

VERIFIED TRANSCRIPT

PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE

Inquiry into budget estimates 2010–11

Melbourne — 20 May 2010

Members

Mr R. Dalla-Riva

Ms J. Graley

Ms J. Huppert

Mr W. Noonan

Ms S. Pennicuik

Mr G. Rich-Phillips

Mr R. Scott

Mr B. Stensholt

Dr W. Sykes

Mr K. Wells

Chair: Mr B. Stensholt

Deputy Chair: Mr K. Wells

Staff

Executive Officer: Ms V. Cheong

Witnesses

Ms M. Morand, Minister for Children and Early Childhood Development,

Professor P. Dawkins, Secretary,

Mr P. Linossier, Acting Deputy Secretary, Office of Children and Portfolio Coordination,

Mr I. Claridge, General Manager, Student Wellbeing, and

Mr J. Rosewarne, Deputy Secretary, Office for Resources and Infrastructure, Department of Education and Early Childhood Development.

The CHAIR — I declare open the Public Accounts and Estimates Committee hearing on the 2010–10 budget estimates for the portfolio of children and early childhood development. On behalf of the committee I welcome Ms Maxine Morand, MP, Minister for Children and Early Childhood Development; Professor Peter Dawkins, secretary, Department of Education and Early Childhood Development; Mr Paul Linossier, acting deputy secretary, Office of Children and portfolio coordination, Department of Education and Early Childhood Development; Mr Ian Claridge, general manager, student wellbeing, Department of Education and Early Childhood Development; and Mr Jeff Rosewarne, deputy secretary, office for resources and infrastructure, Department of Education and Early Childhood Development. Departmental officers, members of the public and the media are also welcome.

In accordance with the guidelines for public hearings, I remind members of the public that they cannot participate in the committee's proceedings. Only officers of the PAEC secretariat are to approach PAEC members. Departmental officers, as requested by the minister or her chief of staff, can approach the table during the hearing. Members of the media are also requested to observe the guidelines for filming or recording proceedings in the Legislative Council committee room.

All evidence taken by the committee is taken under the provisions of the Parliamentary Committees Act and protected from judicial review. However, any comments made outside the precincts of the hearings are not protected by parliamentary privilege. There is no need for evidence to be sworn. All evidence given today is being recorded. Witnesses will be provided with proof transcripts to be verified and returned within two working days. In accordance with past practice, the transcripts and PowerPoint presentations will then be placed on the committee's website.

Following a presentation by the minister, committee members will ask questions related to the budget estimates. The procedure followed is that relating to questions in the Legislative Assembly. I remind members that the procedure is that you ask questions in silence and we hear the answers in silence. The answers should be no longer than 4 minutes. In light of yesterday's behaviour, the procedure normally is that there are no supplementaries, so there will be no supplementaries and no clarifications today.

I ask that all mobile telephones be turned off.

I now call on the minister to give a brief presentation of no more than 5 minutes on the more complex financial and performance information that relates to the budget estimates for the portfolio of children and early childhood development.

Overheads shown.

Ms MORAND — I am going to present on my portfolio responsibilities in early childhood development. I also have responsibility for the program in the department for students with a disability.

As minister for early childhood, obviously our focus is on delivering high-quality, inclusive and accessible early childhood services to Victorian families. That is done by building on very successful partnerships that we have with parents and families, community services and particularly with local government.

A budget summary is before you, and that \$82.6 million of early childhood initiatives. They are made up of \$63 million to meet the demand for kindergarten places, \$14 million to extend our successful Children's Capital program, \$3.5 million to support the early childhood workforce, \$2 million to expand services in the Maternal and Child Health Line and Parentline, and also a total of \$90.1 million to boost services for children with a disability.

What this budget is about is continuing to respond to growing demand. For members' benefit, that just shows you in a very tangible way that we continue to experience a very significant increase in the number of babies being born in Victoria. Over the last 10 years that birth rate has increased by 20 per cent, which means there were more than 71 000 babies born in Victoria last year, which is around 12 000 more children being born compared to 10 years ago. In fact, by the end of today there will be another 200 babies added to that list.

Just for demonstration purposes for members also, that shows you that there is a great variation between regions and where that birth rate is. There are some regions in rural and regional Victoria where the birth rate is actually declining, for example, in West Wimmera; but that is based on very small numbers. For example, in West

Wimmera there were only 28 births in 2008–09. The high birth rates you can see there include places like Corangamite and Ballarat.

