Final Report

Cost/Benefit Analysis Relating to the Implementation of a Common School Starting Age and Associated Nomenclature by 1 January 2010

Volume 1

Report prepared for the Ministerial Council on Education, Employment, Training and Youth Affairs

March 2006

Atelier Learning Solutions Pty Ltd
in consortium with
Access Economics

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The National Overview

Acknowledgements

The Consortium members are appreciative of the efforts of staff in all school education authorities across Australia for their support and assistance in completing this most complex picture. Senior staff in all authorities provided access to data and helped in understanding interpretation and practice that vary considerably, even within systems and sectors. Their support in contacting colleagues in other government departments where necessary is also acknowledged.

Appreciation must also go to staff of the Australian Government Department of Education, Science and Training who assisted the Consortium team to complete this Project. In particular, we wish to thank Katy Balmaks, Mary Welsh and Giancarlo Savaris, who were unstinting in their support. Other Australian Government Department of Education, Science and Training staff in various areas, including those who provided data, should also be acknowledged.

Similarly, the Consortium team would like to acknowledge the support and assistance given by State and Territory personnel involved in the Project Reference Group. Their guidance was most appreciated.

In addition, those officers from the Australian Government Department of Family and Community Services and the Australian Bureau of Statistics who provided data are acknowledged.

Particular mention needs to be made of the support provided by the National Consistency of Curriculum Outcomes Taskforce and senior officers of the Australian Government Department of Education, Science and Training. As the Project unfolded, it was realised that the complexity of the issues was well beyond the original scope of the Project. Their response in recognising this is greatly appreciated.

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March 2006

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Executive Summary

Introduction

The Common School Starting Age Project was commissioned by the National Consistency in Curriculum Outcomes Steering Committee of the Australian Education Systems Official's Committee. The Report on the Project was prepared for the Ministerial Council on Education, Employment, Training and Youth Affairs. The Project examined issues relating to implementing a common minimum school starting age across Australia by 2010, including the national costs and benefits of five options for changing the minimum school starting age. The options comprised the following.

- There were three 'point options' that would provide a common national minimum school starting age of 4 years and 5 months, 4 years and 6 months or 4 years and 8 months at the start of January in the year of entry into universal schooling. These options were interpreted to mean that all schools in each state and territory would adhere to the age as a minimum school starting age policy.
- There were two 'banded' or 'range' options, *viz*: 4 years and 5 months to 4 years and 6 months and 4 years and 5 months to 4 years and 8 months. The range options were interpreted to mean that different jurisdictions or sectors would choose to operate at a point within the range.

The Project also examined the potential costs and jurisdictional views associated with establishing national commonality in the nomenclature for the two years before Year 1.

At the outset, it is important to understand key caveats and limitations associated with the Project.

The focus for the Project was the age of eligibility for school entry, not the legislated compulsory age by which all children must be attending school. The scope included the economic costs and benefits and excluded non-economic issues such as changes to the amount of family time with children or potential personal, emotional or psychological costs or benefits to children of an earlier or later school starting age (which might have an economic cost/benefit). Indeed, broader implications which might have an economic cost/benefit, such as the potential effect on family planning decisions, were not included in the Project's Terms of Reference and methodology.

Importantly, the Project did not set out to consider whether a younger or older school starting age was most appropriate educationally. The educational discussion throughout the Report is around the outcomes of a nationally consistent minimum school starting age.

Likewise, the Project sought to understand and project, on the basis of a range of salient assumptions, what the impacts of each of the options would most likely be. It was also important to limit the scope of the Project by relying on recent previous work such as the Treasury Intergenerational Report[1] that modelled especially macro social and economic effects. As with all modelling exercises, this was a Project to provide guidance rather than definitive analysis.

Most importantly, the Project was charged with examination of the options and their impacts. It was not charged with advocacy of any option and therefore was not required to make recommendations.

[1] Department of Treasury (2002), *Intergenerational Report*, Budget Paper No. 5, 2002.

The cost/benefit analysis

The cost/benefit analysis involved the development of a model to demonstrate projected impacts of the options in terms of changes in cohort size and short, medium and long terms social costs and benefits associated with each of the options.

In addition to the schooling sector, the model included the early childhood sector and the post-school sectors. The model was developed through application and integration of national data sets held by the Australian Government Department of Education, Science and Training, the Australian Bureau of Statistics and relevant government departments, especially the Australian Government Department of Family and Community Services, as well as data sets provided by school sectors in each jurisdiction.

Four phases of consultation were undertaken with each sector in all states and territories. In the first phase, the focus was on mapping the current situation and identifying the sectoral data sets. The second phase involved identification of the key issues for each sector and assessing the implications of the local data sets for the cost/benefit analysis. The third phase involved clarification of data-related issues and validation of the analysis. A final review of the relevant state and sector sections of the Report was provided.

The Project involved risk and opportunity analysis in each jurisdiction. This engaged focus groups within education authorities as well as children's services representatives. The purpose was to elicit potential impacts on children, parents, teachers, providers, schools, education authorities, child care services and pre-schools.

The current situation

Table ES.1 below shows the situation that will exist prior to 2010 across the states and territories regarding the minimum age of school commencement[2]. The Table recognises the situation that will apply in Queensland from 2007[3] with a full-time 'Preparatory' year and the likely introduction in the Northern Territory in 2006 of a single start of year enrolment policy on the basis of a minimum school starting age of 4 years and 6 months.

Table ES.1 Summary of the position prior to 2010

State or territory	Minimum age	Age in the year before Year 1	Compulsory age	Nomenclature year before school	Nomenclature year before Year 1
NSW	4.5	Turn 5 by 31 July	Year in which children turn 6	Pre-school	Kindergarten
QLD	4.6	By 2007, turn 5 by 30 June	Year in which children turn 6.6[4]	Kindergarten/Pre-school	Preparatory
VIC	4.8	Turn 5 by 30 April	Year in which children turn 6	Kindergarten	Preparatory
WA	4.6	Turn 5 by 30 June	Year in which children turn 6.6	Kindergarten	Pre-Primary
SA	4.5	Continuous entry in the term after 5th birthday	Year in which children turn 6	Kindergarten	Reception
TAS	5.0	Turn 5 by 1 January	Year after turning 5	Kindergarten	Preparatory
ACT	4.8	Turn 5 by 30 April	Year in which children turn 6	Pre-school	Kindergarten
NT	4.6	By 2006, turn 5 by 30 June	Year in which children turn 6	Pre-school	Transition

[2] Throughout this Report, school refers to the full time years commencing at the year before Year 1.
[3] Subject to further consultation and finalisation of the legislative process.
[4] Subject to further consultation and finalisation of the legislative process.

Table ES.1 has been amended to reflect that fact that a change to a common minimum school starting age would impact on South Australia and its system of rolling enrolments if the State practice were to move to a start-of-year intake. Although under the current system children do not start school until the term after they turn 5 years of age, in effect, the youngest children in the Reception cohort who move on to Year 1 in the following year are 4 years and 5 months on 1 January of the year they enrol.

Table ES.1 also shows the variation in the compulsory age of schooling and the range of nomenclature currently associated with the two years before Year 1. One of the issues associated with the nexus between the minimum school starting age and the compulsory age of schooling is the variation in practice as to whether the students whose entry is delayed commence in the year before Year 1 or in Year 1. This variation among the states and territories produces inconsistency in terms of the definition of age range in a cohort and in terms of whether delayed children receive 12 or 13 years of schooling.

In all states and territories, children can commence schooling one year before Year 1. Whether they commence schooling when first eligible or one year later depends on when the child was born and parental decisions about appropriateness of schooling for their child at that age. However, in Western Australia, all parents have the opportunity to determine whether their child commences school one year prior to Year 1 or in Year 1. In Queensland from 2007, continuation of the current policy would also see delayed children enter school at Year 1. In Tasmania, the effect of the legislation around compulsory years is to require all children to enrol at the commencement of the year after they turn 5 years of age.

Across eight states and territories there are five different minimum school starting ages. Furthermore, to add another layer of complexity to the current situation, in a number of states and territories there is considerable variation in what is the assumed minimum school starting age. This variation can occur at a diocesan, parish or school level in the Catholic school sector and at the individual school level in the independent school sector.

Moreover, the variation between jurisdictions around the minimum school starting age is complemented by considerable variation in relation to the nomenclature of the early years of schooling. For the year before Year 1, five different terms are used. Putting to one side the growing popularity of the term 'early learning centre' in the two non-government sectors, two terms are used to describe the year that is two years prior to Year 1. Furthermore, one of these terms, kindergarten, is also used in two jurisdictions to describe the year before Year 1.

The educational issues

The educational arguments around the appropriate age of school commencement are highly contested. Endorsement of an older age of entry tends to emphasise the role of play-based, informal learning in the prior-to-school years as providing the milieu through which children can best construct holistic, personal and meaningful knowledge. On the other hand, those who argue for a younger age of school commencement identify the school environment as the appropriate one through which children can connect with the structures and processes of learning.

By-and-large, while the systems and sectors acknowledged the educational arguments around the appropriate age of school commencement, greater emphasis was given to the importance of adjusting curriculum and pedagogy in the early years so that play-based approaches to learning provide an entrée through which children can connect with formal learning. Overwhelmingly, the view across the education authorities is not one that focuses on age *per se*, but on the adaptation of curriculum and pedagogy so that each child can be engaged and supported.

In any event, in most jurisdictions, parents of younger children have a choice about when their children will commence school. The range between the voluntary minimum school starting age and the compulsory school starting age as stipulated in state/territory legislation enables parental choice about the appropriate age for their child to start school. This factor is referred to as 'delay' in this Report.

The lack of national commonality in the minimum age of school commencement has long been cited as one of the significant impediments for those children who move across jurisdictional boundaries during their time at school. As they move from one part of Australia to another, the difference in common minimum school starting age and policies around placement at school commencement can represent a major 'hurdle'. For some, differences among the states and territories tend to create confusion and may be a significant factor contributing to discontinuity in schooling.

Hence, reform around the minimum age of school commencement and polices around placement at school commencement, insofar as it is based on educational argument, is concerned with the benefits that arise from commonality, not from a particular age of school entry. For the approximately 80,000 annual student movements across state and territory borders, commonality is perceived as potentially bringing significant educational benefits. They are benefits that could be associated with increased school completion rates, and the extent to which national commonality in the minimum school starting age would contribute to a better educated, higher skilled, better adjusted and more productive citizenry.

Impacts of the options

Table ES.2 below shows the projected change in the size of the introductory cohort for each state and territory against the five options. The cohort impact would first occur in 2009, with decisions needing to be made about the minimum age of entry into pre-school provision. The affected cohort would then proceed through the 13 years of schooling. Subsequent cohorts would return to a 'normal' size.

At a national level, the 4 years and 5 months option would create a significant increase in the size of the introductory cohort. The 4 years and 8 months option is the option that, at a national level, would lead to the greatest reduction in the size of the introductory cohort.

The estimated cohort impacts by jurisdiction and by option are shown in Table ES.2 below. The table is provided in two versions.

Table ES.2.1 shows the cohort impacts included in the national model. For South Australia, the impact includes two elements. One is the impact on the 'normal' cohort. The other is the cohort impact generated because children would not have to complete a further year in Reception after entering in Terms 3 or 4 of the year before. Both impacts flow to the national figures.

Table ES.2.1 Size of the cohort impacts for each option (with full South Australia impact)

Number of students

	National*	NSW	Vic	Qld	SA*	WA	Tas	NT	ACT
Option 4.5	7,189	0	4,701	3,984	-5,549	1,957	1,587	99	410
Option 4.6	-3,070	-2,256	3,545	0	-6,135	0	1,475	0	301
Option 4.8	-27,447	-8,478	0	-8,166	-7,650	-4,018	1,133	-268	0
Option 4.5 - 4.6	-814	0	3,545	0	-6,135	0	1,475	0	301
Option 4.5 - 4.8	-6,517	0	0	0	-7,650	0	1,133	0	0

* Includes impact on 'normal' introductory cohort and permanent impact with students completing only one year of Reception. These cohort figures are those included in the national model.

In Table ES.2.2, only the normal cohort impact is shown.

Table ES.2.2 Size of the cohort impacts for each option (with only impact on normal cohort for South Australia)

Number of students

	National**	NSW	Vic	Qld	SA**	WA	Tas	NT	ACT
Option 4.5	14,575	0	4,701	3,984	1,837	1,957	1,587	99	410
Option 4.6	4,315	-2,256	3,545	0	1,251	0	1,475	0	301
Option 4.8	-20,061	-8,478	0	-8,166	-264	-4,018	1,133	-268	0
Option 4.5 - 4.6	6,572	0	3,545	0	1,251	0	1,475	0	301
Option 4.5 - 4.8	869	0	0	0	-264	0	1,133	0	0

** Includes only the impact on the 'normal' introductory cohort. The impact of the non-completion of Reception in the following year has been removed.

The projections have taken account of national data that indicate the extent of delay of school commencement. Given that New South Wales is the only jurisdiction in which there are data about the extent of delay in start-of-year school entry for children born in July, these data have been extrapolated throughout the cost/benefit analysis model.

However, the projections for Queensland and Western Australia take account of jurisdictional data that indicate a significantly lower level of delay for children at the school commencement eligibility age. This low level of delay in Western Australia and Queensland appears to be associated with the practice of placing children within a relatively narrow age cohort, with children whose school entry is delayed often going straight to Year 1.

The Table ES.2 shows that, of all of the options, the 4 years and 8 months option would be, on balance, the most disruptive in its net impact on students. Likewise, the 4 years and 5 months option and the 4 years and 5 months to 4 years and 8 months range option would affect a substantial number of students in net terms. The least disruptive options in net terms are the 4 years and 6 months option and the 4 years and 5 months to 4 years and 6 months range option. Of course, in actual impact on students and on the number of jurisdictions, the range options, and especially the 4 years and 5 months to 4 years and 8 months range option would be least disruptive but would provide the least gain from commonality.

The national 'social' costs and benefits

The results of the cost/benefit analysis are summarised in Table ES.3 below. The point estimates presented in the Table are in terms of 2004-05 dollars and represent the 'net present value' (NPV) of the future flow of social benefits and social costs by child care sector, school and post school education sectors and employment in the economy as a whole, out to the year 2072. Positive estimates indicate social benefits or less overall spending on the sector by governments and parents. Negative estimates indicate social costs or more overall spending on the sector by governments and parents.

While the full period of the model is to 2072 when the affected children will retire from the workforce, the national social costs and benefits in the model cover the passage of the affected cohort until that time. The child care figures cover the full period of the model as these effects would be permanent. The pre-school figures are for 2009, when this sector would be impacted. `

Table ES.3 National 'social' costs and benefits associated with each of the options[5]

National Total		Costs(-)/benefits(+) ($ million, 2004-05)				
Sector	**Sub-sector**	**4.5**	**4.6**	**4.8**	**4.5 - 4.6**	**4.5 - 4.8**
Pre-school and child care	Formal	$80	-$219	-$377	-$137	-$175
	Informal - parents	$394	$264	-$1,322	$307	$2
	Informal - other	$12	-$9	-$58	-$5	-$17
Primary	Total	$0	$502	$1,686	$398	$660
	Government	*$48*	*$445*	*$1,376*	*$365*	*$564*
	Catholic	*-$51*	*$11*	*$161*	*-$3*	*$35*
	Independent	*$2*	*$46*	*$149*	*$36*	*$61*
Secondary	Total	-$501	-$147	$713	-$243	-$36
	Government	*-$315*	*-$79*	*$471*	*-$151*	*-$28*
	Catholic	*-$88*	*-$30*	*$122*	*-$44*	*-$4*
	Independent	*-$98*	*-$39*	*$120*	*-$48*	*-$4*
Tertiary	VET	-$23	-$7	$31	-$11	-$1
	University	-$122	-$37	$165	-$56	-$6
Employment	Static	$3,710	$1,086	-$5,141	$1,662	$222
	Dynamic	$243	$243	$243	$95	$20
Transition costs		-$7	-$5	-$11	-$4	-$3
Total		**$3,786**	**$1,670**	**-$4,072**	**$2,007**	**$667**

Except for South Australia, the school sector costs and benefits cover the 13 years of schooling from 2010 to 2022. In South Australia many school sector impacts would be permanent but in the model have been provided to 2072.

The VET and university costs and benefits are projected over a 10 year period from 2021 to 2030. Employment impacts are projected over the full period of the model as they include parental workforce re-entry and earlier or later entry of children to the workforce at school completion. Transition costs are one-off point costs associated with the management of the change.

In the pre-school and child care figures, 'formal' refers to any provision which involves the payment of fees, benefits, subsidies and rebates. 'Informal-parents' refers to the imputed costs of care provided by parents. These costs have been imputed at $5 per hour on the basis of a 30 hour week. 'Informal-other' refers to the imputed costs of care provided by other members of the family and family friends. These costs have been imputed at $1 per hour on the basis of a 30 hour week.

'Static employment' covers the costs and benefits arising from affected children having either a reduction or increase of one year in their working lives. It also covers the costs and benefits that will arise for affected parents having to delay workforce re-entry by one year under a move to an older minimum school starting age option or being able to re-enter the workforce 12 months earlier under a younger minimum school starting age.

'Dynamic employment' refers to the benefits that would arise should national consistency in minimum school starting age be implemented. The projected 'dynamic employment' figures are based on the conservative assumption that national consistency will lead to a one per cent increase in school completions for those children who cross school borders during their schooling. Each of the 'single point' options could see a projected benefit of

[5] Note: The Table presents national or overall social costs and benefits which apply to governments, parents and children – the community as a whole. No source of funding is attributed in the Table. The Table refers to expenditure costs or savings to sectors of the economy. The funding for these sectors may come from a variety of sources including national and state governments and parents.

$243m over the full period of the model through commonality. This benefit would be significantly less for either of the range options.

Figure ES.1 National social costs and benefits over time for each of the options

Costs(-)/benefits(+) ($ million, 2004-05)

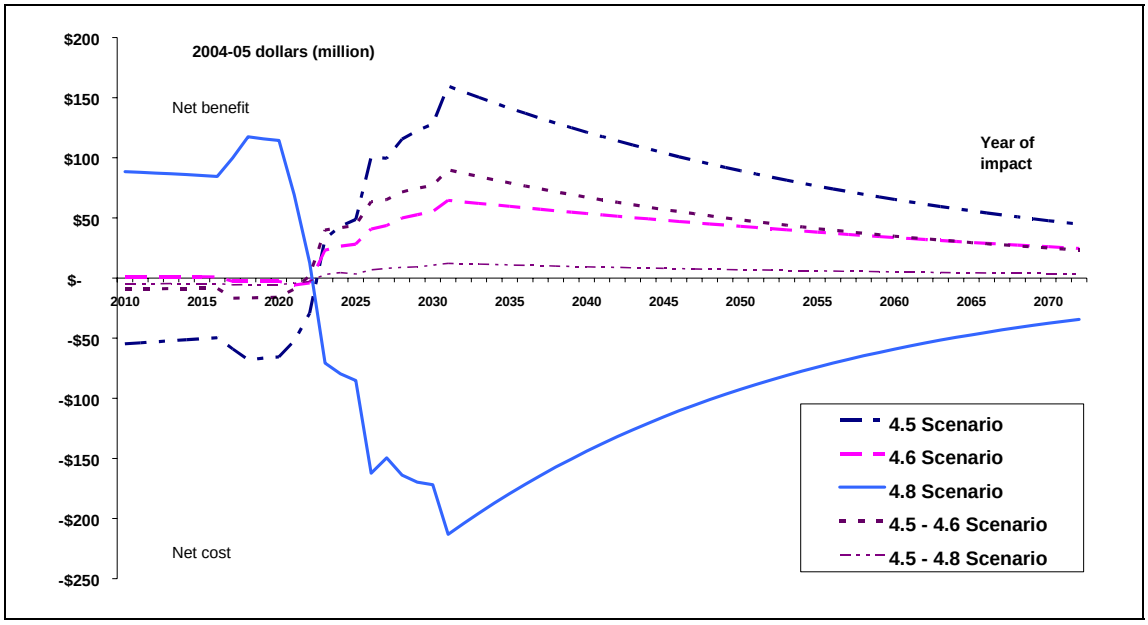

Table ES.3 and Figure ES.1 show that, over the full period of the model, the 4 years and 5 months option would have the greatest national 'social' benefit. However, the introductory costs would be higher than for any other option. The 4 years and 8 months option would see the highest level of 'social' cost, long term, at a national level. This option, however, would realise the greatest level of introductory savings to government and parents. Both the 4 years and 6 months option and the 4 years and 5 months to 4 years and 6 months range option produce a positive net 'social benefit' over time with net social benefits in the education sector and net benefit to parents.

State and territory 'social' costs and benefits

Tables ES.4 to ES.8 below show the social costs and benefits for each option nationally and across the states and territories. Social costs and benefits here are not attributable to a funding source but represent the overall funding impacts on the sector.

The time periods represented in the Tables have been explained above. The Tables show that costs would arise where the state or territory moved from current practice to a younger minimum school starting age. In these jurisdictions, the costs would impact in the pre-school sector in 2009 and would continue over the 13 years of schooling[6] and into the university and training sectors. However, there would be long term economic benefits arising from an extension in the working lives of the affected children and the earlier workforce re-entry of affected parents.

Similarly, the Tables show that introductory savings would arise where the state or territory moved from current practice to an older minimum school starting age. The savings would be associated with the introductory cohort from 2009 in the pre-school sector, over the 13 years of schooling and into the university and training sectors. However, there would be long term economic costs arising from contraction in the working lives of the affected individuals.

[6] As indicated in the cohort Table ES.2 above, for South Australia the school sector impact would continue permanently.

Table ES.4 Estimate of the social costs and benefits[7] associated with the 4 years and 5 months option, nationally and by state and territory

4 years and 5 months option		Costs(-)/benefits(+) ($ million, 2004-05)								
Sector	**Sub-sector**	**National Total**	**NSW**	**Vic**	**Qld**	**SA**	**WA**	**Tas**	**NT**	**ACT**
Pre-school and child care	Formal	$80	$0	$43	$123	-$135	$28	$15	$1	$4
	Informal - parents	$394	$0	$246	$53	-$54	$35	$96	$2	$18
	Informal - other	$12	$0	$9	$8	-$14	$4	$3	$0	$1
Primary	Total	$0	$0	-$193	-$198	$596	-$101	-$77	-$8	-$19
	Government	*$48*	*$0*	*-$143*	*-$160*	*$516*	*-$80*	*-$63*	*-$7*	*-$14*
	Catholic	*-$51*	*$0*	*-$32*	*-$22*	*$27*	*-$12*	*-$8*	*-$1*	*-$3*
	Independent	*$2*	*$0*	*-$19*	*-$16*	*$54*	*-$8*	*-$6*	*$0*	*-$2*
Secondary	Total	-$501	$0	-$179	-$119	-$55	-$64	-$62	-$5	-$18
	Government	*-$315*	*$0*	*-$100*	*-$75*	*-$35*	*-$43*	*-$46*	*-$4*	*-$12*
	Catholic	*-$88*	*$0*	*-$36*	*-$20*	*-$10*	*-$10*	*-$8*	*$0*	*-$4*
	Independent	*-$98*	*$0*	*-$43*	*-$24*	*-$11*	*-$11*	*-$8*	*-$1*	*-$2*
Tertiary	VET	-$23	$0	-$9	-$5	-$2	-$3	-$2	$0	-$1
	University	-$122	$0	-$41	-$34	-$15	-$16	-$12	$0	-$5
Employment	Static	$3,710	$0	$1,177	$1,026	$470	$501	$405	$25	$105
	Dynamic	$243								
Transition costs		-$7	$0.0	-$1.8	-$1.5	-$2.1	-$0.7	-$0.6	$0.0	-$0.2
Total		**$3,786**	**$0**	**$1,053**	**$855**	**$791**	**$384**	**$367**	**$15**	**$85**

Table ES.5 Estimate of the social costs and benefits associated with the 4 years and 6 months option, nationally and by state and territory

4 years and 6 months option		Costs(-)/benefits(+) ($ million, 2004-05)								
Sector	**Sub-sector**	**National Total**	**NSW**	**Vic**	**Qld**	**SA**	**WA**	**Tas**	**NT**	**ACT**
Pre-school and child care	Formal	-$219	-$82	$1	$0	-$149	$0	$11	$0	$1
	Informal - parents	$264	-$43	$249	$0	-$60	$0	$100	$0	$18
	Informal - other	-$9	-$5	$7	$0	-$15	$0	$3	$0	$1
Primary	Total	$502	$104	-$146	$0	$629	$0	-$71	$0	-$14
	Government	*$445*	*$80*	*-$108*	*$0*	*$542*	*$0*	*-$59*	*$0*	*-$10*
	Catholic	*$11*	*$14*	*-$24*	*$0*	*$31*	*$0*	*-$7*	*$0*	*-$3*
	Independent	*$46*	*$10*	*-$14*	*$0*	*$57*	*$0*	*-$5*	*$0*	*-$1*
Secondary	Total	-$147	$96	-$135	$0	-$38	$0	-$58	$0	-$13
	Government	*-$79*	*$72*	*-$76*	*$0*	*-$24*	*$0*	*-$43*	*$0*	*-$9*
	Catholic	*-$30*	*$14*	*-$27*	*$0*	*-$7*	*$0*	*-$8*	*$0*	*-$3*
	Independent	*-$39*	*$10*	*-$32*	*$0*	*-$7*	*$0*	*-$7*	*$0*	*-$2*
Tertiary	VET	-$7	$4	-$7	$0	-$2	$0	-$2	$0	-$1
	University	-$37	$18	-$31	$0	-$10	$0	-$11	$0	-$4
Employment	Static	$1,086	-$576	$888	$0	$320	$0	$377	$0	$77
	Dynamic	$243								
Transition costs		-$5.2	-$0.9	-$1.3	$0.0	-$2.3	$0.0	-$0.6	$0.0	-$0.1
Total		**$1,670**	**-$484**	**$824**	**$0**	**$674**	**$0**	**$349**	**$0**	**$65**

[7] In this table social costs and benefits are not attributed to any funding source. They represent the overall expenditure impact on the sectors, not who pays the costs or who accumulates the benefits.

Table ES.6 Estimate of the social costs and benefits associated with the 4 years and 8 months option, nationally and by state and territory

4 years and 8 months option		Costs(-)/benefits(+) ($ million, 2004-05)								
Sector	**Sub-sector**	**National Total**	**NSW**	**Vic**	**Qld**	**SA**	**WA**	**Tas**	**NT**	**ACT**
Pre-school and child care	Formal	-$377	-$130	$0	-$62	-$186	-$11	$11	$0	$0
	Informal - parents	-$1,322	-$469	$0	-$549	-$75	-$288	$77	-$19	$0
	Informal - other	-$58	-$17	$0	-$15	-$19	-$8	$2	-$1	$0
Primary	Total	$1,686	$391	$0	$405	$715	$208	-$55	$21	$0
	Government	*$1,376*	*$301*	*$0*	*$327*	*$610*	*$165*	*-$45*	*$19*	*$0*
	Catholic	*$161*	*$54*	*$0*	*$45*	*$40*	*$25*	*-$6*	*$1*	*$0*
	Independent	*$149*	*$36*	*$0*	*$33*	*$65*	*$17*	*-$4*	*$1*	*$0*
Secondary	Total	$713	$362	$0	$243	$8	$130	-$44	$13	$0
	Government	*$471*	*$247*	*$0*	*$154*	*$5*	*$87*	*-$33*	*$11*	*$0*
	Catholic	*$122*	*$64*	*$0*	*$41*	*$1*	*$21*	*-$6*	*$1*	*$0*
	Independent	*$120*	*$51*	*$0*	*$49*	*$2*	*$22*	*-$5*	*$1*	*$0*
Tertiary	VET	$31	$14	$0	$11	$0	$7	-$1	$0	$0
	University	$165	$69	$0	$69	$2	$33	-$8	$1	$0
Employment	Static	-$5,141	-$2,163	$0	-$2,104	-$68	-$1,029	$289	-$67	$0
	Dynamic	$243								
Transition costs		-$11.3	-$3.2	$0.0	-$3.1	-$2.9	-$1.5	-$0.4	-$0.1	$0.0
Total		**-$4,072**	**-$1,946**	**$0**	**-$2,004**	**$376**	**-$960**	**$271**	**-$51**	**$0**

Table ES.7 Estimate of the social costs and benefits associated with the 4 years and 5 months to 4 years and 6 months range option, nationally and by state and territory

4 years and 5 months to 4 years and 6 months range option		Costs(-)/benefits(+) ($ million, 2004-05)								
Sector	**Sub-sector**	**National Total**	**NSW**	**Vic**	**Qld**	**SA**	**WA**	**Tas**	**NT**	**ACT**
Pre-school and child care	Formal	-$137	$0	$1	$0	-$149	$0	$11	$0	$1
	Informal - parents	$307	$0	$249	$0	-$60	$0	$100	$0	$18
	Informal - other	-$5	$0	$7	$0	-$15	$0	$3	$0	$1
Primary	Total	$398	$0	-$146	$0	$629	$0	-$71	$0	-$14
	Government	*$365*	*$0*	*-$108*	*$0*	*$542*	*$0*	*-$59*	*$0*	*-$10*
	Catholic	*-$3*	*$0*	*-$24*	*$0*	*$31*	*$0*	*-$7*	*$0*	*-$3*
	Independent	*$36*	*$0*	*-$14*	*$0*	*$57*	*$0*	*-$5*	*$0*	*-$1*
Secondary	Total	-$243	$0	-$135	$0	-$38	$0	-$58	$0	-$13
	Government	*-$151*	*$0*	*-$76*	*$0*	*-$24*	*$0*	*-$43*	*$0*	*-$9*
	Catholic	*-$44*	*$0*	*-$27*	*$0*	*-$7*	*$0*	*-$8*	*$0*	*-$3*
	Independent	*-$48*	*$0*	*-$32*	*$0*	*-$7*	*$0*	*-$7*	*$0*	*-$2*
Tertiary	VET	-$11	$0	-$7	$0	-$2	$0	-$2	$0	-$1
	University	-$56	$0	-$31	$0	-$10	$0	-$11	$0	-$4
Employment	Static	$1,662	$0	$888	$0	$320	$0	$377	$0	$77
	Dynamic	$95								
Transition costs		-$4.3	$0.0	-$1.3	$0.0	-$2.3	$0.0	-$0.6	$0.0	-$0.1
Total		**$2,007**	**$0**	**$824**	**$0**	**$674**	**$0**	**$349**	**$0**	**$65**

Table ES.8 Estimate of the social costs and benefits associated with the 4 years and 5 months to 4 years and 8 months range option, nationally and by state and territory

4 years and 5 months to 4 years and 8 months range option		Costs(-)/benefits(+) ($ million, 2004-05)								
Sector	**Sub-sector**	**National Total**	**NSW**	**Vic**	**Qld**	**SA**	**WA**	**Tas**	**NT**	**ACT**
Pre-school and child care	Formal	-$175	$0	$0	$0	-$186	$0	$11	$0	$0
	Informal - parents	$2	$0	$0	$0	-$75	$0	$77	$0	$0
	Informal - other	-$17	$0	$0	$0	-$19	$0	$2	$0	$0
Primary	Total	$660	$0	$0	$0	$715	$0	-$55	$0	$0
	Government	*$564*	*$0*	*$0*	*$0*	*$610*	*$0*	*-$45*	*$0*	*$0*
	Catholic	*$35*	*$0*	*$0*	*$0*	*$40*	*$0*	*-$6*	*$0*	*$0*
	Independent	*$61*	*$0*	*$0*	*$0*	*$65*	*$0*	*-$4*	*$0*	*$0*
Secondary	Total	-$36	$0	$0	$0	$8	$0	-$44	$0	$0
	Government	*-$28*	*$0*	*$0*	*$0*	*$5*	*$0*	*-$33*	*$0*	*$0*
	Catholic	*-$4*	*$0*	*$0*	*$0*	*$1*	*$0*	*-$6*	*$0*	*$0*
	Independent	*-$4*	*$0*	*$0*	*$0*	*$2*	*$0*	*-$5*	*$0*	*$0*
Tertiary	VET	-$1	$0	$0	$0	$0	$0	-$1	$0	$0
	University	-$6	$0	$0	$0	$2	$0	-$8	$0	$0
Employment	Static	$222	$0	$0	$0	-$68	$0	$289	$0	$0
	Dynamic	$20								
Transition costs		-$3.3	$0.0	$0.0	$0.0	-$3	$0.0	-$0.4	$0.0	$0.0
Total		**$667**	**$0**	**$0**	**$0**	**$379**	**$0**	**$271**	**$0**	**$0**

It should be noted in each of the Tables ES.4 to ES.8 above, figures shown indented in italics for the three sectors are subsets of the total of primary and secondary school costs.

School sector costs and benefits to government and parents

Table ES.9 below shows the projected school sector costs and benefits to the Australian Government, the state and territory governments and parents arising from the three 'single point' options. Costs or benefits in relation to all three funding sources are for the school sector only and do not represent costs and benefits in the pre-school and child care sector or in the tertiary or employment sectors.

Table ES.9 School sector costs and benefits over 13 years* to the Australian Government, state and territory governments and to parents from the 'single point' options

Costs (-)/benefits (+) ($ million, 2004-05)

4.5 Costs/benefits	Australian Government	State Government	Parents
New South Wales	stet	stet	stet
Victoria	-$82.1	-$223.7	-$66.4
Queensland	-$65.2	-$214.8	-$36.4
South Australia*	$11.8 ($78.5*)	$104.8 ($425.8*)	$3.0 ($36.4*)
Western Australia	-$31.8	-$115.0	-$17.8
Tasmania	-$24.9	-$100.0	-$13.9
Australian Capital Territory	-$7.8	-$24.8	-$4.6
Northern Territory	-$2.3	-$9.7	-$0.8
Net over 13 years	**-$202.3**	**-$583.3**	**-$136.9**
Net over 62 years*	**-$135.7**	**-$262.3**	**-$103.5**
*62 year benefits			

4.6 Costs/benefits	Australian Government	State Government	Parents
New South Wales	$37.2	$140.4	$22.9
Victoria	-$61.9	-$168.7	-$50.1
Queensland	stet	stet	stet
South Australia*	$22.2 ($88.8*)	$139.4 ($460.3*)	$9.1 ($42.5*)
Western Australia	stet	stet	stet
Tasmania	-$23.2	-$93.0	-$12.9
Australian Capital Territory	-$5.7	-$18.2	-$3.4
Northern Territory	stet	stet	stet
Net over 13 years	**-$31.5**	**-$0.1**	**-$34.3**
Net over 62 years*	**$35.2**	**$320.8**	**-$0.9**
*62 year benefits			

4.8 Costs/benefits	Australian Government	State Government	Parents
New South Wales	$148.0	$511.2	$94.4
Victoria	stet	stet	stet
Queensland	$133.6	$440.2	$74.6
South Australia*	$49.6 ($115.5*)	$228.8 ($549.4*)	$25.4 ($58.3*)
Western Australia	$65.3	$236.1	$36.6
Tasmania	-$17.8	-$71.4	-$9.9
Australian Capital Territory	stet	stet	stet
Northern Territory	$6.2	$26.1	$2.2
Net over 13 years	**$384.9**	**$1,371.1**	**$223.4**
Net over 62 years	**$450.7**	**$1,691.7**	**$256.3**
*62 year benefits			

It is assumed that, should either of the range options be adopted, the jurisdictions would retain current practice or, where relevant, move to the age in the range that would cause the least disruption. Figures for South Australia are presented as 13 year figures and in savings over the 62 year period of the model as the smaller Reception cohort would be a permanent effect. The 62 year figures are shown thus*. All other costs and benefits are shown over the 13 years of schooling which represents their timing.

