



# Early Childhood Education 2006 Update

Analysis of Data from the  
Steering Committee for the Review of  
Commonwealth/State Service Provision:  
Report On Government Services  
2006

**Michaela Kronemann**  
**Federal Research Officer**  
December 2006

## Table of Contents

<b>1. Introduction .....</b>	<b>2</b>
<b>2. Population trends.....</b>	<b>2</b>
<b>3. Participation rates .....</b>	<b>3</b>
<b>3.1 Overview .....</b>	<b>3</b>
<b>3.2 Participation rates for 4 year olds .....</b>	<b>3</b>
<b>3.3 Participation rates of younger children .....</b>	<b>4</b>
<b>4. Enrolment trends .....</b>	<b>5</b>
<b>5. Children who are missing out.....</b>	<b>6</b>
<b>6. Aboriginal and Torres Strait Islander children in preschool education.....</b>	<b>7</b>
<b>7. Access of target groups .....</b>	<b>9</b>
<b>7.1 Children from non-English speaking backgrounds.....</b>	<b>9</b>
<b>7.2 Children with disabilities .....</b>	<b>9</b>
<b>7.3 Children from rural and remote areas .....</b>	<b>10</b>
<b>8. Cost to parents.....</b>	<b>11</b>
<b>9. Average hours of attendance .....</b>	<b>12</b>
<b>10. Expenditure on preschool education .....</b>	<b>13</b>
<b>10.1 Total expenditure on preschool services .....</b>	<b>13</b>
<b>10.2 Estimated expenditure per preschool student.....</b>	<b>15</b>
<b>10.3 Expenditure by the states and territories on children’s services.....</b>	<b>16</b>
Table 1: Estimated resident population < 6 years .....	3
Table 2 Children using preschool services .....	5
Table 3 Younger children in preschool.....	6
Table 4 Children from non English speaking backgrounds attending preschool .....	9
Table 5 Children with disabilities attending preschool.....	10
Table 6 Children from regional and remote areas attending preschool .....	11
Table 7 Proportion of children in preschool by weekly cost range .....	11
Table 8 Hours of attendance 2004-05 .....	13
Table 9 Total real expenditure on preschool education .....	14
Figure 1: Preschool participation rate 03-4 & 04-5 .....	4
Figure 2 Preschool enrolment change 00-1 to 04-5 .....	5
Figure 3 Participation of Indigenous children in preschool education .....	7
Figure 4 Median weekly cost of attending preschool .....	12
Figure 5 Total real expenditure on preschool education.....	14
Figure 6 Estimated real expenditure per preschool student .....	16
Figure 7 State/territory per capita expenditure on children's services .....	17

## 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.

The data contained within the 2006 *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. Although for the first time preschool costs have been provided, 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 preschool education.

For example, the employment status of parents with children in preschool education and childcare remains one of the few comparative tables provided in this report. Yet the information is still provided for children aged 0-11 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 2006 Report includes a specific explanation that the data used to estimate the representation of special needs groups in the community ‘may not’ (and in fact do not – given that they are based on ages 0-14) match the age range used for the participation of special needs groups in preschools. In previous reports, this information was only provided in the detailed footnotes to the tables.

Approximately 244,200 children participated in preschool education in 2004-05, the vast majority of whom were in the year prior to school. Across Australia, 83.4% 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, 32.2% 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 years as can be the case for childcare. Yet national data on preschool education continues to be limited and problematic.

## 2. Population trends

Since 2001 there has been a fall of 0.9%, or 14,400, in the total number of children aged five years and younger in Australia. In 2005, there were 2,300 fewer 4 year olds and 9,700 fewer 2-3 year olds than in 2001. There were 200 fewer children aged 0 to less than two years in 2005 than in 2001. However the number of children in this youngest age group has been increasing over the last two years.

In the year to June 2005, the total number of children under 5 years increased by 10,800, or 0.7%, across Australia. Within this overall picture the number of four year olds was stable and the number of 5 year olds increased by 1,800 or 0.7%. However, the number of children aged 2-3 years fell by 1,100 or 0.2%, which may have a minor impact on preschool enrolments in 2006 and 2007, mediated by trends in the participation rate. At the same time the number of children aged 0 to less

than 2 years increased by 10,100 or 2.0% over the year to June 2005, which may lead to increased preschool education enrolments in 2007-2008.

