

# **PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE**

## **Budget estimates 2020-21 (Stitt)**

Melbourne—Wednesday, 2 December 2020

### **MEMBERS**

Ms Lizzie Blandthorn—Chair

Mr Richard Riordan—Deputy Chair

Mr Sam Hibbins

Mr David Limbrick

Mr Gary Maas

Mr Danny O'Brien

Ms Pauline Richards

Mr Tim Richardson

Ms Nina Taylor

Ms Bridget Vallence



**WITNESSES**

Ms Ingrid Stitt, MLC, Minister for Early Childhood,

Ms Jenny Atta, Secretary,

Mr Anthony Bates, PSM, Deputy Secretary, Financial Policy and Information Services,

Ms Kim Little, Deputy Secretary, Early Childhood Education, and

Mr Chris Keating, Chief Executive Officer, Victorian School Building Authority, Department of Education and Training.

**The CHAIR:** I declare open this hearing of the Public Accounts and Estimates Committee.

On behalf of the Parliament, the committee is conducting this Inquiry into the 2020–21 Budget Estimates. Its aim is to scrutinise public administration and finance to improve outcomes for the Victorian community.

Please note that witnesses and members may remove their masks when speaking to the committee but must replace them afterwards.

We ask that telephones be turned to silent.

All evidence taken by this committee is protected by parliamentary privilege. Comments repeated outside this hearing may not be protected by this privilege.

Witnesses will be provided with a proof version of the transcript to check. Verified transcripts, presentations and handouts will be placed on the committee's website as soon as possible.

We welcome Minister Stitt for the portfolio of early childhood. We invite you to make an opening statement of 5 minutes, and this will be followed by questions from the committee. Thank you.

**Visual presentation.**

**Ms STITT:** Thank you very much, Chair. And thank you, committee members, for the opportunity to appear before you this afternoon. I would like to acknowledge the traditional owners of the land on which we are gathered and pay my respects to their elders past, present and emerging and to any elders and Aboriginal people joining us today.

I am pleased to be here as the Minister for Early Childhood. The budget invests almost \$774 million in our youngest learners, giving them the best start in life and supporting Victoria's recovery from a very challenging 2020. Thank you to our early childhood teachers, educators and support staff who have continued to educate and care for our children during the coronavirus pandemic. The sector has a bright future ahead, with free kinder and funded three-year-old kinder set to boost outcomes for our youngest learners. We are ensuring that we are recovering more strongly and fairly by better serving young Victorians, boosting workforce participation and jobs, particularly for women, while helping family budgets along the way.

This investment builds on the strong foundation of previous years. As you can see from the slide, the last two years delivered over \$1.8 billion in new initiatives, which is far in excess of the previous eight years combined.

Many Victorians are doing it tough. To ensure access to critical early learning, we are investing almost \$170 million for free kinder. This will save families around \$2000 for each child enrolled in a participating funded kindergarten program in 2021. It will benefit up to 100 000 Victorian families across sessional kindergartens and long day care. This will also make it easier for parents, particularly women, to take up employment and training opportunities.

This budget continues the near \$5 billion nation-leading rollout of three-year-old kindergarten, with an additional \$302 million. Next year 15 more local government areas will get access to funded kinder, benefiting thousands of families, and in 2022 funded kinder for three-year-olds reaches every part of the state.

To support this, we are fast-tracking teacher training programs for early childhood services. This is part of our plan to grow this fantastic workforce by 6000 early childhood teachers and educators. We are offering financial incentives of between \$9000 and \$50 000 to attract more early childhood teachers to regional areas. TAFE commencements are also up by 102 per cent in early childhood thanks to free TAFE.

The impact of this year has been felt the most by vulnerable Victorians. That is why we provided up to \$71.7 million to support the sector, including free sessional kinder for terms 2, 3 and 4. There is a new transition to school program to give the most vulnerable children a positive start at school next year. This builds on the existing support available through \$160 million in school readiness funding, which in 2020 could also be used to support children's learning from home. The rollout will be completed next year, giving all kindergarten services the needs-based funding to prepare children for school.

