

Ready Set Preschool funding categories and examples

This attachment provides guidance on the Ready Set Preschool funding categories and examples of allowable expenditure.

It should be read alongside the:

- [Ready Set Preschool fact sheet](#)
- [Ready Set Preschool Planning and Implementation Guide](#)
- [2027 Policy and Funding Guide](#)

The examples provided are intended to support consistent interpretation of the funding categories and are not exhaustive. Services should consider the primary purpose of the expenditure, and ensure all spending aligns with the Policy and Funding Guide, approved Partnership Plan and Ready Set Preschool spending rules.

Ready Set Preschool funding is designed to improve preschool participation by reducing barriers to enrolment and attendance. Expenditure should have a clear and reasonable connection to supporting your community cohort to enrol in and attend preschool.

Ready Set Preschool funding **cannot** be used:

- to provide cash directly to families or cover major expenses or provide income support (e.g. rent, private vehicles)
- to provide general household goods or resources, or fund items primarily for use in the home (noting limited home-based supports may be appropriate where they are provided specifically to remove an identified barrier to a child's enrolment or attendance at preschool – e.g. take-home meals where food insecurity has been identified as a barrier to attendance).
- for items or services already funded through another funding stream
- for core staffing costs required for standard preschool operations/ educator ratio requirements
- for goods or services that create ongoing or unsustainable costs
- for any services or items not directly connected to improving preschool enrolment and attendance outcomes
- for therapeutic supports.

Examples of expenditure not intended under each funding category are provided as guidance only and do not represent an exhaustive list of excluded items.



Understanding funding streams and categories

Ready Set Preschool funding is organised into funding streams and categories. Funding streams describe the purpose of the expenditure. Funding categories describe the types of supports that may be used to achieve that purpose.

Services should apply professional judgement when determining how Ready Set Preschool funding is used. Supports may be universal, targeted to a priority cohort, or provided to an individual family, provided they are reasonably intended to remove barriers to preschool enrolment or attendance and align with the approved Partnership Plan.

Indirect Cost Reduction

Indirect Cost Reduction funding helps address practical barriers that make it harder for children and families to attend and participate in preschool. The following categories sit within the Indirect Cost Reduction funding stream:

- [Nutrition](#)
- [Transport](#)
- [Clothing and Essential Items](#)
- [Urgent Family Needs](#)

A majority of Ready Set Preschool funding should be directed towards Indirect Cost Reduction activities that directly support enrolment of priority cohorts and sustained attendance.

Community Connection

Community Connection activities seek to strengthen family engagement, enrolment, and ongoing attendance in preschool. Activities should focus on building relationships, increasing awareness, and supporting access for priority cohorts.

Innovation

Innovation funding supports place-based and innovative approaches that respond to local needs and strengthen service attendance as well as enrolment of priority cohorts and community engagement.

Indirect Cost Reduction

A majority of Ready, Set, Preschool funding should be directed towards practical supports that reduce barriers to preschool enrolment and attendance through indirect cost reduction.

Supports may be universal, targeted to a priority cohort, or provided to an individual family, provided they are reasonably intended to remove barriers identified in the local community to preschool enrolment or attendance and align with the approved Partnership Plan. In some scenarios, supports may be provided universally to support discreet access and reduce stigma.



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Where expenditure relates to an individual family, services should prioritise support for families that fall under category 1 or 2 of the priority of access criteria and ensure they maintain a record for auditing purposes.

Nutrition

Intent	Examples of allowable expenditure (not exhaustive)
Reduce food-related barriers that prevent children and families from participating in preschool. <i>Funding should support practical food initiatives that remove food-related barriers to preschool enrolment and attendance.</i> <i>Supports may be provided universally to support discreet access and reduce stigma, or targeted to individual children and families, based on the service's professional judgement and local context.</i>	Universal supports • Breakfast programs beyond what is already provided by the service that encourage regular attendance. • Healthy snacks or lunch initiatives beyond what is already provided by the service, that support participation during the preschool day. • Pantry or food cupboard initiatives that all families can access discreetly. • Subsidised take-home meals.
	Family engagement activities • Family cooking activities that support healthy routines and regular preschool attendance. • Family nutrition workshops that strengthen family engagement and support regular preschool attendance. • Food-related resources that support family engagement and preschool attendance.
	Targeted supports Direct assistance where food insecurity has been identified as a barrier to preschool enrolment or attendance in the community, for example: • Take-home meals or food packs. • Emergency food assistance.

Examples of expenditure not intended under Nutrition

- Ongoing provision of vouchers/ supply of actual household groceries for families (intermittent as required is permitted).
- Routine household food purchases.
- Catering or hospitality for meetings or events not directly linked to preschool enrolment or attendance.