In the metro region likewise there is a big variation between regions and there are some regions that had a particularly strong growth. For example, Wyndham had a 100 per cent increase in the births over that 10 years. The largest percentage increase was in the Shire of Melton, with a 131 per cent increase. The largest number of children actually being born, which I know the member for Narre Warren South would know, is in the City of Casey, with nearly 4000 children being born.

This budget is about responding to that demand, and in maternal and child health we have significantly increased our funding over the last few budgets. Overall there has been a 163 per cent increase in funding to maternal and child health in the last 10 years. We also need to support the workforce and we have provided over 90 scholarships to MCH nurses to ensure that there is the workforce there to meet the demand.

Also, for funding for kindergarten services, just from a historical perspective we have seen a very significant increase in the funding for kindergarten services over a 10-year period. Specifically, \$63 million over the next budget period will provide 3590 kindy places, and that builds on the additional 4000 places that were funded in the last budget. That funding also includes ensuring that the kindergarten fee subsidy is still provided to those families that are eligible and it will ensure that we continue to maintain our high kindergarten participation rates. Support for the workforce includes professional mentoring for 540 early childhood teachers, expansion of our leadership program in the Bastow Institute of Educational Leadership and support for professional development for 3000 early childhood professionals.

Investing in capital: that again is just a demonstration of where the capital has been spent in terms of the children's centres, of which we have funded 91. That map shows where the 61 centres are actually completed. There are also 30 currently under construction. The next slide shows specifically the \$14 million for capital, and \$7 million of that will go for more children's centres in the next financial period — that is for one year. They will be for grants of up to \$1 million; \$5 million for renovation and refurbishment grants; and \$2 million for minor capital grants.

That photo is of Mernda Village's children's centre, which is the last one that I opened, and it is really a magnificent facility. Also \$9.2 million is being provided to establish the new Victorian deaf institute. It will be located in Melbourne and will be used to support and train teachers working with deaf students across Victoria. Finally, \$4.4 million has been provided to create specialist facilities in mainstream school settings, satellite units for children with intellectual disabilities and autism-inclusion-support units for children with autism.

A historical perspective on supporting children with disabilities is that we have had a very significant increase in our support for early childhood intervention services in Victoria over the last 10 years, with a 141 per cent increase in the funding for early childhood intervention services. Specifically in this budget there has been \$38.4 million provided to increase the support for children with a disability through the early childhood intervention services that we fund. Essentially what that means is that we increase the unit price for the places that are currently funded. That will enable the services to provide more intensive support for each child that they are supporting. The current unit price is \$5522, and that will increase in the next two years to \$7205.

Finally, in relation to support for children with disabilities, this budget also adds an additional \$38.1 million to support the program for students with a disability. This program supports around 20 000 children in government schools, and around 40 per cent of those are in special schools across Victoria, so this funding will ensure that the support for those children continues.

In summary, all of our reforms and investments are very consistent with our blueprint agenda, and that is about improving the system. It is also about continuing a very successful partnership that we have had with parents and the communities — for example, the integrated children's centres and the Maternal and Child Health Line, which we do 50-50 with local government, and cluster management. Also you cannot deliver these services without support for the workforce, so this is continuing our investment in supporting and developing a quality workforce to support these very important early years services for children.

In summary, the investment that we have made in education and early childhood development since 1999 has raised the amount of money we have spent per annum in this area from \$145 million to nearly \$415 million, and

over that budget period there has been an additional \$677 million of new initiatives. That is my summary of the budget. Thank you, Chair.

The CHAIR — Thank you, Minister. We would certainly appreciate a copy of that for the record and so we can put it up on the website.

Ms MORAND — Certainly.

Ms PENNICUIK — It would be nice to have one now, Chair, so we could refer to it.

The CHAIR — That looks as if it is possible too.

Minister, I would just like to ask you about the budget. You mentioned the amount of money for it, both for next year and the subsequent out years. Could you please advise the committee what is the basis of your portfolio; what medium and long-term plans and strategies have you got, and have there been any changes since last year?

Ms MORAND — In early childhood there has been a very busy period, both in terms of the Victorian government approach to early childhood and also in terms of national reform, but our strategy is based on the blueprint that Minister Pike and I released nearly two years ago. What that is about is continuing to improve the system by which we deliver the universal services that are so important to Victorian families that provide high-quality early-years services.