There is also almost \$4 million to support vulnerable children, including children in public housing communities, to participate in early learning. And the budget includes \$2.5 million to enable refugee and asylum seeker families to access funded kindergarten. We are investing almost \$70 million so families have the best kinder facilities closer to home. This builds on our \$1.68 billion commitment to build new kinders and expand existing facilities right across the state over the next decade, and it is on top of the \$473 million in infrastructure we committed last financial year to support the expansion of three-year-old kinder. By doing this, we are boosting jobs in construction and creating additional kindergarten places. Upgrades to infrastructure will provide more inclusive facilities for all children.

I would like to acknowledge again the care and dedication of the early childhood sector during a very difficult year for every Victorian. As we recover from the pandemic, our continued investment in early childhood education ensures no child will be left behind, and nor will parents of young children, particularly women, who will be better able to participate in the workforce thanks to these reforms. Thank you, Chair.

**The CHAIR:** Thank you, Minister. And I will pass to Mr Tim Richardson, MP.

**Mr RICHARDSON:** Thank you, Chair. And thank you, Minister, for joining us here today. It is great to see you in the ministerial capacity, and you will know how this process runs through in the next little while. Minister, I want to take you to a key feature of the early childhood portfolio budget elements, and that is in budget paper 3, page 30, and your presentation around free kinder. Are you able to outline a bit more for the committee's benefit the free kinder initiative and some of the benefits that will be provided?

**Ms STITT:** Thank you, Mr Richardson. I know you are very passionate about education in our state, and I am thrilled that Victorian families will be able to send their children to kinder for free next year as part of the Victorian government's investment in early childhood education in the 2020–21 state budget.

We have invested \$169.6 million, and that will save families around \$2000 for each child enrolled in a participating funded kinder program next year. This investment will serve a number of key purposes. The first key reason for this initiative was to make sure that it was easier for women to take up employment opportunities as part of our economic recovery as we come out of the coronavirus pandemic. We know that women have been disproportionately affected by the global pandemic, and this initiative we think will give much-needed help for women. It will make it easier for them to re-enter the workforce, or it may be that they want to increase their hours. So as we recover from the pandemic, we know that women will be a driving force in that economic recovery, and we wanted to give them every opportunity to work by providing free kinder next year.

Some of the data that has been published recently by the ABS backs up this plan, and the number one reason women give for not being able to take on additional work or enter the jobs market is caring for children. Over 52 per cent gave that as an inhibitor for them to enter the workforce. The most important incentive for people not in the labour force was financial assistance with childcare costs, so really it was very important from the government's perspective to make sure that this initiative not only assisted families and particularly women to re-enter the workforce but also gave families that hip-pocket relief in a year that has been particularly tough.

The choice about whether to go into the workforce of course is a personal choice for every parent and every family, but one of the things that I am really pleased about with this initiative is that it will apply not only in sessional-funded kindergarten programs but also in long day care kindergarten settings as well. That has been

very gratefully received by the long day care providers in the sector, and they are really looking forward to being part of this important initiative.

So making kinder free next year in traditional kindergarten settings and, as I said, in long day care is a huge leap forward. I also think that the interest will be strong, and I think that that will also assist next year as we start to roll out three-year-old kinder into additional areas across the state. In designing the initiative we really were aiming to try to have a universal funding arrangement that benefited as many families as possible, and our modelling estimates that around 100 000 families will benefit from this free kinder initiative next year. I know that the department are working very hard with the sector in getting that information out there about next year's program and assisting them with a very strong take-up.

**Mr RICHARDSON:** Minister, I will take you, then, to some of the savings for families from free kinder. We will jump a bit further into that. Are there some examples that you can provide to the committee on what this means for different types of families?

**Ms STITT:** Yes. Thank you, Mr Richardson. Families who access funded kindergarten in participating sessional kindergartens next year will receive no bill, so basically there will be no out-of-pocket expenses for those families. With the average cost of kinder it is around \$2000 per year that parents will save with children in that kind of setting. But of course we know that kindergarten is an educational program, it is not a building, and there are really high-quality kindergarten programs being offered across many hundreds of our long day care settings across the state. I can give you an example of how it will operate in long day care as opposed to sessional kindergarten. The saving will be again around \$2000 per eligible child. An example of a family with a child who attends a kindergarten program in a long day care centre for two days a week with a daily fee of \$120 and a childcare subsidy rate of 65 per cent will have their out-of-pocket fees reduced by approximately half, so it will be a significant saving in that scenario. Their weekly cost would drop from \$84 to approximately \$42. So that would be a significant saving for many families in long day care settings, and we know that that will be greatly appreciated in a year when everybody has really done it particularly tough. For those families whose children might be attending an unfunded three-year-old kindergarten program in sessional kindergarten, because there are a range of services that do provide that unfunded three-year-old program, the savings will be around \$1600 for each child enrolled in a program of 5 hours or more, and again that would be a big saving for an average family on their annual kindergarten fees.