**Table 1: Estimated resident population < 6 years**

<b>Estimated resident population younger than six years old</b>							
<b>(a)</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>Change 01 - 05 (%)</b>	<b>Change 04 - 05 (%)</b>
	<b>'000</b>	<b>'000</b>	<b>'000</b>	<b>'000</b>	<b>'000</b>		
0 to less than 2 years (1 year old or less)	508.5	499.7	493.9	498.2	508.3	0.0	2.0
2 to less than 4 years (2-3 year olds)	512.5	513.9	512.1	503.9	502.8	-1.9	-0.2
4 to less than 5 years (4 year olds)	261.4	257.3	258.6	259.1	259.1	-0.9	0.0
5 to less than 6 years (5 year olds)	264.3	262.8	258.6	260.3	262.1	-0.8	0.7
<b>TOTAL 0 to less than 6 years</b>	<b>1546.6</b>	<b>1533.7</b>	<b>1523.2</b>	<b>1521.5</b>	<b>1532.3</b>	<b>-0.9</b>	<b>0.7</b>

(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, 244,200 children attended state funded or provided preschool education in 2004-05, of whom 216,100, or 88.5%, were in the year prior to school. This compares with a total of 245,653 children in attendance in 2003-04 and 239,270 in attendance in 2002-03. There was a total national fall in enrolments of 1,451, or -0.6%, over the year from 2003-04.

#### **3.2 Participation rates for 4 year olds**

Across Australia, around 83.4% of 4 year olds attended preschool education in the year prior to school in 2004-05. This is a small fall on the revised participation rate of 84.0% in 2003-04 and a larger increase over the revised participation rate of 81.8% for 2002-03.

Previously revised participation rates of 83.1% in both 2001-02 and 2000-01 and 81.8% in 1999-00 suggest that participation rates are at the least being maintained if not reflecting a modest upward trend. Data inconsistencies and revisions continue to make trends analysis somewhat problematic.

Participation rates range from over 100% in Tasmania to 58.1% 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 from 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 have fallen in NSW, South Australia, the ACT and the Northern Territory between 03-04 and 04-05, with enrolments falling in all of these systems except for the Northern Territory. The participation rate in Victoria remained unchanged despite a small fall in enrolments, while participation rates in Western Australia and Tasmania again increased. The inclusion of nongovernment sector enrolments in Western Australia for the first time from 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.

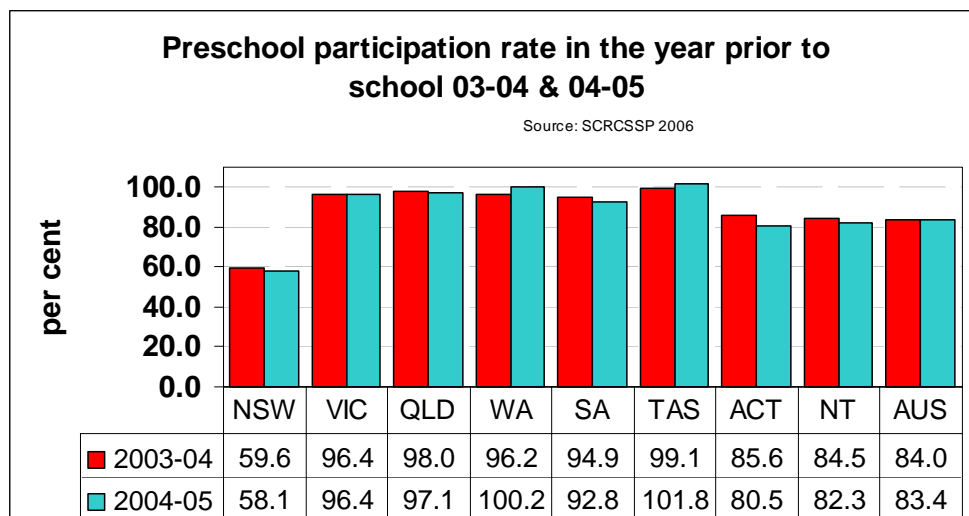


Figure 1: Preschool participation rate 03-4 & 04-5

### 3.3 Participation rates of younger children

In NSW, Queensland and South Australia, 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 2004-05, around 28,100 younger children (3 year olds) attended preschool, or about 11.2%, slightly up on the revised participation rate of 11% in 2003-04. The reason for the substantial revision to participation rates since the 2005 report is not explained.