The Table shows that, for the 4 years and 8 months option, for each source of school sector funds, there would be net social benefit or savings over the 13 years of schooling of the introductory cohort and over the life of the model. For the 4 years and 6 months option there would be net social costs over the 13 years but benefits in the long run to government. For the 4 years and 5 months option, there would be both 13 year and long term net school sector costs.

ES.10 First year (2010) schooling sector costs and benefits to the Australian Government, the state and territory governments and parents from the three 'single point' options

Costs (-)/benefits (+) ($ million, 2004-05)

4.5 First year costs/benefits	**Australian Government**	**State Government**	**Parents**
New South Wales	stet	stet	stet
Victoria	-$6.37	-$19.74	-$3.46
Queensland	-$5.16	-$19.34	-$2.24
South Australia	$1.16	$8.54	$0.75
Western Australia	-$2.48	-$10.01	-$1.19
Tasmania	-$1.85	-$8.68	-$1.22
Australian Capital Territory	-$0.57	-$2.04	-$0.36
Northern Territory	-$0.19	-$0.84	-$0.05
Net	**-$15.45**	**-$52.11**	**-$7.78**
4.6 First year costs/benefits	**Australian Government**	**State Government**	**Parents**
New South Wales	$2.91	$11.23	$1.79
Victoria	-$4.81	-$14.89	-$2.61
Queensland	stet	stet	stet
South Australia	$2.03	$11.79	$1.13
Western Australia	stet	stet	stet
Tasmania	-$1.72	-$8.07	-$1.14
Australian Capital Territory	-$0.42	-$1.49	-$0.26
Northern Territory	stet	stet	stet
Net	**-$2.00**	**-$1.44**	**-$1.08**
4.8 First year costs/benefits	**Australian Government**	**State Government**	**Parents**
New South Wales	$6.90	$40.32	$5.69
Victoria	stet	stet	stet
Queensland	$10.57	$39.65	$4.60
South Australia	$4.28	$20.17	$2.12
Western Australia	$5.09	$20.55	$2.45
Tasmania	-$1.32	-$6.20	-$0.87
Australian Capital Territory	stet	stet	stet
Northern Territory	$0.51	$2.26	$0.15
Net	**$25.21**	**$116.75**	**$14.13**

Table ES.10 above shows the first year schooling sector costs and benefits to the Australian Government, the state and territory governments, and parents from the three 'single point' options. Again, the costs and benefits shown are only for the schooling sector and do not cover costs and benefits in the pre-school and child care sector, in the tertiary sector, or from employment.

The opportunities and risks associated with the options

Where an option would lead to a younger minimum school starting age and where identification of children's potential learning difficulties did not occur prior-to-school, opportunities were perceived in the ability of schools to make early identification of students' learning needs and to establish appropriate support programmes. In particular, children from socio-economically disadvantaged communities may benefit from earlier access to targeted literacy and numeracy programmes in those states and territories where these are not provided prior to school.

Also noted was the benefit that could come to affected families by being able to move a year earlier from the generally higher cost child care sector to the lower cost schooling sector. Affected parents could benefit financially from earlier re-entry into the workforce.

In terms of risks, it was noted that any increase in the size of the introductory cohort would necessitate additional funding over the 13 years of schooling by government. This would extend to the pre-school sector in 2009 and into the training and university sectors from 2023.

The view was expressed across the sectors that a younger minimum school starting age may see some parents enrolling their children even though they may not be 'ready' for school. In a number of jurisdictions it was felt that some boys may benefit through a further year in the prior-to-school sector. Where policies did not preclude it, any increase in class sizes arising from a younger minimum school starting age was perceived as a potential risk in terms of teachers being able to identify needs and provide targeted support.

Risks were identified in relation to the level of pressure likely to be placed on infrastructure capacity where the move was toward a younger minimum school starting age. This was especially the case where the movement would be greater than one month.

Where infrastructure limitations meant that schools in the non-government sector could not accept additional enrolments, income would be foregone. Schools in the government sector may see enrolments greater than their anticipated share of the introductory cohort. There would be risks to government arising from the increased funding required as a consequence of the larger cohort.

One opportunity unique to the 4 years and 6 months option was the opportunity to make the school starting age simpler for parents. This argument was based on the idea that a school starting age aligned to either the calendar year or mid year would be easier for parents to understand. The government school sector in Western Australia, in particular, emphasised the importance of simplicity as an understanding arising from the recent Pre-Primary reform.

Where the options involved a move to an older minimum school starting age, the principal opportunities were perceived as those that may arise for government in terms of reduced funding demand. However, for schools in the non-government sector, any decrease in the size of the cohort would represent reduced income. In some instances, especially for smaller schools, issues around viability may be raised.

At the school level it was noted that opportunities for savings may not be capable of substantial realisation. Under-utilised classrooms, for example, might be put to good use but this would not necessarily translate into a financial benefit as most associated costs are fixed.

It was felt that the reduced size of the cohort could give rise to better opportunities for students to access services and be supported through specialist provision. It was also noted that an older minimum school starting age could lead to reduced competition for places in the university and training sectors. This could provide opportunities for affected individuals that may not have arisen under current circumstances.

A move to an older minimum school starting age would mean that affected children would have to remain in the prior-to-school sector for a further 12 months. This retention would involve continuing costs to families around child care and delayed re-entry to the workforce. It was noted that for families where the children were not in formal child care or pre-school arrangements, a delay in school commencement of 12 months could carry a high level of risk in terms of later schooling outcomes. Also commented on was the added pressure that would be placed on services in the prior-to-school sector, with the likelihood of increased demand for pre-school and child care places.

In relation to curriculum and pedagogy, it was felt that an older age of school commencement may lead to views developing within schools that the year before Year 1 should become a more formal schooling experience. Any diminution in play-based approaches to learning was perceived by a number of sectors as a potentially significant risk that could arise from movement toward an older age.

Risks were identified in relation to staffing. There was concern that teacher numbers would have to be reduced and that this may not always be possible using available strategies such as attrition and leave management. There could be a risk that surplus teachers would have to be retained in order to avoid reputation risks and industrial disputation.

It was felt that the impact of any reduced cohort size would be felt unevenly. Areas of low population growth and with excess capacity would be affected the most. Schools in these areas could see teacher transfers, reduced specialist subject offerings and even school closures.

The likelihood was noted that some schools in the two non-government sectors would make up the reduction in student numbers by accessing waiting lists or by making places available to students who otherwise would have enrolled in government schools. Where this occurred, there could be a risk that the size of the introductory cohort in the government sector could be smaller than anticipated.

Analysis was undertaken in relation to the range options. A view was expressed that the adoption of the range options would involve reduced dislocation at a national level while still bringing at least a discernible level of benefit. Additionally, it was noted that the imperative for commonality had been reduced by the 'Prep' reform in Queensland which will mean that, from 2007, all jurisdictions will offer 13 years of schooling.

However, the view was more frequently put that the range options would not achieve the level of commonality required to bring worthwhile benefits to Australian children and their families, to Australian schooling or the nation as a whole. The argument was mounted that if the reform is necessary, then it should be done thoroughly and completely. It was put that anything less would represent a loss of opportunity. It was also stated that, at some future point the issue may have to be re-visited.

The opportunities and risks associated with commonality

The principal identified opportunity in relation to commonality in the minimum school starting age was its significance as part of a broader approach to building greater national consistency in Australian schooling. Mention was made in particular of work around national consistency in curriculum and national approaches to student assessment. Achievement of the reform would support and complement wider national endeavour.

The analysis identified benefits that could arise for Australian children and families as they moved across state and territory borders. It was noted that differences in practice at various stages in the school education sector act as major 'hurdles' to the continuity of children's schooling. Moreover, variation in practice acts to inhibit the inter-state movement of families and parent workforce mobility.

It was felt that standardised test data could be more validly compared because, under grade based testing, children in all jurisdictions would have had the same length of exposure to formal schooling at the time of testing[8].

The major area of risk related to change management in general and to the risks that could be posed for current or planned reforms in Queensland, Western Australia and the Northern Territory. The view was expressed that the integrity of the reforms could be undermined substantially by any move away from current practice.

The Queensland and Western Australian reform experience is that the change management implications around reform in this area should not be under-estimated. Given that 2010 is now only some four years hence, and 2009 some three years, the time frame is rapidly contracting.

Nomenclature

Significant support was expressed by officers across the sectors for a common nomenclature around the early years of schooling. There is recognition that the current level of variation is confusing for families as they move from one part of Australia to another. Officers in most states and territories indicated a preparedness to change nomenclature provided the new terms reflected a contemporary philosophy of early years schooling. However, the political imperative within jurisdictions to retain current nomenclature should not be underestimated.

In general, the sectors expressed the view that the cost implications of a common nomenclature would not be substantial, provided it was limited to the two years being considered (that is, the year before Year 1 and two years before Year 1). The major cost areas were seen as relating to data bases, documentation and school signage.

While the choice of what to name the two years prior to Year 1 is contestable, two options emerge from the consultation as possible directions. One is that two new names be sought, a process that would be time consuming and probably costly. The other is to accept that few jurisdictions would have major argument with using 'pre-school' for the year two years before Year 1 and 'Preparatory' ('Prep') for the year before Year 1.

Pre-school is currently used in national documents to describe the year 2 years before Year 1, is used in four jurisdictions and is understood to be the year before school in all jurisdictions. Prep is used in three of the jurisdictions with the others divided among four different names.

Conclusion

Across the states and territories, the national perspective of the minimum school starting age and early years nomenclature shows a confusing patchwork. The implications of the patchwork are far-reaching. The key issues are surely confronting.

A structural legacy from another age strongly characterises the schooling experiences of many Australian children. For affected children, their opportunities for when they can commence school are differentiated by state or territory. For affected children, these differences act as a powerful inhibiting factor as they and their families move from one part of Australia to another. When there is increasingly a national approach to the measurement, analysis and reporting of student outcomes, such structural issues are drawn into focus.

Compounding this, there is a varied nomenclature for the early years of schooling. It is widely recognised that different terminologies contribute to parental confusion and student discontinuity in schooling.

[8] This may not be the case in Western Australia or Queensland if children whose entry to school is delayed enter at Year 1.

The cost/benefit analysis shows that the benefits for Australian schooling and the wider economy and society associated with the achievement of commonality in minimum age of school commencement are likely to be substantial and permanent. The reform would benefit generations of future Australian children over their years of schooling, potentially leading to many more Australian children completing a full 13 years of school education. It would extend into their participation in the training and university sectors and into their working lives. For several of the options, national reform around the minimum age of school commencement could represent a significant contribution to the processes of wider structural economic reform.

The analysis shows that under any of the five options for a common minimum school starting age there would be costs and benefits. Under current funding arrangements, they would impact on government, families, children, schools, child care and pre-school providers, the university and training sectors, employers and on the wider economy. The impacts would vary, determined by current jurisdictional practice and the option that may be decided upon.

The challenges involved in order to achieve commonality should not be underestimated. It would be difficult, however, to overestimate the benefits that would accrue to Australian children, families and the nation as a whole. National reform in this area holds the prospect of contributing to the strengthening of the quality of Australian schooling and to national productivity. Moreover, in relation to those options that would lead to an overall lowering of the minimum school starting age, the contributions to the economy cannot easily be dismissed.

Chapter 1: Project Overview

1.1 Project purpose and background

This Common School Starting Age Project was commissioned by the National Consistency in Curriculum Outcomes Steering Committee (NCCO) of the Australian Education Systems Officials' Committee (AESOC). The Report on the Project was prepared for the Ministerial Council on Education, Employment, Training and Youth Affairs (MCEETYA). The Project examined the national costs and benefits of five options for making the minimum school starting age consistent across Australia by 2010. The options comprised the following.

- There were three 'point options' that would provide a common national minimum school starting age of 4 years and 5 months, 4 years and 6 months or 4 years and 8 months at the start of January in the year of entry into universal schooling. These options were interpreted to mean that all schools in each state and territory would adhere to the age as a minimum school starting age policy.
- There were two 'banded' or 'range' options, *viz*: 4 years and 5 months to 4 years and 6 months or 4 years and 5 months to 4 years and 8 months. The range options were interpreted to mean that different states or territories would choose a common minimum school starting age at a point within the agreed range. It was assumed that states and territories would opt for the least costs option, the minimum school starting age closest to their present position.

It is important at the outset of the Report to note that the Project was concerned with the age at which children become eligible to attend school. Apart from in one state, this is not the same age as that by which children are required to attend school. The minimum school starting age is generally set in government sector regulation or policy. At present, such policy or regulation does not necessarily apply to non-government schools. However, the compulsory age is incorporated within legislation in all states and territories and applies equally to all schools.

The Project also examined the potential costs and issues associated with establishing national commonality in the nomenclature for the year before Year 1 and for the year prior to school. Suggestions for suitable nomenclature were also canvassed.

At this stage of the Report it is important to understand key caveats and limitations associated with the Project. Importantly, the Project did not set out to consider whether a younger or older school starting age was most appropriate educationally. The project brief was to examine the costs and benefits of each minimum school starting age option in the context of national commonality. In that sense, the educational discussion throughout the Project and the Report has been and is around the outcomes of a nationally common minimum school starting age, not whether a younger or older minimum school starting age is more educationally sound. Educational arguments around the age of school commencement, as reported in national and international literature, were examined in previous work[9] and are outside the scope of this Project.

The Project was not required, or designed, to investigate the non-economic costs or benefits of moving to a common minimum school starting age. These might include potential personal, emotional or psychological costs or benefits to children of an earlier or later school starting age or changed family time with children, for example. Indeed, broader implications which might have an economic cost or benefit such as the potential effect on family planning decisions were not included in the Project methodology.

[9] Position paper on common school starting age and common nomenclature. Erebus International, February 2004, for the Ministerial Council on Education, Employment, Training and Youth Affairs.

Likewise, the Project sought to understand and project, on the basis of a range of salient assumptions, what the impacts of each of the options would most likely be. It was necessary to make assumptions throughout the Project either because data were not available or because it was not possible to predict particular reactions to the changes.

It was also important to limit the scope of the Project by relying on recent previous work such as the Treasury Intergenerational Report[10] that modelled especially macro social and economic effects. While changes to the assumptions underlying this recent work may be underway in some elements, both the time frame and cost/benefit associated with adding such changes was seen as prohibitive. As with all modelling exercise, this was a Project to provide guidance rather than definitive analysis.

1.2 Project brief

The requirement for the Project was to undertake a full analysis of the costs, benefits, risks and opportunities for each state and territory of the proposed changes to school starting ages and a common nomenclature for the two years prior to the present Year 1. The Project was required to be thorough, empirically rigorous and nationally credible. A comprehensive approach to data gathering, with the compilation of consistent data across the jurisdictions, was required to ensure the correct data were provided for the analysis.

The Project was asked to consider the impacts of the different options for a range of services (child care and pre-school education providers, schools, post-secondary education providers) as follows:

(a) short term (the immediate impact of changes in cohort size for schools, child care and pre-school education providers);

(b) medium term (impact felt as the first cohort progresses through primary school to high school, as well as impact on subsequent cohorts);

(c) longer term (impact on school completion, tertiary education commencements and transition into the labour market).

The cost/benefit and risk analysis was also required to take account of:

(a) benefits of proposed changes to school starting age
(b) impact of changes in school cohort size over time
(c) impact on the range and continuum of child care and education services
(d) impact of child care services and pre-school education
(e) impact on the government and non-government school sectors
(f) impact on the different roles and funding of primary and secondary schools
(g) impact on staffing
(h) impact on infrastructure
(i) impact on school curriculum
(j) impact on nomenclature for the early years
(k) impact on policy and legislation covering school starting/leaving ages
(l) impact for families
(m) impact on Indigenous students and students with special needs
(n) impact on school completion, tertiary entrance and entry to the workforce.

The Project was specifically charged with examining rather than advocating any of the various options and their associated costs and benefits. Conclusions drawn were to stem from the model, the data and the consultation.

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[10] Department of Treasury (2002), *Intergenerational Report*, Budget Paper No. 5, 2002.

1.3 Project methodology

The consortium developed and implemented a methodology consisting of data-gathering and analysis through the following approaches.

1. Extensive consultation in each jurisdiction to establish the key issues and areas to be addressed in the analysis. This involved face-to-face visits to each jurisdiction, firstly to gather information from strategic leaders and stakeholders and secondly to gather detailed working data from operational personnel, within the systems and sectors and across other stakeholder groups including government agencies responsible for early childhood in each jurisdiction. Further consultation was held in each sector as the analysis and sectoral reports emerged. Final consultation sought agreement by the sectors with their section of the Report.
2. An approach to risk analysis and management based on the Australian/New Zealand Standard for Risk Management (AS/NZS 4360: 2004). The approach provided rigorous risk identification and analysis leading to a detailed understanding of the risks faced by each key stakeholder group in each jurisdiction. During this process, focus groups were held with education authorities and children's services representatives in all jurisdictions. These focused on the potential impacts of changes to the minimum school starting age to children, parents, teachers, schools, education authorities, child care services and pre-schools. Relevant risk/opportunity profiles were provided to each sector for feedback, modification and agreement.
3. A cost/benefit modelling approach developed from national data sets held by the Australian Government Department of Education, Science and Training, the Australian Bureau of Statistics and relevant government departments, most prominently the Department of Family and Community Services. A national social cost/benefit model was developed incorporating the five starting age options within each of the eight jurisdictions, for each sector including the early childhood sector and post school sectors.
4. The integration of the risk analysis and the cost/benefit modelling to identify a range of options for, and impacts and implications of the introduction of a common school starting age and associated nomenclature by the target date.

1.4 The current situation

At present, there is a range of positions in relation to minimum school[11] starting ages across the Australian education systems and sectors. In addition to the range of positions, there is also variation in practice and interpretation around the nexus between the minimum school starting age and the legislated age by which a child must enter school. Parents tend to choose either a 'prompt' (as soon as eligible) or 'late' start (a delay of one year after initial eligibility) for their children.

This parental choice is influenced by such elements as their view about their child's 'readiness', their view about the likely impact of formal education on the well-being of their child, the relative age of their child in the class, and their own economic circumstances. Parents may even consider their child's probable level of maturity when transitioning to high school or to work or further education.

Enrolment approaches vary among the states and territories. Prior-to-school provision and level of access shows considerable inconsistency among states and territories. Nomenclature around the early years also shows a patchwork of names, with similar words having different meanings in different states and territories.

[11] Throughout the Report, school is defined as commencing the year before Year 1.

In all states and territories, government school sectors have regulations that establish a minimum school starting age. All schools in the sector are required to adhere to the policy, although, in all cases, there is some flexibility to adjust the policy to address the learning needs of particular children. Children who have special learning needs, children who are gifted and children from groups deemed to potentially gain from earlier entry to schooling are often subject to exemption. Indigenous students fall into this group.

In some instances, most notably in the independent school sector, individual schools set their own policy in relation to minimum school starting age. In most Catholic school sectors there is a common state or territory wide policy with regard to a minimum school starting age. However, in New South Wales, the eleven dioceses set their own policy and in some cases allow schools to establish practice that suits their community.

For general recurrent grants to be paid by the Australian Government for students enrolling for the first year of school, the child must be at least 4 years of age as of January 1 and must be intending to go on to Year 1 in the following year. This tends to put a lower limit on the minimum school starting age.

Table 1.1 Summary of the position prior to 2010

State or territory	Minimum age	Age in the year before Year 1	Compulsory age	Nomenclature year before school	Nomenclature year before Year 1
NSW	4.5	Turn 5 by 31 July	Year in which children turn 6	Pre-school	Kindergarten
QLD	4.6	By 2007, turn 5 by 30 June	Year in which children turn 6.6[12]	Kindergarten/Pre-school	Preparatory
VIC	4.8	Turn 5 by 30 April	Year in which children turn 6	Kindergarten	Preparatory
WA	4.6	Turn 5 by 30 June	Year in which children turn 6.6	Kindergarten	Pre-Primary
SA	4.5	Continuous entry in the term after 5th birthday	Year in which children turn 6	Kindergarten	Reception
TAS	5.0	Turn 5 by 1 January	Year after turning 5	Kindergarten	Preparatory
ACT	4.8	Turn 5 by 30 April	Year in which children turn 6	Pre-school	Kindergarten
NT	4.6	By 2006, turn 5 by 30 June	Year in which children turn 6	Pre-school	Transition

Table 1.1 above provides an overview of the national situation that will most likely be in place immediately prior to 2010. While not yet the case, by 2010, all states and territories will offer thirteen full years of universal schooling. It should be noted, however, that the interpretation of legislation varies among jurisdictions, resulting in different practices.

In most jurisdictions, children enter school at the commencement of the school year. Only in the Northern Territory and South Australia is there more than one intake per year. The Northern Territory is moving to implement a single start of year intake, most likely commencing in 2006.

In terms of the compulsory age by which a child must be enrolled, most states require children to be in school once they have turned 6 years of age. Only in Tasmania is the compulsory age set at 5 years of age, the same age as the minimum school starting age.

[12] Subject to further consultation and finalisation of the legislative process.

However, the wording of the Tasmanian legislation means children enter school in the year after turning 5 years of age. Thus they could be almost 6 years of age at January 1.

Western Australia and Queensland have the oldest compulsory age, requiring children to enrol in school at the start of the year in which they will turn 6 years and 6 months[13]. However, there are issues around practice in relation to the compulsory age that make interpretation in Western Australia and Queensland different from other states. These are the two jurisdictions within which there have been recent reforms to introduce a thirteenth year of universal schooling.

In most states and territories, interpretation of the legislation around the compulsory age refers to entry to school at the level of the year before Year 1. This means there is a wide age range in the cohort, up to 18 months, but that all children receive 13 years of schooling.

However, in Western Australia and Queensland, there is a tendency to keep children in their age related group, with an age range of twelve months in a cohort. In these states, it is general practice for older children who have not commenced schooling when first eligible to go directly to Year 1 upon entry to school. This means that the older children who have had their entry to school delayed receive 12 rather than 13 years of schooling.

One of the arguments for keeping late entry children with their age cohort is that it will avoid the disruption and costs caused by the potential need to repeat a school year. Another is that it is educationally sound to have a homogeneous class group. There are no available data in any jurisdiction to indicate the proportion of 'young' children who need to repeat a year. However, there is consideration in Queensland of moving to change the legislation around the compulsory age of school entry to ensure that older children enter at the year level of their age cohort.

In most jurisdictions, the difference between the minimum school starting age and the compulsory age means that parents have an age range within which to decide whether or not to enrol their children. This age range tends to address the issue of whether children who would be at the younger end of the cohort (i.e. those born before the cut-off date for enrolment in each state/territory) should start school later or earlier. It allows for differences in readiness while still providing each child with 13 years of schooling. In Western Australia and Queensland, however, the tendency to place 'late starters' into Year 1 would not provide parents with this choice, without the consequence of their children having one year less of schooling.

There is considerable evidence across the jurisdictions about diametrically opposed parental views in relation to the most appropriate age of first enrolment at school. In the two larger eastern states in particular, there are data to indicate substantial 'delay' in enrolment of young children. This delay element, or 'late starter effect', tends to be stronger the closer children's birthdays are to the cut-off date. It would appear that few parents want their children to be the youngest in their class.

On the other hand, there is a strong tendency for some parents to enrol their children as soon as they are eligible. This 'prompt starter effect' can be seen particularly in Western Australia where sessional pre-school has recently been replaced by a full time Pre-Primary year. It may be that the tendency to place late starters into Year 1 without the advantage of a Pre-Primary year may encourage parents to start their children at the earliest opportunity. A similar effect is likely in Queensland from 2007.

Tasmania provides yet another variation with regard to the nexus between minimum school starting age, the compulsory age and delay. From 2004 in Tasmania, the minimum school starting age and the compulsory age have been the same, thus not allowing delayed entry. However, data gathered prior to 2004, when the minimum school starting

[13] In Queensland, this will be subject to further consultation and finalisation of the legislative process.

age and the compulsory age allowed for delay, show that the great majority of children enrolled in Prep when first eligible. While this could provide evidence that the culture in Tasmania promotes early entry, there are no data that indicate what the delay factors may be for children younger than 5 years of age.

In relation to provision of and access to educational services in the years before school, there is significant variation across the jurisdictions. In South Australia, Western Australia, Australian Capital Territory, Northern Territory and Tasmania, there is almost universal engagement with state government provided or supported 'pre-school', referred to in some states as kindergarten. In the other states, the provision of pre-school services is shared among systems and sectors, community and private providers. While there is usually considerable state government input and strong regulation, there is variation across the jurisdictions in the levels of and access to this provision.

The child care sector is represented by long day care centres that are provided by community, corporate or private providers. Regulated family day care is a feature of most jurisdictions. Out-of-school-hours care and vacation care are provided for school children in most jurisdictions. The Australian Government Child Care Benefit and Child Care Tax Rebate are used in registered child care operations to ameliorate the burden for parents of fees for children up to 6 years of age. In general, there is strong regulation in this sector although, once again, there is considerable inconsistency among jurisdictions.

There is considerable variation among states and territories in the proportion of children who engage with some form of formal prior-to-school care. In some states, up to 20 per cent of children have only parental, other family- or friend-provided informal care. In some areas within states and territories, up to 50 per cent of children appear not to participate in any type of formal prior-to-school provision.

In terms of nomenclature, the year before Year 1 is currently called Preparatory (Victoria, Queensland, Tasmania), Kindergarten (New South Wales, Australian Capital Territory), Reception (South Australia), Transition (Northern Territory) and Pre-primary (Western Australia).

Sessional education programmes provided in the year before school are referred to as kindergarten (South Australia, Tasmania, Western Australia, Victoria) or pre-school (New South Wales, Queensland, Northern Territory, Australian Capital Territory). In national publications, the term pre-school is used to describe this year and appears widely understood across the states and territories. Some schools in the independent sector call these sessional classes 'prep'.

In some states and territories, pre-school and kindergarten are used interchangeably. In some states and territories, the same word is used to mean up to three different things. In addition, 'early learning centres' is a term gaining increased usage in the non-government sector as a broad descriptor of prior-to-school provision, covering both child care and pre-school.

1.5 The educational issues

The research paper (*Erebus International, 2004*) prepared prior to this Project considered the educational issues in relation to school starting age. The paper concluded that there was no compelling evidence for any particular school starting age. What was found to be critical was the appropriateness of the school curriculum and the pedagogy to support a range of learning for children who come to school with a variety of backgrounds, experiences and knowledge about how to learn.

The arguments for an older school starting age revolve around the formal/informal learning nexus. In this view, school is considered to be formal, to require particular types of attention and participation and to foster conformity, abstraction and organisation of knowledge. Proponents of an older school starting age see the play-based informal prior-

to-school learning environment as providing holistic, personal and meaningful knowledge construction. In turn, this learning fosters the development of creativity, intuition, humour and imagination. All of these are seen to require early development without being displaced by the rationalist strength of subject organisation, rigour and content, with well established and agreed outcomes.

The arguments for a younger engagement with schooling revolve around the view that school is the best place to connect with particular aspects of learning. Some would suggest that connection with a socially developed body of skills and understandings is essential for growth in self and in society. The sooner this connection takes place, the better will be the learning outcomes. Other arguments suggest that children may develop inappropriate approaches to learning, acquired through informal, unchecked and often unstimulating and narrow situations prior to school. In this view, the earlier these are corrected the better.

However, a third view has emerged which tends to underpin approaches to school starting age across the jurisdictions. This view would have the curriculum and the pedagogy in the early years of schooling adjusted to incorporate all of the richness of the play-based learning environment in a well structured, caring and supportive approach that nurtures growth in depth, breadth and interconnection of learning. This is the view that has accompanied much of the curriculum development in the Australian educational jurisdictions throughout recent years.

This view is not necessarily age related. It recognises that learning is best facilitated by understanding how each child interacts with the world to gain knowledge and understanding and what it is that interests them. Connection and engagement are critical in this view. The approach melds formal learning area understandings with personalised application, supporting social, emotional and cognitive growth to fashion a growing web of life meaning and knowledge for each child.

Pertinent in this context is the professional learning that has accompanied curriculum implementation in most jurisdictions during the last few years. Much of the curriculum has moved away from singular notions of linear progression in subject learning. In some cases, there have been moves away from early child developmental concepts with recognition that each child develops understandings and knowledge in unique ways and through different pathways.

The focus within this approach tends to be more on the construction of learning, an individual matter enriched in a social and authentic context. Subjects, rationality and content have become melded with understanding of personal and social meaning. While standards of outcome are a feature of most curricula, the organising frame has moved to essential learnings or cross-curriculum outcomes that address subject boundaries and integrate learning in authentic and personal application.

The pedagogical approach associated with this form of curriculum provides children with a combination of explicit teaching, exploration and application. It does so in a rich, active and creative environment, supporting all to achieve and grow. While still recognising the value of organisation of learning into well established areas of thought and process, the focus of this approach is also on the interaction among those areas. In this approach, there is little issue about the age of engagement. Concepts such as age are replaced by building pedagogy around a deep knowledge of each child and of their learning needs.

As mentioned above, the evidence provided to this Project indicates that this view tends to support the approach of most jurisdictions to school starting ages. None of the jurisdictions appears to present a particular educational case regarding an older or younger starting age to defend their approaches. There are leanings in various jurisdictions to either an older or younger age than 5 years of age, with 5 years of age as the locus. However, these leanings appear more influenced by parental and social perceptions than by educational positions. They tend to align with the particular end of

the starting age spectrum that has been established in the jurisdiction, while recognising that a few months either side of each other is relatively insignificant.

It must be recognised in this context that, apart from Tasmania, the minimum school starting ages as at January 1 of the year of commencement are within three months of each other. At the same time, however, the jurisdictions, again apart from Tasmania, allow for parental choice between the minimum school starting age and the compulsory age. This choice recognises that there is no one right educational answer to what is the correct age of school entry.

Thus, resorting to one contestable educational argument or another around age of entry is no basis for any movement in the minimum school starting age across jurisdictions in the country. Curricula and pedagogies are designed to address the varying circumstances and backgrounds of all children who enrol at school. The wide range of ages of entry in any one jurisdiction makes this imperative.

Rather, the educational argument for a move in minimum school starting ages must relate to national consistency, not to age. It is obvious that, for the 80,000 or so student movements every year across state or territory borders, differences in arrangements around starting ages can create barriers. Many of these 80,000 moves represent children who have moved several times over their years of schooling. Moreover, for the myriad of additional children who move across sectors within states and territories where arrangements differ, similar barriers may affect progress in schooling.

There is some evidence, especially in Queensland research, that, for children moving between the eastern states, the differences in starting ages impact negatively on progress. These are the states where the minimum school starting ages represent each of the three 'point' options. This is supported by largely anecdotal evidence from defence services liaison personnel who report difficulties for children and their parents in moving across jurisdictions with different minimum school starting ages.

Issues around esteem, especially where children have had fewer years of schooling at test points, are sometimes seen to translate into school difficulties. Similarly, issues associated with skipping or repeating years of schooling may emerge. Data about students who transfer between jurisdictions is often confusing because of differences in nomenclature and the outcome levels associated with their previous years of schooling.

These difficulties range across many aspects of school progress, including personal growth as well as learning success. They can manifest themselves in disengagement, in lack of connection to school purpose and to dropping out or disillusionment. For some children, they can result in delayed entry to the workforce or a shorter working life, with consequent reduction in long term income.

Admittedly, there are many other significant national barriers in school education, including the nexus between primary and secondary schooling and the inconsistencies in learning outcomes across jurisdictions. The educational case for national consistency in minimum school starting age and nomenclature should be perceived as part of a broader suite of arguments around national consistency in schooling.

Removing the barriers around minimum school starting age and nomenclature associated with the early years of schooling is designed to address some of the issues that will enable national consistency to be achieved across a broad spectrum. A move in this direction, while one part of a bigger picture, is generally viewed across the educational jurisdictions as a move in the right direction in terms of potential educational progress for all students.

1.6 Brief overview of the cost/benefit findings

The overview of the economic or 'social' findings from the nationally comparable cost/benefit analysis are summarised below. The findings are provided here for Australia as a whole. More detail on the findings at the national level can be found in the following

chapters of this Volume. Volume 2 provides a collection of reports, one for each state and territory, detailing the potential outcomes overall, against the Terms of Reference for the Project, and by sector.

The major influence on the results in the cost/benefit analysis is the estimated impact on the size of the cohort entering universal schooling in 2010 as a result of each of the options. Positive cohort impacts imply greater expenditure on education. They also imply greater benefits from earlier workforce participation of affected children and their parents. Negative cohort impacts have the opposite effect.

Table 1.2.1 Size of the cohort impacts for each option (with full South Australia impact)

Number of students

	National*	NSW	Vic	Qld	SA*	WA	Tas	NT	ACT
Option 4.5	7,189	0	4,701	3,984	-5,549	1,957	1,587	99	410
Option 4.6	-3,070	-2,256	3,545	0	-6,135	0	1,475	0	301
Option 4.8	-27,447	-8,478	0	-8,166	-7,650	-4,018	1,133	-268	0
Option 4.5 - 4.6	-814	0	3,545	0	-6,135	0	1,475	0	301
Option 4.5 - 4.8	-6,517	0	0	0	-7,650	0	1,133	0	0

* Includes impact on 'normal' introductory cohort and permanent impact with students completing only one year of Reception. These cohort figures are those included in the national model.