**Mr RICHARDSON:** You mentioned before, Minister, the inclusion of long day care as well. I know that in my patch free kinder has had a number of enquiries and a lot of interest from the local community. One of those features that we have been hearing about locally is it including the kinder programs of long day care. Are you able to explain for the committee's benefit this feature and how it will support both children and parents?

**Ms STITT:** Yes, and it is a good point because the inclusion of long day care is a particular feature of this initiative, and that was very deliberate for some of the reasons that I have already touched on. So we know that families make choices about kindergarten programs based on their own individual circumstances, and it may suit some families, particularly where both parents are working or wish to work, to have a long day care setting in preference to a sessional kindergarten program, which is the more traditional way in which kinder has been delivered. But great kindergarten programs are delivered right across all of the settings in Victoria, and we want to make sure that as many operators in the sector and as many families across the state can get access to this wonderful initiative, and given that shift that has been occurring, with more and more parents moving to long day care, we thought it was very important that free kinder be offered in those sorts of settings as well. We have really had great feedback from stakeholders, from peak bodies and also from individual providers already, and they are hungry for information about how they can take up this offer. I know that we have communicated with them as recently as this week about free kinder for next year, and the department will be working closely with all of the stakeholders to make sure that this initiative is passed on to as many families as possible.

**Mr RICHARDSON:** We know, Minister, how critical those early years are for development of our young Victorians. I want to take you back to budget paper 3 and page 30. Could you explain how the 'Ready for school' three-year-old kindergarten initiative is progressing and how the additional funding will support that implementation?

**Ms STITT:** Thank you, Mr Richardson, and as I touched on in my presentation, this is a really important reform. It is an Australian first, and what we want to be able to do is deliver universal three-year-old kinder

right across the state. Three-year-old kinder will mean all children will receive two years of play-based learning as opposed to one, and that is critically important for a child's development, and we know that study after study has shown that the early years are so important in terms of setting our youngest learners up for success throughout their school years. So it is something that the government is fully committed to. It is part of that \$5 billion investment to deliver three-year-old kinder, and it is a very substantial reform. It also includes \$1.68 billion for kinder infrastructure over 10 years. And look, one of the most pleasing things about this reform is, when we most need it, it is also going to create thousands of really good quality jobs, particularly for women. We need 4000 new kinder teachers and we need 2000 new educators across the life of this reform, and it could not come at a better time to be trying to attract people to this fantastic sector.

In the budget we delivered our first instalment towards that \$5 billion reform by investing around \$600 million in output funding in the 2019–20 budget. In that year we also had \$283 million in asset funding over the five years. In 2020–21 we are building on that investment, and this is very much building this reform year on year. In the 2020–21 budget we have an additional \$302 million to support the continued rollout of three-year-old kinder. That includes \$258 million in output funding over four years and \$44.23 million in capital investment.

And as you would be aware, Mr Richardson, this is really a rolled out, staged reform. We have got six local government areas that are participating currently in funded three-year-old kinder, and that covers around 580 children, and in 2021 we will be adding a further 15 regional local government areas, and we will be able to provide in those areas up to 15 hours a week of three-year-old funded kindergarten programs, so we will be building the number of areas that have access to that next year. And then in 2022 families in all parts of the state will be able to have access to a minimum of 5 hours a week, and those hours will be progressively scaled up to 15 throughout the whole period of this reform through to 2029. Really pleasingly, once we have fully rolled out these reforms, we anticipate that around 90 000 children will be benefiting from this reform each year. It is nation-leading, and as I have been getting around and talking to stakeholders in the sector they are all thrilled with the commitment that the Victorian government is making to early childhood.