Partnerships with parents and the communities and with local government continue to be part of our strategy, and working with local government is a really important part of being able to deliver these services. We have a very good relationship with the MAV and with councils in delivering services such as the maternal and child health and kindergarten services. As part of our long-term planning, workforce reform is incredibly important because of the increase in demand for early childhood teachers and also because of more children going into some form of care, we need to ensure that the workforce is skilled and of a high quality to provide the children's services to Victorian children.

The new blueprint initiatives for this year have included the Early Home Learning Study. What that is about is continuing to recognise the importance of parents in the development of their children and recognising that learning is a continuous process from birth and that the first couple of years of a child's life are of fundamental and significant importance to their long-term development. This study will support around 2000 vulnerable families, strengthening their home learning environments for the children, and it will focus on the first three years of life.

In terms of planning we have also continued to support kindergarten cluster management so that there is better support for kindergartens in terms of their administration and management, and the delivery of new initiatives such as our new early learning framework. As I said earlier, the early childhood workforce is so important, and in terms of planning for future needs we have initiated an \$11 million sum for workforce initiatives which include a range of things like scholarships for teachers to work in long day care, incentives to attract early childhood teachers to work in hard-to-staff locations and so forth.

Also our strategy is very much informed by our national partnerships with the commonwealth. What has changed since last year is the national quality agenda for early childhood education and care; it provides commonwealth funding to support the establishment of a jointly governed and unified national quality framework. This was agreed in December last year at COAG and is providing a significant new focus for medium and long-term planning for early childhood education and care not just in Victoria but across Australia. Included in that national quality agenda are things like child-staff ratios and requiring increased staff qualifications, including a minimum certificate III for all staff working in long-day care centres.

The CHAIR — We might leave it there. You have had your 4 minutes. If you have anything to add, you can add that on notice.

Ms PENNICUIK — You are being discriminated against, Ms Morand. He has not done that to anyone else!

The CHAIR — Without assistance, thank you.

Ms MORAND — I will remember that.

Mr DALLA-RIVA — I note the non-capacity to ask a supplementary. I refer the minister to budget paper 4, page 220.

Mr RICH-PHILLIPS — Quickly, you only have 4 minutes.

Mr DALLA-RIVA — No, the questioning can go on for an hour.

The CHAIR — Questions need to be succinct, direct and to the point, thank you.

Mr WELLS — What about the answers?

The CHAIR — You were not here earlier, Mr Wells, when we said we were going to hear the questions in silence, and the answers in silence, and we will follow the normal procedure. So I ask you to adopt that procedure for today, thank you very much.

Mr DALLA-RIVA — Budget paper 4, page 220 is referenced also on 225, relating to early childhood education. There is an election commitment, I think it was by the Rudd government, to provide 15 hours of kindergarten per week for all children in the year before school, by 2013. The allocation there through the COAG arrangement, as outlined in table 4.9, is \$15.3 million, revised this year and into the forward estimates, \$19.3 million.

My understanding is that the investment will continue, but local government capacity reports investigating the potential to provide the 15 hours of kindergarten have shown there is widespread need for expansion of existing kindergartens and the construction of new kindergartens across the state if they are to meet this target. Across Victoria the total cost of these works could easily be hundreds of millions of dollars, with one council supposedly reporting that the cost for them in this locality alone could be as high as \$14.5 million.

So I ask: given that there will be an additional demand on facilities in order to provide a 50 per cent increase in kindergarten hours, as the programs are required to move from 10 hours to 15 hours per week by 2013, can the minister perhaps explain to the committee the government's estimate of the total cost of expanding and building new infrastructure statewide to accommodate the additional demand with the increase, and could you outline how much funding will be provided to kindergartens and local governments to cover the cost of that expansion of existing facilities, or do you expect the communities and local governments to bear the burden of these significant infrastructure costs because of the COAG arrangement?

I cite the article in the *Sunday Herald Sun* on 23 August 2009, where Kindergarten Parents Victoria, which represents the majority — I was a vice-president on that board — said that it believed it was going to cost hundreds of dollars to pay for the expansion. The chief executive officer at the time, Meredith Carter, on the Sunday said:

If we are going to have universal kindergarten, it's got to be affordable.

Perhaps, in conclusion, can you also advise, did you have anything to do with the sacking of her the following day?

The CHAIR — I think we will just ignore the last bit. It is actually a rather long question, at 3.5 minutes, so perhaps members could try to be a bit more succinct, direct and to the point in future.

Members interjecting.

Ms MORAND — The national partnership agreement we have, to deliver the 15 hours kindergarten by 2013, is a really important goal that the commonwealth has set for us. The greater number of hours that a child spends in the four-year-old program in the year before school is a really important goal and we support the goals of the commonwealth.