Table 1.2.2 Size of the cohort impacts for each option (with impact on 'normal' cohort for South Australia)

Number of students

	National**	NSW	Vic	Qld	SA**	WA	Tas	NT	ACT
Option 4.5	14,575	0	4,701	3,984	1,837	1,957	1,587	99	410
Option 4.6	4,315	-2,256	3,545	0	1,251	0	1,475	0	301
Option 4.8	-20,061	-8,478	0	-8,166	-264	-4,018	1,133	-268	0
Option 4.5 - 4.6	6,572	0	3,545	0	1,251	0	1,475	0	301
Option 4.5 - 4.8	869	0	0	0	-264	0	1,133	0	0

** Includes only the impact on the 'normal' introductory cohort. The impact of the completion of Reception in the following year has been removed.

Tables 1.2.1 and 1.2.2 include different two presentations of South Australian cohort impact data, each flowing through to a different impact on the national totals.

A change to a nationally common minimum school starting age, with the offer to parents of a start of year entry, would impact in two ways in South Australia. It would reduce the number of children who enter Reception during the year and who do a further full year of Reception in the following year. It would also either increase or decrease the size of the introductory 'normal' cohort, depending on the option chosen.

These two impacts combined are shown in Table 1.2.1. That is, the impact of the permanent decline in the number of children completing Reception in the following year has been added to the impact on the normal cohort over the 13 years of schooling. These cohort figures have been incorporated into the national model used throughout the Project.

On the other hand, Table 1.2.2 shows only the 'normal' cohort impact. Because the figures for all other states and territories in the Table show the impact on the 'normal' cohort, a Table showing the comparative impact for South Australia was deemed appropriate.

Other than for Tasmania, there is a gap between the minimum school starting age and the compulsory or maximum school starting age. This gap allows the entry of some children into universal schooling to be delayed beyond the time when they are initially eligible to start school. This is particularly the case for children whose birthday is close to the cut-off date for school enrolment, for example, children with July birthdays in New South Wales.

The estimated cohort impacts in the nationally comparable model assume that this 'late starter' phenomenon will continue. This has the effect of reducing the costs and the benefits calculated for each option.

However, because there is evidence in Western Australia and Queensland for very limited delay, these two states have been modelled without the 'late starter' delay effect (see Appendix G in Volume 3 of the Report). The main reason for very limited delay in these states appears to be the policy of placing late starters into Year 1, thus having them miss a year of schooling.

Although Tasmania currently has no late starters, it is likely that, with younger children becoming eligible for school entry, a late starter effect will emerge. Much will depend on the nexus between compulsory age and minimum school starting age, and the policy of placement for children whose entry is delayed. Assuming the compulsory age remains where it is and that children who are delayed are placed into Prep, delay will most likely emerge. Thus, in the national model, figures for Tasmania reflect the national pattern of delay. In the State chapter for Tasmania, both the national delay and zero delay figures are shown.

In modelling the broad-banded or range options, it was assumed that each jurisdiction would only change its school starting age if required to, so as to bring that jurisdiction within the band. In addition, should such a change be necessary, it was assumed that the smallest required change would occur. While these assumptions may not play out in practice, they serve to provide a common baseline against which jurisdictional management decisions can be made.

The results of the cost/benefit analysis are summarised in Table 1.3 below. The point estimates presented in Table 1.3 are in terms of 2004-05 dollars and represent the 'net present value' (NPV) of the future flow of social benefits and social costs by sector, out to the year 2072. Positive estimates indicate social benefits. Negative estimates indicate social costs.

The rows in Table 1.3 generally follow the progression of children through the pre-school and child care sector, including formal care such as child care centres and informal care such as by parents and grandparents. They then flow broadly to primary schooling, secondary schooling, tertiary education, if any, and finally employment and, eventually, retirement.

As with all Tables in this Report, prior-to-school child care figures are calculated on the basis of a permanent change. However, pre-school figures are only for 2009. Apart from South Australia, vacation care and outside school hours care figures cover only the period while the affected children are in primary school. In South Australia, the impact of significantly fewer children doing a further year in Reception would be permanent so the model incorporates the impact on vacation care and outside school hours care over the full period from 2010 to 2072

Table 1.3 National 'social' costs and benefits[14] associated with each of the options

Comparison of the options		Costs(-)/benefits(+) ($ million, 2004-05)				
Sector	**Sub-sector**	**4.5**	**4.6**	**4.8**	**4.5 – 4.6**	**4.5 – 4.8**
Pre-school and child care	Formal	$80	-$219	-$377	-$137	-$175
	Informal – parents	$394	$264	-$1,322	$307	$2
	Informal – other	$12	-$9	-$58	-$5	-$17
Primary	Total	$0	$502	$1,686	$398	$660
	Government	*$48*	*$445*	*$1,376*	*$365*	*$564*
	Catholic	*-$51*	*$11*	*$161*	*-$3*	*$35*
	Independent	*$2*	*$46*	*$149*	*$36*	*$61*
Secondary	Total	-$501	-$147	$713	-$243	-$36
	Government	*-$315*	*-$79*	*$471*	*-$151*	*-$28*
	Catholic	*-$88*	*-$30*	*$122*	*-$44*	*-$4*
	Independent	*-$98*	*-$39*	*$120*	*-$48*	*-$4*
Tertiary	VET	-$23	-$7	$31	-$11	-$1
	University	-$122	-$37	$165	-$56	-$6
Employment	Static	$3,710	$1,086	-$5,141	$1,662	$222
	Dynamic	$243	$243	$243	$95	$20
Transition costs		-$7	-$5	-$11	-$4	-$3
Total		**$3,786**	**$1,670**	**-$4,072**	**$2,007**	**$667**

School figures are calculated over the 13 years of schooling apart from for South Australia where some elements of the change to the schooling sector Reception cohort would be permanent. South Australia effects are modelled to 2072.

VET and university figures are calculated from 2021 to 2030. Employment effects are calculated up to 2072. Transition effects are calculated on a one-off *pro-rata* basis referenced to the size of the cohort change.

The summing over different years is enabled with the use of discount rates. The estimates relate to total or *social* costs and benefits, that is, those applying to the nation as a whole. These social costs and benefits represent a much broader concept than *private* costs and benefits that would apply to individuals. Social costs and benefits to the nation may be private benefits or costs to groups or individuals within the nation. For example, government savings in child care sector subsidies may be a loss of income for child care providers.

From a national perspective, the most important impact contributing to the results of any of the options is the 'static employment' effect. With the exception of the 4 years and 8 months option, and discounting the impact of the curtailment of rolling entry of young children in South Australia, each of the options has the effect of bringing forward the national average minimum school starting age.

An earlier school starting age means an earlier school leaving age. With a given retirement age, an earlier school leaving age means longer working lives of one year for affected children, which has major economic benefits for them and the economy as a whole. Moreover, earlier entry to school frees-up affected parents to re-enter the workforce or take up income imputed leisure time one year earlier than under current arrangements.

These costs and benefits have been modelled over the school and working lives of the individuals enrolling in school in 2010 and for subsequent cohorts up to 2072. However,

[14] In this table social costs and benefits are not attributed to any funding source. They represent the overall expenditure impact on the sectors, not who pays the costs or who accumulates the benefits.

the effects would continue while the agreed minimum school starting age policy was in place.

For all options other than the 4 years and 8 months option, an earlier school starting age also means, in relation to affected children, that there would be less need for prior-to-school child care of both a formal and informal nature. Expenditure in these areas could be reduced, with benefits for the economy in freeing-up these resources for alternative uses.

Thus, reductions in expenditure on this sector become benefits in the Table. That many of the prior-to-school aspects show as costs for all options other than the 4 years and 5 months option, especially in the formal sector, reflects the influence of the curtailment of rolling enrolments and completion of more than one year of Reception for many South Australian children. Many of these children would have to remain in the child care sector for a further year.

From the schooling sector perspective, the increased introductory school cohort associated with any option other than the 4 years and 8 months option[15] would drive up formal school education costs at a loss to society, although the impact may well have private benefits for providers. That primary school savings occur for all options reflects the contribution that would be made by South Australia if rolling enrolments and the completion of more than one full year of Reception were to cease.

Transition costs are associated with the administration of change in systems and sectors. They include an estimate of temporary costs – such as public education campaigns – involved in moving within the sector to a new minimum school starting age.

The model incorporates transition costs based on a 'per student affected' notion. It is based on consultations across the jurisdictions but confirmed by estimates provided by those states that have recently undertaken structural change. The transition costs built into the model are equal to change in student numbers x $380. The $380 vas derived by dividing the amount estimated for administration of the recent Western Australian change by the number of students affected. This amount was then extrapolated to other jurisdictions. So, for example, in the model, a move in Victoria to the 4 years and 6 month option would cost Victoria 3,545 x $380 = $1,347,000 in administrative funding.

Each type of impact has a distinct onset and duration as follows.

- Formal prior-to-school child care impacts are *immediate* (that is they apply from 2010) and *permanent*.
- The impacts on pre-school are *immediate* (that is they apply from 2009) and *one off*.
- Vacation care and outside school hours care impacts are immediate (that is they apply from 2010) and generally occur while the affected children are in primary school (to 2017 or 2018 depending on the jurisdiction).
- The primary school impacts are also *immediate* (that is they apply from 2010), but '*short term'* (they are all over by 2018).
- For South Australia, much of the Reception year impact in the child care and school sectors would be *immediate* (that is they apply from 2010) and *permanent*.
- The secondary school impacts begin in 2017 (New South Wales, Victoria, Tasmania, the Australian Capital Territory) and 2018 (the rest of the country) and are also *short term,* up to 2022.

[15] … and discounting the impact of the curtailment of completion of a further year of Reception in South Australia

- The tertiary sector impacts are further *delayed* and *short term*. They occur from 2021 to 2030. They are also likely to be quite minor because the increased numbers of students passing through the tertiary system would be reduced by the possibilities of an intervening 'gap year' or an extended workforce experience. The smaller or more spread out the increased introductory cohort impact is, the lower the likely cost burden is.
- For children, the static labour force impacts are *delayed* and *permanent*. For affected parents, the impacts are *immediate* and *permanent*.
- The dynamic labour force impacts resulting from better education outcomes are both *delayed* and *permanent*. Initially the benefits will be small because those students benefiting from a more integrated national education system would comprise a tiny part of the workforce. Eventually all of the workforce would have been educated under the nationally consistent system, which is when the benefits would be greatest.

Quantification of the following impacts has not been attempted.

- The likely benefits of common school starting ages to parents from being able to move interstate without reference to perceived obstacles to their children's education. This includes the benefits to parents of being able to better respond to employment opportunities and opportunities for career advancement.
- The likely benefits of common school starting ages for children who bear the 'psychological costs' of separation from their parents because their parent(s) cross borders for career reasons and the child stays behind in an education system that they are comfortable with.
- The possible 'psychological costs' incurred by children because of a reduced period of (school-free and work-free) childhood and loss of family time resulting from earlier school starting ages that occur under all but one of the options. The argument could of course cut the other way: that there are psychological benefits in children moving earlier to a stimulating school environment.
- The possible personal, social and economic costs of student disengagement from schooling as a result of starting earlier. This argument too could cut the other way for those children who become engaged with life pathways through schooling.
- Potential impacts and economic costs or benefits of an earlier school starting age on family planning decisions.

In terms of the national 'social' costs and benefits, there is a clear ranking of the options from best to worst as follows.

1. the 4 years and 5 months option
2. the 4 years and 5 months to 4 years and 6 months range option
3. the 4 years and 6 months option
4. the 4 years and 5 months to 4 years and 8 months range option
5. the 4 years and 8 months option.

This ranking of the options is robust to a range of alternative assumptions concerning choice of discount rate, price, cost and funding splits. However, it is a ranking based only on 'social' costs and benefits as measured in money terms. It does not take account of the risks and opportunities associated with the options. Nor does it fully reflect the impact of costs attributable to or the preferred positions of any of the educational jurisdictions, including the Australian Government.

1.7 School sector costs and benefits

In terms of costs and benefits associated with their funding sources, Table 1.4 provides a substantial part of the picture for the school education sector. For the Australian Government, school sector costs arise through funding agreements with the government and Catholic school sectors and with individual schools in the independent sector. State and territory governments incur costs through direct funding of government school systems and through recurrent grants to non-government schools. Costs to parents arise through the payment of fees (including voluntary contributions in the government sector) and in some cases contributions to capital funds.

Table 1.4 below presents 13 year[16] costs and benefits that would result from each of the point options. All costs are for the school sector only. It should be noted that, in most cases, the costs and benefits relate only to the introductory cohort as it moves through schooling, from 2010 to 2022.

The exception is South Australia where the savings associated with a change from 'rolling enrolments' and completion by many children of more than one year of Reception would be permanent. From 2010 to 2022, South Australia would have a small increase above a 'normal' cohort through implementation of either the 4 years and 5 months option or the 4 years and 6 months option. The 4 years and 8 months option would result in a small decrease from the 'normal' cohort size.

This school sector impact would be strongly dwarfed by the substantial savings associated with the reduction in the incidence of completion of Reception in a second year. In the case of South Australia, the effects are modelled to 2072 when the introductory cohort would be expected to leave the workforce. However, these effects would be permanent beyond the period of the model.

For South Australia, costs and benefits associated with the 13 years of schooling are shown in Table 1.4. So too are savings over the 62 years of the model. These savings are shown in Table 1.4 with an asterisk*. The benefits gained from curtailment of the completion of a second year in Reception for relatively young children would be permanent.

[16] And in the case of South Australia, 62 year.

Table 1.4 Thirteen year schooling sector costs and benefits to the Australian Government, the state and territory governments and parents from the three 'single point' options

Costs (-)/benefits (+) ($ million, 2004-05)

4.5 Costs/benefits	Australian Government	State Government	Parents
New South Wales	stet	stet	stet
Victoria	-$82.1	-$223.7	-$66.4
Queensland	-$65.2	-$214.8	-$36.4
South Australia*	$11.8 ($78.5*)	$104.8 ($425.8*)	$3.0 ($36.4*)
Western Australia	-$31.8	-$115.0	-$17.8
Tasmania	-$24.9	-$100.0	-$13.9
Australian Capital Territory	-$7.8	-$24.8	-$4.6
Northern Territory	-$2.3	-$9.7	-$0.8
Net over 13 years	**-$202.3**	**-$583.3**	**-$136.9**
Net over 62 years*	**-$135.7**	**-$262.3**	**-$103.5**
*62 year benefits			

4.6 Costs/benefits	Australian Government	State Government	Parents
New South Wales	$37.2	$140.4	$22.9
Victoria	-$61.9	-$168.7	-$50.1
Queensland	stet	stet	stet
South Australia*	$22.2 ($88.8*)	$139.4 ($460.3*)	$9.1 ($42.5*)
Western Australia	stet	stet	stet
Tasmania	-$23.2	-$93.0	-$12.9
Australian Capital Territory	-$5.7	-$18.2	-$3.4
Northern Territory	stet	stet	stet
Net over 13 years	**-$31.5**	**-$0.1**	**-$34.3**
Net over 62 years*	**$35.2**	**$320.8**	**-$0.9**
*62 year benefits			

4.8 Costs/benefits	Australian Government	State Government	Parents
New South Wales	$148.0	$511.2	$94.4
Victoria	stet	stet	stet
Queensland	$133.6	$440.2	$74.6
South Australia*	$49.6 ($115.5*)	$228.8 ($549.4*)	$25.4 ($58.3*)
Western Australia	$65.3	$236.1	$36.6
Tasmania	-$17.8	-$71.4	-$9.9
Australian Capital Territory	stet	stet	stet
Northern Territory	$6.2	$26.1	$2.2
Net over 13 years	**$384.9**	**$1,371.1**	**$223.4**
Net over 62 years	**$450.7**	**$1,691.7**	**$256.3**
*62 year benefits			

Table 1.5 shows the first year schooling sector costs and benefits to the Australian Government, the state and territory governments and parents from the three 'single point' options.

Table 1.5 First year (2010) schooling sector costs and benefits to the Australian Government, the state and territory governments and parents from the three 'single point' options

Costs (-)/benefits (+) ($ million, 2004-05)

4.5 First year costs/benefits	**Australian Government**	**State Government**	**Parents**
New South Wales	stet	stet	stet
Victoria	-$6.37	-$19.74	-$3.46
Queensland	-$5.16	-$19.34	-$2.24
South Australia	$1.16	$8.54	$0.75
Western Australia	-$2.48	-$10.01	-$1.19
Tasmania	-$1.85	-$8.68	-$1.22
Australian Capital Territory	-$0.57	-$2.04	-$0.36
Northern Territory	-$0.19	-$0.84	-$0.05
Net	**-$15.45**	**-$52.11**	**-$7.78**
4.6 First year costs/benefits	**Australian Government**	**State Government**	**Parents**
New South Wales	$2.91	$11.23	$1.79
Victoria	-$4.81	-$14.89	-$2.61
Queensland	stet	stet	stet
South Australia	$2.03	$11.79	$1.13
Western Australia	stet	stet	stet
Tasmania	-$1.72	-$8.07	-$1.14
Australian Capital Territory	-$0.42	-$1.49	-$0.26
Northern Territory	stet	stet	stet
Net	**-$2.00**	**-$1.44**	**-$1.08**
4.8 First year costs/benefits	**Australian Government**	**State Government**	**Parents**
New South Wales	$6.90	$40.32	$5.69
Victoria	stet	stet	stet
Queensland	$10.57	$39.65	$4.60
South Australia	$4.28	$20.17	$2.12
Western Australia	$5.09	$20.55	$2.45
Tasmania	-$1.32	-$6.20	-$0.87
Australian Capital Territory	stet	stet	stet
Northern Territory	$0.51	$2.26	$0.15
Net	**$25.21**	**$116.75**	**$14.13**

It should be noted that the nationally comparable model in both Table 1.4 and Table 1.5 has been modified for South Australia to account for the differential State Government funding proportions provided for children who enrol in Terms 3 (0.5 FTE) and 4 (0.25 FTE). The model has also been modified to account for the fact that Australian Government funds are provided only for the 12 per cent of Term 3 South Australia enrolments who go to Year 1. All children who will do a further year in Reception are not entitled to Australian Government payments and are not counted in funding aspects of the model.

1.8 Structure and nature of the Report

This Report is provided in three Volumes. Volume 1 presents the findings in a national form with the national picture broken down by state and territory. Volume 2 presents the findings in detail for each state and territory and each sector within the state or territory. Volume 3 contains all of the Appendices that explain various assumptions and methodologies built into the nationally comparable cost/benefit model.

Volume 1 provides an executive summary, an overview, the cost/benefit analysis, the risk and opportunity analysis and a picture of the potential outcomes by option against each of the Terms of Reference for the Project. Volume 1 also provides a conclusion which looks at some of the issues and potential ways forward. Recommendations about which option to adopt are not part of the Terms of Reference for the Project.

Volume 2 provides, for each state or territory, an analysis of the current situation, the implications of the options, cost/benefit outcomes, and a summary of the potential impacts. Also at state or territory level, Volume 2 provides an analysis of the impacts against each of the fourteen Terms of Reference for the Project. This analysis is based on the nationally comparable cost/benefit model. Volume 2 then provides a full analysis of the implications, impacts, costs, benefits, risks and opportunities by each sector within the state or territory. In each part of this volume, all five options are explored although the range options are grouped with the point option most likely to be adopted by the particular state or territory *vis a vis* its current minimum school starting age arrangements.

Volume 3 provides a number of Appendices that explain in detail how various issues in the nationally comparable cost/benefit modelling process were resolved. It explains how the model was constructed, sources of data, economic bases and the modelling of particularly unique issues that arose during the Project. In particular, the approaches to modelling the national trends in 'delay' or 'late starter effect' and the particular issues involved in 'rolling enrolments' for South Australia are detailed in the Appendices. A glossary of terms used and a series of references are also provided.

Of the many caveats in the Project, one must be held prominent as the outcomes in the Report are examined. This project is largely about cost/benefit modelling. The modelling is robust and uses nationally comparable data provided by the jurisdictions to national bodies. It has been moderated by further information provided by each of the jurisdictions through extensive consultation.

However, the outcomes are subject to a range of assumptions. These assumptions are derived from recent national econometric modelling, consultation with the providers of data and consultation with the jurisdictions. However, any one of the assumptions could change with time or may not apply exactly across all of the systems and sectors. For example, management decisions in relation to the implementation of any option could change the outcomes and the figures. So too could actual parental decisions not conform to assumptions based on past practices and extrapolation across jurisdictions.

Nevertheless, as stated above, the directions and rankings among options in the model are robust for changes in the assumptions. Any other assumptions or more detailed modelling of other affected aspects are either outside the Terms of Reference or would bring about only marginal increases in accuracy for substantial cost.

Moreover, the model is cast in terms of 'social' costs and benefits rather than educational outcomes. Only the 'dynamic employment effect' in the model represents the economic impact of improved educational outcomes, showing productivity increases. While the economic arguments appear compelling, they are long term and production based[17]. They tend not to emphasise the productivity impact[18] from educational outcomes that would

[17] That is, the impact stems from changes is resource input rather than in making the present resource input more effective in terms of output.

[18] That is, the impact that stems from more output from the same resource input.

flow directly to students as a consequence of national consistency in relation to the minimum school starting age.

These outcomes would be produced from implementation of any of the 'point' options. The range options would continue many of the present inconsistencies in minimum school starting age and would, of themselves, not remove the consequent barriers confronting affected children as they move across states and territories.

Even 'without prejudice' procedures where children are placed in the same grade as that from whence they came may not produce the type of 'level playing field' envisaged. Moreover, some states or territories would be reluctant to implement 'without prejudice' procedures because they would undermine the strict approaches used to determine cut off points for enrolments.

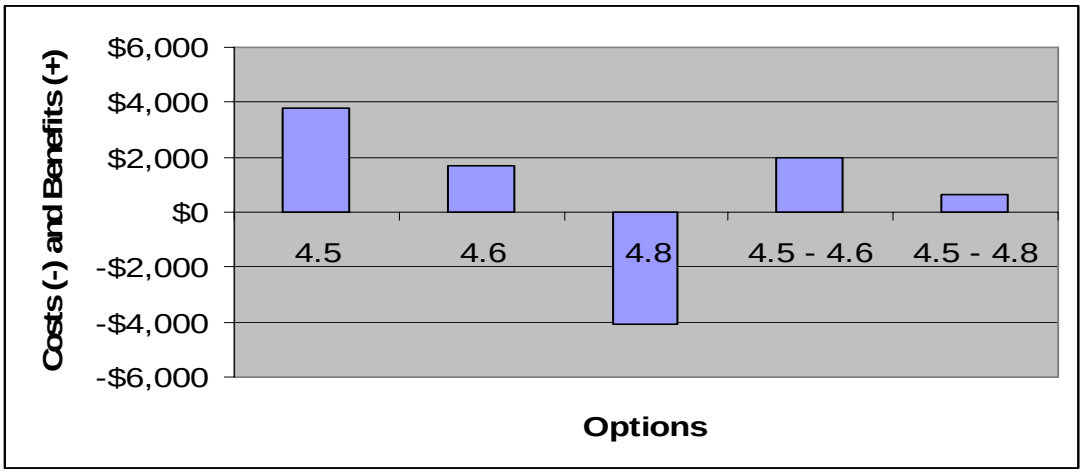
Overall, the economic ranking of the options would be unlikely to change under any foreseeable change in the assumptions. Nevertheless, economic modelling cannot dynamically capture the vagaries of human decisions over time nor fully represent the many nuances across an area of national endeavour as diverse as Australian school education. Therefore, any decisions or agreements made about funding in relation to the options should, in the end, be referenced against actual costs incurred at the time.

Chapter 2: Cost/Benefit Analysis Overview

2.1 Summary results for each of the options

As indicated in the overview in Chapter 1 of this Volume and illustrated in Table 1.3, the option with the largest estimated net social benefits was found to be the 4 years and 5 months option. This can be seen in the bottom line of Table 1.3. This was followed by the broad-banded 4 years and 5 months to 4 years and 6 months range option, then the 4 years and 6 months option, the 4 years and 5 months to 4 years and 8 months range option and the 4 years and 8 months option respectively. Only the 4 years and 8 months option was estimated to leave the nation worse off in terms of long term social cost. These comparisons are illustrated in Figure 2.1 below.

Figure 2.1 Comparison of the national social costs and benefits of each option from 2010 to 2072



Even taking into account the substantial impact on South Australia, the 4 years and 5 months option was found to result in a national advancement in minimum school starting ages for universal education. So, for example, a move to a uniform 4 years and 5 months starting age would result in a $3,786m social benefit, in part by *reducing* total spending on the child care school sector. 'Total spending' here includes that of Australian Government and state governments and 'out-of-pocket' expenses of parents. Most strongly contributing to the net positive outcome for this option would be the employment effects for the affected children and their parents.

Note that from the perspective of those who have invested capital or careers in, for example, child care centres, this 'social benefit' in reduced expenditure on child care may well appear to be a 'cost' as reduced spending on child care centres would reduce profit and job opportunities in this sector. However, from a national perspective, reduced spending on formal pre-primary child care would release labour and capital resources for other sectors of the economy. Governments and parents would have the opportunity to reallocate scarce funds.

Discounting for the impact of South Australian changes, other than for the 4 years and 8 months option, all of the options would involve an earlier average national school starting age. However, taking into account the South Australia effect where rolling enrolments and the completion of Reception in a second year would cease, formal pre-primary costs would increase in all options except the 4 years and 5 months option where, on the whole, more children would move from formal child care to school.

Further to the South Australia impact, under the 4 years and 6 months option, New South Wales would lift its minimum school starting age by one month while other

jurisdictions would either remain unchanged (Queensland, Western Australia and the Northern Territory) or need to lower their minimum school starting ages.

The modelled results are underpinned by national data sets compiled from a variety of sources. (The methodology is discussed in Volume 3.) Because the estimated probability of a NSW 4 year old attending private long day care (in particular) is much higher than for the rest of the country, the estimate for the impact on national pre-primary formal costs are also higher than would be estimated by examination of cohort sizes alone.

Earlier schooling starting ages would provide benefits to parents and other informal carers of children, including grandparents, by relieving them to some extent of child minding duties. This benefit translates to an opportunity for family care providers to reallocate their time towards other activities, such as leisure or work.

Discounting the impact of South Australia, earlier school starting ages would involve a larger introductory cohort than otherwise. This cohort would progress through school education, temporarily driving up primary, then secondary and then tertiary education costs. That this does not occur at the national level for other than the 4 years and 5 months option is attributable to the impact of permanent primary school savings in South Australia.

As the increased introductory cohort passes into the work force, there would be a sustained lift in the size of the labour force over the working years of the group. For that particular group, this would continue until their eventual retirement, which is assumed at age 65 in the year 2072. However, for future cohorts, all children in the affected age ranges would face the same effects. Thus in net terms, the lift in the years able to be worked would be permanent. So too would the lift in income be permanent.

All options which have the effect of lowering the starting age for universal schooling would also have the effect of lowering the starting age for potential entry into the workforce on completion of education. The result would be that 'productive' working lives would be extended by each of these options with obvious and large GDP impacts.[19] This is what is included in the 'static employment effects'. These are positive in each of the options other than the 4 years and 8 months option.

In addition, there are likely to be dynamic employment benefits which would arise from a more integrated education system. These are the benefits noted in the previous chapter that are the outcomes of the educational arguments for national consistency around minimum school starting age and nomenclature. Note that these benefits are calculated at the national level only and are a result of better education outcomes, interpreted in the model as higher secondary school retention rates. These benefits are equal and largest under each of the 'point' options, the 4 years and 5 months option, the 4 years and 6 months option and the 4 years and 8 months option. They decline with the broad-banded options, indicating that the educational ranking may be somewhat at odds with the economic ranking of the options.

In the model, the scale of impact of national consistency around minimum school starting age and nomenclature is estimated, conservatively, at 1 per cent. That is, it is assumed that an additional one in every hundred students who move across sectors where minimum school starting age and nomenclature are currently different would complete their schooling to Year 12 within a 13 year period if these barriers were removed.

Estimates from Queensland research indicate this rate could be up to 5 per cent, but there is no empirical evidence across the jurisdictions to extrapolate this rate nationally. In line with the advice of the Project Reference Group, a 1 per cent estimate has been

[19] Policy parameters regarding retirement – especially the age pension age and the preservation age for accessing private retirement funds – are the same under each of the options considered in this Report.

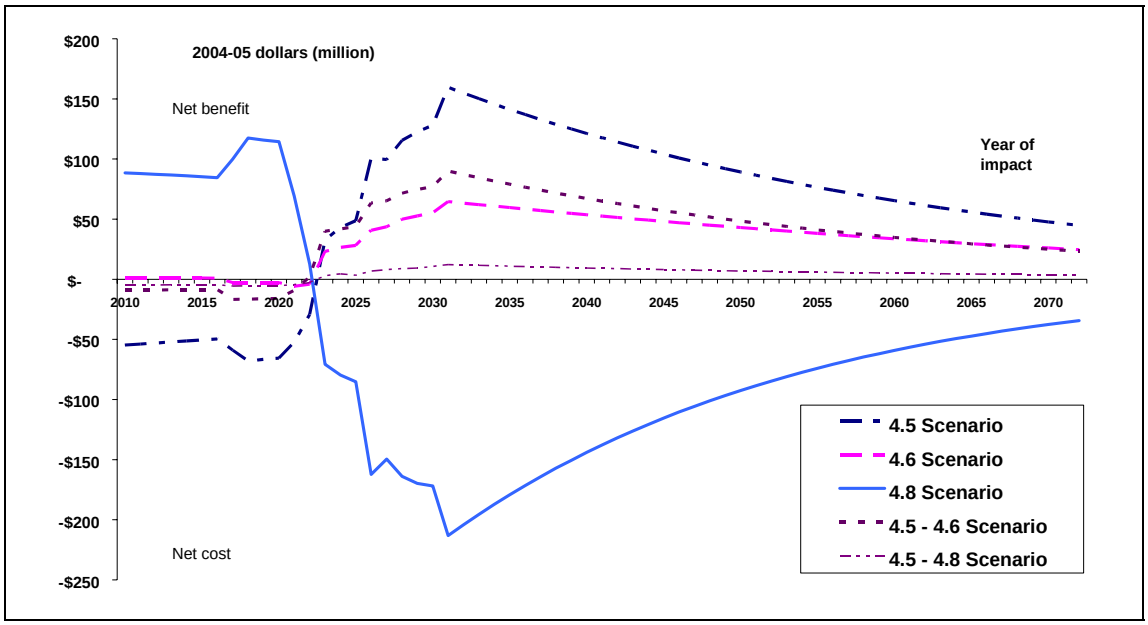
incorporated into the model. For the point options, this would represent in the order of 750 to 800 additional school completions each year.

Finally, 'transition costs' include an estimate of temporary costs involved in moving to a new system. Transition costs incorporate such elements as administrative support to plan, organise and implement a move, public education campaigns to inform staff and parents, and staff to handle enquiries and issues as they arise. The model assumes a transition cost of $380 per affected student, based on consultations with the various sectors that have had experience with administration of such changes. These costs, while relatively generous, are dwarfed by the wider national economic costs and benefits.

All estimates in the nationally comparable cost/benefit model are conceptually comparable because they are in net present value terms. That is, the estimates are all in 2004-05 dollars. Note, however, that net present value estimates are a 'stock' measure, providing a measure similar to capitalisation or equity at a point in time. It is not correct to compare them with a 'flow' measure such as GDP which is represented by a rate over time.

An indication of the timing of costs and benefits under each of the options is provided in Figure 2.2 below.

Figure 2.2 Timing of national social costs and benefits



2.2 Change in cohort size by option

As mentioned above, the major influence on the results in the cost/benefit analysis is the estimated impact on the size of the cohort entering universal schooling in 2010 as a result of each of the options. The estimated change in cohorts in 2010 by jurisdiction and by policy option are summarised in Table 1.2 in Chapter 1. These estimates take into account the fact that some children start school late. Figure 2.3 below illustrates the impacts of each option on the size of the introductory cohort.

A number of the net benefits in Table 1.3 rise (fall) with positive (negative) cohort impacts. In terms of the options, the following findings emerge from the analysis.

- The 4 years and 5 months option involves the largest cohort increase. It effectively brings forward minimum universal starting ages in all States and Territories except in New South Wales and South Australia. However, the increase is substantially moderated by the decline in the number of children who would complete a second

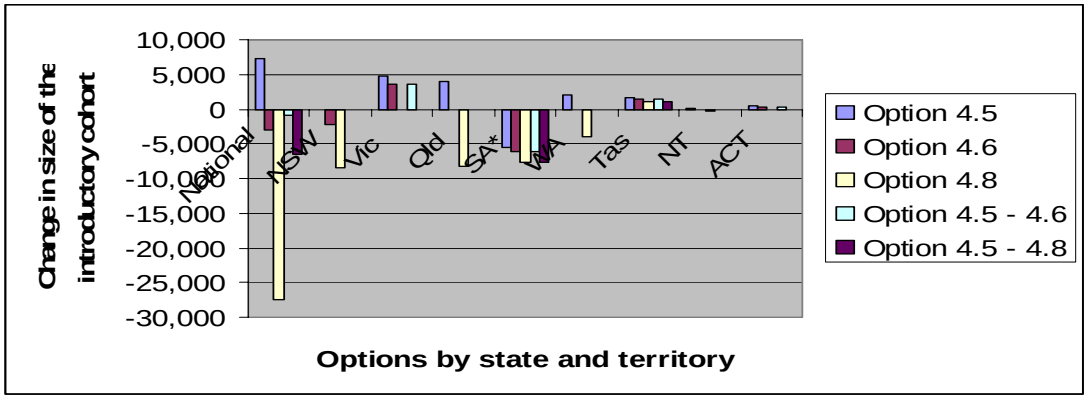
year of Reception in South Australia.[20] This produces net national benefits for the primary school sector for this option.