Participation rates for younger children in funded preschool programs varied from 26.2% in South Australia, 21.4% in Queensland, 14.5% in NSW, 16.6% in the Northern Territory and 4.1% in the ACT. The participation rates for younger children improved in each of these systems. Limited or 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 (generally 4 year olds) fell by 1,160 or 0.5% between 2000-01 and 2004-05, within which there were significant variations between the states. Reported enrolments in NSW fell by 5,579, or 9.9%, while reported enrolments in Western Australia increased by 5,225, or 26.1%. Enrolments increased in Queensland and Tasmania and fell in the other states and territories. 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 2,310 between 2000-01 and 2003-04, or 0.9%, while the national participation rate increased slightly over that period.

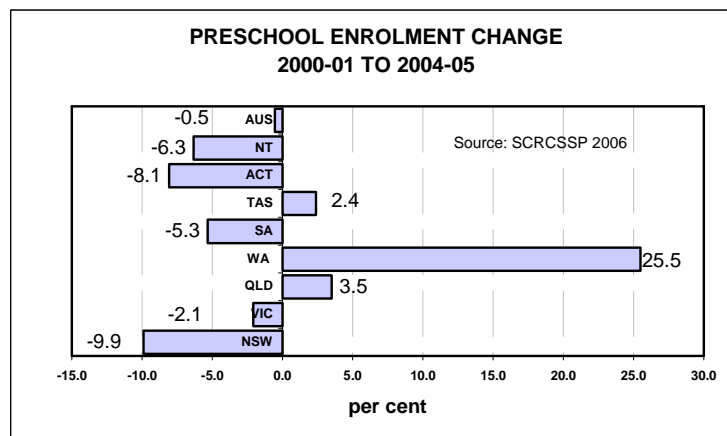


Figure 2 Preschool enrolment change 00-1 to 04-5

In the year to 2004-05, enrolments of children in the year before school across Australia fell by 1,461 or 0.7%. Reported enrolments grew by 5.4% in the Northern Territory; by 2.9% in Western Australia; 2.7% in Tasmania; and 0.9% in Queensland. Reported enrolments fell in South Australia by 4.9%; in the ACT by 4.7%; in NSW by 2.0%; and in Victoria by 1.5%.

Table 2 indicates that there have been fluctuations in enrolment within and across the states and territories, within an overall pattern of a small fall in enrolments since 2000. 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	2000-01	2001-02	2002-03	2003-04	2004-05
NSW	56 376	56 069	52 599	51 858	50 797
VIC	60 380	60 286	60 282	60 004	59 123
QLD	49 525	49 581	50 161	50 780	51 254
WA	20 500	17 944	18 680	25 011	25 725
SA	17 501	17 430	17 450	17 430	16 570
TAS	6 178	6 087	5 945	6 158	6 325
ACT	3 657	3 629	3 508	3 526	3 362
NT	3 145	2 900	2 941	2 796	2 946
	217 262	213 926	211 566	217 563	216 102

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

*In Victoria, includes 8462 children attending preschool in long day care services in 04-05; 8946 in 03-04; 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 2002-3, 5 year olds in earlier years. Includes nongovernment services from 03-04.*

Between 2003-04 and 2004-05 the number of younger children attending preschool has remained stable overall. There has been an increase of 138 younger enrolments in the Northern Territory (29.7%) and small increases in South Australia and Queensland, with a drop of 190 enrolments of younger children in NSW (-1.6%).

Leaving aside Western Australia where changes to school entry age are reflected in this data from 2001-02, total enrolments of younger children have increased by 728 or 2.7% between 2000-01 and 2004-05. In the Northern Territory, younger enrolments increased by 392 (185.8%) over these years while NSW enrolments increased by 190 or 1.6%. Younger enrolments also increased by 5% in the ACT and by 0.7% in Queensland, but fell by 2.1% in South Australia. The participation rate for younger children has been fluctuating across those systems where funded access is provided, but the overall number of enrolments remains small and is 11.2% of 3 year olds.

**Table 3 Younger children in preschool**

<b>Younger children using State/Territory funded and/or provided preschool services</b>					
	<b>2000-01</b>	<b>2001-02</b>	<b>2002-03</b>	<b>2003-04</b>	<b>2004-05</b>
NSW	11 669	10 733	11 966	12 210	12 020
VIC	na	na	na	na	na
QLD	10 644	10 293	10 438	10 687	10 720
WA	9 157	na	na	na	na
SA	4 689	4 650	4 730	4 560	4 590
TAS	na	na	na	na	na
ACT	159	135	185	168	167
NT	211	282	385	465	603
	36 529	26 093	27 704	28 090	28 100

*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. With 4 year olds now defined as in the year before school and included in table 2, there are no younger children enrolled in WA preschool education.*

## **5. Children who are missing out.**

Across Australia, 83.4% of children in Australia are reported to have attended preschool in the year prior to school in 2004-05. 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 16.6% of children are missing out on a preschool education experience in the year before school.