It is an ambitious and challenging goal to deliver 15 hours of kindergarten the year before school. Currently Victoria delivers 10 hours of kindergarten to around 93 per cent of children in Victoria. There are a number of ways that we are going to work with the commonwealth in delivering this ambitious reform agenda, which we

support. First of all, we are providing \$50 000 to every local government to fund them to do some work on the provision that they have to be able to meet this target, and that includes looking at things like what their population might be for four-year-olds and also their existing infrastructure and how that might be used to provide for the additional hours.

I am just about to release \$5 million, which is from the commonwealth, for grants of up to \$200 000 to expand the space or expand services to get ready for the 15 hours in 2013. In addition, we have provided some funding for pilots. I am just thinking how many there were; I think there were about 20 pilots. There are an interesting range of ways that some local government areas are going to respond to this challenge. One of the things we do not want to happen is for the three-year-old kindergarten program not to be delivered because of having to deliver the 15 hours.

There is a number of different ways that local government is planning to deliver that and that is, for example, extending the hours that a kindergarten might be open so that they can provide more open hours. It might be that some model to have a longer day for the children. A lot of services do two five-hour sessions; some of them might do two three-hours and another two. So there is a whole different way that each community kindergarten decides how they currently deliver the 10 hours, and it is really up to them to work with their communities on how they might deliver the 15 hours. I am sure all members here are familiar with examples in their own electorates where some of them might even do quite a long day, because that actually is what the parents want — that is how they want the kindergarten provision to be provided.

Over the period of the commonwealth funding there is \$210 million in total that we have from the commonwealth up to 2013, and it also coincides with our requirement to have a teacher in every long-day care centre. A lot of children miss out on kindergarten because they are attending long-day care full time and in this way we can ensure that those children get their 15 hours because there will be a requirement for every long-day care centre to have a kindergarten teacher and we will fund a per capita kindergarten program for a program being delivered in a long-day care centre.

In addition to supporting that we have a range of incentives to recruit early childhood teachers to work in long day care, scholarship programs, graduate incentive programs and we also have a range of workforce initiatives that, for example, upskill an existing diploma-qualified staff member in long day care to an early childhood teacher. So we have a range of strategies in place so that we can meet the commonwealth commitment for 15 hours needed before school.

The CHAIR — Thank you. Ms Graley.

Mr DALLA-RIVA — I had no chance to clarify.

The CHAIR — No, you can ask next time around.

Mr DALLA-RIVA — So we have no idea where the money is coming from.

The CHAIR — Ask it next time round. Ms Graley.

Ms PENNICUIK — Chair, I just want to clarify a figure.

Mr DALLA-RIVA — Fifty thousand dollars to do the work.

The CHAIR — Ms Graley has the call.

Mr DALLA-RIVA — Fifty thousand dollars. Where is it coming from?

Ms PENNICUIK — I just want to know how many — —

The CHAIR — Ms Graley has the call.

Ms PENNICUIK — It is just that the minister said a figure, and I want to write it down.

Members interjecting.

Ms GRALEY — Minister, I would like to ask you a question. In your presentation you refer to \$4.4 million to create specialist facilities in mainstream schools, and I notice in budget paper 3 at page 303 under ‘Asset initiatives’ there is an item ‘Educational provision for students with disabilities’. I am interested in this, as I think it has the potential to be a really excellent innovation in schools. I am wondering if you could inform the committee of the government’s intentions for the establishment of the satellite units, as I think they are called, and inclusion services; how many will be set up and what services they will provide?

Ms MORAND — Thank you for that question. This is an initiative in the budget that we are particularly excited about because there has been a very significant increase in the number of children with intellectual disability, and with autism. This is not just a Victorian phenomenon; it is happening across Australia and internationally. In fact we know that of the new prep entries coming into the whole program for students with a disability around 28 per cent are for autism.

First of all, the satellite units will be set up in mainstream school settings, and they will offer flexible spaces and related ancillary rooms such as toilets and the sorts of things that are needed to support these children. There will be \$2 million for the satellite units, and we expect around five to be set up. These are specifically for children with an intellectual disability. They are called satellite units because they will be managed and staffed by the nearest appropriate special school. It is important to keep that connection with the expertise that is provided by a special school. They are not designed to replace special schools but to provide another educational option for those children and their families. It means there will be a greater choice in terms of locations to support children with an intellectual disability, which will obviously also be of benefit in terms of, in some cases, travel times for those families. They are the satellites.