- The 4 years and 5 months to 4 years and 6 months range option provides the second largest cohort increase of all of the options. However, the increase is converted to a decrease by the decline in the number of children who would complete a second year of Reception in South Australia. This explains net national benefits for the primary school sector for this option.
- The 4 years and 6 months option involves a somewhat smaller cohort increase. However, the increase is converted to a decrease by the decline in the number of children who would complete a second year of Reception in South Australia. This explains net national benefits for the primary school sector for this option.
- The 4 years and 5 months to 4 years and 8 months range option involves a minor cohort increase. However, the increase is converted to a decrease by the decline in the number of children who would complete a second year of Reception in South Australia. This explains net national benefits for the primary school sector for this option.
- The 4 years and 8 months option involves a substantial cohort decrease in the size of the introductory cohort**.** However, the decrease is further exacerbated by the decline in the number of children who would complete a second year of Reception in South Australia. This explains increased net national benefits for the primary school sector for this option.

Figures 2.3a and 2.3b show in graphical form the impact of the various options on the size of the introductory cohort from 2010. Figure 2.3a shows the cohort size impact incorporating the full impact of South Australia cohort changes. These are the cohort changes built in to the national model. In other words, Figure 2.3a includes the impact of both the change in size of the introductory normal cohort and the decrease in the number of children who would currently anticipate a further year in Reception. Figure 2.3b discounts the children who would normally anticipate a further year in Reception to show the impact of the changes on the 'normal' cohort, an impact that would last for the 13 years that the introductory coh0rt was at school.

Figure 2.3a Impact on size of the introductory cohort by option for each state and territory

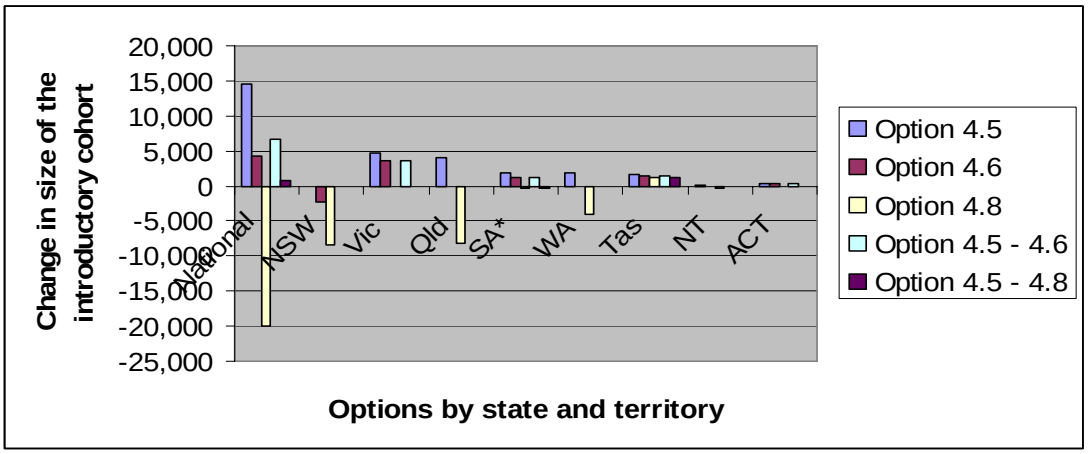
Includes impact on 'normal' introductory cohort in South Australia and permanent impact with students completing only one year of Reception



[20] Recall, a change to a common minimum school starting age would impact on South Australia and its system of rolling enrolments if the State practice were to move to a start-of-year intake. Although under the current system children do not start school until the term after they turn 5 years of age, in effect, the youngest children in the Reception cohort who move on to Year 1 in the following year are 4 years and 5 months on 1 January of the year they enrol.

Figure 2.3b Impact on size of the introductory cohort by option for each state and territory

Includes only impact on 'normal' introductory cohort in South Australia



The estimated cost/benefit impacts by option and sector are summarised in the following Tables, 2.2 to 2.6. As explained above, child care figures are calculated on the basis of a permanent change although pre-school figures are only for 2009. School sector figures are calculated over the 13 years of schooling other than for South Australia where the impact is permanent and the figures are provided to 2072. VET and university figures are calculated from 2021 to 2030. Employment effects are calculated up to 2072. Transition effects are calculated on a one-off *pro-rata* basis referenced to the size of the cohort change.

Table 2.2 Estimate of the social costs and benefits[21] associated with the 4 years and 5 months option, nationally and by state and territory

4 years and 5 months option		Costs(-)/benefits(+) ($ million, 2004-05)								
Sector	**Sub-sector**	**National Total**	**NSW**	**Vic**	**Qld**	**SA**	**WA**	**Tas**	**NT**	**ACT**
Pre-school and child care	Formal	$80	$0	$43	$123	-$135	$28	$15	$1	$4
	Informal - parents	$394	$0	$246	$53	-$54	$35	$96	$2	$18
	Informal - other	$12	$0	$9	$8	-$14	$4	$3	$0	$1
Primary	Total	$0	$0	-$193	-$198	$596	-$101	-$77	-$8	-$19
	Government	*$48*	*$0*	*-$143*	*-$160*	*$516*	*-$80*	*-$63*	*-$7*	*-$14*
	Catholic	*-$51*	*$0*	*-$32*	*-$22*	*$27*	*-$12*	*-$8*	*-$1*	*-$3*
	Independent	*$2*	*$0*	*-$19*	*-$16*	*$54*	*-$8*	*-$6*	*$0*	*-$2*
Secondary	Total	-$501	$0	-$179	-$119	-$55	-$64	-$62	-$5	-$18
	Government	*-$315*	*$0*	*-$100*	*-$75*	*-$35*	*-$43*	*-$46*	*-$4*	*-$12*
	Catholic	*-$88*	*$0*	*-$36*	*-$20*	*-$10*	*-$10*	*-$8*	*$0*	*-$4*
	Independent	*-$98*	*$0*	*-$43*	*-$24*	*-$11*	*-$11*	*-$8*	*-$1*	*-$2*
Tertiary	VET	-$23	$0	-$9	-$5	-$2	-$3	-$2	$0	-$1
	University	-$122	$0	-$41	-$34	-$15	-$16	-$12	$0	-$5
Employment	Static	$3,710	$0	$1,177	$1,026	$470	$501	$405	$25	$105
	Dynamic	$243								
Transition costs		-$7	$0.0	-$1.8	-$1.5	-$2.1	-$0.7	-$0.6	$0.0	-$0.2
Total		**$3,786**	**$0**	**$1,053**	**$855**	**$791**	**$384**	**$367**	**$15**	**$85**

[21] Social costs and benefits are here not attributed to any funding source. They represent the overall expenditure impact on the sectors, not who pays the costs or who accumulates the benefits.

Table 2.3 Estimate of the costs and benefits associated with the 4 years and 6 months option, nationally and by state and territory

4 years and 6 months option		Costs(-)/benefits(+) ($ million, 2004-05)								
Sector	**Sub-sector**	**National Total**	**NSW**	**Vic**	**Qld**	**SA**	**WA**	**Tas**	**NT**	**ACT**
Pre-school and child care	Formal	-$219	-$82	$1	$0	-$149	$0	$11	$0	$1
	Informal - parents	$264	-$43	$249	$0	-$60	$0	$100	$0	$18
	Informal - other	-$9	-$5	$7	$0	-$15	$0	$3	$0	$1
Primary	Total	$502	$104	-$146	$0	$629	$0	-$71	$0	-$14
	Government	*$445*	*$80*	*-$108*	*$0*	*$542*	*$0*	*-$59*	*$0*	*-$10*
	Catholic	*$11*	*$14*	*-$24*	*$0*	*$31*	*$0*	*-$7*	*$0*	*-$3*
	Independent	*$46*	*$10*	*-$14*	*$0*	*$57*	*$0*	*-$5*	*$0*	*-$1*
Secondary	Total	-$147	$96	-$135	$0	-$38	$0	-$58	$0	-$13
	Government	*-$79*	*$72*	*-$76*	*$0*	*-$24*	*$0*	*-$43*	*$0*	*-$9*
	Catholic	*-$30*	*$14*	*-$27*	*$0*	*-$7*	*$0*	*-$8*	*$0*	*-$3*
	Independent	*-$39*	*$10*	*-$32*	*$0*	*-$7*	*$0*	*-$7*	*$0*	*-$2*
Tertiary	VET	-$7	$4	-$7	$0	-$2	$0	-$2	$0	-$1
	University	-$37	$18	-$31	$0	-$10	$0	-$11	$0	-$4
Employment	Static	$1,086	-$576	$888	$0	$320	$0	$377	$0	$77
	Dynamic	$243								
Transition costs		-$5.2	-$0.9	-$1.3	$0.0	-$2.3	$0.0	-$0.6	$0.0	-$0.1
Total		**$1,670**	**-$484**	**$824**	**$0**	**$674**	**$0**	**$349**	**$0**	**$65**

Table 2.4 Estimate of the costs and benefits associated with the 4 years and 8 months option, nationally and by state and territory

4 years and 8 months option		Costs(-)/benefits(+) ($ million, 2004-05)								
Sector	**Sub-sector**	**National Total**	**NSW**	**Vic**	**Qld**	**SA**	**WA**	**Tas**	**NT**	**ACT**
Pre-school and child care	Formal	-$377	-$130	$0	-$62	-$186	-$11	$11	$0	$0
	Informal - parents	-$1,322	-$469	$0	-$549	-$75	-$288	$77	-$19	$0
	Informal - other	-$58	-$17	$0	-$15	-$19	-$8	$2	-$1	$0
Primary	Total	$1,686	$391	$0	$405	$715	$208	-$55	$21	$0
	Government	*$1,376*	*$301*	*$0*	*$327*	*$610*	*$165*	*-$45*	*$19*	*$0*
	Catholic	*$161*	*$54*	*$0*	*$45*	*$40*	*$25*	*-$6*	*$1*	*$0*
	Independent	*$149*	*$36*	*$0*	*$33*	*$65*	*$17*	*-$4*	*$1*	*$0*
Secondary	Total	$713	$362	$0	$243	$8	$130	-$44	$13	$0
	Government	*$471*	*$247*	*$0*	*$154*	*$5*	*$87*	*-$33*	*$11*	*$0*
	Catholic	*$122*	*$64*	*$0*	*$41*	*$1*	*$21*	*-$6*	*$1*	*$0*
	Independent	*$120*	*$51*	*$0*	*$49*	*$2*	*$22*	*-$5*	*$1*	*$0*
Tertiary	VET	$31	$14	$0	$11	$0	$7	-$1	$0	$0
	University	$165	$69	$0	$69	$2	$33	-$8	$1	$0
Employment	Static	-$5,141	-$2,163	$0	-$2,104	-$68	-$1,029	$289	-$67	$0
	Dynamic	$243								
Transition costs		-$11.3	-$3.2	$0.0	-$3.1	-$2.9	-$1.5	-$0.4	-$0.1	$0.0
Total		**-$4,072**	**-$1,946**	**$0**	**-$2,004**	**$376**	**-$960**	**$271**	**-$51**	**$0**

Table 2.5 Estimate of the costs and benefits associated with the 4 years and 5 months to 4 years and 6 months range option, nationally and by state and territory

4 years and 5 months to 4 years and 6 months range option		Costs(-)/benefits(+) ($ million, 2004-05)								
Sector	**Sub-sector**	**National Total**	**NSW**	**Vic**	**Qld**	**SA**	**WA**	**Tas**	**NT**	**ACT**
Pre-school and child care	Formal	-$137	$0	$1	$0	-$149	$0	$11	$0	$1
	Informal - parents	$307	$0	$249	$0	-$60	$0	$100	$0	$18
	Informal - other	-$5	$0	$7	$0	-$15	$0	$3	$0	$1
Primary	Total	$398	$0	-$146	$0	$629	$0	-$71	$0	-$14
	Government	*$365*	*$0*	*-$108*	*$0*	*$542*	*$0*	*-$59*	*$0*	*-$10*
	Catholic	*-$3*	*$0*	*-$24*	*$0*	*$31*	*$0*	*-$7*	*$0*	*-$3*
	Independent	*$36*	*$0*	*-$14*	*$0*	*$57*	*$0*	*-$5*	*$0*	*-$1*
Secondary	Total	-$243	$0	-$135	$0	-$38	$0	-$58	$0	-$13
	Government	*-$151*	*$0*	*-$76*	*$0*	*-$24*	*$0*	*-$43*	*$0*	*-$9*
	Catholic	*-$44*	*$0*	*-$27*	*$0*	*-$7*	*$0*	*-$8*	*$0*	*-$3*
	Independent	*-$48*	*$0*	*-$32*	*$0*	*-$7*	*$0*	*-$7*	*$0*	*-$2*
Tertiary	VET	-$11	$0	-$7	$0	-$2	$0	-$2	$0	-$1
	University	-$56	$0	-$31	$0	-$10	$0	-$11	$0	-$4
Employment	Static	$1,662	$0	$888	$0	$320	$0	$377	$0	$77
	Dynamic	$95								
Transition costs		-$4.3	$0.0	-$1.3	$0.0	-$2.3	$0.0	-$0.6	$0.0	-$0.1
Total		**$2,007**	**$0**	**$824**	**$0**	**$674**	**$0**	**$349**	**$0**	**$65**

Table 2.6 Estimate of the costs and benefits associated with the 4 years and 5 months to 4 years and 8 months range option, nationally and by state and territory

4 years and 5 months to 4 years and 8 months range option		Costs(-)/benefits(+) ($ million, 2004-05)								
Sector	**Sub-sector**	**National Total**	**NSW**	**Vic**	**Qld**	**SA**	**WA**	**Tas**	**NT**	**ACT**
Pre-school and child care	Formal	-$175	$0	$0	$0	-$186	$0	$11	$0	$0
	Informal - parents	$2	$0	$0	$0	-$75	$0	$77	$0	$0
	Informal - other	-$17	$0	$0	$0	-$19	$0	$2	$0	$0
Primary	Total	$660	$0	$0	$0	$715	$0	-$55	$0	$0
	Government	*$564*	*$0*	*$0*	*$0*	$610	*$0*	*-$45*	*$0*	*$0*
	Catholic	*$35*	*$0*	*$0*	*$0*	$40	*$0*	*-$6*	*$0*	*$0*
	Independent	*$61*	*$0*	*$0*	*$0*	$65	*$0*	*-$4*	*$0*	*$0*
Secondary	Total	-$36	$0	$0	$0	$8	$0	-$44	$0	$0
	Government	*-$28*	*$0*	*$0*	*$0*	$5	*$0*	*-$33*	*$0*	*$0*
	Catholic	*-$4*	*$0*	*$0*	*$0*	$1	*$0*	*-$6*	*$0*	*$0*
	Independent	*-$4*	*$0*	*$0*	*$0*	$2	*$0*	*-$5*	*$0*	*$0*
Tertiary	VET	-$1	$0	$0	$0	$0	$0	-$1	$0	$0
	University	-$6	$0	$0	$0	$2	$0	-$8	$0	$0
Employment	Static	$222	$0	$0	$0	-$68	$0	$289	$0	$0
	Dynamic	$20								
Transition costs		-$3.3	$0.0	$0.0	$0.0	-$3	$0.0	-$0.4	$0.0	$0.0
Total		**$667**	**$0**	**$0**	**$0**	**$379**	**$0**	**$271**	**$0**	**$0**

Chapter 3: Opportunity and Risk Analysis Overview

3.1 Opportunity and risk analysis methodology

The project incorporated a methodology for each sector to identify opportunities and risks likely to be associated with each of the five options and with national commonality in the minimum age of school commencement. The methodology used for the opportunity and risk analysis was based on a structured workshop with sector and system representatives. It was designed to identify, clarify and assess a broad range of issues relating to a common minimum school starting age. The objectives of the risk and opportunity analysis were to:

- identify additional opportunities and risks that were not raised during the initial scoping exercise
- clarify and define the nature of each opportunity and risk
- develop a set of opportunity and risk criteria against which could be determined the *likelihood* of the opportunity or risk occurring and the *consequence* should it occur
- assess each opportunity and risk according to the criteria developed and identify a *level of opportunity/risk score* for each, using the AS/NZS 4360 Standard for Managing Risk
- identify how significant opportunities and risks could best be managed in order to realise the benefits of a common school starting age.

During the initial scoping exercise, each sector was asked to nominate officers to participate in an opportunity and risk analysis workshop to be held during the second phase of the project. The workshops, over a period of some two hours, were facilitated by the project consultants. Separate workshops were held for the government and non-government sectors in each jurisdiction with the exception of South Australia and the Northern Territory where separate workshops were held for each of the three sectors.

In all instances where more than one sector attended the same workshop, scoring of the opportunities and risks occurred separately. Each workshop was attended by between five and fifteen participants, covering areas such as policy, curriculum, finance, properties, human resources, school leadership and community relations. Following the workshops, the opportunities and risks were written up and forwarded to each sector for comment.

3.2 Summary of the findings by option

3.2.1 Opportunities and risks associated with the 4 years and 5 months option

This option is represented in current practice by New South Wales and, notionally, by South Australia although practice in that State has the added factor of rolling enrolments. As the 4 years and 5 months option represents the youngest of the options under consideration, it would lead to larger cohort sizes across all jurisdictions except New South Wales.

For the 4 years and 5 months option, the most frequently mentioned opportunities related to the benefits a younger starting age would bring to families. In particular, there was identification of the opportunity for affected families to gain financial benefit as they would be able to move their children out of the higher cost child care environment one year earlier. The same families would also benefit financially from earlier parental re-entry into the workforce.

It was felt that, in the main, the 4 years and 5 months option would be perceived positively by many families. It was also felt that an effect of the option would be to extend parental choice about the school commencement of their children. Many families may welcome this increased choice. It was noted that families would benefit from the easing of pressure on pre-school provision, leading to the freeing up of child care places in areas of high demand.

Opportunities were identified in relation to benefits that could come to children from the introduction of the 4 years and 5 months minimum school starting age option. It was felt that, in jurisdictions where identification of potential learning difficulties did not occur prior-to-school, some affected children could benefit from earlier identification of learning difficulties, with support programmes put in place. Children from socio-economically disadvantaged communities may benefit from earlier access to targeted literacy and numeracy programmes.

Pedagogical and curriculum risks focussed on factors that might have a negative impact on learning and social outcomes. They included risks relating to the need to change curriculum and pedagogy to suit younger children. It was also felt that the school environment may not be appropriate for children who would commence as young as 4 years and 5 months.

The analysis identified concern that some teachers may find it difficult to manage the demands of younger children. It was felt that this could disadvantage children with special needs or those from disadvantaged socio-economic backgrounds, by moving too early from the smaller groups that characterise prior-to-school provision. Any tendency of the option to result in larger class sizes could exacerbate such issues. In a number of sectors it was noted that pressures of this nature could give rise to industrial disputation, as teachers responded to what they may perceive as an overly challenging set of issues in early years schooling.

Some participants argued that maturity issues would result in some children, particularly boys, experiencing reduced learning outcomes and other problems associated with lack of success. It was also felt that it could be more difficult for teachers to discern between maturity issues and more serious learning difficulties that required different interventions.

One of the risk areas identified concerned the possibility that the 4 years and 5 months option would put added pressure on available resources at the school level. As the increased cohort passed through the school system, it was felt that unless resources were adequately allocated and managed, students in the cohort could have reduced access to support programmes and specialised assistance. There was concern that the larger cohort may place pressure on available infrastructure, particularly classroom space and specialist facilities. Because of the increased size of the cohort, it was felt that some schools may be forced to adopt temporary solutions that would have a negative impact on all children in the cohort, particularly around classroom facilities.

Risks were also identified in relation to the later years of schooling. Some participants argued that the transition between primary and secondary schooling would be more difficult for children who would be younger. It was noted that this could also be the case as students moved into senior secondary schooling, the tertiary and training sectors and into the workforce. A risk was identified in that some students may lack the maturity to make wise pathways decisions and that this could have a lasting and negative impact on their lives.

It was felt that the 4 years and 5 months option would involve change management risks. Issues of teacher supply, the availability of specialist subject teachers in the secondary years, and the adequacy of professional learning opportunities for teachers were all raised as important risk areas.

It was noted that the 4 years and 5 months option, by involving increased numbers of students, may impact differently within sectors. For example, it was identified that schools in growth areas may find the additional student numbers difficult to accommodate. Furthermore, where schools had waiting lists a risk associated with the option could be to lengthen these so that even more parents would be unable to access the preferred school for their children.

Non-government sector participants identified a number of specific issues relating to a move to a younger minimum school starting age. There was concern, particularly in some Catholic sectors, that parents seeking a Catholic education for their children may not be able to access the school of their choice. There could be risks where children had to attend a school outside their parish, perhaps involving dislocation in the community and religious lives of families. It was noted that there may be instances where no Catholic school in an area may have the infrastructure necessary to enrol the additional students and that they would need to seek enrolment in another sector.

In a number of Catholic sectors there was particular concern that a lowering of the school starting age could result in even greater discrepancy in class sizes between government and Catholic sector schools. This was seen as a significant issue that carried the risk of disadvantaging Catholic schools and their communities.

In the independent school sector, some comment was made around the issue of many parents preferring an older age of formal school commencement. The introduction of 4 years and 5 months as a minimum school starting may be viewed by some within the sector as contrary to the preferred position of many parents.

3.2.2 Opportunities and risks associated with the 4 years and 6 months option

This option is represented in current or planned practice by Queensland, Western Australia and the Northern Territory. Should the option be introduced in 2010, it would represent an older minimum school starting age for New South Wales and South Australia[22] but a younger minimum school starting age for Victoria, Tasmania and the Australian Capital Territory.

The identified opportunities arising from the 4 years and 6 months option were largely similar to those identified under the 4 years and 5 months option. In those states and territories where the current minium school starting age is older than 4 years and 6 months, little differentiation was made between 4 years and 5 months and 4 years and 6 months.

The most frequently mentioned opportunity was that of the financial benefit that could accrue to affected families who would be able to move their children out of the higher cost child care environment one year earlier, where the current school eligibility age was older. The same families would also benefit financially from opportunities for earlier parental re-entry to the workforce.

Where 4 years and 6 months would be a younger minimum age of school commencement, it was felt that its adoption would be viewed positively by many families. It was noted that an effect of the option could be to reduce pressure on child care places, thus making it possible for children younger than 3 years of age to gain a higher proportion of places

As for the 4 years and 5 months option, in some jurisdictions, opportunities were noted in relation to the possibility of earlier identification of children with learning difficulties. It was felt that special needs children may benefit from earlier access to the generally greater resources of the schooling sector. For some affected children, earlier engagement

[22] Under the present system of rolling intakes, the youngest children in the South Australian Reception cohorts, who go on to Year 1 in the following year, are 4 years and 5 months as of 1 January.

in formal schooling may address concerns where it was felt they had been in prior-to-school provision for too long.

One opportunity unique to the 4 years and 6 months option was the opportunity to make the minimum school starting age simpler for parents. This argument was based on the idea that a minimum school starting age aligned to either the calendar year or financial year would be easier for parents to understand. The government school sector in Western Australia, in particular, emphasised the importance of simplicity as an outcome of the recent Pre-Primary reform.

The risks likely to be associated with the 4 years and 6 months option, viewed from the perspective of a current older age of school commencement, were similar to those identified for the 4 years and 5 months option. In general, there was identification of issues likely to be associated with a younger age profile, with the possibility that adjustments would need to be made in pedagogy. In these circumstances, it may be necessary to provide further professional learning support for teachers. However, in general the view was expressed that there would be no need for major curriculum change.

Where the option may lead to a larger introductory cohort, it was felt that risks could be associated with children not being able to access the family's 'school of choice'. Consequently, there could be pressure on schools in the non-government sector to increase class sizes to, or even beyond, the current maximum.

In many instances, the Catholic and independent sectors in the states and territories commented that many schools would not have the necessary infrastructure capacity to accommodate the numbers involved. Where this occurred, inability to enrol would represent loss of income. This loss could be over the 13 years of schooling and may extend to siblings. A number of government school sectors noted that, as a consequence of students not being able to enrol in Catholic or independent schools, their share of the increased cohort may be greater than would be anticipated.

Where the 4 years and 6 months option involved a move to an older minimum school starting age, the principal risks identified were those around the reduced opportunities that affected children would have in terms of engagement in learning support programmes. It was noted that for families where the children were not in formal child care or pre-school arrangements, a delay in school commencement of 12 months could carry a high level of risk in terms of later schooling outcomes. Also commented on was the added pressure that would arise from the option on the prior-to-school sector, with the likelihood of increased demand for government to extend funded pre-school places.

3.2.3 Opportunities and risks associated with the 4 years and 8 months option

This option is represented in current practice by Victoria and the Australian Capital Territory. Tasmania is the only state where the adoption of the 4 years and 8 months option would lead to a younger age of school commencement. In Tasmania, the effect of the option would be to increase the size of the introductory cohort. In all other jurisdictions, its effect would be to make the minimum age of school commencement older and the size of the introductory cohort smaller.

The schooling sectors in Tasmania identified the opportunities likely to arise from this option in terms that largely replicated those associated with any of the options leading to a younger minimum age of school commencement. In those states and territories where the minimum school starting age is younger than 4 years and 8 months a number of potential opportunities were identified.

These opportunities included the possibility that the option would reduce the extent to which some parents enrolled their children 'too soon' and did not exercise the opportunity to delay school commencement for a further 12 months. It was felt that

affected children may gain longer term benefits from an older commencement age, with longer term impacts as they started secondary school and entered the tertiary sector and took up employment. In particular, it was noted that the 4 years and 8 months option probably best reflects some of the current arguments around boys' education. This view, however, was not necessarily held by all contributors to the analysis.

Comment was made that an effect of the option could be to benefit children by enabling them to stay in supportive home environments for another year. It was also felt that the small groupings that characterise formal child care and pre-school provision could benefit affected children relative to the larger class groupings of the formal school setting.

The impact on those states and territories where there would be a reduced size cohort passing though the years of schooling was seen to be potentially positive. It was felt that the reduced size of the cohort could give rise to better opportunities for students in the smaller cohort to access services and be supported through specialist provision. It was also noted that the option could lead to reduced competition for places in the university and training sectors, thus giving individuals in the smaller cohort opportunities that may have otherwise been denied them.

The possibility of savings arising out of the reduced cohort size was commented on by a number of contributors to the analysis as a benefit. However, discussion around this opportunity cautioned that it may not be possible to realise all of the savings opportunities. Under-utilised classrooms, for example, might be put to good use but this would not necessarily translate into a financial benefit as most associated costs are fixed.

In terms of risks that could be associated with the 4 years and 8 months option, especially noted was the risk for those families whose children would be retained in the prior-to-school sector for a further 12 months. This retention would involve continuing costs to families around child care, delayed re-entry to the workforce and the time burden of informal childcare placed on parents and their extended family and support network. Such risks could translate into a significant level of community opposition to the 4 years and 8 months option as the basis of a nationally common minimum school starting age.

Risks relating to the possibility of the need for curriculum adjustments and adapted pedagogy to suit older children were mentioned frequently. It was felt that an older age of school commencement may lead to views developing within schools that the year before Year 1 should become a more formal schooling experience. Any diminution in play-based approaches to learning was perceived by a number of sectors as a potentially significant risk that could arise from the option.

Resource risks focussed on the possibility that systems and schools would be expected to achieve savings as a result of the smaller cohort but that these would not be able to be realised. There was concern that teacher numbers would have to be reduced and that this may not always be possible using available strategies such as attrition and leave management. There could be a risk that surplus teachers would have to be retained in order to avoid reputation risks and industrial disputation. Resource issues were of particular concern to the non-government sectors where it was felt that schools would have reduced income from a smaller cohort but with little capacity to reduce fixed costs.

As for the other options, it was felt that the impact of any reduced cohort size would be felt unevenly. Areas of low population growth and with excess capacity would be affected the most. It would be schools in these areas that could see teacher transfers, reduced specialist subject offerings and even school closures.

It was felt by some that the media may focus on such negative outcomes, particularly school closures and that this could have political ramifications. It was felt that the option

would require a well planned communication strategy and the allocation of sufficient resources to manage a significant level of change.

In both government and non-government sectors it was felt that the 4 years and 8 months option, by significantly decreasing the cohort size in affected states and territories, could lead to increased competition for enrolments. It was felt that some schools in the two non-government sectors would make up the reduction in student numbers by accessing waiting lists or by making places available to students who otherwise would have enrolled in government schools. Where this occurred, there could be a risk that the size of the introductory cohort in the government sectors could be smaller than anticipated.

3.2.4 Opportunities and risks associated with the two range options

The range option of 4 years and 5 months to 4 years and 6 months would impact on Victoria, Tasmania, South Australia and the Australian Capital Territory by making the minimum school starting younger and the size of the introductory cohort larger. South Australia would be affected by the option in that savings would arise from the discontinuation of completion of Reception in the following year.

The range option of 4 years and 5 months to 4 years and 8 months would impact on Tasmania, with the effect of a younger minimum age of school commencement and a larger cohort. As for the other range option, South Australia would be affected by the option in that savings would arise from the discontinuation of completion of Reception in the following year.

The arguments put around the 'single point' options were, essentially, applied to the ages within the range options. However, two views were expressed.

One view argued that adoption of the range options would involve reduced dislocation at a national level while still bringing at least a discernible level of benefit. Additionally, it was noted that the imperative for commonality had been reduced by the 'Prep' reform in Queensland which will mean that, from 2007, all jurisdictions will offer 13 years of schooling.

The other view, more frequently put, was that the range options would not achieve the level of commonality required to bring worthwhile benefits to Australian children and their families, to Australian schooling or the nation as a whole. The argument was mounted that if the reform is necessary, then it should be done thoroughly and completely. Anything less would represent a loss of opportunity and the inevitably that the issue would need to be re-visited at some future time.

3.2.5 Opportunities and risks associated with commonality

The opportunity and risk analysis identified a number of areas in which, irrespective of the option decided upon, there could be opportunities and risks. These are the opportunities and risks associated with commonality, not with age. The final group of opportunities related to the standardisation and comparability which would result from any move to a common school starting age.

The principal identified opportunity was to achieve commonality in the minimum school starting age as part of a broader approach to build greater commonality and consistency in Australian schooling. Mention was made in particular of work around national consistency in curriculum outcomes and standards and national approaches to student assessment.

As with the other options, they included opportunities to standardise nomenclature in the early years, achieve national comparability of test results and curriculum reform for the early years of schooling. Also mentioned was the opportunity to make the pre-school/school interface more seamless and also to bring non-government/government sector enrolment policies into closer alignment.

The analysis identified benefits that could arise for Australian children and families as they moved across state and territory borders. It was noted that differences in practice act as major 'hurdle' to the continuity of children's schooling. Moreover, variation in practice acts to inhibit the inter-state movement of families and parent workforce mobility.

It was felt that standardised test data, especially international age-based data, could be more validly compared because children in all jurisdictions would have had the same length of exposure to formal schooling at the time of testing. Opportunities were also seen for a greater level of curriculum sharing and the building of common approaches to the early years of schooling.

The major area of risk related to change in general in the move toward national commonality. Western Australia has undergone a major recent reform in relation to school commencement. Queensland is currently implementing a 'Prep' trial, with full implementation from 2007. It is likely that the current Northern Territory trial around Transition will see significant change to school enrolment practice from 2006. Coincidentally, each of these jurisdictions will have a minimum school starting of 4 years and 6 months.

'Change-on-change' in the view of the two states and the territory would carry a high level of risk. As much as national commonality would be welcomed by them, the integrity of their reforms could be undermined substantially by any age other than 4 years and 6 months.

Furthermore, the experience from Queensland and Western Australia in particular is that the change management implications around reform in this area should not be under-estimated. Given that 2010 is now only some four years hence, and 2009 some three years, the time frame is rapidly contracting. The shorter this time frame becomes, the fewer will be the opportunities and the greater will be the risks.

3.3 Conclusion

Each of the sectors in the states and territories made substantial contributions to the cost/benefit analysis in a number of areas, including the opportunity and risk analysis that was undertaken. This analysis indicated a high level of awareness of the benefits that could accrue from each of the options and from national commonality in the minimum age of school commencement, irrespective of the age that may be decided upon. Equally, the analysis indicted a high level of awareness of the risks, extending across families, schools and school sectors, the prior-to-school sector and into the wider community.

The opportunity and risk analysis demonstrates that no one option carries either only opportunities or risks. Moreover, an opportunity in one jurisdiction can readily become a risk in another. The challenges for sectoral and school leaders will be many and varied, whichever option is chosen. In addition, it is likely that by 2009 or 2010 it will be necessary to take account of newly emerging factors that may impinge on approaches to the change management that will be required.

Chapter 4: National Analysis against the Terms of Reference

Introduction

This chapter presents a summary of the implications and impacts of the options with reference to each of the states and territories. It is designed to provide a picture of the issues for each of the jurisdictions without incorporating the very significant level of detail and complexity that underpins this Project. The more detailed state by state and sector by sector jurisdictional analysis is provided in Volume 2 of this Report. Nevertheless, this chapter addresses each of the Terms of Reference and examines the implications and impacts over the short, medium and long term.

4.1 Benefits of proposed changes to school starting age

Commonality of minimum school starting age is perceived as likely to bring identifiable educational benefits. These include the facilitation of cross-state student transfer in and out of schools in the various states and territories. Students are likely to have greater continuity in their learning, with benefits arising in relation to increased engagement in schooling, increased retention in school education and increase in the skill level that this produces.

A common minimum school starting age is perceived across the jurisdictions as likely to contribute to a strengthening of consistency of approach in early years learning. The early years pedagogical and curriculum changes now apparent in many of the states and territories could be complemented by commonality. For many children who transfer from one state or territory to another during the early years, there could be significant benefits arising from greater continuity. Furthermore, it is possible that there may be downstream effects for many children in terms of social development and maturation.

Commonality is widely perceived across all jurisdictions as likely to bring benefits in the development of consistent and comparable data sets, agreed data definitions, standardised test points, and shared terminology. Moreover, national commonality in minimum school starting age is likely to contribute to benefits associated with Australia's growing role in international studies focussed on student learning outcomes.

Other benefits of commonality of minimum school starting age are likely to be associated with a reduction in cross-state friction in the labour market as parents recognise that one of the significant barriers to their employment mobility has been addressed. Indeed, the removal of this barrier is likely to have a positive economic effect by contributing to national capacity to address regionally based skill shortages.

In addition to benefits that are likely to arise through the actual commonality in minimum school starting age, there would be benefits associated with both a younger and an older minimum school starting age. Table 4.1 shows the effect by state and territory in terms of the age of the cohort for each of the options.