On this measure, some 43,000 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. In addition, The Report notes that there is some double-counting in some systems.

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

When 2003-04 preschool enrolments in the year before school are compared with 2005 enrolments in the preparatory or reception year of school (year 1 and the prep trial in Queensland), the participation rate would be 79.9%. (SCRCSSP 2006, ABS 4221.0, 2006)

This would suggest that almost 55,000 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. The 2006 Report acknowledges in the body of the text that the representation of special needs groups in preschool education is estimated on the basis of data on representation within the community that does not match the relevant age range. It is thus, at best, broadly indicative.

## 6. Aboriginal and Torres Strait Islander children in preschool education

All jurisdictions provided some data on the proportion of Indigenous children attending preschool education. The 2006 Report has modified the previous overview commentary which suggested that ‘the proportion of Indigenous children attending preschools...was broadly similar to the representation of Indigenous children in the community’. It now more appropriately suggests that the proportion of Indigenous enrolments ‘largely reflects the proportion of the population in each jurisdiction from Indigenous backgrounds’.

Nonetheless, as previous AEU Update reports have indicated, there is a need for considerable caution in relation to the picture presented by the Report in relation to Indigenous children’s participation in preschool education 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. The growth in the number of young Indigenous children is likely to be understated.

The Report 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 increased between 2000-01 and 2004-05’.

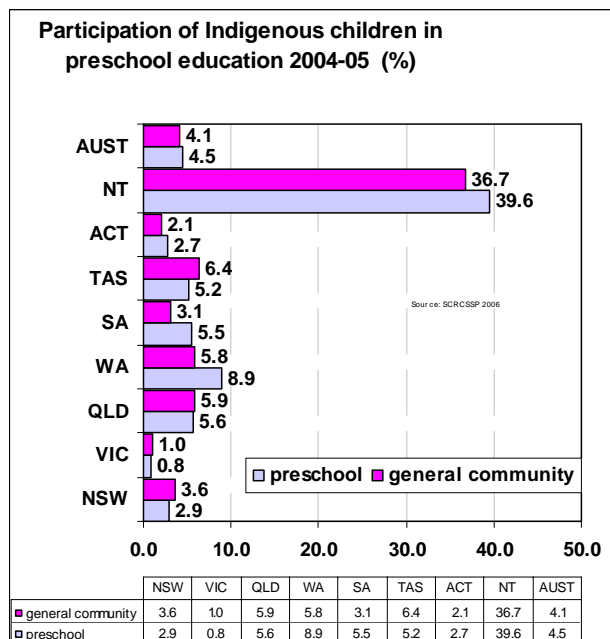


Figure 3 Participation of Indigenous children in preschool education

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 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 opportunities. 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* reports that between 2001 and 2004, Indigenous preschool enrolments increased from 7,434 children to 9,055 children, an increase of 21.8%. Part of this significant increase was the result of changes to the age of entry in Western Australia, which led to a half cohort being enrolled in 2001. However even when Western Australia is excluded, national enrolments of Indigenous children in preschool education increased by 14.5% over this period. Enrolments however remained stable over 2003 and 2004.

In 2004, there were 6,809 Indigenous children aged four and five enrolled in preschool education. The 2004 *National Report to Parliament* does not include data on the total number of Indigenous children by age across Australia. This was however provided in the *National Report to Parliament on Indigenous Education and Training, 2003*, which 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 old participation rate for Indigenous children is thus approximately 18.7% and the general three year old participation for 2005 is 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 2003 *National Report to Parliament* indicates 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 children aged 3 and 4 years missed out on a preschool education, an overall participation rate of around 37.6%.

The 2005 AEU Update 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 comment remains true and is even 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

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.

The Report notes that enrolments of children who were from special needs groups ‘display no clear pattern, with some groups overrepresented in several jurisdictions and underrepresented in others.’ Once again it is impossible to know the extent to which this reflects poor data.