**Mr RICHARDSON:** Well, taking you to some of those comments that you made, Minister, around the rollout for 2020 in those six local government areas, obviously it has been a significant challenge during this year with the coronavirus pandemic for our education sector, but how has that progressed, and how are we placed for the further rollout in 2021 of universal three-year-old kinder?

**Ms STITT:** Yes. Look, no question, it has been a difficult year for every Victorian, and I know that the early childhood sector has been no exception. They have done an amazing job under pretty tough circumstances. But I think we can say that the first year of the rollout has been successful, and we have got local communities really voting with their feet in terms of the numbers of enrolments that we are seeing in those six local government areas. So we have got about 80 per cent of families in those regions, those six regions, taking up the offer of funded three-year-old kinder, which is really pleasing. Over 90 per cent of early childhood providers are choosing to offer a funded three-year-old kinder program of between 5 and 15 hours in those areas. That is a huge achievement. It is a real credit to those organisations, those providers, that were the first in this big reform piece.

In 2021, as I mentioned earlier, we have got another 15 regional local government areas coming on board, and we are well progressed with our preparations for that. About 90 per cent of services are intending to offer a funded program, and there are already strong enrolments from those communities, so I think that we are on track. These children, obviously, in the early rollout areas will be the first children in the state to benefit from two years of universal kinder anywhere in Australia, and I am thrilled that kids in regional Victoria are going to be some of the first that will benefit from this important initiative.

**Mr RICHARDSON:** Obviously we go from six to then 15 further local government areas, and we scale up by 2022 to the whole state, all 79. My question is—and for the benefit of the committee—how are we going with the statewide rollout for three-year-old kinder by 2022?

**Ms STITT:** Yes. Well, in 2022, as you rightly point out, Mr Richardson, we are going to be rolling out this reform to every single local government area in the state, and I am very conscious that that is just over a year away. So the expansion will mean that we are looking at about 2800 services across Victoria that will be able to offer two years of funded kindergarten programs to children, and that is up from about 200 across rural and regional areas from next year. So it is a big expansion in 2022, and I am aware that that kind of size and that

ramping up of the reform presents both opportunities and challenges. But I think that we are well advanced and very conscious of the benefits of this reform for Victorian children, so we are determined to make sure that the implementation stays on track.

I can give you a bit of an insight into some of the key activities that are already underway—

**The CHAIR:** Sorry to interrupt you, Minister.

**Ms STITT:** I think I am about to get wound up, though.

**The CHAIR:** Yes, you are. The member's time has expired, and I will pass the call to the Deputy Chair, Mr Riordan.

**Mr RIORDAN:** Thank you, Chair. You got wound up as you were getting wound up.

Before we get onto free kinder, I would like to raise the issue around child protection in kindergarten, budget paper 3, page 245. The question I have got is: one of your objectives—I think it is objective 3—is to increase participation in three- and four-year-old kindergarten by children known to child protection. How are you going against this outcome? Because it is not actually identified—even though it is identified as one of your objectives, the outcomes are not listed. Have you got those outcomes?

**Ms STITT:** Well, thank you, Mr Riordan, for your question. Obviously the government is particularly concerned and mindful to make sure that vulnerable children are protected. Child protection is not specifically part of my portfolio, but obviously protection of children in early childhood settings definitely is something that I am not only mindful of but committed to ensuring is appropriate. So in terms of the nub of your question in relation to kindergarten for children who might be from vulnerable cohorts, we have had some pretty good outcomes in terms of the statistics. The number of children attending kindergarten that are known to child protection is around 1790 that are having early start kindergarten and access to early learning. So that is a 38 per cent proportion of eligible children. One of the—

**Mr RIORDAN:** Sorry, just to clarify that point, you are saying 38 per cent of children going to kinder are in that position or 38 per cent of what?

**Ms STITT:** I am saying that the total number of early start kindergarten and access to early learning for three-year-old children known to child protection is 1790 children.