Table 4.1 Change in age range of the cohort for each option

State or Territory	4 years and 5 months option	4 years and 6 months option	4 years and 8 months option	4 years and 5 months to 4 years and 6 months option	4 years and 5 months to 4 years and 8 months option
New South Wales	Stet	Children who are up to 1 month older than the current youngest children.	Children who are up to 3 months older than the current youngest children.	Stet	Stet
Victoria	Children who are up to 3 months younger than the current youngest children.	Children who are up to 2 months younger than the current youngest children.	Stet	Children who are up to 2 months younger than the current youngest children.	Stet
Queensland	Children who are up to 1 month younger than the current youngest children.	Stet	Children who are up to 2 months older than the current youngest children.	Stet	Stet
South Australia	Children continuing to Year 1 who are the same age as the current youngest children.	Children continuing to Year 1 who are up to 1 month older than the current youngest children.	Children continuing to Year 1 who are up to 3 months older than the current youngest children.	Children continuing to Year 1 who are up to 1 month older than the current youngest children	Children continuing to Year 1 who are up to 3 months older than the current youngest children.
Western Australia	Children who are up to 1 month younger than the current youngest children.	Stet	Children who are up to 2 months older than the current youngest children.	Stet	Stet
Tasmania	Children who are up to 7 months younger than the current youngest children.	Children who are up to 6 months younger than the current youngest children.	Children who are up to 4 months younger than the current youngest children.	Children who are up to 6 months younger than the current youngest children.	Children who are up to 4 months younger than the current youngest children.
Australian Capital Territory	Children who are up to 3 months younger than the current youngest children.	Children who are up to 2 months younger than the current youngest children.	Stet	Children who are up to 2 months younger than the current youngest children.	Stet
Northern Territory	Children who are up to 1 month younger than the current youngest children.	Stet	Children who are up to 2 months older than the current youngest children.	Stet	Stet

Arguably, for those states and territories faced with a move to a younger minimum school starting age, there are likely to be identifiable benefits.

One of the benefits from a younger minimum school starting age identified across the jurisdictions relates to the provision of opportunity for children to connect with a structured learning environment through approaches that are play-based and personally appropriate. For those children who may have had little if any access to formal child care or pre-school, such an opportunity may be critical for their longer term learning and development. This could be particularly important for children from those backgrounds which, for whatever reason, are under represented in prior-to-school provision.

In particular, a younger minimum school starting age is perceived, in jurisdictions that do not have procedures to identify potential learning difficulties prior-to-school, as enabling children to enter school at a sufficiently early age in order for teachers to identify learning issues and to develop appropriate intervention and support programmes. In these jurisdictions, there is recognition that, for some children, a delay of 12 months in formal school commencement could have significant impacts on their longer term learning.

With the exception of Tasmania, any move to a younger minimum school starting age would have the effect of making it possible for more families to make decisions about the school commencement of their children in the period between minimum age eligibility and the compulsory age.

For example, under a 4 years and 8 months minimum school starting age, a compulsory age of 6 years and a single start of year intake, a child who has a birthday between May and December would have only one opportunity to commence school. The child is younger than 4 years and 8 months option at the commencement of the year of their 5th birthday. Therefore, school commencement cannot occur until the start of the following year when the child is older than 5 years and 7 months. The child must enter school that year because by the start of the following year they will have exceeded the compulsory age of 6 years. Thus, the family has no real choice about when school entry will occur. On the other hand, for children with January to April birthdays, there would be two opportunities, 12 months apart, for school entry.

The younger the minimum school starting age, the greater the number of families who have the opportunity for two choices about when their children could commence school. The older the minimum school starting age, the smaller the number of families who would have such a choice. Under the 4 years and 6 months option, for children with January to June birthdays, there would be two opportunities, 12 months apart, for school entry. Under the 4 years and 5 months option, for children with January to July birthdays, there would be two opportunities, 12 months apart, for school entry[23].

Moreover, the younger the minimum school starting age, the greater the number of parents who would be able to take up full or part time employment compared to arrangements under an older minimum school starting age. For some families, the earlier opportunity for their children to commence formal schooling may represent a significant saving to the family budget through relief from child care costs. For families under economic pressure, such as single parent families, this earlier opportunity could be a significant benefit compared to an older minimum school starting age. This becomes a permanent feature of a younger minimum school starting age.

Furthermore, there are long term economic considerations associated with a younger minimum school starting age. By being able to commence schooling at a younger age, affected children would be able to enter the workforce one year earlier. Consequently,

[23] It should be noted, however, that Queensland and Western Australia procedures around placement of children whose entry to school is delayed provide little real choice. These children are generally placed into Year 1 which effectively means they 'miss' a year of school. In these jurisdictions, the evidence indicates that few parents delay entry of their children to school.

there would be an extension in their working lives. In the model, this extended participation in economic activity would bring benefits in terms of personal income and government revenue through taxation.

At the same time, there are arguments in support of an older minimum school starting age.

An older minimum school starting age is widely perceived as ensuring that young children have sufficient time in play-based learning in prior-to-school provision and can remain strongly connected to supportive and caring family environments. It recognises the tendency of some parents to delay entry of their children to formal schooling until they are closer to their 6th birthday. The national data suggest that this tendency increases towards July birthdays.

Another argument in support of an older minimum school starting age arises from the view that children can gain advantages through extended participation in well organised prior-to-school provision. Typically, children in a 3 to 4 year old age range are able to engage in an educationally sound play-based environment through which the foundations are laid for more formal learning when they are older.

Approaches based on this argument tend to emphasise the continuity of prior-to-school provision and formal schooling. In fact, as these boundaries merge and this form of learning becomes a feature of the early years of school, the minimum school starting age becomes increasingly a secondary consideration.

The important conclusions from the discussion above include the following:

- for any of the point options, there would most likely be significant educational advantages for some students and for ease of transfer and interaction among educational jurisdictions across Australia
- for all options other than the 4 years and 8 months option there would be long term economic gain and advantage to many children who would have longer working lives
- for those children who would benefit from earlier connection with schooling, the younger options could be advantageous
- for those children who would benefit from further time in a caring family environment or in the prior-to-school sector, the options do not affect parents capacity to delay school commencement of their children for one year. Younger options provide capacity for more children to delay entry.

4.2 Impact of changes in school cohort size over time

For each of the options, a change of 1 month in the minimum school starting age would, at face value, produce a change in the size of the introductory cohort of 8.3 per cent, or 1/12 of the 12 month cohort. This assumes that birth rates are evenly distributed over the year and that all children will enrol as soon as they are eligible. It also assumes that enrolments occur in one intake at the commencement of each school year.

Therefore, for each state and territory, the projected size of the cohort change on the basis of these assumptions can be shown at Table 4.2. This changed cohort would proceed over the 13 years of schooling. Subsequent cohorts would return to a 'normal' size, representing, in principle, a 12 month age range.

Table 4.2 Projected change in size of the introductory cohort for each option based on initial assumptions

State or Territory	4 years and 5 months option	4 years and 6 months option	4 years and 8 months option	4 years and 5 months to 4 years and 6 months range option	4 years and 5 months to 4 years and 8 months range option
New South Wales	stet	-8.3%	-24.9%	stet	stet
Victoria	+24.9%	+16.6%	stet	+16.6%	stet
Queensland	+8.3%	stet	-16.6%	stet	stet
South Australia	stet	+8.3%	+16.6%	stet	stet
Western Australia	+8.3%	stet	-16.6%	stet	stet
Tasmania	+58.1%	+49.8%	+33.2%	+49.8%	+33.2%
Australian Capital Territory	+24.9%	+16.6%	stet	+16.6%	stet
Northern Territory	+8.3%	stet	-16.6%	stet	stet

However, three key factors need to be considered which will have the effect of changing the projections in Table 4.2. These include:

- Trends in 'delay' of entry to school past the minimum eligible age
- Approaches to enrolment that vary from a start-of-year single intake
- Approaches to placement of children into their age cohort.

Delay is called the 'late starter effect' in the cost/benefit model. In terms of delay, where families decide to not enrol their children at the earliest possible age, the effect will be to reduce the size of the change in the introductory cohort.

The rate of delay tends to increase the younger the child. In other words, in relation to minimum school starting age, delay is greatest for children with birthdays closest to the cut-off date.

The rate of increase in delay could be around 3.98 per cent for each month, based on evidence from New South Wales which is the only state that enrols children turning 5 years of age in July with a start of year intake.

However, in Western Australia and Queensland this evidence is contradicted. There, perhaps in part because the states have replaced (or are replacing) part time pre-school with a full time school provision, the data suggest that delay is considerably less. A further factor in this may be the practice that children in these states whose entry is delayed are asked to enter school in Year 1 to be with their age cohort.

The detail of issues in relation to delay is discussed in Volume 3, Appendix G.

Based on assumptions about the 3.98 per cent delay element applied to all states and territories except Western Australia and Queensland, Table 4.3 below shows the projected levels of 'prompt starters' incorporated into the nationally comparable cost/benefit model. 'Prompt starters' are those children who will most likely commence school at the start of the first year in which they become eligible to enrol.

The percentages in Table 4.3 are the proportions of the affected age ranges that would enrol promptly. The reciprocal of the percentages represents those children in the

affected cohort whose school commencement would be delayed for 12 months. For the range options, the model assumes that the state or territory would elect the point option within the range that involves the least change.

Table 4.3 Prompt starter assumptions in the cost/benefit model

Options	NSW	Vic	Qld	SA	WA	Tas	NT	ACT
4 years and 5 months		32%	95%	48%	95%	49%	34%	41%
4 years and 6 months	33%	36%		52%		52%		45%
4 years and 8 months	41%		96%	60%	96%	60%	46%	

The actual number of students affected by each of the options is shown at Table 1.2 of this Volume.

Table 4.4 Projected change in size of the introductory cohort for each option based on analysis of delay and rolling enrolment effects

State or Territory	4 years and 5 months option	4 years and 6 months option	4 years and 8 months option	4 years and 5 months to 4 years and 6 months range option	4 years and 5 months to 4 years and 8 months range option
New South Wales	stet	-2.7%	-10.2%	stet	stet
Victoria	+7.9%	+5.9%	stet	+5.9%	stet
Queensland	+7.9%	stet	-16.0%	stet	stet
South Australia	-32.5%	-35.9%	-44.8%	-35.9%	-44.8%
Western Australia	+7.9%	stet	-16.0%	stet	stet
Tasmania	+28.3%	+26.2%	+20.2%	+26.2%	+20.2%
Australian Capital Territory	+10.2%	+7.4%	stet	+7.4%	stet
Northern Territory	+2.8%	stet	-7.7%	stet	stet

For South Australia in the above Table, the impact is much larger than would be anticipated had the State been operating with start of year enrolments and a 'normal' sized cohort in Reception. Rolling enrolments allow entry to school in the second half of the year, with most of these students anticipating completing their Reception at the end of the following year. Under a common minimum school starting age, a start of year entry would mean some of these students would enter school at the start of the year while others who are younger would not be eligible. The number of students with a start of year entry who would then complete Reception in a second year would most likely become negligible.

Thus all of the South Australian Reception cohort who currently complete a second year in Reception would no longer do so. In 2010 there would be a small increase above 'normal' for the 4 years and 5 months option and 4 years and 6 months option but a decrease below 'normal' for the 4 years and 8 months option. From 2011, the South Australia Reception cohort would become 'normal', no longer inflated by enrolments that occur during the year. The net effects of these impacts for South Australia are shown in the percentages in Table 4.4.

The affected cohort would proceed over the 13 years of schooling to 2022. In 2017 for New South Wales, Victoria, Tasmania and the Australian Capital Territory, the affected cohort would enter high school. For Queensland, Western Australia, South Australia and Northern Territory the affected students would enter high school in 2018. In 2021, the affected cohort would enter senior high school. In 2023, students in the cohort would enter the tertiary sector, vocational education and training or employment. Some students would move to employment or further training from the beginning of 2021.

4.3 Impact on the range and continuum of child care and education services

Table 4.5 below shows the projected costs and benefits associated with child care and pre-school services against each of the options.

The formal sub-sector concerns care provision and education services for which funding is provided by government and from private sources. The sub-sector includes registered long day care, community day care, family day care, vacation care, outside school hours care and pre-school services. In all states and territories, child care in formal provision up to age 6 is supported through the Australian Government Child Care Benefit and Child Care Rebate. In some states and territories, the state or territory government funds sessional education services for pre-school children.

The informal-parents sub-sector comprises the cost imputed provision of care by parents. The basis of the imputation is at a rate of $5 per hour on a 30 hour week, discounted to 2004-05 dollars. This figure divides the average after-tax hourly earnings figure, $13.40, by the average number of children in care, 2.4 per care giving parent.

The informal-other sub-sector comprises the cost imputed provision of care by grandparents and family friends. The basis of the imputation is at a rate of $1 per hour on a 30 hour week, discounted to 2004-05 dollars. This figure is very conservative. Much higher assumptions do not alter the analysis.

Where an option produces a younger minimum school starting age in a state or territory, there would be 'social' benefits to government and to parents. This is because affected children would move from the prior-to-school sector 12 months earlier than under the current arrangements that apply in the state or territory.

Where an option produces an older minimum school starting age in a state or territory, there would be 'social' costs to government and to parents. This is because affected children would remain in the prior-to-school sector for 12 months longer than under the current arrangements that apply in the state or territory.

Table 4.5 shows that the option with the greatest cost impact in the child care and pre-school sector would be the 4 years and 8 months option. This would arise because children with 5th birthdays after April who can currently commence school in the various states and territories would be unable to do so for a further 12 months.

Table 4.5 also shows that the option with the least cost impact in the child care and pre-school sector would be the 4 years and 5 months option. This would arise because children with 5th birthdays up to the end of July who cannot currently commence school in the various states and territories would be able to do so 12 months earlier than currently possible.

It should be noted that the figures in Table 4.5 take account of the agreed patterns of 'delay' within each of the states and territories.

Table 4.5 Impact on the overall child care and pre-school sector

(formal includes long day care, community day care, family day care, outside school hours care, vacation care, and pre-school)

Costs (-)/benefits (+) ($ million, 2004-05)

	Sub-Sectors	4.5	4.6	4.8	4.5 - 4.6	4.5 - 4.8
New South Wales	Formal	$0	-$82	-$130	$0	$0
	Informal - parents	$0	-$43	-$469	$0	$0
	Informal - other	$0	-$5	-$17	$0	$0
Victoria	Formal	$43	$1	$0	$1	$0
	Informal - parents	$246	$249	$0	$249	$0
	Informal - other	$9	$7	$0	$7	$0
Queensland	Formal	$123	$0	-$62	$0	$0
	Informal - parents	$53	$0	-$549	$0	$0
	Informal - other	$8	$0	-$15	$0	$0
South Australia	Formal	-$135	-$149	-$186	-$149	-$186
	Informal - parents	-$54	-$60	-$75	-$60	-$75
	Informal - other	-$14	-$15	-$19	-$15	-$19
Western Australia	Formal	$28	$0	-$11	$0	$0
	Informal - parents	$35	$0	-$288	$0	$0
	Informal - other	$4	$0	-$8	$0	$0
Tasmania	Formal	$15	$11	$8	$11	$8
	Informal - parents	$96	$100	$77	$100	$77
	Informal - other	$3	$3	$2	$3	$2
Northern Territory	Formal	$1.43	$0.00	-$0.17	$0.00	$0.00
	Informal - parents	$1.75	$0.00	-$19.14	$0.00	$0.00
	Informal - other	$0.28	$0.00	-$0.69	$0.00	$0.00
Australian Capital Territory	Formal	$4.32	$0.56	$0.00	$0.56	$0.00
	Informal - parents	$17.80	$18.45	$0.00	$18.45	$0.00
	Informal - other	$0.89	$0.65	$0.00	$0.65	$0.00

Table 4.6 shows the breakdown of costs for outside school hours care. The period modelled is to the end of primary school[24]. In those states where, for the various options, there would be an increase in the size of the introductory cohort, the figures show increased costs for this service. Where there would be a decrease in the size of the introductory cohort, the figures show decreased costs for this service.

Table 4.6 shows that, for the 4 years and 5 months option overall, the additional expenditure on outside school hours would be in the order of $5.6m while the introductory cohort was in primary school. For the 4 years and 6 months option, the total cost would be in the order of $4.5m. For the 4 years and 8 months option, there would be a saving in the order of $13.9m, reflecting the projection that there would be fewer children overall across Australia in the introductory cohort associated with this option. All figures are in 2004-05 dollars.

[24] In South Australia, the outside school hours care savings associated with the changed size of the group doing a further year of Reception would be permanent. This is incorporated into the national model and explained in detail in the State chapter in Volume 2 of this Report.

Table 4.6 Costs and benefits for outside school hours care associated with each of the options

Costs (-)/benefits (+) ($ million, 2004-05)

4 years and 5 months option

	2010	2011	2012	2013	2014	2015	2016	2017	2010-2017 (18)
Vic	-$0.4	-$0.4	-$0.4	-$0.4	-$0.4	-$0.4	-$0.3	-$0.3	-$3.0
Qld	-$0.2	-$0.2	-$0.2	-$0.2	-$0.2	-$0.2	-$0.1	-$0.1	-$1.3
SA	$0.1	$0.1	$0.1	$0.1	$0.1	$0.1	$0.0	$0.0	$0.4
WA	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	-$0.1
Tas	-$0.1	-$0.1	-$0.1	-$0.1	-$0.1	-$0.1	-$0.1	-$0.1	-$1.0
NT	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0
ACT	-$0.1	-$0.1	-$0.1	-$0.1	-$0.1	-$0.1	-$0.1	-$0.1	-$0.6
	-$0.8	**-$0.8**	**-$0.7**	**-$0.7**	**-$0.7**	**-$0.7**	**-$0.6**	**-$0.6**	**-$5.6**

4 years and 6 months option

	2010	2011	2012	2013	2014	2015	2016	2017	2010-2017 (18)
NSW	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.1
Vic	-$0.5	-$0.5	-$0.4	-$0.4	-$0.4	-$0.4	-$0.4	-$0.4	-$3.3
SA	$0.1	$0.1	$0.1	$0.1	$0.1	$0.1	$0.1	$0.1	$0.5
Tas	-$0.2	-$0.1	-$0.1	-$0.1	-$0.1	-$0.1	-$0.1	-$0.1	-$1.1
ACT	-$0.1	-$0.1	-$0.1	-$0.1	-$0.1	-$0.1	-$0.1	-$0.1	-$0.7
	-$0.6	**-$0.6**	**-$0.6**	**-$0.6**	**-$0.5**	**-$0.5**	**-$0.5**	**-$0.5**	**-$4.5**

4 years and 8 months option

	2010	2011	2012	2013	2014	2015	2016	2017	2010-2017 (18)
NSW	$0.7	$0.6	$0.6	$0.6	$0.6	$0.5	$0.5	$0.5	$4.6
Qld	$1.1	$1.1	$1.0	$1.0	$1.0	$0.9	$0.9	$0.8	$7.9
SA	$0.1	$0.1	$0.1	$0.1	$0.1	$0.1	$0.1	$0.1	$0.6
WA	$0.2	$0.2	$0.2	$0.2	$0.2	$0.2	$0.2	$0.1	$1.4
Tas	-$0.1	-$0.1	-$0.1	-$0.1	-$0.1	-$0.1	-$0.1	-$0.1	-$0.8
NT	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.2
	$2.0	**$1.9**	**$1.8**	**$1.8**	**$1.7**	**$1.6**	**$1.6**	**$1.5**	**$13.9**

Table 4.7 shows the breakdown of costs for vacation care. The period modelled is to the end of primary school.[25] In those states where, for the various options, there would be an increase in the size of the introductory cohort, the figures show increased costs for this service. Where there would be a decrease in the size of the introductory cohort, the figures show decreased costs for this service.

Table 4.7 shows that, for the 4 years and 5 months option overall, the additional expenditure on vacation care would be in the order of $1.3m while the introductory cohort was in primary school. For the 4 years and 6 months option, the total cost would be in the order of $1m. For the 4 years and 8 months option, there would be a saving in the order of $4.3m, reflecting the projection that there would be fewer children overall across Australia in the introductory cohort associated with this option.

[25] In South Australia, the vacation care savings associated with the changed size of the group doing a further year of Reception would be permanent. This is incorporated into the national model and explained in detail in the State chapter in Volume 2 of this Report.

Table 4.7 Costs and benefits for vacation care associated with each of the options

Costs (-)/benefits (+) ($ million, 2004-05)

4 years and 5 months option

	2010	2011	2012	2013	2014	2015	2016	2017	2010-2017 (18)
ACT	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	-$0.1
NT	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0
Qld	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	-$0.3
SA	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.2
Tas	-$0.1	-$0.1	-$0.1	-$0.1	-$0.1	-$0.1	-$0.1	-$0.1	-$0.5
Vic	-$0.1	-$0.1	-$0.1	-$0.1	-$0.1	-$0.1	-$0.1	-$0.1	-$0.6
WA	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0
	-$0.2	**-$0.2**	**-$0.2**	**-$0.2**	**-$0.2**	**-$0.2**	**-$0.1**	**-$0.1**	**-$1.3**

4 years and 6 months option

	2010	2011	2012	2013	2014	2015	2016	2017	2010-2017 (18)
ACT	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	-$0.1
NSW	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0
SA	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.2
Tas	-$0.1	-$0.1	-$0.1	-$0.1	-$0.1	-$0.1	-$0.1	-$0.1	-$0.6
Vic	-$0.1	-$0.1	-$0.1	-$0.1	-$0.1	-$0.1	-$0.1	-$0.1	-$0.6
	-$0.1	**-$0.1**	**-$0.1**	**-$0.1**	**-$0.1**	**-$0.1**	**-$0.1**	**-$0.1**	**-$1.0**

4 years and 8 months option

	2010	2011	2012	2013	2014	2015	2016	2017	2010-2017 (18)
NSW	$0.2	$0.2	$0.2	$0.2	$0.2	$0.2	$0.1	$0.1	$1.3
NT	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.1
Qld	$0.3	$0.3	$0.3	$0.3	$0.3	$0.3	$0.2	$0.2	$2.2
SA	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.3
Tas	-$0.1	-$0.1	-$0.1	-$0.1	-$0.1	$0.0	$0.0	$0.0	-$0.4
WA	$0.1	$0.1	$0.1	$0.1	$0.1	$0.1	$0.1	$0.1	$0.8
	$0.6	**$0.6**	**$0.6**	**$0.5**	**$0.5**	**$0.5**	**$0.5**	**$0.5**	**$4.3**

4.4 Impact on child care services and pre-school education

Table 4.8 below shows the projected costs and benefits that would occur for each of the formal services within the prior-to-school child care sector in each state and territory, against the options. In most instances, the figures are for the full time period of the model up to 2072 because the impact would be permanent. However, for the pre-school component, the figures are only for 2009 as this would be the only year of impact on this service.

Where the option leads to affected students moving 12 months earlier into schooling from formal prior-to-school child care and pre-school, there would be reduced costs from 2010 associated with formal prior-to-school services including private long day care, community based long day care, family day care. The children with equivalent birthdays are no longer in the available pool for these prior-to-school services and this effect would be permanent.

However, while these children move one year earlier to school from pre-school, they would be replaced by younger children to ensure there was a full cohort of children ready for school in the following year. In fact, the additional pre-school children would need to be enrolled in 2009. Thus, in 2009, pre-school would have a one off increase in numbers but from 2010 would revert to 'normal' albeit with a slightly younger cohort.

Where the option leads to children being retained for a further 12 months in the formal prior-to-school sector, there would be increased costs from 2010 associated with formal prior-to-school services including private long day care, community based long day care, family day care. As a one off in 2009, pre school numbers would have to be reduced by those children who would be ineligible for school in 2010. From 2010, pre-school numbers would return to normal, albeit with a slightly older cohort of children.

Table 4.8 Costs and benefits among prior-to-school child care and pre-school services associated with each option

Costs (-)/benefits (+) ($ million, 2004-05)

	National Total	NSW	Vic	Qld	SA	WA	Tas	NT	ACT
4 years and 5 months option									
Private long day care	$95	$0	$22	$94	-$42	$17	$2	$0	$2
Community based long day care	-$5	$0	$18	$23	-$66	$9	$8	$1	$2
Family day care	$10	$0	$13	$12	-$29	$5	$8	$0	$1
Pre-school	-$15	$0	-$6	-$5	$0	-$2	-$2	$0	$0
Net impact	**$85**	**$0**	**$47**	**$124**	**-$137**	**$29**	**$16**	**$1**	**$5**
4 years and 6 months option									
Private long day care	-$87	-$51	$7	$0	-$46	$0	$2	$0	$1
Community based long day care	-$87	-$25	$5	$0	-$73	$0	$6	$0	$0
Family day care	-$25	-$8	$7	$0	-$32	$0	$7	$0	$1
Pre-school	-$5	$2	-$5	$0	$0	$0	-$2	$0	$0
Net impact	**-$204**	**-$82**	**$14**	**$0**	**-$151**	**$0**	**$13**	**$0**	**$2**
4 years and 8 months option									
Private long day care	-$233	-$90	$0	-$75	-$58	-$11	$1	$0	$0
Community based long day care	-$143	-$39	$0	-$15	-$91	-$2	$4	$0	$0
Family day care	-$74	-$17	$0	-$17	-$40	-$5	$5	$0	$0
Pre-school	$25	$9	$0	$11	$0	$5	-$1	$0	$0
Net impact	**-$422**	**-$137**	**$0**	**-$96**	**-$189**	**-$13**	**$9**	**$0**	**$0**
4 years and 5 months to 4 years and 6 months range option									
Private long day care	-$36	$0	$7	$0	-$46	$0	$2	$0	$1
Community based long day care	-$62	$0	$5	$0	-$73	$0	$6	$0	$0
Family day care	-$17	$0	$7	$0	-$32	$0	$7	$0	$1
Pre-school	-$7	$0	-$5	$0	$0	$0	-$2	$0	$0
Net impact	**-$122**	**$0**	**$14**	**$0**	**-$151**	**$0**	**$13**	**$0**	**$2**
4 years and 5 months to 4 years and 8 months range option									
Private long day care	-$57	$0	$0	$0	-$58	$0	$1	$0	$0
Community based long day care	-$87	$0	$0	$0	-$91	$0	$4	$0	$0
Family day care	-$35	$0	$0	$0	-$40	$0	$5	$0	$0
Pre-school	-$1	$0	$0	$0	$0	$0	-$1	$0	$0
Net impact	**-$180**	**$0**	**$0**	**$0**	**-$189**	**$0**	**$9**	**$0**	**$0**

Table 4.8 shows that the only option with an overall net national or social benefit in the child care services and pre-school sector is the 4 years and 5 months option. All other options would create net social costs on a national basis for this sector. This is despite the fact that overall, any option other than the 4 years and 8 months option would decrease the average minimum school starting age across Australia leading to a permanent net loss of children from the child care pool.

Under such circumstances, it would be expected that the there would be a net movement from the child care sector to school, thus decreasing expenditure on child care. However, the impact of the changes to South Australia procedures, delaying start of school for a large number of children, mitigates the national cohort impact of the options. So too does the cost incurred in pre-schools in the year before the increased cohort moves into school.

The costs in the child care sector would increase the older the net age of the cohort resulting from the option. These costs would arise from the fact that the affected national cohort would include more students retained in formal child care services for a further 12 months.

Tables 4.9 to 4.13 below show the short and medium term costs and benefits in relation to each of the elements of the prior-to-school sector that would be associated with each option in each state and territory. Table 4.14 shows the 2009 total costs, payable by government and parents depending on arrangements within each jurisdiction, that would be associated with pre-school in preparation for the change in minimum school starting age in 2010. After 2009, the costs for pre-school would return to 'normal'. Note the costs shown in the Tables are in 2004-05 dollars.

Table 4.9 Total costs and benefits to government and parents associated with private long day care for each option from 2009 to 2017

Costs (-)/benefits (+) ($ million, 2004-05)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2010-2017
	4 years and 5 months option									
Vic	$0.0	$1.0	$0.9	$0.9	$0.8	$0.8	$0.8	$0.7	$0.7	$6.6
Qld	$0.0	$4.0	$3.8	$3.7	$3.5	$3.4	$3.2	$3.1	$3.0	$27.8
SA	$0.0	-$1.8	-$1.7	-$1.6	-$1.6	-$1.5	-$1.4	-$1.4	-$1.3	-$12.4
WA	$0.0	$0.7	$0.7	$0.7	$0.6	$0.6	$0.6	$0.6	$0.5	$4.9
Tas	$0.0	$0.1	$0.1	$0.1	$0.1	$0.1	$0.1	$0.1	$0.1	$0.7
NT	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.1
ACT	$0.0	$0.1	$0.1	$0.1	$0.1	$0.1	$0.1	$0.1	$0.1	$0.5
Totals	**$0.0**	**$4.1**	**$3.9**	**$3.7**	**$3.6**	**$3.4**	**$3.3**	**$3.2**	**$3.0**	**$28.2**
	4 years and 6 months option									
NSW	$0.0	-$2.2	-$2.1	-$2.0	-$1.9	-$1.8	-$1.8	-$1.7	-$1.6	-$15.2
Vic	$0.0	$0.3	$0.3	$0.3	$0.3	$0.3	$0.2	$0.2	$0.2	$2.1
SA	$0.0	-$2.0	-$1.9	-$1.8	-$1.7	-$1.7	-$1.6	-$1.5	-$1.5	-$13.7
Tas	$0.0	$0.1	$0.1	$0.1	$0.1	$0.1	$0.1	$0.1	$0.1	$0.5
ACT	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.2
Totals	**$0.0**	**-$3.8**	**-$3.6**	**-$3.5**	**-$3.3**	**-$3.2**	**-$3.0**	**-$2.9**	**-$2.8**	**-$26.1**
	4 years and 8 months option									
NSW	$0.0	-$3.8	-$3.7	-$3.5	-$3.4	-$3.2	-$3.1	-$3.0	-$2.8	-$26.6
Qld	$0.0	-$3.2	-$3.1	-$2.9	-$2.8	-$2.7	-$2.6	-$2.5	-$2.4	-$22.1
SA	$0.0	-$2.5	-$2.4	-$2.3	-$2.2	-$2.1	-$2.0	-$1.9	-$1.8	-$17.1
WA	$0.0	-$0.5	-$0.4	-$0.4	-$0.4	-$0.4	-$0.4	-$0.4	-$0.3	-$3.1
Tas	$0.0	$0.1	$0.1	$0.1	$0.0	$0.0	$0.0	$0.0	$0.0	$0.4
NT	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0
Totals	**$0.0**	**-$9.9**	**-$9.5**	**-$9.1**	**-$8.7**	**-$8.3**	**-$8.0**	**-$7.7**	**-$7.3**	**-$68.5**

Table 4.10 Total costs and benefits to government and parents associated with community long day care for each option from 2009 to 2017

Costs (-)/benefits (+) ($ million, 2004-05)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2010-2017
4 years and 5 months option										
Vic	$0.0	$0.8	$0.7	$0.7	$0.7	$0.6	$0.6	$0.6	$0.6	$5.3
Qld	$0.0	$1.0	$1.0	$0.9	$0.9	$0.8	$0.8	$0.8	$0.7	$6.9
SA	$0.0	-$2.8	-$2.7	-$2.6	-$2.5	-$2.4	-$2.3	-$2.2	-$2.1	-$19.4
WA	$0.0	$0.4	$0.3	$0.3	$0.3	$0.3	$0.3	$0.3	$0.3	$2.5
Tas	$0.0	$0.3	$0.3	$0.3	$0.3	$0.3	$0.3	$0.3	$0.3	$2.4
NT	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.3
ACT	$0.0	$0.1	$0.1	$0.1	$0.1	$0.1	$0.1	$0.1	$0.1	$0.7
Totals	**$0.0**	**-$0.2**	**-$0.2**	**-$0.2**	**-$0.2**	**-$0.2**	**-$0.2**	**-$0.1**	**-$0.1**	**-$1.3**
4 years and 6 months option										
NSW	$0.0	-$1.1	-$1.0	-$1.0	-$1.0	-$0.9	-$0.9	-$0.8	-$0.8	-$7.5
Vic	$0.0	$0.2	$0.2	$0.2	$0.2	$0.2	$0.2	$0.2	$0.2	$1.4
SA	$0.0	-$3.1	-$3.0	-$2.8	-$2.7	-$2.6	-$2.5	-$2.4	-$2.3	-$21.4
Tas	$0.0	$0.2	$0.2	$0.2	$0.2	$0.2	$0.2	$0.2	$0.2	$1.6
ACT	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.1
Totals	**$0.0**	**-$3.7**	**-$3.6**	**-$3.4**	**-$3.3**	**-$3.1**	**-$3.0**	**-$2.9**	**-$2.8**	**-$25.8**
4 years and 8 months option										
NSW	$0.0	-$1.7	-$1.6	-$1.5	-$1.5	-$1.4	-$1.3	-$1.3	-$1.2	-$11.5
Qld	$0.0	-$0.6	-$0.6	-$0.6	-$0.6	-$0.5	-$0.5	-$0.5	-$0.5	-$4.5
SA	$0.0	-$3.9	-$3.7	-$3.5	-$3.4	-$3.3	-$3.1	-$3.0	-$2.9	-$26.7
WA	$0.0	-$0.1	-$0.1	-$0.1	-$0.1	-$0.1	-$0.1	-$0.1	-$0.1	-$0.6
Tas	$0.0	$0.2	$0.2	$0.2	$0.2	$0.2	$0.1	$0.1	$0.1	$1.3
NT	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0
Totals	**$0.0**	**-$6.1**	**-$5.8**	**-$5.6**	**-$5.4**	**-$5.1**	**-$4.9**	**-$4.7**	**-$4.5**	**-$42.1**

Table 4.11 Total costs and benefits to government and parents associated with family day care for each option from 2009 to 2017