Transport

Intent	Examples of allowable expenditure (not exhaustive)
Help children and families access preschool safely and consistently <i>Funding should be directed towards practical transport supports where transport has been identified as a barrier to preschool enrolment or attendance.</i>	Direct transport assistance where transport has been identified as a barrier to preschool enrolment or attendance - Public transport tickets to and from preschool - Occasional taxi vouchers to and from preschool or approved preschool activities. - Emergency transport assistance to support preschool attendance. - Transport assistance to attend enrolment, orientation or transition activities. Supports that enable safe access to preschool - Wet weather gear to support walking to preschool where required to support safe travel to preschool. - Strollers where required to enable a child to travel safely to preschool. - Safety-related equipment for existing transport services where required to support preschool attendance e.g car seat or bike helmet.

Examples of expenditure not intended under Transport

- Purchase or lease of a vehicle.
- Vehicle registration, insurance or licensing costs.
- Mechanical repairs or servicing of private vehicles.
- Transport for activities unrelated to preschool.
- Transport provided where there is no identified connection to reducing barriers to preschool enrolment or attendance.

Clothing and Essential Items

Intent	Examples of allowable expenditure (not exhaustive)
Ensure children have the essential items they need to participate fully in preschool. <i>Funding may be used to provide essential clothing and attendance items that remove</i>	Universal supports - Welcome packs containing essential preschool items (e.g. backpack, hat, drink bottle or lunchbox) - Spare clothing.



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Intent	Examples of allowable expenditure (not exhaustive)
<i>practical barriers to preschool enrolment and attendance.</i> <i>Supports may be provided universally to support discreet access and reduce stigma, or targeted to individual children and families, based on the service's professional judgement and local context.</i>	Targeted supports - Seasonal clothing where the absence of suitable clothing is affecting a child's preschool attendance. - Footwear where the lack of suitable footwear is preventing ongoing attendance. - Nappies or personal care items where required to support ongoing preschool attendance.

Examples of expenditure not intended under Clothing and Essential Items

- General household clothing purchases.
- Clothing or personal items not required for preschool attendance.
- General household purchases or gifts.
- Toys, games or equipment intended primarily for use in the home.
- Resources or equipment that would ordinarily be funded through another program or service.
- Allied health resources or therapeutic equipment unless the resource is reasonably required to address an identified barrier to preschool enrolment or attendance and would not ordinarily be funded through another funding source.
- Items purchased where there is no identified connection to reducing barriers to preschool enrolment or attendance.

Urgent Family Needs

Intent	Examples of allowable expenditure (not an exhaustive list)
Respond to crisis situations or unexpected barriers that would otherwise prevent preschool participation <i>Funding should provide one-off practical assistance to address an immediate barrier to a child's preschool enrolment or attendance.</i> <i>Assistance should be targeted to the immediate barrier affecting preschool access and is not intended to replace family income or meet ongoing household living expenses or duplicate other supports such as homelessness connect.</i>	One-off practical assistance where an immediate crisis has been identified as a barrier to preschool enrolment or attendance - A child has entered emergency foster care, kinship care or another emergency care arrangement and requires essential preschool items, such as a backpack, lunchbox, hat, spare clothing, shoes or nappies, to continue attending preschool without interruption. - A family has fled domestic or family violence and the child has arrived at emergency accommodation without the clothing, footwear or essential preschool items required to attend preschool the following day. - A family's home has been damaged by fire, flood or another natural disaster, resulting in the loss of essential



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Intent	Examples of allowable expenditure (not an exhaustive list)
	preschool items that need to be replaced to enable the child to continue attending preschool. • A family has been unexpectedly displaced from their home and requires replacement of essential preschool items because belongings were left behind, destroyed or are temporarily inaccessible during relocation. • A child has unexpectedly commenced living with a grandparent, relative or other emergency carer and requires essential preschool items to continue attending preschool while longer-term care arrangements are established. • A parent or primary carer has been unexpectedly hospitalised, leaving another carer temporarily responsible and requiring one-off transport assistance, such as taxi fares or public transport, to maintain the child's preschool attendance. • A family's vehicle has been unexpectedly written off or become temporarily unavailable following an accident or emergency, requiring short term transport assistance until alternative arrangements are established. • A family is experiencing an immediate food crisis and requires short-term take-home meals or food packs to maintain the child's attendance while emergency relief or longer-term food supports are being established. • A child's essential preschool belongings remain with another parent or carer following an unexpected family separation or family crisis, and replacement preschool items are required to ensure the child can continue attending preschool. • A child is at immediate risk of missing preschool because an unexpected crisis has left them without the essential preschool items or short-term supports required to attend, and one-off practical assistance is provided while the family is connected with appropriate longer-term supports.

Examples of expenditure not intended under this category

- Rent or mortgage payments.
- Household utility bills or other ongoing household expenses.
- Ongoing financial assistance or support intended to replace family income.
- Cash payments provided directly to families.
- Assistance that would ordinarily be funded through another program or service.



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- Ongoing or recurring support that is not directly linked to removing an immediate barrier to preschool enrolment or attendance.

