

Election Costing Request Form

Details of request	
Party:	Australian Labor Party (NSW Branch)
Name of Policy:	Early childhood education for three year olds – greater funding
Date of request:	12 February 2019

Description of policy	
Summary of policy (please attach copies of relevant policy documents and include information on what the policy aims to achieve):	Jointly with a Federal Labor Government, increase funding for three year olds at a community pre-school from 25% to 50% of the rate applying to four year olds (from 1 January 2020), and increase funding per three and four year old attending a long-day care centre from \$450 (enrolment year 2020) to \$700 (1 January 2021) and then to \$1,000 (from 1 January 2022). In addition, allocate \$339 million to support five programs to support early education.
Has the policy been publicly released yet?	

Your estimated costing of the policy ¹						
	2018/19 \$'000	2019/20 \$'000	2020/21 \$'000	2021/22 \$'000	2022/23 and later years ² \$'000	Total \$'000
Impact on GGS expenses						
Impact on GGS revenue						
Impact on General Government Sector (GGS) net operating result ³						
Impact on GGS capital expenditure ⁴						
Impact on GGS net lending/borrowing						

¹ Amounts should be expressed in nominal dollars. GGS - General Government Sector.

² Please provide information on other years if spending occurs outside the forward estimate years and will be required to cost the policy or will assist in public understanding of the policy.

³ Negative for a saving that reduces expenditure

⁴ Negative for a reduction in capital expenditure.

Key assumptions made in the policy	
Does the policy relate to a previous announcement? If yes, which announcement?	
<p>What assumptions have been made in deriving the financial impacts in your estimated costing? <i>(See checklist)</i></p>	<p>In addition to funding for community pre-school and long day care places outlined under <u>Summary</u>, establish the following five programs:</p> <ol style="list-style-type: none"> 1. Establish a program called ‘Little Kids Big Futures Fund’ for targeted early education spending from 2020-21: <ol style="list-style-type: none"> a. 2020-21 funding allocation \$108 million b. 2021-22 funding allocation \$184 million 2. Establish a discrete ‘Specialist Early Intervention’ trial program administered through the Department of Education: <ol style="list-style-type: none"> a. 2020-21 funding allocation \$7 million b. 2021-22 funding allocation \$11 million 3. Establish an ‘Early Education Mentoring and Support’ program: <ol style="list-style-type: none"> a. 2020-21 funding allocation \$5 million b. 2021-22 funding allocation \$5 million 4. Establish an additional capital grants program ‘Critical Service Gaps – Capital Grants’: <ol style="list-style-type: none"> a. 2020-21 funding allocation \$5 million b. 2021-22 funding allocation \$10 million 5. Increase funding for additional assessment and rating staff within the Department of Education: <ol style="list-style-type: none"> a. 2020-21 funding allocation \$2 million b. 2021-22 funding allocation \$2 million. <p>NSW Labor has obtained agreement from Federal Labor that Commonwealth funds would be made available under a Commonwealth Labor Government to support the delivery of the policy (see <u>Attachment 1</u>). The Commonwealth funding would be contingent on state funding, and vice-versa.</p> <p>The funding profile of the assumed Commonwealth support is outlined below. Note that under the</p>

	Federal Labor's funding agreement, there would be a reduction in Commonwealth support in the first year.																									
	<table border="1"> <thead> <tr> <th rowspan="2">Financial Year</th> <th colspan="2">Federal Funding</th> <th rowspan="2">Total Federal Funding</th> <th rowspan="2">Additional Federal Funding</th> </tr> <tr> <th>3yo</th> <th>4yo</th> </tr> </thead> <tbody> <tr> <td>2019-20</td> <td>-</td> <td>\$42m</td> <td>\$42m</td> <td>-\$44.3m</td> </tr> <tr> <td>2020-21</td> <td>\$32m</td> <td>\$143m</td> <td>\$175m</td> <td>+\$88.7m</td> </tr> <tr> <td>2021-22</td> <td>\$144m</td> <td>\$148m</td> <td>\$292m</td> <td>+\$205.7m</td> </tr> </tbody> </table>		Financial Year	Federal Funding		Total Federal Funding	Additional Federal Funding	3yo	4yo	2019-20	-	\$42m	\$42m	-\$44.3m	2020-21	\$32m	\$143m	\$175m	+\$88.7m	2021-22	\$144m	\$148m	\$292m	+\$205.7m		
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Is there a range for the costing or any sensitivity analysis that you have undertaken?	No.																									
Are there associated savings, offsets or, in the case of a revenue proposal, offsetting expenses? If yes, please provide details.	..																									

Administration of policy	
Intended date of implementation:	1 January 2020
Intended duration of policy:	Ongoing.
Who will administer the policy (e.g. Government entity, non-government organisation, etc.)?	Department of Education.
Are there any specific administrative arrangements for the policy that need to be taken into account (e.g. agreements between different levels of government)?	Change to legislation may be required.
Are there transitional arrangements associated with policy implementation?	No.

If the policy is mainly an expenditure ⁵ commitment	
Demand driven or a capped amount:	Demand driven
Eligibility criteria or thresholds:	N/a.

⁵ Expenditure is operating expenses, e.g. salaries, interest cost and grants. Expenditures are fully included in the impact on operating balance.