centres, where fees are paid. Queensland has moved from sessional preschool provision in a quarter of all primary schools to a universal fulltime prep year commencing in 2007.

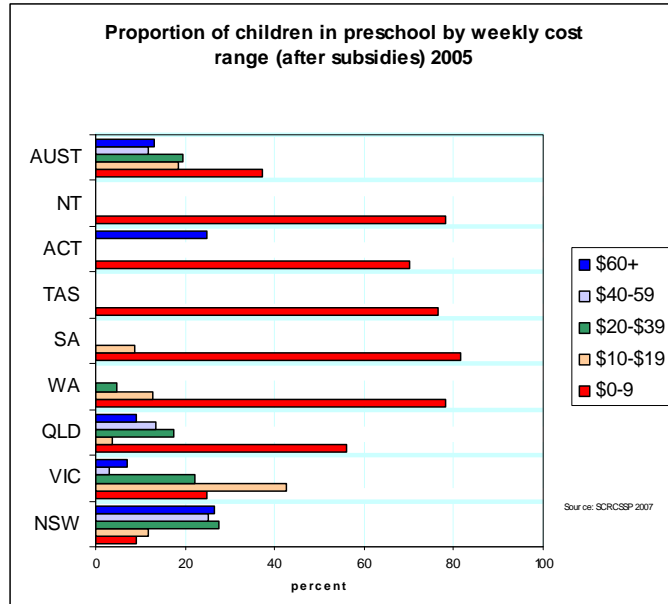


Figure 4 Proportion of children in preschool by weekly cost

Preschool education in both Victoria and NSW is subsidised by governments but relies far more heavily on parental input. In addition to subsidising centres, these governments provide subsidies to low income families to assist in the payment of fees. In Victoria, about one quarter of parents pay between nothing and \$9 per week, but nearly one third are paying \$20 or more – 7.2% more than \$60 per week.

In NSW, 9.1% of parents pay between nothing and \$9 per week. (In addition there are some 100 preschools attached to government schools in NSW but these are not included in the data.) However, more than three-quarters of parents in NSW pay at least \$20 per week, with more than one quarter paying \$60 or more. NSW regulations are common for both preschool and long day care settings and it is possible that children in that state (and to some degree in Victoria) are attending for longer hours than is the case in other systems, particularly in the case of those families paying \$60 or more per week. However younger children in particular may well be attending fewer hours in NSW. Anecdotal reports indicated that in 2004, the average cost of a full day of preschool in NSW was about \$30.

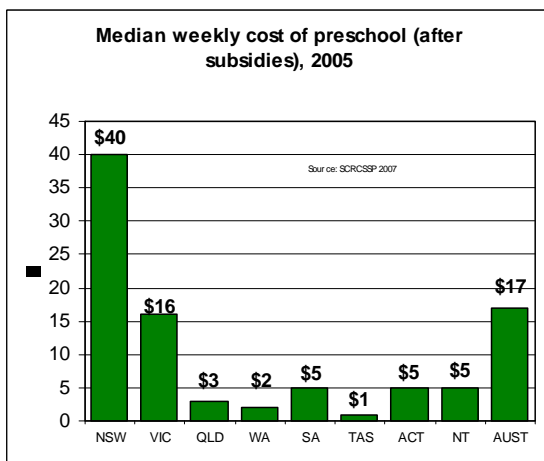


Figure 5 Median weekly cost of preschool

Data on the median weekly cost to parents of preschool education starkly shows the difference between jurisdictions. The midpoint of parental payments in most states and territories ranges from \$1-\$5 per week, while it is \$16 per week in Victoria and \$40 per week in NSW. The latter is equivalent to annual fees of some \$1600, after subsidies, for a four term year.

9. Types of providers

The cost to parents is intrinsically related to the predominant types of providers in each system. Across most of Australia, preschool education is predominantly provided by government providers.