Costs (-)/benefits (+) ($ million, 2004-05)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2010-2017
	4 years and 5 months option									
Vic	$0.0	$0.5	$0.5	$0.5	$0.5	$0.5	$0.4	$0.4	$0.4	$3.8
Qld	$0.0	$0.5	$0.5	$0.5	$0.5	$0.4	$0.4	$0.4	$0.4	$3.7
SA	$0.0	-$1.2	-$1.2	-$1.1	-$1.1	-$1.0	-$1.0	-$1.0	-$0.9	-$8.6
WA	$0.0	$0.2	$0.2	$0.2	$0.2	$0.2	$0.2	$0.2	$0.2	$1.4
Tas	$0.0	$0.4	$0.3	$0.3	$0.3	$0.3	$0.3	$0.3	$0.3	$2.4
NT	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.1
ACT	$0.0	$0.1	$0.1	$0.1	$0.1	$0.1	$0.0	$0.0	$0.0	$0.4
Totals	**$0.0**	**$0.5**	**$0.4**	**$0.4**	**$0.4**	**$0.4**	**$0.4**	**$0.4**	**$0.3**	**$3.2**
	4 years and 6 months option									
NSW	$0.0	-$0.3	-$0.3	-$0.3	-$0.3	-$0.3	-$0.3	-$0.3	-$0.3	-$2.4
Vic	$0.0	$0.3	$0.3	$0.3	$0.3	$0.3	$0.2	$0.2	$0.2	$2.1
SA	$0.0	-$1.4	-$1.3	-$1.3	-$1.2	-$1.2	-$1.1	-$1.1	-$1.0	-$9.5
Tas	$0.0	$0.3	$0.3	$0.3	$0.3	$0.2	$0.2	$0.2	$0.2	$2.0
ACT	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.2
Totals	**$0.0**	**-$1.1**	**-$1.0**	**-$1.0**	**-$1.0**	**-$0.9**	**-$0.9**	**-$0.8**	**-$0.8**	**-$7.6**
	4 years and 8 months option									
NSW	$0.0	-$0.7	-$0.7	-$0.6	-$0.6	-$0.6	-$0.6	-$0.5	-$0.5	-$4.9
Qld	$0.0	-$0.7	-$0.7	-$0.7	-$0.6	-$0.6	-$0.6	-$0.6	-$0.5	-$4.9
SA	$0.0	-$1.7	-$1.6	-$1.6	-$1.5	-$1.4	-$1.4	-$1.3	-$1.3	-$11.9
WA	$0.0	-$0.2	-$0.2	-$0.2	-$0.2	-$0.2	-$0.2	-$0.2	-$0.1	-$1.4
Tas	$0.0	$0.2	$0.2	$0.2	$0.2	$0.2	$0.2	$0.2	$0.2	$1.5
NT	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	-$0.1
Totals	**$0.0**	**-$3.1**	**-$3.0**	**-$2.9**	**-$2.7**	**-$2.6**	**-$2.5**	**-$2.4**	**-$2.3**	**-$21.6**

Table 4.12 Total costs and benefits to parents associated with informal care for each option from 2009 to 2017

Costs (-)/benefits (+) ($ million, 2004-05)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2010-2017
	4 years and 5 months option									
Vic	$0.0	$0.4	$0.4	$0.4	$0.3	$0.3	$0.3	$0.3	$0.3	$2.7
Qld	$0.0	$0.3	$0.3	$0.3	$0.3	$0.3	$0.3	$0.3	$0.3	$2.4
SA	$0.0	-$0.6	-$0.6	-$0.5	-$0.5	-$0.5	-$0.5	-$0.5	-$0.4	-$4.1
WA	$0.0	$0.2	$0.2	$0.2	$0.2	$0.2	$0.1	$0.1	$0.1	$1.3
Tas	$0.0	$0.1	$0.1	$0.1	$0.1	$0.1	$0.1	$0.1	$0.1	$1.0
NT	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.1
ACT	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.3
Totals	**$0.0**	**$0.5**	**$0.5**	**$0.5**	**$0.5**	**$0.4**	**$0.4**	**$0.4**	**$0.4**	**$3.6**
	4 years and 6 months option									
NSW	$0.0	-$0.2	-$0.2	-$0.2	-$0.2	-$0.2	-$0.2	-$0.2	-$0.1	-$1.4
Vic	$0.0	$0.3	$0.3	$0.3	$0.3	$0.2	$0.2	$0.2	$0.2	$2.0
SA	$0.0	-$0.7	-$0.6	-$0.6	-$0.6	-$0.5	-$0.5	-$0.5	-$0.5	-$4.5
Tas	$0.0	$0.1	$0.1	$0.1	$0.1	$0.1	$0.1	$0.1	$0.1	$0.9
ACT	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.2
Totals	**$0.0**	**-$0.4**	**-$0.4**	**-$0.4**	**-$0.4**	**-$0.3**	**-$0.3**	**-$0.3**	**-$0.3**	**-$2.8**
	4 years and 8 months option									
NSW	$0.0	-$0.7	-$0.7	-$0.7	-$0.6	-$0.6	-$0.6	-$0.5	-$0.5	-$4.9
Qld	$0.0	-$0.7	-$0.6	-$0.6	-$0.6	-$0.6	-$0.5	-$0.5	-$0.5	-$4.6
SA	$0.0	-$0.8	-$0.8	-$0.7	-$0.7	-$0.7	-$0.7	-$0.6	-$0.6	-$5.6
WA	$0.0	-$0.4	-$0.3	-$0.3	-$0.3	-$0.3	-$0.3	-$0.3	-$0.3	-$2.5
Tas	$0.0	$0.1	$0.1	$0.1	$0.1	$0.1	$0.1	$0.1	$0.1	$0.7
NT	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	-$0.2
Totals	**$0.0**	**-$2.5**	**-$2.4**	**-$2.3**	**-$2.2**	**-$2.1**	**-$2.0**	**-$1.9**	**-$1.8**	**-$17.1**

Table 4.13 Total costs and benefits to parents associated with parental care for each option from 2009 to 2017

Costs (-)/benefits (+) ($ million, 2004-05)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2010-2017
	4 years and 5 months option									
Vic	$0.0	$10.5	$10.0	$9.6	$9.2	$8.8	$8.5	$8.1	$7.8	$72.5
Qld	$0.0	$2.2	$2.2	$2.1	$2.0	$1.9	$1.8	$1.7	$1.7	$15.6
SA	$0.0	-$2.3	-$2.2	-$2.1	-$2.0	-$1.9	-$1.9	-$1.8	-$1.7	-$16.0
WA	$0.0	$1.5	$1.4	$1.4	$1.3	$1.2	$1.2	$1.1	$1.1	$10.2
Tas	$0.0	$4.1	$3.9	$3.8	$3.6	$3.4	$3.3	$3.2	$3.0	$28.3
NT	$0.0	$0.1	$0.1	$0.1	$0.1	$0.1	$0.1	$0.1	$0.1	$0.5
ACT	$0.0	$0.8	$0.7	$0.7	$0.7	$0.6	$0.6	$0.6	$0.6	$5.3
Totals	**$0.0**	**$16.8**	**$16.1**	**$15.4**	**$14.8**	**$14.2**	**$13.6**	**$13.0**	**$12.5**	**$116.3**
	4 years and 6 months option									
NSW	$0.0	-$1.8	-$1.8	-$1.7	-$1.6	-$1.6	-$1.5	-$1.4	-$1.4	-$12.8
Vic	$0.0	$10.6	$10.2	$9.7	$9.3	$8.9	$8.6	$8.2	$7.9	$73.3
SA	$0.0	-$2.6	-$2.4	-$2.3	-$2.2	-$2.2	-$2.1	-$2.0	-$1.9	-$17.7
Tas	$0.0	$4.3	$4.1	$3.9	$3.8	$3.6	$3.5	$3.3	$3.2	$29.6
ACT	$0.0	$0.8	$0.8	$0.7	$0.7	$0.7	$0.6	$0.6	$0.6	$5.4
Totals	**$0.0**	**$11.3**	**$10.8**	**$10.3**	**$9.9**	**$9.5**	**$9.1**	**$8.7**	**$8.3**	**$77.9**
	4 years and 8 months option									
NSW	$0.0	-$20.0	-$19.1	-$18.3	-$17.6	-$16.8	-$16.1	-$15.5	-$14.8	-$138.3
Qld	$0.0	-$23.4	-$22.4	-$21.5	-$20.6	-$19.7	-$18.9	-$18.1	-$17.3	-$161.8
SA	$0.0	-$3.2	-$3.0	-$2.9	-$2.8	-$2.7	-$2.6	-$2.5	-$2.4	-$22.0
WA	$0.0	-$12.3	-$11.8	-$11.3	-$10.8	-$10.3	-$9.9	-$9.5	-$9.1	-$84.9
Tas	$0.0	$3.3	$3.1	$3.0	$2.9	$2.8	$2.7	$2.5	$2.4	$22.7
NT	$0.0	-$0.8	-$0.8	-$0.7	-$0.7	-$0.7	-$0.7	-$0.6	-$0.6	-$5.6
Totals	**$0.0**	**-$56.4**	**-$54.0**	**-$51.7**	**-$49.6**	**-$47.5**	**-$45.5**	**-$43.6**	**-$41.8**	**-$390.0**

Table 4.14 Total costs and benefits to government and parents associated with pre-school (kindergarten) for each option for 2009 only

Costs (-)/benefits (+) ($ million, 2004-05)

	2009
4 years and 5 months option	
Vic	-$6.1
Qld	-$5.2
SA	$0.0
WA	-$2.2
Tas	-$2.1
NT	-$0.1
ACT	-$0.4
Totals	**-$15.9**
4 years and 6 months option	
NSW	$2.5
Vic	-$4.6
SA	$0.0
Tas	-$1.9
ACT	$0.3
Totals	**-$4.3**
4 years and 8 months option	
NSW	$9.3
Qld	$10.6
SA	$0.0
WA	$4.5
Tas	-$1.5
NT	$0.2
Totals	**$23.1**

* Because of the South Australia approach to rolling enrolments, with the introduction of start of year procedures associated with a minimum school starting age, it would be possible to manage changes to pre-school (kindergarten) in 2009 without substantial cost. See the State Chapter 4 in Volume 2 of this Report.

4.5 Impact on the government and non-government school sectors

In each state and territory the impact of the options on the three schooling sectors would depend on a range of key factors. First, the scale of the impact would depend on the current minimum school starting age and the extent to which any option would increase or decrease the size of the introductory cohort.

Second, the impact in 2010 would be influenced by the extent to which families in the state or territory would delay the school commencement of their children. Delay factors and the way they have been modelled are discussed in Volume 3, Appendix G.

A third factor would be decisions within various jurisdictions in relation to the range options. The assumption in the nationally comparable model is that states and territories would choose the option that means the least change to them. Thus, for example, Victoria would stay with a 4 years and 8 months minimum school starting age for the range option of 4 years and 5 months to 4 years and 8 months. However, it is assumed that Victoria would adopt a 4 years and 6 months minimum school starting age for the 4 years and 5 months to 4 years and 6 months range option. The assumed responses in the other states and territories could be similarly described.

Table 4.15 shows the impact of the options on the size of the introductory cohort in the three schooling sectors for each state and territory. The projections are based on the assumptions made in the nationally comparable model.

Table 4.15 Change in cohort size for each option by sector for each state and territory

Number of affected students

	NSW	Vic	Qld	SA	WA	Tas	NT	ACT
4 years and 5 months option								
Gov		3,244	2,988	-3789	1,429	1,238	78	263
Cath		1,049	618	-980	338	223	13	112
Ind		408	378	-780	190	126	8	35
Total		4,701	3,984	-5549	1,957	1,587	99	410
4 years and 6 months option								
Gov	-1,602	2,446		-4,233		1,150		193
Cath	-451	791		-1,084		208		82
Ind	-203	308		-818		117		26
Total	-2,256	3,545		-6,135		1,475		301
4 years and 8 months option								
Gov	-6,019		-6,124	-5,278	-2,933	883	-212	
Cath	-1,694		-1,266	-1,352	-694	160	-36	
Ind	-765		-776	-1,020	-391	90	-20	
Total	-8,478		-8,166	-7,650	-4,018	1,133	-268	
4 years and 5 months to 4 years and 6 months range option								
Gov		2,446		-4,233		1,150		193
Cath		791		-1,084		208		82
Ind		308		-818		117		26
Total		3,545		-6,135		1,475		301
4 years and 5 months to 4 years and 8 months range option								
Gov				-5,278		883		
Cath				-1,352		160		
Ind				-1,020		90		
Total				-7,650		1,133		

Another factor likely to influence the impact of the introductory cohort would be the infrastructure capacity of schools in the different sectors. Should the impact of the option lead to a larger cohort, some schools may be able to enrol the additional students.

For example, in areas characterised by significant population growth such as the Queensland southeast corridor, schools typically have plans for increased infrastructure that could absorb the numbers. Others, in areas with declining enrolment would also be likely to have the capacity to absorb the additional students in the cohort. In the unique case of South Australia where a common minimum school starting age would necessarily lead to a curtailment of completion of Reception in the following year, there would be ample freed-up classroom space to enrol the affected students.

On the other hand, it is likely that there will be schools that would be unable to enrol the additional students without expansion of infrastructure. For example, some inner city schools may have maximum enrolments for their site size. They would be unable to enrol students in classes that were already full or have the space required on the school site to locate demountable classrooms. A further example would be the Catholic sector in Tasmania, where a number of school sites are so restricted as to make it impossible for additional infrastructure to be provided.

Where sectors were unable to enrol their proportionate share of the increased number of students, this would lead to a change in the enrolment relativities between the sectors in the state or territory. This is most likely to lead to an increase in the proportionate size of the government school sector. For schools in the non-government sector, an impact could be long term foregoing of income through grants and private sources. This loss could be exacerbated where younger siblings follow the changed family enrolment pattern.

Where the impact of the option is to decrease the size of the introductory cohort, it is possible that there could be a discernible level of differentiation of impact among the sectors. Schools with access to active waiting lists would be able to enrol additional students to compensate for the potential decline. In some instances this could mean that a 'normal' sized cohort would be maintained. If this occurred across the sector, it could lead to a change in the relative proportions of enrolments among the sectors. In general, it is likely that this effect would lead to a decline in the relative proportion of students enrolling in the government school sector.

For those schools unable to take enrolments from waiting lists, the decrease in the size of the introductory cohort could create issues of viability. While this was not highlighted as a major issue in the consultations, some schools especially in rural and remote locations were cited to illustrate the potential impact of a reduced cohort.

4.6 Impact on the different roles and funding of primary and secondary schools

Tables 4.16 to 4.20 show the potential impact of the five options on funding provided by the Australian Government and state and territory governments, and from private sources, including fees. The source of the information includes calculation by the Australian Government Department of Education, Science and Training of the relative shares of funding from the three sources. The figures derive from the nationally comparable cost/benefit model.

It should be noted that the time period in the Tables is generally the 13 years of schooling for the introductory cohort. However, as canvassed elsewhere, for South Australia the time period is over the 62 years of the model from 2010 to 2072. First year costs are also shown. Figures for South Australia have been adjusted to take account of the pattern of government resource provision associated with rolling enrolments.

Where a state or territory is offered a range in minimum school starting age, it is assumed that the state or territory would opt for the closest age within the range to that which currently operates. This in fact may not be the case, depending on choices made within the state or territory.

The figures in Table 4.16 indicate that, for the 4 years and 5 months option, seven states and territories would be affected. In Victoria, Queensland, Western Australia, Tasmania, the Australian Capital Territory and the Northern Territory there would be substantial costs for all funding sources arising from the increase in the size of the cohort.

Relative to the size of the education sectors in the affected states and territories, Tasmania would have the greatest costs. This would occur because Tasmania currently has the oldest minimum school starting age. The change involved to implement the youngest option would mean that children in Tasmania would become eligible to enter school seven months earlier than under current arrangements. By way of contrast, the degree of change in Victoria and the Australian Capital Territory would be three months. For all other affected states or territories, except South Australia, the change would be one month.

Table 4.16 First and 13 year (and for South Australia, 62 year*) funding impacts arising from the 4 years and 5 months option for the Australian Government, state/territory governments and private sources by affected states and territories

Costs (-)/benefits (+) ($ million, 2004-05)

	Overall	Australian Government	State/Territory Government	Private Sources
Victoria				
Primary	-$193.4	-$41.7	-$129.1	-$22.6
Secondary	-$178.8	-$40.4	-$94.6	-$43.8
Total	**-$372.2**	**-$82.1**	**-$223.7**	**-$66.4**
First year costs	**-$29.57**	**-$6.37**	**-$19.74**	**-$3.46**
Queensland				
Primary	-$197.7	-$38.1	-$143.0	-$16.6
Secondary	-$118.7	-$27.1	-$71.8	-$19.8
Total	**-$316.4**	**-$65.2**	**-$214.8**	**-$36.4**
First year costs	**-$26.74**	**-$5.15**	**-$19.35**	**-$2.24**
South Australia first, 13 years (and 62 years*)				
Primary	$175.2 ($596.1*)	$18.83 ($90.7*)	$136.15 ($458.7*)	$13.30($46.7*)
Secondary	-$55.5	-$12.3	-$33.0	-$10.3
Total	**$119.7 ($540.6*)**	**$11.8 ($78.5*)**	**$104.8 ($425.8*)**	**$3.0 ($36.4*)**
First year savings	**$10.45**	**$1.16**	**$8.54**	**$0.75**
Western Australia				
Primary	-$101.1	-$18.3	-$74.0	-$8.8
Secondary	-$63.5	-$13.5	-$41.0	-$9.0
Total	**-$164.7**	**-$31.8**	**-$115.0**	**-$17.8**
First year costs	**-$13.68**	**-$2.48**	**-$10.01**	**-$1.19**
Tasmania				
Primary	-$76.8	-$12.1	-$56.8	-$8.0
Secondary	-$62.0	-$12.9	-$43.3	-$5.9
Total	**-$138.8**	**-$24.9**	**-$100.0**	**-$13.9**
First year costs	**-$11.74**	**-$1.84**	**-$8.68**	**-$1.22**
Australian Capital Territory				
Primary	-$19.37	-$3.73	-$13.31	-$2.33
Secondary	-$17.84	-$4.08	-$11.48	-$2.28
Total	**-$37.21**	**-$7.81**	**-$24.79**	**-$4.61**
First year costs	**-$2.96**	**-$0.57**	**-$2.04**	**-$0.36**
Northern Territory				
Primary	-$7.98	-$1.39	-$6.19	-$0.4
Secondary	-$4.82	-$0.90	-$3.51	-$0.4
Total	**-$12.8**	**-$2.29**	**-$9.70**	**-$0.8**
First year costs	**-$1.08**	**-$0.19**	**-$0.84**	**-$0.05**

Only in South Australia would there be substantial savings, associated with the contraction of completion of Reception in the following year. The 62 year savings for South Australia shown in the Table in brackets with an * are long term, with only the

first year and 13 year savings enabling true comparison. New South Wales, of course, would be unaffected.

This would be the highest cost option for all three school sector funding sources. In the first year, the net cost would be in the order of $75.32m. The burden of the costs would fall most strongly on the seven affected state and territory governments[26]. However, as shown elsewhere in this report, this option would produce the greatest long term growth in GDP of any of the options.

Table 4.17 below shows the school sector funding impacts for the 4 years and 6 months option. The figures in Table 4.17 indicate that, for the 4 years and 6 months option, five states and territories would be affected.

Table 4.17 First and 13 year (and for South Australia, 62 year*) funding impacts arising from the 4 years and 6 months option for the Australian Government, state/territory governments and private sources by affected states and territories

Costs (-)/benefits (+) ($ million, 2004-05)

	Overall	Australian Government	State/Territory Government	Private Sources
New South Wales				
Primary	$104.2	$19.0	$73.4	$11.7
Secondary	$96.4	$18.2	$67.0	$11.2
Total	**$200.5**	**$37.2**	**$140.4**	**$22.9**
First year savings	**$15.92**	**$2.90**	**$11.23**	**$1.79**
Victoria				
Primary	-$145.9	-$31.4	-$97.4	-$17.1
Secondary	-$134.9	-$30.5	-$71.3	-$33.0
Total	**-$280.7**	**-$61.9**	**-$168.7**	**-$50.1**
First year costs	**-$22.31**	**-$4.81**	**-$14.89**	**-$2.61**
South Australia first, 13 years (and 62 years*)				
Primary	$208.5 ($629.4*)	$30.25 ($97.1*)	$160.69 ($482.7*)	$14.16 ($49.5*)
Secondary	-$37.8	-$8.3	-$22.4	-$7.0
Total	**$170.7 ($591.6*)**	**$22.2 ($88.8*)**	**$139.4 ($460.3*)**	**$9.1 ($42.5*)**
First year savings	**$14.94**	**$2.03**	**$11.78**	**$1.13**
Tasmania				
Primary	-$71.4	-$11.2	-$52.8	-$7.4
Secondary	-$57.7	-$12.0	-$40.2	-$5.5
Total	**-$129.1**	**-$23.2**	**-$93.0**	**-$12.9**
First year costs	**-$10.92**	**-$1.71**	**-$8.07**	**-$1.14**
Australian Capital Territory				
Primary	-$14.23	-$2.74	-$9.78	-$1.71
Secondary	-$13.10	-$3.00	-$8.43	-$1.68
Total	**-$27.33**	**-$5.74**	**-$18.21**	**-$3.39**
First year costs	**-$2.18**	**-$0.42**	**-$1.49**	**-$0.26**

[26] Even though South Australia has a 4 years and 5 months minimum school starting age for any children who go directly to Year 1 in the following year, the impact of moving to a common minimum school starting age with start of year provision would affect South Australia by curtailing enrolment of children younger than 4 years and 5 months option until the following year.

In Victoria, Tasmania, and the Australian Capital Territory there would be substantial costs for all funding sources arising from the increase in the size of the cohort. For New South Wales, there would be savings associated with the reduced size of the cohort. For South Australia, the savings would stem from the reduction in completion of Reception in the following year.

As with the 4 years and 5 months option, relative to the size of the education sectors in the affected states and territories, Tasmania would have the greatest costs. The change involved to implement this option would mean that Tasmanian children would become eligible to enter school six months earlier than under current arrangements. In Victoria and the Australian Capital Territory, the change would involve two months. In New South Wales and South Australia, the change would be one month.

Only in New South Wales and South Australia would there be savings associated with the 4 years and 6 months option. Queensland, Western Australia and the Northern Territory would, of course, be unaffected.

The 4 years and 6 months option would be a relatively moderate cost option for all three school sector funding sources although much reduced compared to the 4 years and 5 months option. In the first year, there would be a net school sector cost in the order of $4.55m. The burden of the costs over time would fall most strongly on the three affected state and territory governments. As shown elsewhere in this Report, this option would produce the third highest level of long term GDP growth of the options.

Table 4.18 below shows the school sector funding impacts for the 4 years and 8 months option. The figures in Table 4.18 indicate that, for the 4 years and 8 months option, six states and territories would be affected. Only in Tasmania would there be costs for all funding sources associated with the introduction of the option, arising from the increase in the size of the cohort. For New South Wales, Queensland, South Australia, Western Australia, and the Northern Territory there would be savings arising from the reduced size of the cohort. Victoria and the Australian Capital Territory would, of course, be unaffected.

New South Wales and South Australia would be the states in which the largest school sector savings would occur from the option. The relatively large savings for South Australia would stem not only from the smaller introductory cohort but, more substantially and permanently, the reduction in the incidence of completion of Reception in the following year.

This option would produce, at a national level, the greatest school sector savings of all the options. In the first year, the net school sector savings would be in the order of $156.9m. However, as stated elsewhere in this Report, this option would also produce the greatest long term decrease in GDP of all of the options.

More detailed information is provided below to indicate the impact on the school sector for each affected state or territory, by funding source. It should be noted that an implicit assumption throughout the Report is that the Australian Government funding requirements for general recurrent grants would align with the minimum school starting age decided upon. For example, if 4 years and 6 months were the option decided upon, the minimum age for which Australian Government funding would be provided would be 4 years and 6 months as of January 1 in the year of commencement.

Table 4.18 First and 13 year (and for South Australia, 62 year*) funding impacts arising from the 4 years and 8 months option for the Australian Government, state/territory governments and private sources by affected states and territories

Costs (-)/benefits (+) ($ million, 2004-05)

	Overall	Australian Government	State/Territory Government	Private Sources
New South Wales				
Primary	$391.4	$71.4	$275.9	$44.1
Secondary	$362.2	$76.6	$253.2	$50.3
Total	**$753.6**	**$148**	**$511.2**	**$94.4**
First year savings	**$52.1**	**$6.1**	**$40.3**	**$5.7**
Queensland				
Primary	$405.2	$78.1	$293.1	$34.0
Secondary	$243.3	$55.5	$147.2	$40.7
Total	**$648.4**	**$133.6**	**$440.2**	**$74.6**
First year savings	**$54.81**	**$10.6**	**$39.67**	**$4.59**
South Australia first, 13 year (and 62 year*)				
Primary	$295.9 ($715.2*)	$47.11 ($113.7*)	$223.80 ($544.7*)	$23.84 ($56.8*)
Secondary	$8.0	$1.8	$4.7	$1.5
Total	**$303.9 ($723.2)**	**$49.6 ($115.5*)**	**$228.8 ($549.4*)**	**$25.4 ($58.3*)**
First year savings	**$26.57**	**$4.28**	**$20.17**	**$2.12**
Western Australia				
Primary	$207.6	$37.6	$151.9	$18.1
Secondary	$130.5	$27.7	$84.2	$18.5
Total	**$338.1**	**$65.3**	**$236.1**	**$36.6**
First year savings	**$28.09**	**$5.09**	**$20.55**	**$2.45**
Tasmania				
Primary	-$54.8	-$8.6	-$40.5	-$5.7
Secondary	-$44.3	-$9.2	-$30.9	-$4.2
Total	**-$99.1**	**-$17.8**	**-$71.4**	**-$9.9**
First year costs	**-$8.39**	**-$1.32**	**-$6.20**	**-$0.87**
Northern Territory				
Primary	$21.50	$3.74	$16.67	$1.09
Secondary	$15.99	$2.92	$9.45	$1.12
Total	**$34.49**	**$6.16**	**$26.12**	**$2.21**
First year savings	**$2.91**	**$0.51**	**$2.25**	**$0.15**

The figures in Table 4.19 below indicate that, for the 4 years and 5 months to 4 years and 6 months range option, four states and territories would be affected. In Victoria, Tasmania, and the Australian Capital Territory there would be substantial costs for all school sector funding sources arising from the increase in the size of the cohort.

However, overall, this option would see a school sector saving for all three school sector funding sources arising from the scale of change in the South Australian education sector relative to the scale of change in Victoria, Tasmania and the Australian Capital Territory.

As with all options, this scale of change in primary school in South Australia would arise from the reduction in completion of Reception in the following year.

This option would produce the second smallest change in school sector costs. It would also produce the second highest long term increase in GDP. In the first year, there would be net saving in the order of $24.95. However, while the option would produce a net gain over time to the economy, it would reduce the dynamic employment effects created by national commonality in the minimum school starting age when compared with any of the point options.

Table 4.19 First and 13 year* funding impacts arising from the 4 years and 5 months to 4 years and 6 months range option for the Australian Government, state/territory governments and private sources by affected states and territories

Costs (-)/benefits (+) ($ million, 2004-05)

	Overall	Australian Government	State/Territory Government	Private Sources
Victoria at 4 years and 6 months				
Primary	-$145.9	-$31.4	-$97.4	-$17.1
Secondary	-$134.9	-$30.5	-$71.3	-$33.0
Total	**-$280.7**	**-$61.9**	**-$168.7**	**-$50.1**
First year costs	**-$22.30**	**-$4.81**	**-$14.89**	**-$2.61**
South Australia first, 13 year (and 62 year*) at 4 years and 5 months				
Primary	$175.2 ($596.1*)	$18.83 ($90.7*)	$136.15 ($458.7*)	$13.30($46.7*)
Secondary	-$55.5	-$12.3	-$33.0	-$10.3
Total	**$119.7 ($540.6*)**	**$11.8 ($78.5*)**	**$104.8 ($425.8*)**	**$3.0 ($36.4*)**
First year savings	**$10.45**	**$1.16**	**$8.54**	**$0.75**
Tasmania at 4 years and 6 months				
Primary	-$71.4	-$11.2	-$52.8	-$7.4
Secondary	-$57.7	-$12.0	-$40.2	-$5.5
Total	**-$129.1**	**-$23.2**	**-$93.0**	**-$12.9**
First year costs	**-$10.92**	**-$1.71**	**-$8.07**	**-$1.14**
Australian Capital Territory at 4 years and 6 months				
Primary	-$14.23	-$2.63	-$9.77	-$1.82
Secondary	-$13.10	-$3.00	-$8.43	-$1.68
Total	**-$27.33**	**-$5.63**	**-$18.20**	**-$3.49**
First year costs	**-$2.18**	**-$0.42**	**-$1.49**	**-$0.26**

The figures in Table 4.20 below indicate that, for the 4 years and 5 months to 4 years and 8 months range option, two states would be affected. In Tasmania there would be costs for all funding sources associated with the introduction of this range option, arising from the increase in the size of the cohort. In South Australia, as for all options, there would be savings arising from the reduction in completion of Reception in the following year. The latter far outweigh the former leading to an overall school sector saving from this option.

Of the five options, this option, considered on a national basis, would involve the least disturbance to the status quo. In the first year, the net school sector cost would be in the order of $2.06m. This option would also produce a long term increase in GDP, although it would produce the smallest GDP increase of the options. The option would produce the smallest change in the dynamic employment effect, that element in the model

associated with the economic or social benefits from a nationally common minimum school starting age.

Table 4.20 First and 13 year* funding impacts arising from the 4 years and 5 months to 4 years and 8 months range option for the Australian Government, state/territory governments and private sources by affected states and territories

Costs (-)/benefits (+) ($ million, 2004-05)

	Overall	Australian Government	State/Territory Government	Private Sources
South Australia first, 13 year (and 62 year*) at 4 years and 5 months				
Primary	$175.2 ($596.1*)	$18.83 ($90.7*)	$136.15 ($458.7*)	$13.30($46.7*)
Secondary	-$55.5	-$12.3	-$33.0	-$10.3
Total	**$119.7 ($540.6*)**	**$11.8 ($78.5*)**	**$104.8 ($425.8*)**	**$3.0 ($36.4*)**
First year savings	**$10.45**	**$1.16**	**$8.54**	**$0.75**
Tasmania at 4 years and 8 months				
Primary	-$54.8	-$8.6	-$40.5	-$5.7
Secondary	-$44.3	-$9.2	-$30.9	-$4.2
Total	**-$99.1**	**-$17.8**	**-$71.4**	**-$9.9**
First year costs	**-$8.39**	**-$1.32**	**-$6.20**	**-$0.87**

4.7 Impact on staffing

Table 4.21 shows the projected impact of the options on first year staffing in each state and territory. The projections are based on the change in the size of the introductory cohort. In the case of South Australia the cohort size has been adjusted to take account of the present pattern of government provision of resources for rolling enrolments.

As a consistent rule of thumb across the Project, the number of affected teachers in the first year is a function of the change in cohort size divided by a class size of 25. While the class size for the first year of school may exceed this number in practice, this is compensated by taking an average impact for each student rather than a marginal impact. Overall, the method is likely to overestimate the actual impact on teacher numbers.

The figures in Table 4.21 are projections of the number of teachers affected in the introductory year.

Where the state or territory would move to an older minimum school starting age, fewer teachers would be required. Conversely, additional teachers would be required in those instances where states or territories adopted a younger minimum school starting age.

Table 4.21 Impact of each option on first year staffing for each state and territory

Number of teachers

	National	NSW	Vic	Qld	SA	WA	Tas	ACT	NT
4.5	443	0	188	159	-65	78	63	4	16
4.6	32	-90	142	0	-91	0	59	0	12
4.8	-949	-339	0	-327	-156	-161	45	-11	0
4.5 - 4.6	122	0	142	0	-91	0	59	0	12
4.5 - 4.8	-111	0	0	0	-156	0	45	0	0

Across the Australian school sector as a whole, for the 4 years and 8 months option and the related range option, the net reduction in teaching staff required could be in the order of 949 teachers. For the 4 years and 6 months option, the net increase in teaching staff required could be in the order of 32 teachers. For the 4 years and 5 months option, the net increase in teaching staff required could be in the order of 443 teachers. For the 4

years and 5 months to 4 years and 6 months range option, the net increase in teaching staff required could be in the order of 122 teachers. For the 4 years and 5 months to 4 years and 8 months range option, the net reduction in teaching staff required could be in the order of 111 teachers.

Where an option involved a movement of one month in either direction, the states and territories generally expressed the view that the impact would be marginal. Where the movement would be greater than one month, comment was made about the need for well developed management strategies. The movements in staffing in Tasmania and South Australia, for example, would require long term and highly considered planning. So too would movements in New South Wales and Victoria, given the number of teachers who could potentially be involved.

Nevertheless, on the whole, the states and territories indicated that the impact of the options on staffing could be managed within normal staffing practice. Where it would be necessary to appoint additional teachers, this would be done as part of ongoing planning. Where the change would lead to a reduced requirement, the states and territories generally indicated that the normal rate of staff turnover would enable them to manage the impacts. No issues were raised in relation to the necessity of redundancy as a management strategy.

While differentiated staffing data were generally not provided in relation to the primary high school interface, there was an expressed view among the states and territories that difficult to staff subject areas could be affected by relevant options. Where an option led to a smaller cohort, benefits could arise in the secondary years by reducing staffing pressure in difficult to staff subject areas. Equally, the observation was made that an increased cohort could exacerbate the shortages being experienced and projected in these subjects.

Two additional issues were alluded to as needing to be considered in the management of the option impacts on staffing. One was that an increased cohort size over the years of primary schooling would mean that schools may have to reduce the number of primary teachers in 2017 or 2018 when the increased cohort move to secondary schooling. A similar issue would occur as the students left secondary school.

The other issue was the potential need to rebuild staff numbers at the end of primary and secondary schooling where a reduced cohort was a consequence of the new minimum school starting age.

Table 4.22 shows the projected school sector staffing costs and savings in the first year for the states and territories of each of the options.

Table 4.22 Impact of each option on first year staffing costs and savings for each state and territory

Costs (-)/benefits (+) ($ million, 2004-05)

	National	NSW	Vic	Qld	SA	WA	Tas	ACT	NT
4.5	-$47.5	$0	-$19	-$17	$6	-$8	-$7	-$2	-$0.5
4.6	$0	$11	-$14	$0	$9	$0	-$7	$1	$0
4.8	$104	$40	$0	$36	$16	$16	-$5	$0	$1.2
4.5 - 4.6	-$14	$0	-$14	$0	$6	$0	-$7	$1	$0
4.5 - 4.8	$1	$0	$0	$0	$6	$0	-$5	$0	$0

For the schooling sector, based on figures for 2002/03 published by the Productivity Commission[27], the change in expenditure on teachers in the first year could range from a saving of approximately $104m for the 4 years and 8 months option to a cost of $47.2m for the 4 years and 5 months option. For the 4 years and 6 months option there would be no net cost for staffing. For the 4 years and 5 months to 4 years and 6 months range option there would be a net cost of approximately $14m. For the 4 years and 6 months option there would be a net saving of approximately $1m.