The inclusion support units are for children with autism. We hope there will be around six of the autism inclusion support units for \$2.4 million. How they differ is that the inclusion support units are specifically for children with autism, and they will be managed by the mainstream school itself rather than by a special school. What it is obviously aimed to do is to make sure that these children have the opportunity to participate in mainstream school settings. It allows them to integrate with children of their own age. It will ensure that the capacity of the school is enhanced by specialist and mainstream teaching workforces.

Again, for the parents it is just another education option. Some students with autism attend mainstream schools and some of them struggle. A classroom built with a mainstream school offers the opportunity to spend some time in the specialist unit and other times actually in the classroom. We will be working with the autism institute because we have 100 graduate diplomas in teaching in autism over the four years. At the moment 24 teachers have commenced the specialist autism training and there will be another intake later this year.

In summary, we are very excited about this because it gives another option to families of children with autism and children with an intellectual disability of having a setting in a mainstream school and in a greater range of geographical locations.

Mr RICH-PHILLIPS — Minister, I would like to go back to the issue of the 50 per cent target increase for kindergarten participation. The bilateral agreement on achieving universal access to early childhood education provides that the current split in funding of kindergarten between the government proportion of 65 per cent and the parents’ contribution of 35 per cent is to be maintained going forward under the expansion to 15 hours a week. Presumably that would mean something of the order of a 50 per cent increase in fees for parents, given a 50 per cent increase in contact time participation by children.

The question is: what impact is the disincentive of a 50 per cent increase in costs going to have on the target of increased participation rates when particularly parents who do not have a health care card do not get the subsidised rate?

Ms MORAND — First of all, the subsidy for families will continue into the additional hours, so we will still effectively be able to provide free kindergarten participation for children in the 15-hours agreement.

Mr RICH-PHILLIPS — The existing eligible families?

Ms MORAND — Yes, existing eligible families. We will continue to expect parents to contribute to the kindergarten fees. As you rightly point out, currently it is around 35 per cent, which is around \$200 per term for families. Twenty seven per cent of families who attend kindergarten in Victoria receive the kindergarten fee

subsidy, effectively making that provision of kindergarten free. The participation of children through long day care centres will also, I hope, improve our kindergarten participation rate. We have a near 93 per cent participation rate in Victoria, which compares very favourably with the national average.

We hope to continue to increase that through providing for more early childhood teachers in long day care. We are also providing for free three-year-old indigenous kindergarten, and in that way we are hoping to improve the participation of indigenous children in the four-year-old program as well.

Mr RICH-PHILLIPS — Will the extra \$100 a term for parents not receiving the subsidy act as a disincentive?

The CHAIR — Mr Noonan has the call.

Mr RICH-PHILLIPS — That was the substance of the question which the minister —

The CHAIR — The minister has answered the question. If you wish to ask another question, you can ask it soon. Mr Noonan has the call.

Mr RICH-PHILLIPS — If it not another question; it is the question.

Mr NOONAN — Minister, can I ask you a question about recent developments with maternal and child health services, and in particular the funding outlined in this budget for the Maternal and Child Health Line and Parentline, which are detailed in budget paper 3 on pages 299 and 301?

Ms MORAND — We are very proud of the maternal and child health service that we have in Victoria. There are around 900 nurses employed across Victoria in 700 different locations, and last year they provided 590 000 consultations. The Maternal and Child Health Line itself takes around 100 000 calls per year, and it is anticipated that with the additional funding it will be able to take an additional 10 000 calls. We are also proud that it went to a 24-hours-a-day, seven-days-a-week service in the year 2000.

The majority of calls that the Maternal and Child Health Line takes are for children under 12 months of age, and all the parents in this room would understand why that is the case: worry about whether the child has a fever or some sort of symptom and cannot settle, and trying to get some advice about whether they should be concerned about that. Of interest is that about 20 per cent of the calls are about breastfeeding. Just last week we announced additional funding for breastfeeding education for every maternal and child health centre across Victoria, which will be done online. The funding is to ensure that they have backfill and the capacity to participate in that training. We are also going to ensure that every local government area has at least one internationally certified lactation consultant. We would really like to see breastfeeding rates continue at the reasonable level that they are, but we would also like to see them increase.

Parentline currently takes around 20 000 calls per year, and about 12 000 of those are answered by an experienced social worker or psychologist. We are also experiencing an increase in demand for that service, particularly from parents of adolescent children. They are seeking free and confidential support, counselling and advice about raising adolescent children. Again those around the table who have had adolescents can probably relate to that.