### 7.1 Children from non-English speaking backgrounds

Across Australia, the proportion of children from non-English speaking backgrounds reported to be enrolled in preschool education is slightly higher than their representation in the community, although several systems are still unable to provide data. This is based on using the ABS Childcare survey to measure the proportion of children from non-English speaking backgrounds in the wider community and shows a small improvement over last year. In contrast, the earlier *Report on Government Services, 2004*, reported that children from non-English speaking backgrounds were very 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 neither the 2005 nor the 2006 Report have presented an explanation of the changes or the impact on the data presented.

Table 4 Children from non English speaking backgrounds attending preschool

Proportion of children from non English speaking backgrounds attending preschool (per cent)									
2003-04	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	AUST
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
2004-05									
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

### 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 Victoria and South Australia. The proportion of children with a disability enrolled in preschool education has increased in some jurisdictions and fallen in others over the last two years. The Report notes that data is not directly comparable across jurisdictions because there is no national definition or standard on children with a disability. Of particular note is the notable change in reported participation in Victoria: it is 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 4.7% in 2003-04 to 5.9% in 2004-05. Yet this compares with an approximate 8.2% of 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**

<b>Proportion of children with a disability attending preschool (per cent)</b>									
<b>2003-04</b>	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	AUST
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
<b>2004-05</b>									
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

### **7.3 Children from rural and remote areas**

The 2005 Report, which distinguished between regional and remote area enrolments for the first time, reported that children from regional areas were significantly under-represented in preschool education Australia-wide, although the level of representation relative to the community varied significantly across jurisdictions. Across Australia, 23.1% of children attending preschool were reported to live in regional areas, compared to 33.4% in the community.

The 2006 Report reports that children from regional areas attend preschool education at a level significantly greater than their representation in the community. While 45.6% of preschool attendees are reported to live in regional areas, this is true for 33.4% in the community. The main change is in the data for NSW, where reported participation has risen from 32.2% in 2003-04 to 68.6% 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 3.5% of preschool enrolments are in remote areas, this is true for 3.2% of the wider community. Queensland data suggests that 8.5% of children enrolled in preschool live in remote areas, compared to 4.7% of the wider Queensland community. In contrast, the 2005 report indicated that 9.9% of preschool attendees in Western Australia lived in remote communities; in 2006, this has been revised downwards to 3.8%.

**Table 6 Children from regional and remote areas attending preschool**

<b>Proportion of children from regional and remote areas enrolled in preschool, 2004-05</b>									
<b>Regional</b>	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	AUST
preschool	68.6	31.8	50.2	24.2	28.4	98.1	na	na	45.6
general community	30.0	29.1	45.6	24.0	26.9	97.6	0.3	48.9	33.4
<b>Remote</b>									
preschool	1.4	0.1	8.5	3.8	5.9	1.9	na	na	3.5
general community	0.8	0.1	4.7	9.2	4.8	2.4	na	51.9	3.2

## 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**

<b>Proportion Of Children In Preschool By Weekly Cost Range (after subsidies), 2002</b>						
	Nil-\$9	\$10-\$19	\$20-\$39	\$40-59	\$60+	Total
NSW	8.7	17.9	35.6	17.7	20.1	100
VIC	31.2	49.4	7.7	5.5	2.6	100
QLD	60.9	4.5	23.6	3.6	7.1	100
WA	78.1	7.6	np	np	np	100
SA	81.6	np	np	np	np	100
TAS	82.3	np	np	np	np	100
ACT	73.3	np	np	np	np	100
NT	np	np	np	np	np	100

*np = not published.*

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 73.3% of parents in the ACT, and around 80% of parents in Western Australia, South Australia and Tasmania. Some children in these systems would of course be enrolled in preschool education in private schools, where fees would be paid.

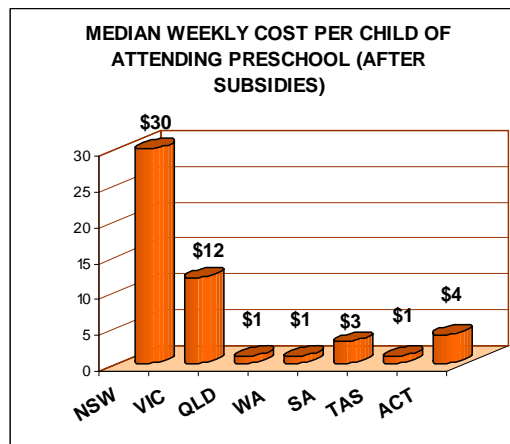
In Queensland too, some 61% of parents pay between nothing and \$9 per week. Apart from enrolment in private schools, in Queensland younger children in particular attend preschool in C&K centres, where fees are paid.