In the NT, ACT, Tasmania, South Australia and Western Australia, preschool education is provided as an integral part of the public education system offered by the state and territory government. This was also true for Queensland until 2007, when sessional preschool education was replaced by a universal full time preparatory year.

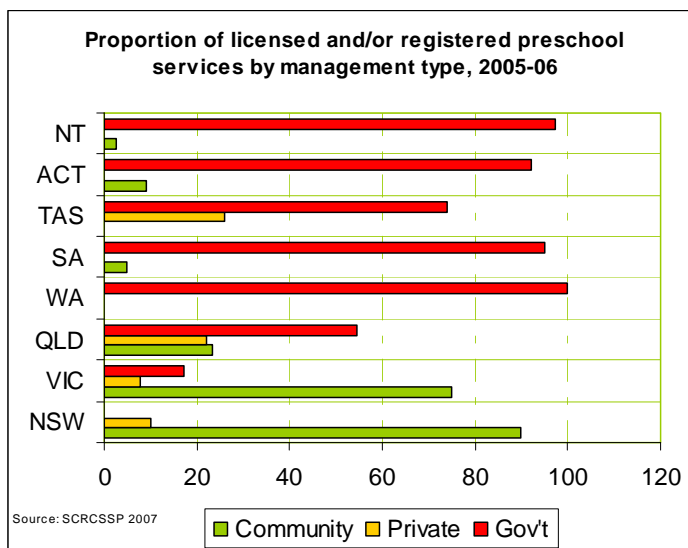


Figure 6 Preschool services by management type

In both Victoria and NSW, community providers are in the majority. Government provision in Victoria refers to preschool services offered by Local government.

10. Average hours of attendance

NSW and Victoria have again provided no data on the average hours of attendance. Previous information has suggested that 4 year old children in Victoria attend an average of 10 hours per week. In NSW, an average whole day would be six hours, although over 70% of designated preschool services in NSW offer extended hours. (This does not tell us the average attendance hours.) Across other systems, most children were attending for an average of 11-12 hours per week in the year before school. There is less information on the attendance hours for three year olds.

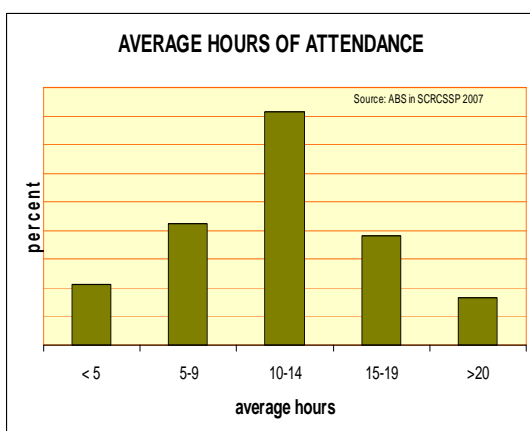


Figure 7 Average hours of attendance

Data from the ABS Childcare survey indicates that in 2005, about 40% of children attended for an average of 10-14 hours per week and over a quarter attended for longer periods. Nearly one third of children attended for 9 hours or less. These broad figures would include both children in the year before school and younger children, who tend to be enrolled for fewer hours.

The average attendance at centre based long day care in 2006 was 19 hours per week.

Table 8 Hours of attendance 2005-06

HOURS OF ATTENDANCE 2005-06			
		4 YEAR OLDS	3 YEAR OLDS
NSW	(a)	na	na
VIC	(b)	na	na
QLD	(c)	14	10
WA		11.0	na
SA	(d)	11	3
TAS		11.0	na
ACT		12	6

NT	(e)	12.0	12.0
(a)	<i>NSW has not provided this data for some years. A child enrolled for one day per week would usually attend for 6 hours.</i>		
(b)	<i>Previous information suggests children attend an average of 10 hours per week in Victoria.</i>		
(c)	<i>Based on average hours services operated. Younger children only includes C&K services.</i>		
(d)	<i>Pre-entry program in SA provides one session for 10 weeks in the term before preschool.</i>		
(e)	<i>Estimate based on average sessional hours provided and total children attending. From 04-05 younger students can attend morning sessions as part of the Early Age of Entry trial implementation.</i>		

11. Expenditure on preschool education

11.1 Total expenditure on preschool services

Australia is the lowest spending of 24 countries in the OECD. Average country expenditure on pre-primary (preschool) education for 3-4 year old children is 0.5% of GDP, and Australia spends just 0.1% of GDP.