It should be noted that all costs and savings in the Table are incorporated within the cost/benefit analysis. These are not savings or costs that would be additional to the calculations in the model. The costs and savings have been adjusted to take account of the real pattern of resource allocation in South Australia.

At a national level, the three states that have the greatest impact on staffing costs or savings would be New South Wales, Victoria and South Australia. For New South Wales and Victoria, the impact arises from the number of the teachers who would be involved, driven by the relative size of the schooling sector in both states. For South Australia, the impact arises from the savings that would be made by the reduction in the incidence of completion of Reception in a second year.

4.8 Impact on infrastructure

Table 4.23 shows the projected impact of the options on infrastructure costs in each state and territory. The projections are based on data provided by the sectors in each state and territory. Infrastructure costs have not been included in the nationally comparable model.

The costs would be largely incurred prior to 2010, although in some states and territories the costs would be incurred prior to 2009 in order to accommodate the increased number of children accessing government funded pre-schools. The assumption is that this infrastructure would be built on school sites and used throughout primary schooling. Relocation costs and costs for reconfiguration would occur as the introductory cohort moved to secondary school.

Table 4.23 Impact of each option on infrastructure costs for each state and territory

($ million, 2004-05)

	NSW	Vic	Qld	SA	WA	Tas	ACT	NT
4.5	$0	$14	$14	$0	$13	$7	$1	$1
4.6	$0	$10	$0	$0	$0	$6	$1	$0
4.8	$0	$0	$0	$0	$0	$5	$0	$0
4.5 - 4.6	$0	$10	$0	$0	$0	$6	$1	$0
4.5 - 4.8	$0	$0	$0	$0	$0	$5	$0	$0

No figures have been included to represent infrastructure savings. To the extent that they alluded to fixed costs remaining, the sectors in the states and territories identified few if any realisable infrastructure savings that would arise from a reduced introductory cohort.

4.9 Impact on school curriculum

No state or territory identified any significant curriculum costs associated with any of the options. There is a recurring pattern among many states and territories of very considerable recent work done in relation to the development of the curriculum, especially around the early years of schooling. This work means that curriculum in most

[27] Productivity Commission figures were sourced from the Ministerial Council on Education, Employment, Training and Youth Affairs (unpublished), National Schools Statistical Collection 2003, Melbourne; Australian Bureau of Statistics 2004, Schools Australia 2003, Cat. no. 4221.0.

states and territories would be well placed to respond to the learning needs of either a younger or an older introductory cohort in 2010 within the scope suggested by any of the options.

Some states and territories alluded to the possibility that there may need to be a refocussing on pedagogy in early years learning should a younger minimum school starting age be agreed upon. This refocussing could involve professional learning initiatives for early years teachers. However, in general, the states and territories expressed the view that such initiatives could be readily incorporated into currently planned and funded professional development programmes. As such, significant costs were not attributed.

In any case, in most states and territories parents may choose to delay entry of their children to schooling under the younger age options. In a sense, the curriculum in the states and territories has already taken into account the full range of ages that make up any class in the year prior to Year 1. Only in Tasmania would there be any substantial difference in the age of the cohort and the Tasmanian Essential Learnings Framework is seen as more than adequate to address this issue.

In South Australia, the introduction of a common minimum school starting age would be likely to lead to the reduction in completion of Reception in the following year. This would lead to a younger group on average in the Reception year. However, the younger children already enter the Reception during the year and there is a high level of confidence in the effectiveness of the South Australian Curriculum, Standards and Accountability Framework in addressing the needs of this group.

4.10 Impact on nomenclature for the early years

Australia is characterised by significant variation in the nomenclature used in the states and territories to describe the early years of schooling.

For the year before Year 1, the most commonly used term is Preparatory, typically abbreviated to 'Prep'. As shown in Table 4.24, this term is used in three states and territories. Kindergarten is used in two jurisdictions, while the terms Pre-Primary, Reception and Transition are each used in one jurisdiction. Thus, across eight states and territories, five different terms are used to describe one year of schooling.

Table 4.24 Nomenclature for the year prior to Year 1

Nomenclature for the year before Year 1	State or Territory		
Preparatory	Victoria	Queensland	Tasmania
Kindergarten	New South Wales	Australian Capital Territory	
Reception	South Australia		
Pre-Primary	Western Australia		
Transition	Northern Territory		

There is also variation among states and territories for the nomenclature associated with the year that is two years prior to Year 1. In one half of the states and territories the term 'pre-school' is used, while in the other four the term 'kindergarten' is used. Distribution of the usage of this term is shown in Table 4.25.

Table 4.25 Nomenclature for the year two years prior to Year 1

Nomenclature for the year two years before Year 1	State or Territory			
Pre-school	New South Wales	Queensland	Australian Capital Territory	Northern Territory
Kindergarten	Victoria	South Australia	Western Australia	Tasmania

None of the options was perceived as having any direct impact on nomenclature around the early years of schooling. Whether the age profile of students would be older or younger as a consequence of the adoption of any of the options was perceived as unrelated *per se* to issues associated with nomenclature. The only observation made was that the adoption of a common minimum school starting age, irrespective of the option agreed upon, may provide an appropriate 'window of opportunity' to also introduce a common early years nomenclature.

Across the states and territories there was a high level of concurrence in views supportive of the adoption of a common nomenclature for the early years of schooling. Benefits were identified as likely to arise from national commonality. In particular, for families and students moving across state and territory borders, national commonality was viewed as likely to contribute positively to continuity in schooling and to ease of understanding by parents and students.

Moreover, a common nomenclature was perceived as likely to facilitate the interpretation of student data where students transferred from one state or territory to another. This would contribute to the capacity of schools to make well informed and appropriate decisions about such critical matters as year placement, with likely longer term benefits for the connectedness of students to their schooling.

At a national level, the achievement of a common early years nomenclature was identified as desirable in facilitating interpretation of national data sets. Commonality was perceived as likely to contribute to the effectiveness of national meetings in school education by enabling representatives of the state and territory sectors to work within a clear and agreed nomenclature framework.

In general, the view was expressed that if a common nomenclature were achieved, it should cover both of the years prior to Year 1. However, it was also clearly noted that jurisdictional differences among the states and territories with regard to the year 2 years before Year 1 would mean that nomenclature for this year was outside the responsibility of many education authorities.

There was recognition of the current overlap of the term 'kindergarten' insofar as it is currently used by some jurisdictions to describe the year before Year 1 but by others to describe the year two years before Year 1. To achieve commonality only in relation to the year before Year 1 would not of itself resolve the difficulties that are posed for students, families, schools and sectors by the variation in early years nomenclature over the two years in question.

By-and-large, the states and territories expressed a preference for the adoption of their respective term for the year before Year 1 as the term for a common nomenclature. For example, the New South Wales government sector pointed to what was perceived as the historically based connotations of the term 'Kindergarten'. Any change would, in the view of the sector, be seen negatively within schools and across the community. The sectors in Queensland and Western Australia commented on the extent to which their

respective terms for the year before Year 1 had become intrinsically associated with recent or planned reforms in relation to the early years of schooling.

Nevertheless, such arguments aside, most states and territories expressed the view that commonality in nomenclature would never be achieved so long as they insisted on adoption of 'their' nomenclature. Some observed explicitly that a change to a common nomenclature could bring benefits that could be so substantial as to outweigh the benefits associated with retention of the current term in the state or territory.

Two principal arguments were mounted among the states and territories about any possible common nomenclature. First, the nomenclature should not run counter to the philosophy of early years schooling that provides the basis for curriculum and pedagogy in the state or territory. Second, it should incorporate the notion of the continuity of schooling across the years in question and after those years.

One approach to addressing these two requirements put forward among the states and territories was the possibility that the current 'year before Year 1' become Year 1. This would recognise the reality that for the overwhelming majority of Australian children the first year of schooling is the year in which they become eligible to enter school. It is, to all intents and purposes, their 'Year 1'. Very few Australian children commence their schooling in any year other than the 'year before Year 1'. The exceptions would be primarily among gifted and talented children who may enter school at a 'Year level' above their chronological age peers. Exceptions also occur in Western Australia and Queensland where there is a policy of placement with a relatively narrow age cohort.

Moreover, a consequence of this possible approach would be that all states and territories would have a nomenclature that mirrored absolutely the 13 years of schooling that will exist in each of them from 2007. This could have a benefit at an international level. Australia is increasingly a participant in and contributor to international studies in schooling. Given that 'Year 12' is the nomenclature for the final year of schooling in the states and territories, there is no insight through the nomenclature into the fact that Australia is, through the Queensland 'Prep' reform, on the verge of a universal 13 years of schooling. In comparative international studies this reality can be readily overlooked because of the extent to which the nomenclature structure is in fact 'misleading'. A Year 1 to Year 13 nomenclature framework would address this not insignificant issue.

However, there would be issues that would need to be managed should such a nomenclature framework be introduced. The view was generally expressed by those who supported the approach, that it would be best implemented as a one-off strategy. Otherwise, there would be, from 2010 until 2021, two school years with the same nomenclature.

A one-off change would mean that all years with the exception of the introductory cohort would, in their nomenclature, 'miss' a year. For example, what would have been the Year 1 of 2011 would need to become Year 2, and so on. This strategy in the implementation of a common nomenclature could have potential risks around curriculum design and implementation, understanding by children and parents and in terms of possible acceptance in the wider community. Another identified risk was that the change would affect all the years of schooling, rather than be limited to only the early years. To that extent, management issues and costs would become more complex and extensive.

Furthermore, it is likely that the use of the term 'Year' would need to be reconsidered, as current data sets invariably incorporate the term. Retention of 'Year' would, in all probability, make comparative analysis of data sets extremely difficult, if not impossible. Differentiation of data such as Year 1 with a different word would be needed to avoid pitfalls in comparing, say, Year 1 before 2011 with Year 1 after 2011.

Moreover, changing the names of, especially, the senior years would conflict with legislation currently being introduced in relation to participation ages. In some states and territories, the terms Year 11 and Year 12 are used in legislation which would require changing if a 1 to 13 nomenclature were to be adopted. Confusion around terminology in relation to this legislation would be a likely outcome.

One of the factors that would need to be considered in relation to nomenclature around the early years of schooling is the evidence in many states and territories for the growing continuity from prior-to-school provision to schooling.

It was noted, especially by those states and territories that have well established sessional pre-school arrangements funded by the state or territory government, that the year two years before Year 1 has become viewed by many as laying essential foundations for formal schooling. The year before Year 1, which from 2007 will be a full time year in all jurisdictions, provides the continuity 'link' between approaches that typically incorporate a play-based philosophy and the more formal approaches of learning in the primary years. Any possible common early years nomenclature would need to be responsive to this emerging view across the states and territories.

Irrespective of any possible change in nomenclature, costs were generally perceived among the state and territory schooling sectors as being manageable for changes to the nomenclature of two years. In particular, comment was made that at the school level change could be made over time in such areas as signage and school documentation. This would enable costs to be minimised. At the sector level the most frequently mentioned cost areas were in relation to data set design and curriculum documentation. In the main, however, these costs were perceived as capable of being managed over time so as to reduce impact. For example, in relation to curriculum-related costs most states and territories observed that changing documents that were provided on-line was relatively straightforward and would not generally involve substantial levels of cost.

However, the New South Wales government school sector observed that there would be substantial costs associated with any change in early years nomenclature. These would arise principally in relation to New South Wales Board of Studies' syllabus documents, most of which would need to be edited, re-titled and reprinted. In addition, comment was made that significant costs would be associated with the re-drafting of departmental and school policy documents and in relation to the management of data sets. The sector advised that a costing of the order of $1m would be needed to make the change.

Despite all of this ambiguity in the consultation about nomenclature, and while the choice of what to name the two years prior to Year 1 remains contestable, two options emerge as possible ways forward. One is that two new names be sought, a process that would be time consuming and probably costly. The other is to accept that few jurisdictions would have major argument with using 'pre-school' for the year two years before Year 1 and 'preparatory' ('Prep') for the year before Year 1.

Pre-school is currently used in national documents to describe this service, is used in four jurisdictions and is understood to occur in the year before school in all jurisdictions. The term is used to distinguish the educational elements of the service from the purely wellbeing elements of child care. The use of the term kindergarten would tend to confuse parents across the jurisdictions where it is variously used to describe both years of schooling.

Preparatory is used in three of the jurisdictions with the others divided among four different names. The term Reception has a local meaning not widely understood or accepted across the jurisdictions. The terms Transition and Kindergarten have dual meanings. The term Pre-Primary tends to continue a philosophy that the year before Year 1 is not part of primary schooling but comes before primary school.

Prep on the other hand reinforces the need to continue into school the early learning approach of pre-school while introducing the more formal learning of later school. Its use in a jurisdiction in the early stages of major change tends to further support the efficacy of a broader acceptance of the term. That it will cause the least disturbance in terms of the number of jurisdictions and the number of students and their parents makes its use even more attractive[28].

While such terminology may be acceptable to officers in educational authorities, the real test of acceptance will be a political one. The underlying conservative nature of state politics *vis a vis* national preferences that require change may need to be addressed.

4.11 Impact on policy and legislation covering school starting/leaving ages

No state or territory has legislation concerned with the minimum age of school commencement. Rather, in all states and territories there is legislation that sets a compulsory age for school commencement. Table 4.26 shows the compulsory age requirements among the states and territories and the effect in terms of the oldest possible age of school entry.

For purposes of the analysis, the compulsory age is taken to be the age that a child must turn during the first year of schooling. While the wording of the compulsory age legislation varies among states and territories, the effect in seven of the eight states and territories is to make 6 years the compulsory age. For example, in Tasmania the wording of the legislation means that children must be enrolled in a school or have approved exemption in the year after which they have turned 5 years of age. In effect, they must be enrolled at school so that they will turn 6 years of age in the year of commencement.

The exception among the states and territories is Western Australia. In Western Australia the legislation states that the compulsory education period for a child commences …*from the beginning of the year in which the child reaches the age of 6 years and 6 months*… (School Education Act 1999 6b). This wording means children can be as old as 6 years, 5 months and 30 days when they enrol.

With the exception of Tasmania, the minimum school starting age in the states and territories is a younger age than the compulsory age. In Tasmania the minimum school starting age is the compulsory age. The effect of the legislation is that all children must enrol in a school or be exempted by the year in which they turn 6 years of age.

A consequence of the school commencement arrangements in Tasmania is that there is a single intake with no provision for delay. In New South Wales, Victoria, the Australian Capital Territory and the Northern Territory, some families are provided with an opportunity to delay the school commencement of their children, but others are not.

[28] It should be noted however that 'prep' is used in some independent schools to describe a pre-school class and in others to describe the whole primary school. For some, the term has overtones of former 'private' or even 'great public' schools.

Table 4.26 Compulsory age legislation in the states and territories and effect on oldest possible age at school entry

State or Territory	Compulsory age	Oldest possible age at school entry
New South Wales	Must enrol at the commencement of the year in which the child turns 6 years of age	Turns 6 years of age on 1 January
Victoria	Must enrol at the commencement of the year in which the child turns 6 years of age	Turns 6 years of age on 1 January
Queensland	Must enrol at the commencement of the year in which the child turns 6 years of age	Turns 6 years and 6 months on 1 January
South Australia	Must enrol during the year in which the child turns 6 years of age	Turns (approx) 6 years and 3 months by start of Term 4
Western Australia	Must enrol at the commencement of the year in which the child turns 6 years and 6 months of age	Turns 6 years and 6 months on 1 January
Tasmania	Must enrol at the commencement of the year after which the child turns 5 years of age	Turns 6 years of age on 1 January
Australian Capital Territory	Must enrol at the commencement of the year in which the child turns 6 years of age	Turns 6 years of age on 1 January
Northern Territory	Must enrol at the commencement of the year in which the child turns 6 years of age	Turns 6 years of age on 1 January

In New South Wales, children whose 5th birthday falls in the period from January to July can delay school commencement until the following year. Families where the children's 5th birthdays fall between August and December have no opportunity for delay as the children would need to enrol in the following year in order to meet the compulsory age requirement of the legislation.

In Victoria and the Australian Capital Territory, children whose 5th birthday falls in the period from January to April can delay school commencement until the following year. However, for those families where the children's 5th birthdays fall between May and December there is no opportunity for delay.

In Western Australia, the effect of the compulsory age legislation and its relationship to the minimum school starting age is to give all families an opportunity to delay the school commencement of their children. Children whose 5th birthdays fall in the period from January to December can have their school commencement delayed until the following year. Children whose 5th birthdays fall in the second half of the year can have their school commencement delayed until the year after the following year.

However, the policy in Western Australia is to place children within a narrowly defined age cohort. Thus children whose entry to school is delayed would be placed in Year 1, effectively offering them 12 rather than 13 years of schooling. Consequently, perhaps, few Western Australian parents tend to delay entry of their child to school and the policy effectively curtails delay in the State.

In Queensland and the Northern Territory, children whose 5th birthday falls in the first half of the year can either enrol in that year or have their school commencement delayed until the following year. However, families whose children have a 5th birthday in the second half of the year have no opportunity for delay.

In Queensland this has been complicated, however, by a policy that places children within a relatively narrow age cohort. Like Western Australia, Queensland has tended to

place children whose entry to school is delayed into Year 1, thus effectively offering them 12 years rather than 13 years of schooling.

Queensland is considering issues around this policy as it implements the introduction of its Prep year. It may be, for example, that this policy will continue once Prep is fully introduced, with the compulsory age linked to Year 1 rather than to school. If it does, Queensland will effectively opt for a younger school starting age with little real parental option to delay the entry of their children to school.

Unless parents feel their child will receive learning elsewhere that is commensurate with Prep outcomes, there will be a tendency to see placement directly into Year 1 as missing a year of schooling. It is this approach that creates no delay in Western Australia, with a strong demand for placement into the Pre-Primary year as early as eligible. This approach would be different from the nexus between the compulsory age and Year 1 than that used in all jurisdictions other than Western Australia. It will tend to reinforce an approach that sees school starting at Year 1, rather than at the year before Year 1.

In South Australia it would be possible under the compulsory age legislation for families to delay the school commencement of their children until the enrolment intake at the beginning of the term following which the child turns 6 years of age. Hence, South Australian parents have the opportunity to delay the school commencement of their children until approximately 6 years and 3 months. For a child who turns 5 years of age during the last term of the school year, families would, theoretically, have four subsequent enrolment intakes where they could either choose to enrol their children or delay school entry. However, the four intakes over the course of the year essentially mean that South Australian families do not need to delay the school commencement of their children. Rather, most take advantage of the opportunity for early entry after turning 5 years of age, followed by a full year of Reception in the following year.

With the exception of Tasmania, requirements around the minimum age of school commencement are embodied in regulations that apply to the government school sector. This age becomes, in the majority of cases, the age adopted by the non-government sectors as their minimum school starting age. There is nothing by way of regulation that applies to schools in the non-government sectors other than policy decisions that may be made by Catholic Education Offices and by dioceses in the Catholic schooling sectors.

In Tasmania the compulsory age legislation means that all sectors must meet what is, by default, the minimum school starting age requirement. A cross-sectoral committee considers and provides advice to the Secretary of the Department of Education on applications for exemption.

Should a common minimum school starting age be agreed upon, there would be implications for the government school sector minimum school starting age regulations in the states and territories. Where a change arose from the adoption of an option, the regulations would need to be reviewed and re-drafted.

The introduction of a common minimum school starting age selected from any of the options would also have implications for Australian Government procedures. At present, Australian Government general recurrent grants are paid for each child enrolled who is 4 years of age as at January 1 of the year of school commencement and who intends going to Year 1 in the following year. Should a minimum school starting age be agreed from the options, the minimum age requirement for general recurrent grants would need to change to align with the agreed minimum school starting age. Children younger than the minimum school starting age would not attract general recurrent grant funding.

From changes in both State and Australian Government regulations and procedures, there would be implications for policy settings in the Catholic school sectors across the states and territories, at either the central or diocesan level, depending on the current approach.

Under current arrangements, schools in the independent sectors across the states and territories would make locally based decisions in response to the adoption of a minimum school starting age where the age differed from school practice. These decisions would be strongly influenced by the financial agreements each has with the Australian Government, making the adoption of the agreed common minimum school starting age most likely.

Should any of the options be adopted, Tasmania would need to consider the nexus between the compulsory starting age of school commencement and the agreed common minimum school starting age.

With regards to the potential impacts of the options on the compulsory school leaving age, the states and territories generally expressed the view that the impacts would be manageable. In those jurisdictions where work is taking place around a compulsory 'participation' age, typically to 17 years of age, the view was expressed that a move to a younger school starting age would have little discernible impact. The key consideration was the concept of 'participation' in training, employment or schooling equivalents, rather than schooling alone. Hence, while an impact of a younger minimum school starting age may be that affected students would have an extended period of compulsory participation, in the years covering the senior years of schooling in particular this participation would not necessarily be in a school. No implications would arise from any of the options for legislation that incorporated a 'compulsory participation' notion.

However, in some sectors the view was expressed that a younger minimum school starting age may mean that some affected children would have to remain in school too long, under current legislation, before they reached the compulsory leaving age. In instances where students would have to continue well into the senior years of schooling before reaching the compulsory leaving age, the view was expressed that for some the demands of the senior school curriculum could be inappropriate.

As a consequence, further work may be required in relation to extending VET in schools programmes and widening pathways opportunities. By-and-large, however, impacts in relation to this issue were seen as capable of being responded to within the broader framework of curriculum development and change in the senior years of schooling across the states and territories. Therefore, implications in this area would be curriculum related rather than ones that required legislative change.

With regard to the older minimum school starting age options, again no potentially substantial implications for legislation were identified in those instances where work is occurring around the concept of an older compulsory participation age. The fact that affected students would be older in the senior years of schooling compared to current arrangements was perceived as largely irrelevant in the context of the very significant level of pathways' planning and support now available to all students.

At the same time, views were expressed in some sectors across the states and territories that some students may benefit from being older as they made the transition from school to their post-school destination. It could be possible that some employers would value an increase in the age profile of the cohort at the completion of both Year 10 and Year 12, with associated greater maturity and work readiness. For students entering tertiary studies or further training, the older age profile could assist them in responding to the demands and challenges involved. The older age options were viewed as unlikely to have legislative implications.

4.12 Impact on families

Table 4.27, over page, shows the impacts on families in the context of changes in the pre-school and child care sector arising from the options. The figures in the Table cover the full period in the model, from 2009 when pre-schools would be impacted up to the end of the modelling period, 2072, when the affected cohort retire. While the impact on

pre-school would be one-off, the impact on most other aspects of prior-to-school services would be permanent. However, vacation care and outside school hours care would be affected only while the introductory cohort was in primary school, to 2017 or 2018 depending on the state or territory. All figures in the Table are discounted to 2004-05 dollars.

'Formal' refers to the formal care and educational arrangements into which families enter for the care and education of their children prior to school commencement. The formal child care sector consists of pre-school, family day care, community day care, long day care, vacation care and outside school hours care. The costs or savings are those associated with government benefits and subsidies and private contributions by parents. They impact on families to the extent that these costs are paid by or benefits accrue to families. While the contribution by the Australian Government applies to all registered formal child care (excluding pre-school) up to the age of 6 years, state government contribution varies and is generally focussed on pre-school where it is provided.

'Informal-parents' refers to the arrangements made by parents for care of their children to be provided directly by them. Hence, this form of care would include those situations where a parent decides to provide care for a child in the family home rather than take up employment. The nationally comparable cost/benefit analysis model imputes this care at the value of $5 per hour on the basis of a 30 hour week.

'Informal-other' refers to unregulated arrangements into which families enter for the prior-to-school care of their children that do not involve direct provision of care by parents. This form of care would include those situations where grandparents, another family member or a friend cares for the child. In the model, this care is imputed at the value of $1 per hour on the basis of a 30 hour week.

Table 4.27 Pre-school and child care sector impacts on families in the states and territories for each option[29]

Costs (-)/benefits (+) ($ million, 2004-05)

		4.5	4.6	4.8	4.5 - 4.6	4.5 - 4.8
New South Wales	Formal	$0	-$82	-$130	$0	$0
	Informal - parents	$0	-$43	-$469	$0	$0
	Informal - other	$0	-$5	-$17	$0	$0
Victoria	Formal	$43	$1	$0	$1	$0
	Informal - parents	$246	$249	$0	$249	$0
	Informal - other	$9	$7	$0	$7	$0
Queensland	Formal	$123	$0	-$62	$0	$0
	Informal - parents	$53	$0	-$549	$0	$0
	Informal - other	$8	$0	-$15	$0	$0
South Australia	Formal	-$135	-$149	-$186	-$149	-$186
	Informal - parents	-$54	-$60	-$75	-$60	-$75
	Informal - other	-$14	-$15	-$19	-$15	-$19
Western Australia	Formal	$28	$0	-$11	$0	$0
	Informal - parents	$35	$0	-$288	$0	$0
	Informal - other	$4	$0	-$8	$0	$0
Tasmania	Formal	$15	$11	$8	$11	$8
	Informal - parents	$96	$100	$77	$100	$77
	Informal - other	$3	$3	$2	$3	$2
Northern Territory	Formal	$1.43	$0	$0.17	$0	$0
	Informal - parents	$2	$0	-$19	$0	$0
	Informal - other	$0	$0	-$1	$0	$0
Australian Capital Territory	Formal	$4.32	-$0.56	$0	-$0.56	$0
	Informal - parents	$18	$18	$0	$18	$0
	Informal - other	$1	$1	$0	$1	$0
National total net for pre-school and child care		**$487**	**$35**	**-$1,762**	**$165**	**-$193**

Depending on the current minimum school starting age in the state or territory, the move to an older or younger minimum school starting age would have the effect of either retaining children for a further 12 months in the pre-school and prior-to-school child care sector or enabling them to move into the school sector 12 months earlier.

Thus, under an older minimum school starting age, the impact on families would be through the need to make arrangements for a further year for the care of children. Families would continue to incur direct or imputed costs for this care.

Conversely, under a younger minimum school starting age, there would be savings to families through relief from direct or imputed pre-school and child care costs a year earlier compared to current arrangements. While parents may still incur costs in the school sector, the relevant figures in the Table show the savings that would accrue to

[29] (NB These costs and benefits include government subsidies)

families from the earlier movement of children from the prior-to-school sector to the school sector.

The figures in Table 4.27 show that the option with the greatest net impact on the prior-to-school-sector would be the 4 years and 8 months option, with a net national cost in the order of $1,791m. This would arise from the pre-school and child care costs that would be incurred for a further 12 months by families in New South Wales, Queensland, South Australia, Western Australia and the Northern Territory. Only in Tasmania would the 4 years and 8 months option move children from child care and pre-school to school, thus saving child care and pre-school costs.

The option with the greatest net national saving to families (and government) would be the 4 years and 5 months option. The net national saving could be in the order of $487m, covering government benefits and subsidies, and private contributions. For families, the savings would arise through earlier movement of children to the school sector in Victoria, Queensland, Western Australia, Tasmania, the Northern Territory and the Australian Capital Territory.

The option with the least net national impact would be the 4 years and 6 months option, with a net national saving in the order of $35m. In addition to the impact on families through costs or savings associated with pre-school and child care provision, there would be economic impacts on affected parents and children over their working lives. These impacts are shown in Table 4.28. For parents, the economic impacts would arise from either a delay in workforce re-entry of 12 months because children would be retained in the prior-to-school sector for that period, or the possibility of workforce re-entry a year earlier than under current arrangements. While the model shows the economic impacts for parents from 2009 to 2072, they are impacts that would be permanent from 2009.

Table 4.28 Long term economic impacts on affected parents and children in the states and territories for each option

Costs (-)/benefits (+) ($ million, 2004-05)

		National Total	NSW	Vic	Qld	SA	WA	Tas	NT	ACT
4.5	**"Parents"**	$246	$0	$172	$7	-$44	$16	$80	$1	$13
	"Children"	$2,937	$0	$874	$763	$349	$372	$301	$19	$78
4.6	**"Parents"**	$216	-$27	$186	$0	-$44	$0	$86	$0	$14
	"Children"	$987	-$428	$659	$0	$238	$0	$280	$0	$58
4.8	**"Parents"**	-$1,057	-$374	$0	-$445	-$43	-$244	$66	-$17	$0
	"Children"	-$3,639	-$1,607	$0	-$1,563	-$50	-$764	$215	-$50	$0
4.5 to 4.6	**"Parents"**	$242	$0	$186	$0	-$44	$0	$86	$0	$14
	"Children"	$1,306	$0	$659	$0	$238	$0	$280	$0	$58
4.5 to 4.8	**"Parents"**	$23	$0	$0	$0	-$43	$0	$66	$0	$0
	Children"	$180	$0	$0	$0	-$50	$0	$215	$0	$0

Table 4.28 shows that the 4 years and 8 months option would have a significant negative net economic impact on parents of the five options. This option would see, at a net national level, opportunity costs to parents in the order of $1,057m over the 62 year period of the model. These costs would arise through the delay by 12 months of opportunity for parents to re-enter the workforce or take up cost imputed leisure activities. These costs would continue permanently.

This compares to the option with the greatest level of overall net national economic benefit to parents, which would be in the order of $246m, for the 4 years and 5 months option. It should be noted that the point option of 4 years and 6 months and the range option of 4 years and 5 months to 4 years and 6 months would have similar net

outcomes for parents to the 4 years and 5 months to 4 years and 6 months range option over the 62 year span of the model. These net outcomes would be permanent.

The option with the lowest positive long term net economic impact for parents, considered at a national level, would be the range option of 4 years and 5 months to 4 years and 8 months. This option would see, at a national level over the 62 year period of the model, a net benefit to parents in the order of $23m.

The economic impacts on affected children would arise because the relevant options would either reduce or extend their working lives. Commencing school 12 months earlier would have the effect of lengthening the working life of the affected individual by a year. Conversely, school commencement 12 months later compared to current arrangements would have the effect of reducing by one year the working life of the individual.

The option with a negative net long term economic impact at a national level would be the 4 years and 8 months option. This option would involve a net opportunity cost in the order of $3,639m, arising from contraction in the working lives of the affected individuals over the 62 year period being modelled. These costs would be permanent.

At a national level, the option that would lead to the greatest net long term economic benefit for the affected individuals would be the 4 years and 5 months option. This would see a net benefit over the full 62 year period being modelled in the order of $2,937m, arising from the extended working lives of the affected individuals. These benefits would be permanent. The 4 years and 5 months to 4 years and 6 months range option would produce a net long term economic benefit of $1,306m. The 4 years and 6 months option would produce a net long term economic benefit of $987m.

The option with the least overall net impact in terms of either opportunity costs or benefits would be the range option of 4 years and 5 months to 4 years and 8 months. This option would see an opportunity cost to the affected individuals in the order of $180m, over the full period of the model.

4.13 Impact on Indigenous students and students with special needs

None of the options was identified as likely to have substantial impacts on Indigenous students or on students with special needs. In general, any associated costs or benefits were perceived as being manageable from within existing resources.

Nevertheless, in relation to Indigenous students the view was expressed that the adoption of a younger age option in a state or territory could bring benefits for children and family. These benefits were perceived as potentially arising from earlier engagement in formal schooling. Indigenous children could benefit from earlier access to well planned and resourced Indigenous education programmes.

Moreover, the affected children would have access to the generally more substantial resources of schools and school systems compared to those available in the prior-to-school sector. Earlier access to basic skills programmes in literacy and numeracy and opportunities to develop skills in the use and application of information technology could bring longer term benefits for the children who would enter school 12 months sooner. Around the children, families and schools it would be possible to build supportive relationships a year earlier than would be possible under current minimum school starting age arrangements.

However, risks were also identified by many of the sectors when considering the potential impact of a younger minimum school starting age option on Indigenous students.

In particular, a number noted the important role played by government funded Indigenous pre-schools, which children are often able to access from 3 years of age. In these settings, there is typically a strong focus on meeting needs and building supportive

relationships with parents and families. Because the adult to child ratios provide more support in pre-schools than in schools, Indigenous children can benefit from a significant level of individualised attention.

A younger minimum school starting age could have the affect of some children moving 12 months earlier from such settings, often with a strong cultural orientation, into a school environment where approaches based on small groups and individualised attention may not be as apparent. In addition, families may find it easier to connect with the less formal, play-based pre-school setting compared to the formalities that can be associated with the structures and protocols of a school.

Comment was made in relation to a younger age option that the potential increase in the size of the cohort could involve risks for Indigenous students. Where class sizes for the introductory cohort increased as a consequence of the option, as for all children, teachers may find it more difficult to provide the level of individualised attention required where needs had been identified. On the other hand, a move to an older age option and a possibly smaller class size may bring benefits through reduced pressure on resources and the opportunity to provide more targeted support.

Reference was made by a number of sectors that a particular risk that could be associated with a younger minimum school starting age may be to lessen somewhat the connections that affected Indigenous students have with their families. Entry to school 12 months earlier than would occur under current arrangements would have the affect of contracting the time that the affected children could spend in the supportive environment of the family. Hence, an older minimum school starting age was perceived as one that would enable children to have more time to develop, play and be cared for within their family and community environments before commencing formal schooling.

Of course, where the family was dysfunctional and the child at risk, the converse would occur. A younger minimum school starting age could see affected children and their families better supported, albeit institutionally, at an earlier age.

However, as for all families, it should be noted that a minimum school starting age is about 'eligibility' for school entry. Similar to all affected children, Indigenous families would have the same opportunity to delay the school commencement of their children provided enrolment occurred at a time which met the compulsory age requirement of the state or territory.

In relation to students with special needs, risks and opportunities were identified in terms of the move to either a younger or older minimum school starting age. All sectors in the states and territories where prior-to-school services for early identification of learning issues were not provided observed that a potential benefit from a younger minimum school starting age could be to enable the identification of the learning needs of affected children 12 months earlier than would be possible under current arrangements.

For example, the New South Wales government sector commented that a significant advantage of the 4 years and 5 months minimum school starting age in the State was that, by enabling teachers to make early identification of needs and to establish appropriate programmes, benefits were gained that may not be as great a year later. Moreover, delayed provision of support programmes would, in all likelihood, involve a higher level of cost.

