

Kindergarten funding model review

Information for the kindergarten sector

Fact Sheet | May 2011

The Department of Education and Early Childhood Development is undertaking a review of the kindergarten funding model, to examine how best to allocate kindergarten funding to support the kindergarten sector, given the recent increase in births, the introduction of Universal Access to 15 hours of kindergarten and the changes being introduced through the National Quality Agenda.

The review is being undertaken in two stages. The first stage is examining the costs and cost drivers of providing early childhood education programs for children in the year before school, and the second stage will include consultation and development of funding model options.

Stage 1: Examining cost drivers

Deloitte Access Economics has been engaged to undertake research and financial modelling to determine cost drivers of delivering early childhood education programs for children in the year before school, across a range of early childhood settings and providers. They are using a qualitative, case-study approach to examine cost factors and are working closely with a sample of 64 organisations and services, representing a range of settings and service delivery characteristics, including:

- Community based (including local government, incorporated associations, church, etc.) and private providers
- Single and multi-service providers (such as kindergarten cluster managers)
- Sessional kindergarten and integrated long day care program types
- Metropolitan and rural services (including small rural services).

Stage 2: Consultation and development of funding model options

The consultation phase and the subsequent development of funding model options will be informed by the financial modelling undertaken in Stage 1, and by a review of funding models used in other states and countries.

As part of Stage 2 consultation will be undertaken with key stakeholders, as well as some broader sector consultation with particular emphasis on cluster managers.

The consultation process will be used to test assumptions behind potential funding model options and their impact on families and service providers.

Next steps

Stage 1 is currently underway, and the Department has invited selected services to participate. A consultant from Deloitte Access Economics will visit each participating service or organisation during May 2011 to meet with a nominated representative who has a good understanding of the service's finances and day-to-day operations.

Information about how to be involved in Stage 2 of the review will be provided in mid 2011.

Visit the Department's website at www.education.vic.gov.au/kindergarten/fundingcriteria for the latest information about the kindergarten funding model review.