**Mr RIORDAN:** Right, and so we have not been able to track whether that is increasing, meeting the objective?

**Ms STITT:** Well, Mr Riordan, we do have specific budget initiatives that are designed to ensure that children who might have certain vulnerabilities are participating in early childhood education. I think that with three-year-old kinder it has been especially pleasing to see the participation rates amongst vulnerable and disadvantaged cohorts, and some of the initiatives that we have put in place include making kinder free for those children. Of course many children who come from a disadvantaged background have access to free kinder already. We are continuing the rollout of the school readiness funding that improves outcomes for children more likely to experience educational disadvantage. We are also, as I mentioned in my presentation, increasing our support for culturally and linguistically disadvantaged children and families, because we know that often they are not the ones coming forward to enrol for kindergarten. We need to make sure that we are reaching out to them and making sure that they are aware of the early childhood programs that are available to their children.

**Mr RIORDAN:** We need to keep moving, Minister, so thanks for that. We sort of get the message. Just back to the free kinder more generally, we are labelling it as free kinder; that is your commitment to the program. Do you give the guarantee to all smaller—and I am thinking smaller country, but I am sure they possibly exist in the city as well—community kinders or ones with low volumes of children in the community where the free kinder program without significant extra financial support will actually come at a cost to that committee or the community in order to provide that, do you guarantee to all those communities that none of them will be financially worse off or have to fundraise more or do more to keep the kinder open?

**Ms STITT:** Thank you, Mr Riordan. The average kindergarten fees in the state are between \$1700 and \$2000 per year. The funding rate that we have struck for sessional kindergarten will be above that standard fee for the vast majority of services, so I am very confident that that will ensure—

**Mr RIORDAN:** No, I understand you are confident, but the concerns that have been raised are that there are some where, you know, they are isolated or they have only got the one teacher who runs the variety of classes. This means they have got to run more classes, which means they will not recoup the wages or whatever extra costs they have incurred. Extra toilets is another thing I have heard. Are you guaranteeing that everyone will be funded so they can provide that?

**Ms STITT:** Thank you, Mr Riordan. I think it is important to make the point that one size does not describe every kindergarten program in the state. There are very diverse services available, and so it is hard to give you an answer that fits every scenario. But I am very happy to ask the Deputy Secretary, Ms Little, to add to what I have already said in response.

**Ms LITTLE:** Thank you, Minister, and I thank you for the question. Specifically in relation to the questions that you are raising around those small rural services, one thing to note that sits under the free kindergarten funding commitment is that small rural services already have a funding guarantee of a certain number of places, regardless of their number of enrolments. So it creates a funding floor that allows those services to operate sustainably even if their enrolments—because they are in a very small community, for example—actually would result in them getting a lower amount than that in the normal course of things. So they are already funded at a significantly higher rate than services in other areas.

**Mr RIORDAN:** So accepting that, my question is just a simple one: will no kinder and kinder committee be worse off with the new arrangements for free kinder?

**Ms LITTLE:** So with the services that you are talking about, they would generally charge lower fees than the amount that the government is committing to offer. If anything, they will end up with more money as a result of that commitment than they would normally do.

**Mr RIORDAN:** Okay, but there will be no kinder worse off—so if a kinder comes to me and says, ‘This guarantee for free kinder is actually costing us more and we can’t afford it’, are you telling me that that will not be the case?

**Ms LITTLE:** I have answered I suppose your question about small rural kinders. If you are asking me a question about all kindergartens, there are kindergartens who charge significantly above the range.

**Mr RIORDAN:** No, I am not talking about perhaps for-profit or other types of kinders. My question is about community kinders—they are run by volunteer committees and they are there for the community good and they are very finely tuned to make ends meet. This is a significant extra commitment that the government has put on them. Is your guarantee that they will not be worse off?

**Ms LITTLE:** What I can tell you is that for community kindergartens, as the minister has said, they would normally charge fees between \$1700 and \$2000. The funding rate for them will be \$2122—so, for the vast majority of them, significantly higher. There are some sessional kindergartens, just to take your point, who charge significantly higher fees than that amount—sometimes multiples higher than that amount—and they would of course need to make a choice about whether they wish to participate in this initiative. But for your standard community kindergarten run by a parent-run committee of management, whether in a rural area or in a metro area, for those standard kindergartens charging standard fees they would absolutely be covered by this amount.

**Mr RIORDAN:** They will not be worse off.

**Ms LITTLE:** For a standard kindergarten, yes, charging the standard fee range. That of course allows for the fact that there are kindergartens who charge significantly more than that, and of course they would need to make a choice about whether they participate in the regime or not—exactly as they did during 2020.

