# 2025 Free Kinder Funding Requirements

**Long day care services**

## Key information for long day care providers

Free Kinder is available for Three- and Four-Year-Old Kindergarten or Pre-Prep programs at participating services.

Families with children enrolled in integrated kindergarten programs at participating long day care centres will receive an annual fee offset.

The 2025 Free Kinder funding rates for integrated programs in long day care services can be found on the [kindergarten funding rates](https://www.vic.gov.au/kindergarten-funding-rates) page.

Where a long day care service offers a sessional program for which children do not attract Commonwealth Childcare Subsidy (CCS), different funding requirements will apply.

Long day care services that offer a sessional kindergarten program must also refer to the [Free Kinder Funding Requirements for sessional services](https://www.vic.gov.au/free-kinder-funding-requirements-sessional-services).

## 2025 Free Kinder funding requirements for long day care services

Funded long day care service providers offering integrated kindergarten programs must:

* set the same fees for all kindergarten-age enrolments (three- and four-year-old) in their service. This ensures that children in the kindergarten program do not pay higher fees than those not in the program.
* directly offset the full Free Kinder payment from the fees of parents with children in the funded kindergarten program (i.e service providers are not required to calculate and record the cost of the kindergarten hours separately for integrated programs).
* ensure families receive their full correct Free Kinder entitlement. This means that if a family pays more in fees than the Free Kinder offset amount ($2,101 or pro-rata for Pre-Prep more than 15 hours or three-year-old programs less than 15 hours) across the year, they must receive the full offset amount.
* apply the fee offset weekly, or fortnightly and make it clear on parent invoices (label it as ‘Victorian Government Free Kinder offset’).
* advise families when the offset will commence and end.
* reconcile payments before the end of each calendar year to confirm that all families have received their full and correct entitlement.
* use any surplus funding to improve the funded kindergarten program. This may include improving quality and supporting family engagement. This is for situations where families pay less than the Free Kinder payment in out-of-pocket fees throughout the kindergarten year.

### Interactions with Commonwealth Childcare Subsidy

In Victoria, Free Kinder is an allowable third-party payment under Commonwealth funding rules. This means that Free Kinder does not impact a family’s CCS entitlement. It also means that long day care service providers must apply the Free Kinder offset to each families' fees after CCS has been applied.

### Confirming a child’s funded kindergarten program

Services must tell families that their child can only go to one funded kindergarten program at one service at a time. Services must ensure that all families have a signed form that confirms where their child will go for their funded program and keep a copy on record at the service.

All services must use the department's [one funded place declaration form](https://www.vic.gov.au/resources-funded-kindergartens#for-sharing-with-parents). This can be included in an enrolment pack in hardcopy or electronically, but it must be completed with a parent/carer signature (hardcopy or electronic) and remain on the department’s template.

Long day care services must re-confirm a child’s participation in their funded kindergarten program prior to Annual Confirmation to make sure funding Is paid to the right service.

Services should also wait until [Term 1](https://www.vic.gov.au/school-term-dates-and-holidays-victoria) begins (in line with school terms) before applying the offset, in case families decide to access a funded program at a sessional service.

If a child is enrolled at more than one service and funding is paid to a service where the family does not wish to claim their funded place, the department will recoup the funding.

### Communicating with parents

Long day care services must provide families with the following information:

* how the Free Kinder offset will be applied to families’ fees (including regularity, which must be no less frequent than monthly)
* when payments will begin and end
* how the offset will be detailed on invoices (labelled Victorian Government Free Kinder offset)
* that where families attend more than one service they must choose where the child will participate in the funded kindergarten program (and therefore receive the Free Kinder funding)
* that children eligible for Early Start Kindergarten (ESK) are enrolled and funded under the ESK program.

This information should be included in the service’s kindergarten fee policy.

Free Kinder must be well-promoted and explained through the service’s communication channels, including their websites. You can find a [communications pack](https://www.vic.gov.au/communicating-about-kindergarten-to-your-community) on the department’s website, including a factsheet and letter for families, as well as website and social media content.

Services should also consider if translated materials and/or a translator would be of benefit to families.

## Confirmation of participation in Free Kinder

The department will advise service providers via email of the 2025 process for confirming Free Kinder participation.

## Monitoring and compliance with funding requirements

The department will actively monitor compliance with the Free Kinder funding requirements. The department, or an organisation engaged to monitor compliance on behalf of the department, may seek information and documents from service providers as part of an assurance process. This is to ensure the full benefits are being passed on to parents and that all Free Kinder funding is being used correctly and according to requirements.

## Free Kinder payment to services

Free Kinder funding rates for 2025 are available on the [kindergarten funding rates](https://www.vic.gov.au/kindergarten-funding-rates) page.

Free Kinder funding is paid on top of other kindergarten funding streams available to long day care services (excluding Early Start Kindergarten (ESK)).

The Free Kinder payment will replace ESK Extension and is included in the ESK rate.

### Funding for hours of Three-Year-Old Kindergarten

The department funds three-year-old kindergarten enrolments based on the number of hours a child spends in a funded program, which can range from 5 to 15 hours.