Services are encouraged to reserve some funding to respond to urgent or changing family circumstances as they arise throughout the year. This should be identified in the Partnership Plan as **unallocated funding**.

Community Connection

Community Connection activities strengthen relationships, engagement, participation and enrolment.

Intent	Examples of allowable expenditure (not an exhaustive list)
Build relationships with families, strengthen engagement and increase enrolment, attendance and participation through locally designed approaches. <i>Activities should primarily strengthen relationships with families, support enrolment of priority cohorts and encourage regular preschool attendance.</i>	Family engagement and parent support • Resources to support parents and carers with routines and executive functioning that encourage regular attendance. • Visual schedules and family planning resources that support regular preschool attendance. • Parent and carer groups. • Dad's groups. • Family networking events. • Playgroups and Play and Connect sessions that strengthen family engagement and support children's transition to preschool. • Family engagement workshops. • Activities that strengthen relationships between families and the preschool. • Activities that build connections between families.
	Community engagement and awareness • Enrolment information sessions targeting priority cohorts. • Transition to preschool events. • Welcome events for new families. • Community information sessions promoting the benefits of preschool enrolment and regular attendance. • Participation in community events to engage priority cohorts and promote preschool enrolment. • Community stalls promoting preschool enrolment. • Marquee hire to support approved community engagement activities. • Community outreach activities targeting priority cohorts.

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Intent	Examples of allowable expenditure (not an exhaustive list)
	• Community art projects that strengthen family engagement with the preschool. • Family or community food events where the primary purpose is strengthening family engagement with the preschool. • Community garden initiatives that strengthen family engagement with the preschool.
	Inclusive engagement • Diversity and inclusion resources. • Culturally and linguistically diverse resources. • Culturally safe engagement activities. • Translation of preschool resources and family communication materials. • Interpreter services to support engagement with families.
	Enrolment of priority cohorts • Activities designed to engage families of children who are not yet enrolled in preschool. • Enrolment support activities. • Engagement approaches targeting priority cohorts. • Activities that support the enrolment of priority cohorts. • Partnership activities with local community organisations that support enrolment of priority cohorts or regular preschool attendance. • Resources that help families understand the benefits of preschool enrolment and regular attendance.

Activities should be categorised as Community Connection where the primary purpose is engagement and relationship building to support enrolment or attendance. For example, a family food event designed to build relationships and engage new families would generally be considered Community Connection rather than Nutrition.

Examples of expenditure not intended under this category

- Community events or activities where there is no clear connection to supporting the enrolment of priority cohorts, regular preschool attendance or family engagement.



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- Promotional activities that are not directly related to preschool enrolment or attendance.
- Entertainment, catering or hospitality where the primary purpose is social rather than engaging families with preschool.
- Activities that duplicate existing programs or services without a demonstrated Ready Set Preschool outcome.
- Activities that are primarily recreational and do not support preschool enrolment, regular attendance or family engagement.
- Ongoing staffing or service delivery costs that are not directly related to approved Community Connection activities.
- Capital works or infrastructure improvements.
- Resources purchased for general preschool operations rather than family or community engagement.

Innovation (integrated hubs only)

Integrated hubs are expected to deliver additional place-based and innovative approaches that support increased engagement of children and families into ECEC or programs and services that strengthen parenting capacity and family functioning.

Intent	Examples of allowable expenditure (not an exhaustive list)
Support place-based approaches that respond to local needs, strengthen community partnerships and improve preschool participation outcomes <i>Funding should support innovative, place-based responses that address identified local barriers to the enrolment of priority cohorts and regular preschool attendance and encourage access to other community and family programs.</i>	• Coordinating community-wide participation initiatives • Testing place-based responses informed by local data and community need. • Building partnerships across multiple services • Community-led participation initiatives that strengthen preschool or hub enrolment and attendance. • Activities engaging families before preschool age. • Integrated responses with health, family support or community services that improve access to preschool and/or other community and family programs offered at the hub. • Trailing local models that can be adapted or scaled across the community • Place-based initiatives responding to identified local needs, which may include enrolment or attendance barriers, or strengthening parenting capacity. • Educator time to deliver playgroups, or alternatively to commission an external playgroup provider.



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Intent	Examples of allowable expenditure (not an exhaustive list)
	• Educator time to deliver a creche service to support the attendance of families at a program/service directly connected to parenting capacity or increasing preschool engagement.

Examples of expenditure not intended under this category

- Activities that duplicate existing programs or services without a demonstrated place-based need.
- Ongoing core service delivery or staffing that would ordinarily be funded through another funding source.
- Activities that are not informed by identified local need, evidence or community data.
- Projects that create ongoing or unsustainable costs beyond the life of the funding.

Need more information?

- [Policy and Funding Guide](#)
- [Ready Set Preschool Planning and Implementation Guide](#)
- Your OECD Local Team

