



PARLIAMENTARY BUDGET OFFICE

NSW Parliament • Parliament House, Macquarie Street Sydney 2000

Referred by: Coalition **Proposal No:** C1360
Date Referred: 07/02/2023 **Date Published:** 20/03/2023
Proposal Title: Universal Pre-Kindergarten Acceleration
Cluster: Education

General Government Sector Impacts

	2022-23 \$'000	2023-24 \$'000	2024-25 \$'000	2025-26 \$'000	4 year Total \$'000
Expenses (ex. depreciation)	-				
Depreciation			9,800	21,200	31,000
Less: Offsets					-
Revenue					-
Net Operating Balance:	-	-	(9,800)	(21,200)	(31,000)

Capital Expenditure	-	600,000	698,200	-223,900	1,074,300
Capital Offsets					
Net Capital Expenditure:	-	600,000	698,200	(223,900)	1,074,300

Net Lending/(Borrowing):	-	(600,000)	(698,200)	223,900	(1,074,300)
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Total State Sector Impacts

Net Lending/(Borrowing):	-	(600,000)	(698,200)	223,900	(1,074,300)
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Notes and costing assumptions:

The policy proposes to accelerate the rollout of the Universal Pre-Kindergarten places, with delivery of 50,000 preschool places on school sites by 2027.

The total cost over the forward estimates is \$1.074 billion. This is in addition to the current budget allocation.

The policy proposes the acceleration so that at least 50,000 preschool places by can be delivered by 2027. The first 115 school sites will receive a standalone preschool, with construction beginning in late 2023. Overall, a total of 500 school sites to receive an integrated or standalone preschool by 2027. This is in addition to the universal pre-Kindergarten place-based pilots running through 2023-2024.

This will require the capital funding provision to be brought forward by one year to begin from 2023-24, such that the profile over the forwards.

Notes and costing assumptions continued:

Key assumptions:

- The accelerated program assumes the roll out of the Universal Pre-kindergarten will be implemented within the agreed policy parameters of the 2022-23 Budget decision.
- Operational costs will be maintained within the existing recurrent funding profile given time required to build facilities and noting any change in the recurrent profile will be subject to re-evaluation and a business case once market sounding is complete and renegotiation of the Commonwealth Preschool Funding agreement.
- The policy assumes that additional resourcing and costs can be absorbed from within the Department's existing budget. The PBO considers that additional resources may be required to administer the project, however these resources would be determined once the business case has been re-evaluated.