Across the OECD, countries spend an average of 8% of their education expenditure on preschool education, which accounts for 10.8% of education students expressed as fulltime equivalents. In contrast, Australia spends 1.7% of educational expenditure on preschool education, on 2.8% of equivalent fulltime students. Not only is Australia's expenditure on preschool education low relative to other OECD countries, but it is also low in comparison to the sector's share of Australian students based on full time equivalents. (OECD 2006)

In 2005-06, the states and territories reported total expenditure of \$549.5m on preschool education services.

This is 83.3% of all expenditure by the states and territories on children's education and care services, down from 83.8% in 2004-05. Total expenditure in some states and territories includes expenditure on funded preschool places for younger children as well as expenditure on child care services.

The Commonwealth spent about \$2.02B, of which 78.2% was for financial support to families through assistance with child care fees. The Commonwealth has provided some funding directly to Queensland for the preschool year since other states are funded for a preparatory or reception year in school, which Queensland has fully introduced in 2007. Similar funding was provided to Western Australia prior to the move to fulltime pre-primary, which is now 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.

Total expenditure by the states and territories on preschool education increased by 13.8% in real terms between 2001-02 and 2005-06. All systems except for Tasmania and Western Australia reported a real increase in total expenditure during these years, ranging from 41.8% in Queensland to 5.2% in NSW.

In the 12 months between 2004-05 and 2005-06, total expenditure on preschool education across Australia increased by \$22.6 million, or 4.3% in real terms. There was considerable fluctuation between jurisdictions within this overall picture. Total reported expenditure increased in Queensland (11.6%), NSW (7.1%), ACT (6.6%), Western Australia (5.7%) and the Northern Territory (1.4%). Expenditure in the other systems fell in real terms, by 6.9% in Tasmania, 3.1% in South Australia and by 0.1% in Victoria.