No data is provided for the Northern Territory but here too, preschool education is part of the government school system.

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, some 31% of parents pay between nothing and \$9 per week, but nearly 16% are paying \$20 or more – some more than \$60 per week.

In NSW, 8.7% of parents pay between nothing and \$9 per week. There are some 100 preschools attached to government schools in NSW. However, nearly three-quarters of parents in NSW pay at least \$20 per week, with 20% 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, anecdotal reports indicated that in 2004, the average cost of a full day of preschool in NSW was about \$30.

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-\$4 per week, while it is \$12 per week in Victoria and \$30 per week in NSW. The latter is equivalent to annual fees of some \$1200, after subsidies.



**Figure 4 Median weekly cost of attending preschool**

*Estimates for Tasmania and ACT have a relative standard error of between 25%-50% and should be used with caution.*

## 9. Average hours of attendance

NSW, Victoria and the Northern Territory 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 the NT, 4 year olds have been previously reported to attend an average of 12.5 hours per week, 8 hours for 3 year olds.

Reported data for four year olds in 2004-05 indicates that average attendance for children in the year before school is 'at least 11 hours per week'. This ranges from 11 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. The ACT has moved to provision of 12 hours per week in 2006.

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

The average attendance at centre based long day care in 2004 was 19.1 hours per week.

**Table 8 Hours of attendance 2004-05**

<b>HOURS OF ATTENDANCE 2004-05</b>			
		4 YEAR OLDS	3 YEAR OLDS
NSW	(a)	na	na
VIC	(b)	na	na
QLD	(c)	14.0	11.0
WA		11.0	na
SA	(d)	11.0	3.0
TAS		11.0	na
ACT	(e)	11.0	5.0
NT	(f)	na	na

- (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
- (d) Pre-entry program in SA provides one session for 10 weeks in the term before preschool.
- (e) ACT has moved to 12 hours per week in 2006 following a trial in 35 preschools from July 2005.
- (f) Previous estimates of 12.5 hours for 4 year olds and 8 hours for 3 year olds are based on the average sessional hours and the total number of children attending.

## 10. Expenditure on preschool education

### 10.1 Total expenditure on preschool services

Australia is the lowest spending of 25 countries in the OECD. Average country expenditure on pre-primary (preschool) education for children aged 3 or older 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 2004-05, the states and territories reported total expenditure of \$503.2m on preschool education services.

This is 83.8% 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.

The Commonwealth spent about \$1.89B, of which 77.8% 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 is in the process of introducing. 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.

Trends since 2000-01 are complicated by the changes in Western Australia, where the move of the pre-primary year into the schooling system led to a fall in reported expenditure of \$89.9m in the year to 2001-02.

When Western Australia is excluded from the national picture, total expenditure increased by 12% in real terms between 2000-01 and 2004-05.

All other systems except for Tasmania have reported a real increase in total expenditure during these years, ranging from 27.4% in Victoria and 22.8% in Australia to 1.6% in NSW.

In the 12 months between 2003-04 and 2004-05, total expenditure on preschool education across Australia fell by \$6.7 million, or 1.3% in real terms. There was considerable fluctuation between jurisdictions within this overall picture. Total expenditure in South Australia (2.3%), Queensland (1.1%) and the Northern Territory (1.5%) increased. Expenditure in all other systems fell in real terms, by 10% in Western Australia, 4.2% in Tasmania, 3.6% in the ACT, 2.5% in NSW and 0.9% in Victoria.