A younger minimum school starting age was perceived as likely to bring benefits to students with special needs by enabling them to access, a year earlier, the generally greater resources and levels of support available through schools compared to the prior-to-school sector. For example, the government school sector in Western Australia observed that schools play a pivotal role in facilitating student screening by Department of Health officers. Any delay in such screening could impact on the longer term well being of affected children. In a number of sectors, comment was made that access to specialised

technologies and the provision of purpose-built facilities for children with disabilities may be greater in a school setting than in a prior-to-school setting.

However, sectors across the states and territories commented that there could be increased costs associated with any increase in the number of special needs students in a larger introductory cohort under a younger minimum school starting age. These costs could be in the areas of teacher aide provision, individualised equipment and special student transport. Such costs were not quantified as they would fall marginally at the school level.

A number of sectors across the states and territories observed that benefits would also potentially arise for students with special needs around any move to an older minimum school starting age. These included the benefits that may come to affected children by remaining for a further year in a strongly play-based prior-to-school setting. Extension for a further 12 months of this approach to development and learning could bring benefits to special needs children compared to the more formal setting of the primary school. Observation was also made that the lower adult to child ratios in prior-to-school settings may represent a significant benefit for students with special needs, with a greater level of individualised attention

However, the tendency in many states and territories to support continuity in the provision of services from the prior-to-school sector to the school sector would mean that the move to either an older or a minimum school starting age would have minimal impact. For example, in Tasmania there is a strong orientation to the provision of services for children and families from birth, so that any move away from the current school commencement arrangements would be unlikely to affect the level of service provision or involve additional funding requirements.

4.14 Impact on school completion, tertiary entrance and entry to the workforce

Table 4.29 shows the annual student movements between the states and territories for students aged between 0 and 14 years in 2003-04.[30]

Table 4.29 Annual student movements to and from the states and territories for students aged from 0 to 14 years.

Number of affected students

From	**NSW**	**Vic**	**Qld**	**SA**	**WA**	**Tas**	**NT**	**ACT**
To								
NT	562	443	979	433	476	79	-	93
ACT	1,702	585	567	165	182	61	131	-
Tas	865	874	785	249	275	-	84	85
SA	1,278	1,631	1,144	-	525	187	603	135
WA	1,833	1,439	1,541	702	-	246	573	197
Vic	5,188	-	3,599	1,654	1,407	693	496	407
NSW	-	4,600	7,132	1,182	1,257	405	543	1,944
Qld	12,797	5,216	-	1,542	1,799	809	1362	876

The figures in Table 4.30 adjust the figures in Table 2.29 to show the student movements where the jurisdictions have a different minimum school starting age. The assumption in the Table is that the rolling enrolments in South Australia have the effect of differentiating it from New South Wales even though each has a minimum school starting age of 4 years and 5 months.

[30] Interstate Migration by States and Territories, ABS Australian Demographic Statistics (Catalogue 3101.0). It should be noted that while the figures show movements of students from 0 to 14 years of age, those at the upper age end could be up to 14 years and 11 months and 30 days or just shy of 15 years of age.

Table 4.30 Annual student movements to and from states and territories with a different minimum school starting age for students aged from 0 to 14 years

Number of affected students

From / *To*	NSW	Vic	Qld	SA	WA	Tas	NT	ACT
NT	562	443	-	433	-	79	-	93
ACT	1,702	-	567	165	182	61	131	-
Tas	865	874	785	249	275	-	84	85
SA	1,278	1,631	1,144	-	525	187	603	135
WA	1,833	1,439	-	702	-	246	-	197
Vic	5,188	-	3,599	1,654	1,407	693	496	-
NSW	-	4,600	7,132	1,182	1,257	405	543	1,944
Qld	12,797	5,216	-	1,542	-	809	-	876

It should be noted that not all of the students represented in Table 4.30 would be affected by any impacts of differences in minimum school starting age. In fact, after 2007, for all jurisdictions other than Tasmania, children whose birthdays are before the end of April and after the end of July all face the same eligibility for commencement of their schooling.

The impact of a common minimum school starting age on students who move between states and territories should not be overstated. For this reason, the impact in terms of school completion within 13 years of a common minimum school starting age on these students has been heavily discounted.

The nationally comparable cost/benefit model assumes that where commonality in minimum school starting age exists between jurisdictions, the effect would be a 1 per cent increase in student completions of schooling. In other words, for the affected group within the students who move between states and territories, there would be a 1 per cent increase in their school completions.

Thus, on the basis of figures in Table 4.30 that show student movements into a state or territory, Table 4.31 shows the number of students in each year who are likely to go on to complete 13 years of schooling, assuming the adoption of a 'single point' minimum school starting age option rather than one of the two range options.

Table 4.31 Projected annual increased student completions of schooling arising from the adoption of a 'single point' common minimum school starting age

Number of affected students

NSW	Vic	Qld	SA	WA	Tas	NT	ACT
171	130	212	55	44	32	35	16

Therefore, from 2022, the nationally comparable model projects that each year some 695 additional Australian students would complete 13 years of schooling due to 'single point' commonality in minimum school starting age across the states and territories. This increased level of school completions would be a permanent annual effect.

Should either of the range options be adopted, the projected number of school completions would reduce. Table 4.32 shows the projected increased completions under the range option of 4 years and 5 months to 4 years and 6 months (215 students) and the range option of 4 years and 5 months to 4 years and 8 months (43 students). The figures in the Table are based on the assumption that each state and territory would move to the age in the range that is closest to the current minimum school starting age. The assumption is also made that South Australia would move to single enrolment on the basis of 4 years and 5 months.

Table 4.32 Projected annual increased student completions of schooling arising from the 4 years and 5 months to 4 years and 6 months range option and the 4 years and 5 months to 4 years and 8 months range option.

Number of affected students

NSW	Vic	Qld	SA	WA	Tas	NT	ACT
4 years and 5 months to 4 years and 6 months							
12	62	69	13	19	21	10	9
4 years and 5 months to 4 years and 8 months							
12	7	0	13	0	10	0	1

Thus, the projected increased completions under the options can be shown on a comparative basis.

Table 4.33 Projected national annual increased student completions of schooling under the 'minimum' school starting age options

Number of affected students

Options	Projected completions
4 years and 5 months	695
4 years and 6 months	
4 years and 8 months	
4 years and 5 months to 4 years and 6 months	215
4 years and 5 months to 4 years and 8 months	43

In terms of the impact on post school life, the nationally comparable cost/benefit analysis model provides a picture up until the introductory cohort retires from economic life in 2072. This is termed long term. All figures in the model reflect the economic costs and benefits applying to relevant years over that period. For example, post-school education and training are from 2021 to 2030. Employment figures would commence in 2021 and cease in 2072, although they would be permanent beyond that time.

Table 4.34 Projected medium and long term costs and benefits associated with the change in the size of the national introductory cohort based on the nationally comparable cost/benefit analysis model

Costs (-)/benefits (+) ($ million, 2004-05)

	4 years and 5 months	4 years and 6 months	4 years and 8 months	4 years and 5 months to 4 years and 6 months	4 years and 5 months to 4 years and 8 months
VET	-$23	-$7	$31	-$11	-$1
University	-$122	-$37	$165	-$56	-$6
Static Employment	$3,710	$1,086	-$5,141	$1,662	$222
Dynamic Employment	$243	$243	$243	$95	$20

The figures indicate that for the VET sector the option with the greatest level of national savings would be the 4 years and 8 months option. This would arise from the reduced size at a national level of the introductory cohort and the consequent reductions in costs to the VET sector. However, the savings, projected as being in the order of $31m, would be reduced where the VET sector made freed-up places available to a wider pool of applicants.

The option with the greatest level of cost impact on the VET sector would be the 4 years and 5 months option. These costs would be in the order of $23m for the period being modelled, arising from the increased size of the cohort at a national level. However, these costs would be reduced where the VET sector did not have capacity to make additional places available.

For the university sector it is possible to discern a similar pattern. The 4 years and 8 months option would produce the greatest level of savings, in the order of $165m, arising from the reduced demand for places in tertiary institutions. However, as for the VET sector, these savings would be reduced where freed-up places were made available to a wider pool of applicants.

The 4 years and 5 months option could see costs to the university sector in the order of $122m over the period being modelled, assuming that universities had capacity to enrol the additional students. Where lack of capacity precluded additional enrolments being accepted, the costs would reduce on a commensurate basis.

The nationally comparable cost/benefit analysis also models long term employment effects to 2072. There are two areas where employment effects will arise from the options. The first, static employment, consists of the employment effects that would arise from two factors.

The first static employment factor is that parents of affected children would either be able to re-enter the workforce a year earlier where the move is to a younger minimum school starting age or would have their workforce re-entry delayed for the same period of time where the move is to an older minimum school starting age. The second factor is that affected children would either have their working lives extended by a year under a move to a younger minimum school starting age or would have their working lives contracted by the same period of time under a move to an older minimum school starting age.

The model shows that the option with the greatest net benefit in static employment, considered at a national level, would be the 4 years and 5 months option. A benefit in the order of $3,710m would accrue to affected Australian parents and children over the full period of the model. There would be consequent benefits for government through increased taxation receipts.

The option with the greatest net cost impact in the area of static employment would be the 4 years and 8 months option. This would see reductions in income for parents and children, arising from contraction in their working lives. The reduction could be in the order of $5,141m over the full period of the model. There would be consequent reductions in taxation receipts for government.

The second employment area, dynamic employment, covers the effects that would arise from national commonality in minimum school starting age. These effects would emanate from the elimination of the minimum school starting age 'barrier' that students can encounter as they transfer between jurisdictions.

Should any of the three 'single point' options be agreed upon, a benefit would accrue to affected children that could be in the order of $243m. Increased taxation receipts would flow to government through the dynamic employment effects arising from a 'single point' minimum school starting age.

The level of income accruing to affected children would reduce substantially should either of the range options be agreed upon. Consequently, taxation receipts to government would be less for the range options than for the 'single point' minimum school starting age options.

Chapter 5: Conclusion

5.1 Overview of the findings

The cost/benefit analysis examined the impact of five options for a nationally common minimum school starting age, *viz*:

- 4 years and 5 months (turns 5 years of age by 31 July in the year of school commencement)
- 4 years and 6 months (turns 5 years of age by 30 June in the year of school commencement)
- 4 years and 8 months (turns 5 of age by 30 April in the year of school commencement)
- from 4 years and 5 months to 4 years and 6 months
- from 4 years and 5 months to 4 years and 8 months.

The analysis was based on a nationally comparable model that projected the costs and benefits associated with an increase or decrease in the size of the introductory cohort in each state and territory against the five options. The model projected short, medium and long term impacts, covering the period from 2010 to 2072. In addition, sector based data were analysed from each state and territory. Each sector in the states and territories contributed to a risk and opportunity analysis.

5.1.1 Movement to a younger minimum school starting age

The analysis found that, where the option led to the state or territory having a younger minimum school starting age, there would be increased short and medium term costs in the schooling sector. These costs would arise from the increased size of the cohort in 2010, and the increased size of the pre-school cohort in 2009.

Under the 4 years and 5 months option, the schooling sector in all states and territories, with the exception of New South Wales and South Australia, would see increased costs that would continue until 2022. South Australia would see savings with the decrease in the number of children who receive more than one full year of Reception.

Under the 4 years and 6 months option and the related range option, there would be increased short and medium term costs for the schooling sectors in Victoria, Tasmania and the Australian Capital Territory. South Australia would see savings with the decrease in the procedure whereby children receive more than one year of Reception.

Under the 4 years and 8 months option and the related range option, there would be overall increased short and medium term costs in the schooling sector for Tasmania. This would arise from the current arrangement in Tasmania where the effect of the compulsory age legislation means that the State has a minimum school starting age whereby children must turn 5 years of age prior to the year of school commencement.

On the basis of current funding practice, the costs associated with movement to a younger minimum school starting age would be borne by the Australian Government through increased recurrent grants, by the state and territory governments through increased expenditure on school education and by private funding including fees. Costs would be borne by the university and training sectors substantially from 2023 as the introductory cohort left school, assuming that additional places were made available. It is projected that, of the five options, the 4 years and 5 months option would lead to the highest level of overall short and medium term costs.

However, the analysis found that the options that led to a younger minimum school age in the states and territories would bring longer term economic benefits, arising from extension in the working lives of affected parents and children. Where the jurisdiction

moved to a younger minimum school starting age, affected parents would be able to re-enter the workforce one year earlier. Thus, they would have the opportunity for increased income over their working lives. Consequently, governments would collect increased taxation receipts. Similarly, children would gain long term employment benefits through an extension by 12 months in their working lives. Again, this extension would mean increased taxation receipts for government. Of the five options, the 4 years and 5 months option would lead to the greatest overall level of long term economic benefit.

5.1.2 Movement to an older minimum school starting age

The analysis found that where the option led to the state or territory having an older minimum school starting age there would be short and medium term savings in the schooling sector.

Under the 4 years and 6 months and related range option, these savings would occur in New South Wales.

Under the 4 years and 8 months option, short and medium terms schooling sector savings would occur in New South Wales, Queensland, Western Australia and the Northern Territory. South Australia would see permanent savings with the decrease in the number of children who receive more than one full year of Reception.

Savings would occur in the prior-to-school sector in 2009. Nominal savings would occur in the university and training sectors from 2023, although it is likely that universities and training providers would make freed-up places available to a wider pool of applicants.

5.1.3 Educational considerations

The analysis found that there are highly contested educational arguments surrounding the appropriate age of school commencement. The arguments that sit at the core of the cost/benefit analysis are, however, not educational arguments about 'age' *per se*. Insofar as age is concerned, the analysis demonstrates that there are costs and benefits associated with each of the options. While these can be projected for the short, medium and long terms, they are fundamentally unrelated to the educational arguments that have long existed around school commencement age.

Rather, the educational arguments in the analysis are around commonality. The analysis demonstrates wide recognition among the states and territories and among the sectors within them of the potential benefits likely to occur through the adoption of a nationally common minimum school starting age and nomenclature. The model demonstrates that some additional 700 Australian students would be likely to complete a full 13 years of schooling should a 'single point' common minimum school starting age be adopted. This is irrespective of the age decided upon. Where the commonality is lessened, as to all intents and purposes it is under the two range options, this substantial national educational benefit would be reduced.

5.1.4 Nomenclature

The analysis also considered issues associated with the possible achievement of a common nomenclature around the early years of schooling. The current situation mirrors in large measure the variation in minimum school starting age across the states and territories. Indeed, for the year before Year 1 there are five different terms used in eight jurisdictions. For the year two years prior to Year 1, two different terms are used, one of which is also the term used in two jurisdictions for the year prior to Year 1.

The analysis found that there is substantial concurrence across the states and territories that benefits would arise for children, families, schools and jurisdictions from the adoption of a common nomenclature around the early years of schooling. In general, states and territories expressed the view that a common nomenclature should reflect the underpinnings of early years education, involve a term or terms consistent with the

concept of the continuity of schooling, and be readily communicable to children and to families. With the exception of the New South Wales government school sector, no significant costs were perceived as likely to arise from the adoption of common early years nomenclature.

The key conclusions from the consultations are that the most likely names to be agreed nationally would be 'pre-school' for two years before Year 1 and 'Preparatory' or 'Prep' for the year before Year 1. While contestable, these terms appear to have best fit across the jurisdictions.

5.2 Key implications

Should any of the options be agreed upon, there would be short, medium and long term implications for government in terms of funding in the prior-to-school, schooling and tertiary sectors. For both the Australian Government and for the state and territory governments, funding impacts would arise in the prior-to-school sector from 2009. It is likely that adjustments would be made in 2009 to the eligibility age for funded sessional pre-school places where such provision was made. This would have implications for state and territory government funding, and would also have flow-on effects for the Australian Government in terms of Child Care Benefits and Child Care Rebates.

5.2.1 Implications for the pre-school and child care sectors

Where states and territories moved to a younger minimum school starting age, on the whole the costs in the prior-to-school sector would decline permanently. From 2010, the newly eligible children would move into school on year earlier, permanently removing the equivalent cohort from the prior-to-school sector. However, in 2009 only, there would be demand in pre-schools for additional places to prepare the newly eligible children for school the following year.

Where states and territories moved to an older minimum school starting age, with a reduced pre-school cohort in 2009, there could be savings to state and territory governments and to parents through reduced demand for sessional places in 2009 only. The number of pre-school places returning to 'normal' in 2010.

Concurrently and permanently with an older minimum school starting age, however, there could be increased demand for formal child care places, with a consequent increase in Australian Government Child Care Benefit and Rebates and costs to parents. This increase, however, is likely to be notional initially as providers may not necessarily have immediate capacity to increase the number of places. Over the long term, it is likely that capacity would be increased, making the increased demand for funding real.

There would be implications for providers in the formal prior-to-school sector arising from the adoption of any of the options.

Notionally, the effect of a move to a younger minimum school starting age would be to decrease demand for child care places from 2010, disregarding the slight impact in 2009 that may occur as some children substitute pre-school places for some elements of child care. While the permanent decline in demand may impact on the viability of some providers in particular locations, it is likely that freed-up places would be made available to younger children where demand exceeds supply.

The effect of a move to an older age option would be to increase the number of children seeking places in the child care sector from 2010, with decreased demand for pre-school services in 2009. The permanent increased numbers in the potential child care pool would have the effect of exacerbating instances of unmet demand, but may lead to providers expanding capacity in order to increase operational viability. Another implication could be a reduction, at least until capacity was increased, in the number of places for children under 3 years of age as the regulations around 0 to 3 year olds generally mean that provision for them is more expensive than for older children.

5.2.2 Implications for the schooling sector

In the schooling sector, costs or savings would arise for the Australian Government and for state and territory governments from adoption of any of the options. Where the move was towards a younger minimum school starting age, there would be increased costs to government through recurrent grants and funding appropriations. Where the move was toward an older minimum school starting age, with an associated smaller introductory cohort, there would be short and medium term savings to the Australian Government and to the state and territory governments in relation to funding of the schooling sector. The costs incurred or the savings that accrued would continue from 2010 until 2022, but would only be associated with the affected cohort.

It is likely that there would be differentiated impacts across the schooling sectors from the options. A younger minimum school starting age, with a larger introductory cohort, could see a proportionate increase in the size of the government school sector share of the introductory cohort. This could arise where schools in the two non-government sectors did not have infrastructure capacity to enrol their share of the cohort. Capacity limitations could mean that schools in the non-government sectors would forego income through government grants and fees.

On the other hand, an older minimum school starting age and a smaller introductory cohort could mean that schools in the two non-government sectors may access waiting lists in order to maintain an approximate 'normal' cohort size. Where this occurred, an effect could be to reduce proportionately the government sector share of the decreased cohort.

Where schools in the two non-government sectors did not have waiting lists and depending on factors such as school size and the level of debt, implications may arise for school viability.

5.2.3 Implications for the VET and university sectors

In relation to a younger minimum school starting age, while some students in the affected cohort would commence entry into the post-school sector from 2021, the majority would not do so until 2023. However, there would be implications for notional funding by the Australian Government and by state and territory governments of the university and training sectors, in the medium term from 2021 to 2030.

In mitigation, it is unlikely that the sectors overall would have capacity to meet the increased demand, so that the costs could be largely notional. Whether in the long term capacity is able to be provided is moot. With current demand exceeding supply of places, it is likely that more applicants would miss out on university places than at present, with an increased shortage of places in the year the larger introductory cohort left school.

For those options that led to the state or territory adopting an older minimum school starting age, the size of the cohort as it moves into the university and training sectors would be smaller than under current arrangements. Hence, there could be notional savings to the Australian Government and to state and territory governments. However, these are unlikely to be realised as university and training providers would, in all probability, offer freed-up places to a wider pool of applicants.

5.2.4 Implications for affected parents

For affected parents, the short term impacts would arise in relation to whether the effect of any option would be to enable their children to start school a year earlier than would be possible under current arrangements or would delay school commencement for a further 12 months. The former would see affected children move from the generally higher cost prior-to-school sector to the generally lower cost school sector, with consequent reductions in expenditure by parents on child care. On the other hand, an older minimum school starting age would see parents having to meet child care costs for

a further 12 months compared to current arrangements. For single parent families in socio-economically disadvantaged communities, these impacts could be particularly significant.

Parents would also be affected by the options in terms of workforce re-entry opportunity. A younger minimum school starting age would enable affected parents to re-enter the workforce or take up cost imputed leisure activities a year earlier than would be possible under current arrangements. This extension to their working lives would bring benefits to them through increased income and to government through increased taxation. On the other hand, adoption of an older minimum school starting age would see a contraction in the working lives of affected parents, with consequent reduction in income over their working lives and in taxation receipts to government.

Should any of the 'single point' minimum school starting age options be adopted, there would especially be benefits to parents arising from elimination of a significant barrier to workforce mobility across state and territory borders. There is only anecdotal evidence to illustrate the extent to which variation in common minimum school starting ages inhibits inter-state movement by families. However, there can be little doubt that for many families the consequences to their children of moving between states or territories with different minimum school entry is one of the considerations that impacts on their mobility in the workforce. Elimination of the barrier, therefore, is likely to increase workforce mobility and contribute to national effort in the area of skills shortages.

5.2.5 Implications for affected children

There would be implications for the affected children from each of the options. The younger age options would mean that affected children would be able to commence schooling a year earlier than would be possible under current arrangements. In those jurisdictions with limited prior-to-school learning need identification and support services, this could bring benefits around earlier identification of learning needs and provision of support through targeted programmes. On the other hand, an older minimum school starting age may be perceived as contributing to the retention of children in the prior-to-school sector where they can develop in a strongly play-based environment. In a number of sectors, comment was made on the extent to which an older age of school commencement may address issues associated with boys' education.

The options would also have effects on the working lives of the affected children. A younger minimum school starting would extend the working lives of affected children by one year, with consequent benefits to them and to government. However, adoption of an older minimum school starting age would contract the working lives of the affected children by a similar period, reducing income over their working lives and the level of taxation receipts to government.

Should a common minimum school starting age be agreed upon, especially if it is one of the three 'single point' options, there would be substantial benefits to affected children who transfer across state and territory borders. There is likely to be greater continuity in schooling for these children, leading to a higher proportion of them completing 13 years of schooling. The increased rate of school completion would bring national benefits in terms of more children attaining higher levels of education and gaining higher skill levels. This, in turn, would over the longer term generate greater levels of economic activity and increased receipts to government through taxation.

5.2.6 Implications for employers

There could be implications for employers from adoption of any of the options. One effect of a move to a younger minimum school starting age could be to increase the number of young people entering the labour market, commencing after the completion of Year 10 in 2021 and having its greatest impacts after the completion of Year 12 in

2023 and when the cohort completed university and further training in the subsequent years to 2030.

On the other hand, a move to an older minimum school starting age would see reduced workforce entry by young people over the period in question. Depending on conditions at the time, over the longer term this reduced cohort size could exacerbate skills shortages.

5.2.7 Implications for legislation

The analysis indicates that there are unlikely to be significant implications for state and territory legislation arising from adoption of any of the options insofar as the years of compulsory schooling and equivalent participation are concerned. The one exception would be Tasmania where consideration may need to be given to the current direct nexus between the compulsory and minimum school starting ages should any of the options be adopted.

5.3 Management of the options

Should any of the options for a common minimum school starting age be agreed upon, the impacts would commence from 2009. This would arise from the need for states and territories where funded sessional pre-school places are offered to adjust the minimum pre-school entry age in line with the school minimum entry age to come into effect in 2010.

Thus, from the commencement of 2006, there would be a period of 3 years before the first cohort is affected. Children already born will be affected should any of the options be adopted. If the changes are to be well managed and prepared for, the imperatives are of a current rather than future nature. Given the time frame, there will be a need for a very substantial level of management planning to be undertaken in the prior-to-school sector, as well as in the schooling sector.

The critical nature of this management planning was underscored by both Queensland and Western Australia. Given their recent and current reforms around the minimum age of school commencement, the two jurisdictions provided insight into the complexities and demands of the change management process.

For example, the government sector in Western Australia, where a major reform in school commencement was introduced in 2002, pointed to the imperative to understand the extent to which decisions can impact on families. Any change in school commencement eligibility that is perceived by families as running counter to their expectations, including schooling sector practice at the time of the birth of the child, can be extraordinarily difficult to manage. The decision made to introduce the 2002 reform so that no child who had been born would be affected is an illustration of the extent and nature of the imperative. Similarly, Queensland would point to the important role that its 'Prep trial' has played as a framework for community consultation leading up to the introduction of universal 'Prep' provision from 2007.

If any of options is agreed upon, one of the factors to which consideration could be given in the lead up to 2009 and 2010 is the extent to which the management of the change could be aligned with current reforms. In particular, the Queensland government school sector initially considered the possibility of aligning the introduction of a common minimum school starting age with the 2007 reform. It was decided, however, that the potential disruption to the reform would militate against such an approach. Nevertheless, the current age of entry policy trial in the Northern Territory may lead to decisions by 2006 which could have implications for the management of the introduction of a common minimum school starting age.

Both Western Australia and Queensland raised the 'change-on-change' issue as a significant factor likely to affect the introduction in the jurisdictions of a common

minimum school starting age. Given that by 2007 their respective reforms would have led to a minimum school starting age of 4 years and 6 months, both jurisdictions observed that a move to any other minimum age for school commencement would be extremely difficult to implement. Indeed, both commented that any other minimum school starting age would pose a high level of risk to the integrity of their respective reforms.

Of singular importance in the jurisdictions where change has occurred around school commencement was the need for a comprehensive communication strategy that provided explicit information, simply presented to the community. For example, in Western Australia a table accompanying written information that included months of birth and the impact for children born in each month leading up to the commencement was distributed. Using this table, parents could easily track and understand what it would mean for their children. Such communication issues will need to be prominent and nationally consistent in any changes around a common minimum school starting age.

The range options attracted a diversity of comment over the course of the Project. One comment was that the introduction in Queensland of universal Prep provision in 2007 and hence the achievement of 13 years of schooling, meant that the imperative to achieve a nationally common school starting age had lessened somewhat. The range options, therefore, may prove sufficient to achieve the level of commonality desired.

However, observations were made that suggested the range options may not provide the level of commonality that some jurisdictions may wish to see from 2010. In general, the view was expressed that the range options would not remove all of the barriers around minimum school starting age that affected children as they transferred between schools in different states and territories. To this extent, the range options may represent a partial solution but an opportunity lost, and an opportunity that may not occur again for a considerable number of years.

Regardless of the option adopted, issues around placement would still exist unless agreement about procedures is reached beforehand. The difference between placement at school commencement of delayed (older) students into Year 1 rather than the year before Year 1 that is procedure in Western Australia and Queensland would have ramifications for transferring students from other jurisdictions where delay means placement into the first year of schooling.

The argument in Western Australia and Queensland is that the narrow age cohort is necessary for commonality to occur. Parental choice about age of entry is considered to militate against this consistency. This approach opts for a younger school starting age.

However, the argument for parental choice mounted in other jurisdictions suggests that a broad age range, if consistent across the country, is sufficient to provide national commonality. It would remove structural barriers and confusion, provide scope for both the older and younger age arguments, allow flexibility in line with developmental differences among students and provide parents with choice in a contested area. Before national consistency in minimum school starting age achieves its intent, this issue will need resolution.

5.4 Future considerations

The desirability of achieving a common minimum school starting age is widely recognised across the sectors in the states and territories. It is acknowledged that the national perspective of the minimum school starting age and early years nomenclature shows a confusing patchwork. The implications of the patchwork are far-reaching. The key issues are confronting.

A structural legacy from another age strongly characterises the schooling experiences of many Australian children. For affected children, their opportunities for when they can

commence school are differentiated by state or territory. For affected children, these differences act as a powerful inhibiting factor as they and their families move from one part of Australia to another. When there is increasingly a national approach to the measurement, analysis and reporting of student outcomes, such structural issues are drawn into focus.

Compounding this, there is a varied nomenclature for the early years of schooling. It is widely recognised that different terminologies contribute to parental confusion and student discontinuity in schooling.

The issues surrounding the minimum age of school commencement are multi-layered. The complexity appears infinite. Highly experienced educators may understand some of the layers. None, however, would claim that they have by any means come to terms with all the complexities of the patchwork. The project consultants found that they had to challenge themselves constantly about minutiae that seemed never ending, just as others challenged them. Complexity cast up yet more complexity, caveats rolled in on top of caveats.

The minimum school starting age patchwork is a confusing one for the nation's educators. Parents must view it as impossible to decipher and to navigate. They are surrounded, indeed inundated, by highly contested educational arguments about when children should commence school. They may have choice about when schooling can commence, they may not. In some parts of Australia their children are eligible to commence formal schooling at a particular age; in other parts they cannot. In some parts of Australia delay in entry of their children means they are older in their continuing cohort. In others, delay means 12 years of schooling rather than 13. When their children can commence schooling has impacts that extend into the family home and into the wider lives of Australian parents, so that structurally entrenched inequities characterise consequences for families.

Moreover, children must view the complexities with fear as they move with their parents from one state or territory to another and encounter issues around schooling. Just to add to any discomfiture they may feel about their new world, we weave into the patchwork a different age of eligibility for school entry. To make the patchwork even more confusing, invariably we weave in a different language around the early years of schooling. This is not supportive of student wellbeing, engagement and connection with their schooling.

And yet, surely, the idea of a common minimum school starting age is such a simple one. The complexity of the patchwork is, in truth, unnecessary. Moreover, the inherent legitimacy of the idea is generally seen as sound and is widely recognised.

A minimum school starting age will be achieved, at the end of the day, by focusing on 'commonality'. It is unlikely to be achieved if argument revolves around the complexities without end that attach to 'age'.

5.4.1 Benefits of commonality

The cost/benefit analysis demonstrates that the benefits for the Australian people associated with the achievement of commonality in the minimum age of school commencement are likely to be substantial and long lasting. Achievement of a common school starting age will benefit generations of future Australian children, over their years of schooling but extending into their working lives. Equally, as demonstrated by the cost/benefit analysis model, the flow-on effects from national commonality will bring benefits for families and to the wider Australian economy. Apart from the educational benefits to children, national reform around the minimum age of school commencement holds the prospect of a major contribution to the processes of wider economic structural reform.

The analysis has shown the scale of movement by children and young people across states and territories as their families re-locate from one part of Australia to another. Our

world is now a highly mobile one, and nothing suggests that this mobility will diminish in the years ahead. While the families of defence services personnel have long pointed to the disadvantages that impact on their children from the patchwork of minimum school starting ages across the nation, it is inevitable that other voices will join them in the call for national reform.

Perhaps one of the most dramatic impacts of the current minimum school starting age patchwork is the extent to which it can contribute to the disconnection of Australian children from schooling. We know that continuity in schooling matters if students are to complete a full 13 years of school education.

The cost/benefit analysis model assumes, conservatively, that one per cent of students who move from one state or territory to another would complete school if national commonality in the minimum age of school commencement were achieved. At face value, this may appear relatively inconsequential. Nothing could be further from the truth. The effect would be that over the years ahead many, many thousands of Australia's citizens would be better educated, have higher skills, be better adjusted socially, and would be more productive over their working lives.

Part of the patchwork consists of issues associated with nomenclature around the early years of schooling. There is, as for the achievement of a common school starting age, a broad consensus across the sectors in the states and territories that a common early years nomenclature should be agreed upon.

Indeed, it is possible to identify a general preparedness among education authority officers to 'put to one side' particular terms for the early years of schooling in the states and territories so that the possibility of national agreement on early years nomenclature can be realised. There is recognition that five different terms for the year before Year 1 contributes nothing to the educational continuity of those children who move from one part of Australia to another. Nor is continuity assisted by the current variation between the terms 'pre-school' and 'kindergarten' for the year two years prior to Year 1. Moreover, just to add yet another layer of confusion, kindergarten can be used to describe either of the early years in question.

At the same time, political pressure within jurisdictions to maintain 'their' nomenclature should not be underestimated. The innately conservative nature of state preferences historically militates against change for national purposes unless the state itself sees significant gain.

5.4.2 Emerging issues

As mentioned above, even if a point option for a minimum school starting age were adopted across all states and territories, the matter of consistency of procedure around the start of school would not be fully resolved. There would remain procedural differences among the jurisdictions that would lead to differences in cohort age ranges and parental choice.

In Western Australia and Queensland for instance, the policy of having delayed starters generally enrol in Year 1 means parents have little effective choice and children generally face only one real starting age option. In Tasmania, the nexus between the minimum school starting age and the compulsory age has a similar effect. In all other states and territories, current policy means that children whose entry to school is delayed enter at the year before Year 1. This allows parents choice about the age of school entry but results in a wide age range in a cohort. National consistency around a common minimum school starting age requires the early resolution of this issue.

The cost/benefit analysis identified an emerging awareness across the sectors of the importance of continuity from prior-to-school provision through to schooling. Children in many states and territories now have access to government funded sessional pre-school places where the foundations are laid for later schooling through structured play-

based approaches to learning. The implications of national commonality in minimum school starting age, were it to be achieved, would be significant for this sector.

And yet, especially given the added mix of an extraordinarily diverse pattern of associated child care provision, it is difficult to gain a coherent picture across the nation of prior-to-school provision. Just as seemingly endless complexity characterises issues around the minimum school starting age in the schooling sector, so seemingly does it characterise provision in the prior-to-school sector. Such issues, although pertinent to the cost/benefit study, extend well beyond the scope of this analysis.

An emerging issue of inconsistency around the start of school is the measure of formality in the curriculum approach at school commencement and into the following years. In some jurisdictions, there is curriculum continuity from prior-to-school and through to Years 1 and 2 around the importance of structured play based learning. In others, there is emphasis on explicit teaching and student outcomes, measured against standards. While these approaches may not be incompatible, the apparent differences lead to claims of too much rigour at too young an age. This belief is at the heart of a growing movement, especially in the independent school sector, towards prior-to-school early learning centres which delay school entry. Such approaches militate against national consistency although they legitimately address what has emerged as a 'market issue'.

Another issue that was touched upon over the course of the analysis was the primary/high school interface. The observation was made in many sectors that achievement of a common minimum school starting age should be viewed as part of a suite of reforms that could be undertaken to achieve greater consistency in schooling provision across the nation. At a future point, addressing the primary/high school interface may make a significant contribution to the quality of Australian schooling and complement any adoption of a nationally common minimum school starting age.

There would be costs and benefits that would be associated with any of the five minimum school starting age options. That is patently clear from the analysis. What is also patently clear is that there will be only benefits from national commonality. The challenges involved in order to achieve commonality should not be underestimated. It would be difficult, however, to overestimate the benefits that would accrue to Australian children, families and the nation as a whole from a reform that holds the prospect of strengthening greatly the quality of Australian schooling.