

Free Kinder: guidelines for services

INTRODUCTION:

The Best Start, Best Life reform will help all Victorian children dream even bigger through increased access to quality early childhood education and care. A critical part of the reform is Free Kinder, which will support access to two years of high-quality kindergarten programs for all Victorian children by making this free.

Free Kinder will be available for both 3 and 4-year-old kindergarten programs from 2023.

The Department of Education and Training (DET) will provide communications materials to support you promoting Free Kinder to families in your community, and help you answer questions about Free Kinder for 2023. Translated resources to assist conversations with families are also available.

KEY INFORMATION:

Free Kinder supports families to access a funded kindergarten program by:

- providing a free 15-hour program to four-year-old children enrolled at a sessional service
- providing a free 5-to-15-hour program to three-year-old children enrolled at a sessional service (subject to the length of funded program offered)
- offsetting the funded kindergarten program component of parent fees for three and four-year-old children enrolled at a long day care service.

Service eligibility:

All early childhood education and care providers that deliver a funded kindergarten program in Victoria are eligible to receive Free Kinder funding from 2023, subject to meeting specified terms and conditions.

To receive Free Kinder funding, service providers will be required to opt in to provide Free Kinder and accept the terms and conditions of funding via the process detailed below.

Service providers may elect not to opt in to Free Kinder, in which case other funding streams (e.g. per capita) will continue as normal and parent fees may be charged.

Child eligibility:

All children enrolled in a funded kindergarten program at a participating service are eligible for Free Kinder from 2023.

In line with existing policies for per capita funding, children must only receive Free Kinder funding at one service (see process for duplicate enrolments below). If a child attends more than one service that offers a funded kindergarten program (e.g. a sessional service for some days and a long day care service on other days), the family must nominate which service they will receive their funded kindergarten program and therefore their Free Kinder funding.

Funding process:

DET will make Free Kinder payments to participating service providers, not directly to families. These payments will be made through the Kindergarten Information Management System (KIMS) as regular payments to ensure participating services can offer a free program.

Funding rates:

Free Kinder payments for 2023 for a 15-hour program are as follows:

- integrated long day care programs (i.e. where enrolled children also attract Commonwealth Childcare Subsidy (CCS) payments) will attract \$2,000 per child enrolled
- Sessional (standalone) services will receive \$2,500 per child enrolled
- Services that offer a Three-Year-Old Kindergarten program of less than 15 hours, will receive a pro-rata amount.

Where a long day care service offers both an integrated program as well as a sessional program for which children do not attract CCS, the above rates and the different sets of terms and conditions outlined below will apply to each program respectively.

Free Kinder funding is an additional payment to services to cover the parent fee component and will be paid on top of other kindergarten funding streams (excluding Kindergarten Fee Subsidy (KFS), KFS Ratio Supplement and Early Start Kindergarten (ESK)).

The Free Kinder payment will replace KFS and the KFS Ratio Supplement for participating services, and the ESK rate will be increased to reflect the move from KFS to Free Kinder for most services.

KFS will continue to be available for currently eligible services that elect not to opt in to Free Kinder.

Funding for hours of Three-Year-Old Kindergarten:

The pro-rata approach for Three-Year-Old Kindergarten will be applied regardless of whether the program is delivered in a long day care or sessional (standalone) setting.

Three-Year-Old Kindergarten programs delivering 15 hours per week, per child, will receive the full \$2,000 or \$2,500 per enrolled child, based on delivery setting. Examples of pro-rata funding amounts are:

Service type	5 hours	7.5 hours	10 hours	15 hours
Sessional	\$833.33	\$1,250	\$1,666.67	\$2,500
Long day care	\$666.67	\$1000	\$1,333.33	\$2,000

Opt-in process:

Service providers will be advised by DET via email that the opt-in process has opened. There will be a date by which services will be expected to confirm they are opting into Free Kinder, including acceptance of relevant terms and conditions, to ensure they receive funding from the commencement of the year.

Services that commence delivery of funded kindergarten during the kindergarten year will be able to opt in to Free Kinder.

Confirmation of funded kindergarten program

Services must make clear to families that they can only access a funded kindergarten program, at one service at a time in line with normal kindergarten funding guidelines. This includes requiring that a parent / carer for all enrolled children sign a form (provided by DET) to confirm that this is their funded kindergarten program.

If this procedure is not followed and an enrolment is subsequently cancelled because the child is enrolled at another service, DET may seek to recoup Free Kinder payments that have already been made.

Monitoring

DET will actively monitor compliance with the terms and conditions that service providers agree to when opting into Free Kinder. DET, or an organisation engaged to monitor compliance on behalf of DET, may seek information and documents from service providers as part of an assurance process to ensure the full benefits are being passed on to parents and that all Free Kinder funding is being used appropriately and conditions are being met.

OPERATIONAL ADVICE FOR SESSIONAL (STANDALONE) SERVICES:

Eligibility criteria for sessional services

Funded sessional kindergarten service providers accessing this funding are required to:

- offer a free 15-hour kindergarten program for four-year-old enrolments and a free kindergarten program of between 5 and 15 hours for three-year-old enrolments
- not charge any compulsory out-of-pocket fees or levies to families, except for cost recovery for one-off excursions (i.e. entry and transport costs) for children not eligible for KFS
- refund any parent fees that have already been paid for 2023 (excluding any agreed voluntary donations)

- maximise use of licensed capacity as required to meet demand for three- and four-year-old enrolments
- spend all additional funding in line with acceptable uses of kindergarten funding, including to promote increased participation and/or enhance program quality.