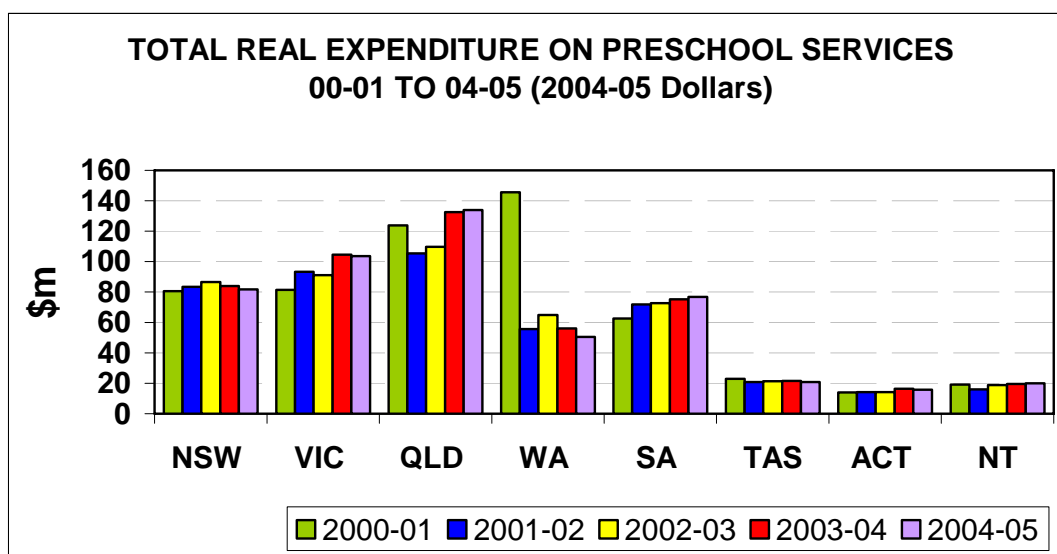


Figure 5 Total real expenditure on preschool education

Table 9 Total real expenditure on preschool education

TOTAL REAL EXPENDITURE ON PRESCHOOL SERVICES 00-01 to 04-05 in 04-05 dollars (\$m)							
	2000-01	2001-02	2002-03	2003-04	2004-05	Change 00-01 to 04-05	Change 03-04 to 04-05
NSW (a)	80.5	83.3	86.6	83.9	81.8	1.6	-2.5
VIC (b)	81.3	93.3	91.0	104.5	103.6	27.4	-0.9
QLD (c)	123.7	105.4	109.8	132.5	133.9	8.2	1.1
WA (d)	145.5	55.6	65.0	56.0	50.4	-65.4	-10.0
SA (e)	62.6	71.9	72.6	75.2	76.9	22.8	2.3
TAS	23.0	20.8	21.3	21.6	20.7	-10.0	-4.2
ACT (f)	14.1	14.3	14.2	16.5	15.9	12.8	-3.6
NT	19.2	16.0	18.8	19.7	20.0	4.2	1.5
AUS	549.9	460.6	479.3	509.9	503.2	-8.5	-1.3

(a) includes \$14.3m financial support to families

(b) includes \$4.0m subsidy to families

(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) Drop in 01-02 is the impact of changes to school entry age and move to full time schooling for pre-primary children. Does not include the nongovt sector.

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

(f) Increased expenditure reported in 03-04 is a result of new attribution of administration costs.

## 10.2 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 7 provides estimates of change in per capita expenditure on preschool students in the year to 2004-05. 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 fell from \$2076 to \$2061 in 2004-05 prices. This is fall of \$15 per student, or 0.7% in real terms.

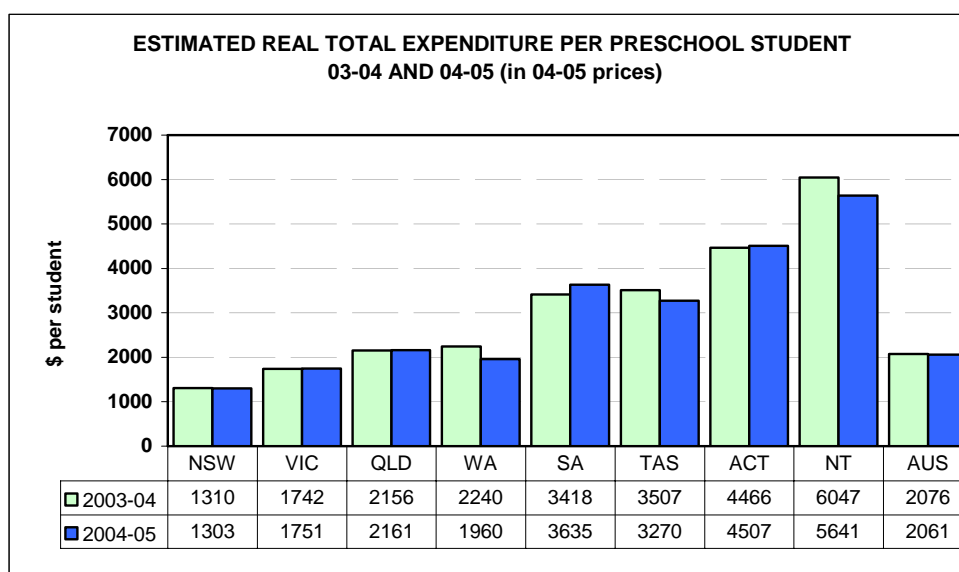
Within that national picture, reported expenditure per student fell by 12.5% in Western Australia, by 6.8% in Tasmania and 6.7% in the Northern Territory, with NSW also showing a fall of 0.6%. Real per capita expenditure increased in South Australia (6.3%), the ACT (0.9%) Victoria (0.6%) and Queensland (0.2%).