If a child is enrolled in a Three-Year-Old Kindergarten program for the full 15 hours per week, the service will be paid the full funding amount for that child.

If a child is enrolled for fewer than 15 hours, the funding will be adjusted proportionally. For example, if a 3-year-old child is enrolled in a kindergarten program for 7.5 hours per week, they’ll receive half of the full 15-hour Free Kinder rate.

### Funding for hours of Pre-Prep

In 2025, a small number of local government areas will commence offering [Pre-Prep](https://www.vic.gov.au/preprep?gad_source=1&gclid=EAIaIQobChMI-aLTzNmjiQMVbjaDAx2jTiDlEAAYASAAEgJD_fD_BwE).

The department funds Pre-Prep enrolments based on the number of hours that they access a funded program from 16 to 30 hours. For example, if a 4-year-old child is enrolled in a program of 22.5 hours per week, they will receive 1.5 times the 15-hour Free Kinder rate. A program of 30 hours will receive double the 15-hour rate in 2025.

### Payment of funding

Free Kinder payments will be made monthly via the Kindergarten Information Management System (KIMS). Free Kinder funding is calculated pro-rata from a service’s funding start date.

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

### Offsetting Free Kinder

Long day care services must apply the Free Kinder offset weekly, or fortnightly. The offset should not be applied termly (or less frequently) as this increases the risk of passing on the incorrect offset to families that move between services.

The total annual offset that each child receives will depend on whether they were included in Annual Confirmation and how long they are enrolled at the service.

Long day care services must ensure families receive their full correct Free Kinder entitlement. This means that if a family pays more in fees than the Free Kinder offset amount ($2,101 or pro-rata for Pre-Prep more than 15 hours or three-year-old programs less than 15 hours) across the year, they must receive the full offset amount.

Long day care services must reconcile payments before the end of each calendar year to confirm that all families have received their full and correct entitlement.

The [Free Kinder calculator and the Offset Free Kinder Factsheet](https://educationvic.service-now.com/csm?sys_kb_id=533daf2d4765921030cd42f0516d433f&id=kb_article_view&sysparm_rank=2&sysparm_tsqueryId=4d8204f59361d210560c3ed47aba1005) is available to support services to determine the correct amount to offset from fees. The [Free Kinder calculator](https://educationvic.service-now.com/csm?sys_kb_id=533daf2d4765921030cd42f0516d433f&id=kb_article_view&sysparm_rank=2&sysparm_tsqueryId=4d8204f59361d210560c3ed47aba1005) and the Offset Free Kinder Factsheet is available to support services to determine the correct amount to offset from fees.: .

### Families with surplus Free Kinder funding

In circumstances where the fee offset is greater than the families’ gap payment, services should set aside any fee offset not used throughout the year, in case the family's situation changes.

This may mean these families receive a higher portion of their fee offset later in the year if their CCS level decreases. By the end of the kindergarten year, each family should receive their full and correct Free Kinder entitlement (or the pro rata equivalent in Three-Year-Old Kindergarten or Pre-Prep).

At the end of the calendar year, any remaining fee offset may be used to improve the funded kindergarten program, such as improving quality and engaging families in kindergarten for the following calendar year.

# Frequently asked questions

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

Some children move from one service to another during the kindergarten year. In these cases, the Free Kinder funding will cease at the first service and payments will be paid to the new service (if that service is participating in Free Kinder).

**Do I need to enrol children eligible for ESK?**

Yes, it is important that you continue to enrol eligible children in ESK at your service. This ensures service providers receive their full funding entitlements and that these children have access to 15 funded hours of kindergarten across Victoria.

ESK enrolment numbers contribute to School Readiness Funding (SRF) calculations for service providers. Enrolling children in ESK also allows the department to continue to monitor efforts to engage the most vulnerable children in kindergarten across Victoria and provide additional targeted support where required through SRF or Early Childhood LOOKOUT.

**How is the priority of access applied in a Free Kinder setting?**

While all three- and four-year-old children will attract Free Kinder funding in participating services, the [Priority of Access](https://www.vic.gov.au/priority-access-criteria) (PoA) policy is still required to be applied where demand exceeds available places at a particular service.

**Why are the Free Kinder subsidies different in sessional and long day cares?**

Free Kinder funding works differently in the two settings. For integrated long day care programs, the service must pass the full Free Kinder payment on as a fee offset to families. This is because fees are charged for all hours of education and care, not just the kindergarten program hours, and the fees can vary based on factors like the family’s CCS entitlement.

Free Kinder in sessional programs functions as a fee replacement for the service. The sessional rate has been set higher to enable participating sessional services to offer a free 15-hour program (or 16-30 hour Pre-Prep program) without changing their current fee structure.

**Can service providers opt in at a program level? (i.e., opt-in for the Four-Year-old Kindergarten program only and not the Three-Year-Old Kindergarten program)?**

Services that are participating in Free Kinder must offer a free program for all children enrolled in kindergarten at their service. Services cannot only offer Free Kinder to some groups of children (e.g., cannot offer Free Kinder for Four-Year-Old Kindergarten or Pre-P4rep and not Three-Year-Old Kindergarten).

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