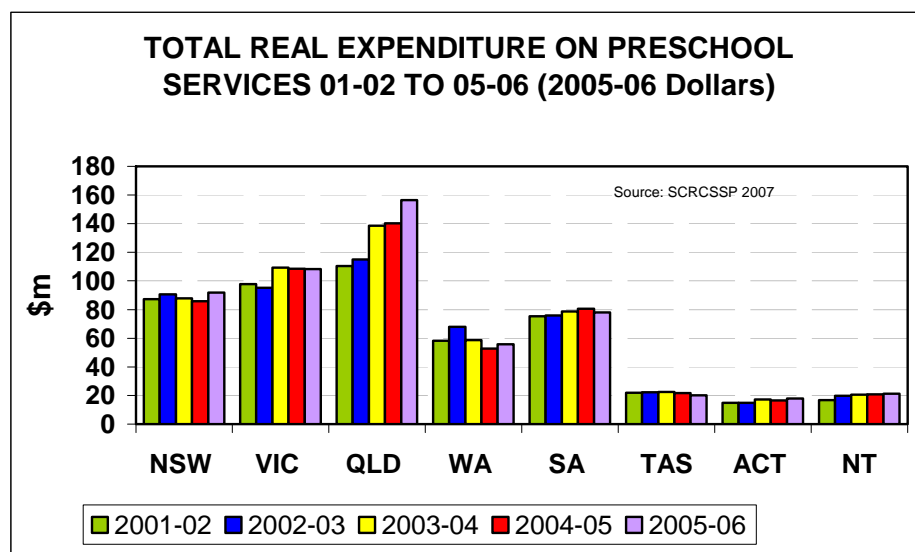


Figure 8 Total real expenditure on preschool education

Table 9 Total real expenditure on preschool education

TOTAL REAL EXPENDITURE ON PRESCHOOL SERVICES 00-01 to 04-05 in 04-05 dollars (\$m)							
	2001-02	2002-03	2003-04	2004-05	2005-06	Change 01-02 to 05-06	Change 04-05 to 05-06
NSW (a)	87.3	90.7	87.8	85.7	91.8	5.2	7.1
VIC (b)	97.8	95.3	109.3	108.4	108.3	10.7	-0.1
QLD (c)	110.4	115.0	138.6	140.2	156.5	41.8	11.6
WA (d)	58.3	68.0	58.6	52.8	55.8	-4.3	5.7
SA (e)	75.3	76.0	78.6	80.5	78.0	3.6	-3.1
TAS(f)	21.8	22.3	22.6	21.7	20.2	-7.3	-6.9
ACT (g)	15.0	14.9	17.3	16.7	17.8	18.7	6.6
NT	16.8	19.7	20.6	20.9	21.2	26.2	1.4
AUS	482.7	501.8	533.4	526.9	549.5	13.8	4.3

(a) Includes \$14.8m financial support to families in 05-06: in NSW, preschool programs provided by schools under DET are excluded from the data.

(b) Includes \$4.4m subsidy to families in 05-06

(c) Data for 04-05 excludes expenditure by state and nonstate preschools, but includes C&K expenditure. Salaries of teachers delivering preschool through Dept of Ed and Arts is a large component, \$89.5m in 04-05. Excludes \$7m grants to non government schools.

(d) Does not include the non government sector.

(e) Includes combined admin salaries for preschool and childcare, reflects integrated corporate wide service support.

(f) Includes funding for non government preschools.

(g) The increase in expenditure in 03-04 is due to a new attribution model within ACT DET.

11.2 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 three year olds also funded to attend preschool education. Figure 7 provides estimates of change in per capita expenditure on preschool students in the year to 2005-06. It includes consideration of three year olds and is calculated on the basis of total enrolments. This has the effect of under-estimating per capita expenditure on four year olds in those systems which also fund younger children, since expenditure on three year olds is likely to be considerably less.

The estimated per capita expenditure on preschool students by the states and territories increased from \$2159 in 2004-05 to \$2256 in 2005-06 (in 2005-06 prices). This is an increase of \$97 per student, or 4.5% in real terms. It follows on from a fall of 0.7% in real terms over the previous twelve months.

Within that national picture, estimated expenditure per student fell by 2.9% in South Australia and by 4.3% in Tasmania. Real per capita expenditure increased in NSW (10.2%), the ACT and Queensland (8.6%), Northern Territory (3.7%), Western Australia (3.4%) and Victoria (1.1%).

Non-government enrolments in Western Australia have been included from 2003-04 on, which has led to an increase in reported enrolments: however WA funding data is reported not to include funding for non-government services and would therefore be distorted.

Leaving Western Australia aside, over the period 2001-02 to 2005-06, real per capita expenditure increased by 18.9% across Australia, from \$1911 to \$2273 in 2005-06 prices. Estimated per capita expenditure in Tasmania fell by 8.5% in real terms over this period and even when adjusted for notional non-government enrolments, seems also to have fallen in Western Australia. All other systems increased per capita expenditure over this period.

Despite a real increase in per capita expenditure of 14.3% between 2001-02 and 2005-06, Victoria continues to be the second lowest state in terms of per capita expenditure on preschool education.

NSW continues to spend considerably less per student than any other jurisdiction, despite increasing per capita expenditure to \$1503, an increase of 15% between 2001-02 and 2005-06 in 2005-06 prices, compared to a national increase of 12.2%. Over the same period, Queensland increased per capita expenditure by 33.2%, the ACT increased it by 28.8%, the Northern Territory by 20.6% and South Australia reported per capita expenditure increased by 8.3%.