Complexities in the historical data relating to Western Australia make an analysis of per capita funding trends somewhat more problematic.

Leaving Western Australia aside, over the period 2000-01 to 2004-05, real per capita expenditure increased by 14.9% across Australia, from \$1804 to \$2073 in 2004-05 prices. Per capita expenditure in Tasmania fell by 12.2% in real terms over this period, and by 1.2% in the Northern Territory. All other systems increased per capita expenditure.

Despite a real increase in per capita expenditure of 30.1% between 2000-01 and 2004-05, 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 from \$1183 to \$1303, an increase of 10.2% between 2000-01 and 2004-05 in 2004-05 prices. Over the same period, South Australia increased per capita expenditure by 28.9%, the ACT increased it by 21.9% and Queensland's reported per capita expenditure increased by 5.1%.



**Figure 6 Estimated real expenditure per preschool student**

### 10.3 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.

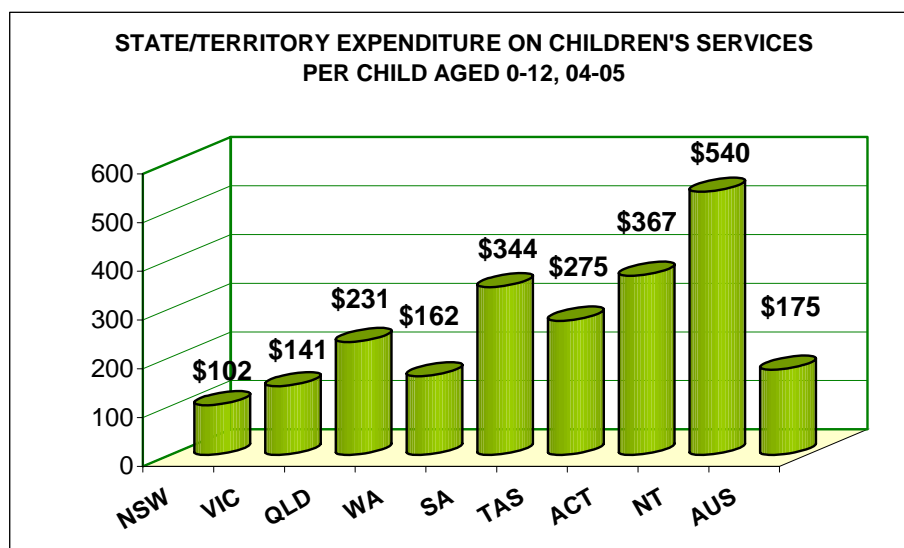
It is therefore worth comparing expenditure on children's early education and on care services as a whole. The Report provides data on expenditure per child aged 0-12 years in each system. This data indicates very clearly that NSW remains the lowest spender and Victoria is second lowest, even when expenditure on other children's services is included in the comparison. In fact, NSW spends 58.4% of the national average of \$174.91, while Victoria spends 80.7% 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.

Across Australia as a whole, total state/territory per capita expenditure on children's services has been falling in real terms. Over the year to 2004-05, total expenditure per child aged 0-12 years fell by \$10.10 in 2004-05 prices, a drop of 5.5%.

Since 2000-01, total state/territory expenditure on children's services per child has fallen by \$20.09, or 10.3%.

Over the same period, Australian Government expenditure on child care services per child aged 0-12 years has increased from \$446.79 to \$549.60, an increase of \$102.81 or 23%. Most of this increase is due to increased financial support to families. The Commonwealth Government provides no funding for preschool education.



**Figure 7 State/territory per capita expenditure on 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 2006*, vol. 2, Productivity Commission, Canberra.

**Other sources:**

ABS *Labour Force*, 6203.0, October 2002  
 ABS *Childcare* June 2002, 4402.0  
 Commonwealth of Australia 2006, *National Report to Parliament on Indigenous Education and Training, 2004*, DEST  
 Commonwealth of Australia 2005, *National Report to Parliament on Indigenous Education and Training, 2003*, DEST  
 OECD 2006, *Education at a Glance*