**Mr RIORDAN:** Thank you. I wish to move now to budget paper 3, page 41, the ‘Child Link register’:

Funding is being provided to progress the establishment of the Child Link register with a digital platform.



On page 27 of budget paper 3 you have it listed at \$13.8 million, and on page 41 you have it at \$21.4 million. In last year's budget paper it was listed at \$18.5 million, yet the total estimated investment is only \$21.4 million. Can you tell us what the Child Link register is going to cost, and is it well above budget, significantly below budget or 'We're not quite sure whether it's on budget'?

**Ms STITT:** Is that question directed to me, Mr Riordan?

**Mr RIORDAN:** Well, yes, Minister, I will start with you, and if you are unable to answer—

**Ms STITT:** Thank you very much. The budget allocation for Child Link is \$21.428 million over the forward estimates.

**Mr RIORDAN:** So that is just for this year, I believe.

**Ms STITT:** That is correct.

**Mr RIORDAN:** Yes, and that is on page 41.

**Ms STITT:** That is right.

**Mr RIORDAN:** And then on page 27 you list Child Link as an output initiative at \$13.8 million, with nothing in the forward estimates. That is a significant variation.

**Ms STITT:** I know that Mr Bates will be able to answer your specific question in relation to that figure, Mr Riordan, if that is acceptable to you.

**Mr RIORDAN:** Okay. I am happy with that.

**Mr BATES:** Thanks, Mr Riordan. Page 27 is output funding, so that is for staff and—

**Mr RIORDAN:** all other costs.

**Mr BATES:** Yes, whereas page 41 is asset funding, because we are building a computer system, so basically you add the two of them together to get the total investment in Child Link. So it is capital funding versus operating funding.

**Mr RIORDAN:** So you are saying that—

**Mr BATES:** It is both.

**Mr RIORDAN:** Yes. So you add them both together.

**Mr BATES:** Yes. Correct.

**Mr RIORDAN:** So \$21.4 million is for the cost of the computer system.

**Mr BATES:** Yes, that is right.

**Mr RIORDAN:** And \$13.8 million to run the system.

**Mr BATES:** For the staff to support and run the system, that is right.

**Mr RIORDAN:** Right. And it is all just for one year?

**Mr BATES:** Yes, that is right. So that is the model that—

**Mr RIORDAN:** What happens after that?

**Mr BATES:** Well, because we are still in build phase Treasury are funding one year at a time. We have done a proof of concept and we have been able to show that the system will work, so they are giving us one year's funding at a time, so when we get to each of the stages of rollout of the system. We will be coming, subject to the minister's approval, to next year's budget for the ongoing operating funding for the system. It is

not due to go operational until December next year, so this funding will take us through to 30 June next year to allow us to do the major part of the build.

**The CHAIR:** Thank you, Mr Bates. The member's time has expired. I will pass the call to Mr Sam Hibbins, MP.

**Mr HIBBINS:** Thank you, Chair, and thank you, Minister and your team, for appearing before us this evening. I want to ask about the funded three-year-old kinder and just an update in terms of the current rollout. When it was first announced the figures were that around 25 per cent of families would be able to attend for free and 65 per cent would get a subsidised enrolment. What are the figures now for the LGAs where it has been rolled out?

**Ms STITT:** I am sorry, I missed the last part of your question.

**Mr HIBBINS:** What are the figures now for the LGAs where it has been rolled out?

**Ms STITT:** In terms of enrolment numbers?

**Mr HIBBINS:** Yes. What percentage of enrolments are getting it free and what percentage are subsidised?

**Ms STITT:** Okay. Well, as I indicated in, I think, my answer to Mr Richardson, there are 580 children in the six LGAs that have currently got access to a funded three-year-old kindergarten program, which I believe represents around 80 per cent of take-up at those services. The projections we have for the rollout of the next 15 are also looking pretty strong—it will be approximately 25 to 30 per cent of participating children—but we are happy to take that question on notice if you like, Mr Hibbins, and come back to you with those figures if that is helpful.

**Mr HIBBINS:** Yes, that would be great if I could get a breakdown by LGA if that is possible.

**Ms STITT:** Yes.

**Mr HIBBINS:** That would be appreciated. Do we have an average for the fee that is being paid by those who are accessing the subsidy? What is the gap?