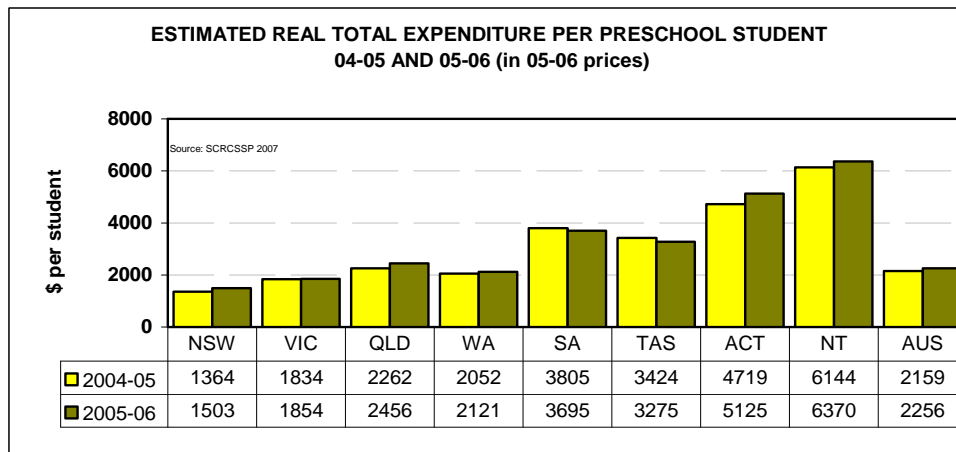


Figure 9 Estimated real expenditure per preschool student

11.3 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 thus 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 58.6% of the national average of \$191.94, while Victoria spends 79.6% 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. Western Australia too is reported to be spending 92.9% of the Australian average.

Across Australia as a whole, overall state/territory per capita expenditure on children's services has increased. Over the year to 2005-06, expenditure per child aged 0-12 years increased by \$8.81, or 4.8%, in 2005-06 prices, although this is still less than the average \$193.50 spent in 2003-04.

Since 2001-02, total state/territory expenditure on children's services per child has increased by \$11.63, or 6.5%.

Over the same period, Australian Government expenditure on child care services per child aged 0-12 years has increased from \$554.74 to \$588.06 in 2005-06 prices, an increase of \$33.32 or 6%. Most of this increase is due to increased financial support to families. The Commonwealth Government provides no funding for preschool education.

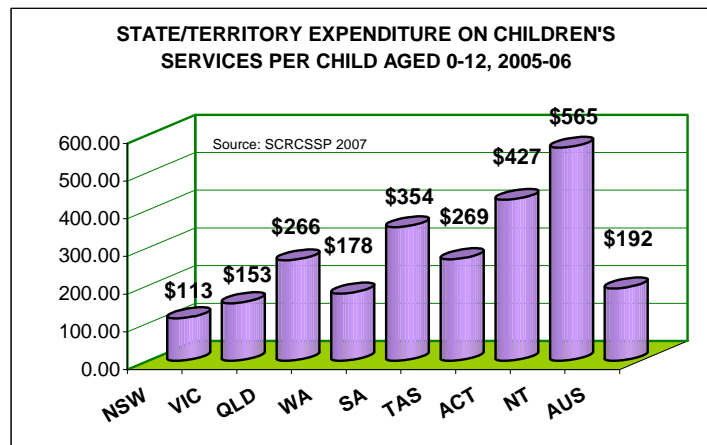


Figure 10 State/territory per capita expenditure on children's services

Sources:

Data in this report unless otherwise indicated is drawn from:
 SCRGSP (Steering Committee for the Review of Government Service Provision), 2007, *Report on Government Services 2007*, vol. 2, Productivity Commission, Canberra.

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