Sessional services with programs over 15 hours

As a condition of opting in, services providing a sessional program must offer all families a free 15-hour program (or the relevant length of the funded Three-Year-Old Kindergarten program up to 15 hours per week). This applies to all funded sessional programs. Where longer program hours are offered these additional hours must be optional.

For example, if a 20 hour four-year-old kindergarten is offered, all families must be given the choice to take up 15 hours only (as a free program) with the additional 5 hours being entirely optional.

Sessional services that accept the Free Kinder funding and offer additional hours can charge parents for program hours over and above the 15 funded hours per week (600 hours per year) and / or 'wrap around' care. The fees for these additional hours can be set at the service's discretion, in consultation with their community, and are not subject to funded kindergarten fee policies.

Before electing to either commence or continue to offer additional program hours above 15 per week, service providers should consider what impact this will have on access to funded three- and four-year-old kindergarten programs in the local area.

Incursions and excursions

If a service conducts occasional special events (e.g. once a term excursions), then a charge may be made to families for the cost recovery for this event (e.g. entry and transport costs). These charges should not be required of families who would be eligible for KFS (as set out in the Kindergarten Funding Guide).

Families cannot be charged for incursions or regular excursions (including Bush Kinder) that are a core part of the kindergarten program.

Payment information for sessional kindergarten services

Free Kinder payments will be made monthly via KIMS. As per normal kindergarten payments, Free Kinder funding is calculated and paid pro-rata from a service's funding start date.

Services should ensure their enrolment data in KIMS is up to date to ensure accurate payments each month.

Enrolment deposits

Services can ask for families to pay an enrolment deposit to secure a place in a kindergarten program, but this must be refundable upon taking up the place.

Communicating with parents

Sessional kindergarten services must ensure that they advise families that:

- there will be no cost to receive 15 hours of kindergarten for four-year-olds or between 5-15 hours for three-year-olds (in line with a service's funded three-year-old program hours).
- where applicable, any hours offered above the required 15 hours are optional and be clear about any fees attached to accepting these additional hours.

OPERATIONAL ADVICE FOR LONG DAY CARE PROVIDERS/SERVICES:

Eligibility criteria for long day care programs

In addition to other requirements outlined in these guidelines, long day care service providers that opt into Free Kinder are required to do the following for integrated (CCS funded) programs:

- apply standard fees across the service for all kindergarten age enrolments (three- and four-year-old) to ensure that children enrolled in a kindergarten program are not charged higher fees in comparison to children that are not attracting kindergarten funding

- directly offset the full \$2,000 payment from the fees of parents with children receiving their funded kindergarten program at the centre (service providers are not required to separately calculate and record the cost of the kindergarten hours separately for integrated programs)
- apply the fee offset regularly (e.g., fortnightly or monthly) and clearly indicate the offset amount (labelled Victorian Government Free Kinder offset) on parent invoice statements
- use any surplus funding on improvement efforts for the funded kindergarten program, such as improving quality and supporting engagement of families for the minority of cases where parents are charged less than \$2,000 in out-of-pocket fees for the duration of the kindergarten year.

Interactions with Commonwealth Childcare Subsidy

The Victorian Government is finalising arrangements with the Commonwealth to confirm Free Kinder payments is an allowable third-party payment under Commonwealth funding rules, as they were in 2021, to maximise the financial benefits for families. Long day care service providers are therefore required to apply the Free Kinder offset to each families' fees after CCS has been applied.

Payment information for long day care services

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Services should ensure their enrolment data in KIMS is up to date to ensure accurate payments each month.

Communicating with parents

Long day care services must ensure that families are informed:

- when the Free Kinder fee offsets will commence and the frequency at which they will be applied
- that Free Kinder offsets will not impact their CCS payments.

FREQUENTLY ASKED QUESTIONS

Q: What happens if a child moves from one service to another in the kindergarten year?

A: Some children move from one service to another during the kindergarten year. In these cases, the Free Kinder will move with the child, with the regular payments made to the new service for the rest of the year (or the duration of time that the child remains at that service). The service the child moves to must also be a participating service to continue receiving Free Kinder.

Q: Do I need to enrol children eligible for Early Start Kindergarten?

A: Yes, it is important that you continue to enrol eligible children in Early Start Kindergarten (ESK) at your service. This ensures that service providers receive all funding entitlements and that these children have access to 15 funded hours of kindergarten across Victoria. ESK enrolments contribute to School Readiness Funding (SRF) calculations for service providers. It also allows the Department to continue to monitor efforts to engage the most vulnerable children in kindergarten across Victoria and provide additional targeted support where required through SRF or Early Childhood LOOKOUT.

Q: How does Free Kinder funding relate to families who would usually receive KFS?

A: All children are eligible to receive Free Kinder, and KFS criteria does not apply to access this funding. Families won't be required to show their health care or pension card to receive Free Kinder, however providers should still collect this information and record this in the KIMS system. This is important for monitoring participation for vulnerable and disadvantaged children.

Q: Can a service charge a maintenance fee?

A: Parents cannot be charged a compulsory maintenance fee / levy regardless of whether they attend a working bee or not. Any parent contribution must be completely voluntarily.

If fees have already been paid, the full amount should be refunded in a timely way.

Q: Can a service seek voluntary donations or fundraise?

A: All services may receive voluntary parent payments or conduct other fundraising activities, as well as receiving Free Kinder payments, if all terms and conditions are met.