**Ms STITT:** I am going to ask Ms Little to answer that question for you. Thank you.

**Ms LITTLE:** Thank you, Mr Hibbins. The first thing to note in answering your question is that services in the six initial rollout LGAs had a choice about whether they offered 5 hours or 15 hours or somewhere in between. Now, the majority of them—a significant majority—chose to offer the full 15 hours. They were able, within the infrastructure they had and the workforce that they had or recruited, to offer the full 15. For those who would be offering the full 15 hours, they would be charging fees—those who of course are not eligible for free kinder, concession card holders, vulnerable children, Aboriginal children. They would be charging a fee which would be in the range which has already been raised, so that \$1700 to \$2000. The one caveat on that, which we could come back to in answer to the question taken on notice, is that often rural and regional services charge at the lower end of that range. We can come back on the detail, but as a general proposition, the ones who are offering 15 hours will be charging something like that kind of fee. Obviously the ones who are offering lower than 15 hours will be pro-rataing their fees, so they will be charging lower fees based on offering lower hours, if that makes sense.

**Ms STITT:** Can I also add, Mr Hibbins, that in sessional kindergarten for terms 2, 3 and 4 the government provided special funding through the CCC because of the pandemic to support those services because we certainly did not want them to suffer because of parents taking their children out of kindergarten programs.

**Ms LITTLE:** So they were part of the free kinder offer that was made this year.

**Mr HIBBINS:** Okay, terrific. Thank you. Just in terms of budget paper 3, page 165, 'Aboriginal children funded to participate in kindergarten in the year before school', the target is lower than the actuals and it has been for the last two years, at least from what we have got on the papers. What is the reasoning behind that?

**Ms STITT:** Well, what I would say in response to that, Mr Hibbins, is that we do have very strong participation of Aboriginal children. Participation for Aboriginal children for four-year-old kinder has steadily increased over the last few years and we are now close to full participation by that cohort. In 2019 Aboriginal participation rates increased to 99.9 per cent, which is amazing, and in 2019 that represented an increase of 7.5 percentage points from 2018. So in terms of the number of children accessing early start kindergarten, which is targeted to three-year-old kinder, it has increased by 106 per cent since 2016, with almost 2500 children who are known to child protection or have an Aboriginal background benefiting from that additional year of kinder last year. So I think one of the good news stories out of our kindergarten programs is that we are seeing very, very high participation rates from Aboriginal kids across the state.

**Mr HIBBINS:** Just finally, I did just happen to notice that the EBA agreement for early childhood workers was approved just recently, resulting in a significant pay increase for early childhood workers, which is fantastic. Are you able to provide some further detail on that particular agreement?

**Ms STITT:** Sure, and look, it is really pleasing that the parties were able to sign off on a heads of agreement recently. Of course the government is not a party to the agreement, but we are very pleased that the sector has been able to settle an increase for teachers and educators, who as you would be aware, Mr Hibbins, have been in a sector that is dominated by women and therefore have been in my view and in the view of many, many people in the sector undervalued for many years if not decades. This is a really pleasing outcome because it will see that gender pay gap really driven down. It will also see parity between early childhood educators and teachers in our school system, and that is something I know early childhood teachers and educators have been striving for for many years. I think it is fabulous timing as well because we, as I have indicated today in my evidence, are looking to recruit 4000 teachers and 2000 educators in this sector, and we want to be able to attract people to this part of our education system, whereas traditionally they may have been more attracted to schools because it paid better. In addition to those benefits, it is also about retaining the fabulous experienced teachers and educators that we have got in early childhood, and I think that this EBA outcome will really improve our retention rates in a circumstance where we are looking to significantly increase the workforce. So I am really pleased with the outcome. I congratulate the Municipal Association of Victoria, ELAA and the union for reaching this agreement.

**Mr HIBBINS:** Thanks.

**The CHAIR:** Perfect timing, thank you. This concludes the time we have for consideration of this portfolio, so we thank you and your officers for appearing before the committee today, many of whom have been here all day with us, so thank you. The committee will follow up on any questions taken on notice in writing, and responses are required within 10 working days of the committee's request. The committee will now take a short break before beginning its consideration of the portfolio of workplace safety. So thank you very much. I declare this hearing adjourned.

**Witnesses withdrew.**