Finally, the support also includes ensuring that the workforce is maintained. Again, as I said, that is ensuring that scholarships are available for people to undertake the training and be able to deliver maternal and child health services.

Mr DALLA-RIVA — I refer you to budget paper 3, page 299. This relates to the provision of \$3.5 million over three years. I also note for the record that you mention \$50 000 I think to do some work on population. I gather the \$50 000 is going to come out of recurrent funding, because I could not get clarity on it.

Many municipalities have cited a shortage of qualified staff as a major obstacle to achieving the COAG target of 15 hours of kindergarten per week for children in the year before school at the deadline of 2013. For example, one council in Melbourne's eastern suburbs will require more than a 50 per cent increase in its early childhood workforce to enable it to provide 15 hours. I think you indicated that earlier in the question, but I cannot get clarification on it. Councils are concerned that it is too late to plug this workforce gap because it

takes four years for people to become degree qualified, and there are less than four years until the deadline for 15 hours of kindergarten.

Given the extreme shortage of qualified staff in some municipalities, how does the government expect the \$3.5 million to fully address the early childhood workforce shortage in relation to the provision of 15 hours of kindergarten by 2013, and where do you expect the government will find the additional qualified teachers when the deadline is only two-and-a-half years away?

Ms MORAND — Again, meeting the 15 hours of kindergarten provision for every four-year-old is an ambitious goal. We recognise that, and we are keen to work with the providers of kindergarten. As you rightly point out, local government is a key stakeholder in ensuring that this commitment can be met. As part of that I released at the end of last year a very comprehensive workforce strategy to, first of all, try to attract more teaching graduates who have done early childhood, because that is a pathway to work at either the lower primary end or at a kindergarten. We have graduate incentive programs to work in kindergartens and long day care centres. As part of our workforce strategy we also have funding available to upskill people who have diploma qualifications to get a degree qualification.

We have also funded support for professional development for early childhood professionals, including two new professional development programs which will be delivered through the Bastow Institute of Educational Leadership. This is about recognising the profession of early childhood teachers. Since the new department was created three years ago it has been a very welcome initiative from the perspective of early childhood professionals. They are also part of the education department, and being involved in the Bastow education institute is a recognition of the importance of providing early childhood education.

I think that covers it. That \$1.5 million is also for us to fund some research into early childhood workforce issues because we recognise that it is a challenge and we need to understand exactly how many teachers will be needed. A lot of kindergarten teachers currently work part time, and part of the pilot work will be to see whether or not there is some flexibility in the hours that are provided and also how we are going to attract more teachers to work in kindergartens.

Mr DALLA-RIVA — I wonder if they could tell us maybe at some point.

The CHAIR — Ms Pennicuik?

Ms PENNICUIK — My question was similar to Mr Dalla-Riva's in that it is around the workforce, and \$3.5 million seems quite a small amount of money given the challenge ahead. Because we are not allowed to do a follow-up or a supplementary, if I could just Mr Dalla-Riva's — —

The CHAIR — You need to frame your question. That is the process.

Ms PENNICUIK — Thank you, Chair. Ms Morand, I advise you this has not happened to any other minister; it is just happening to you.

Mr RICH-PHILLIPS — I am sure it is nothing personal.

Ms PENNICUIK — I just think I heard you say that you are going to put \$1.5 million into some research.

Ms MORAND — Sorry, \$300 000 for research.

Ms PENNICUIK — You said \$300 000? The question is: are you are aware of the number of teachers that are available and qualified, to the extent that they need to be, to work in long day care as early childhood teachers, the number of teachers who are currently working in kindergartens, and the amount that is going to be needed in 2013 when the 15 hours is mandatory for all parents, given the graphs about how much population is rising in certain areas like Corangamite, Ballarat, Casey et cetera? Does the department actually have this information now?

Ms MORAND — It is a very good question. That is part of the work we are doing with the money we provided to local government — the \$50 000. We asked them for that; that is part of the information we want to know. We want to know what their infrastructure is and what their estimated four-year-old population is. We obviously know through maternal and child health birth notifications where the babies are being born, but as you would know, in the growth areas there are a lot of families moving into suburbs every single day, so we need to collate that information as well.

We have just received all the information from local government. I think we asked them to deliver it by the end of April. It is going to be quite a detailed process for us now to collate from 79 councils — —

Ms PENNICUIK — This April just gone?

Ms MORAND — Yes, April just gone. We gave them the money at the end of last year, and we gave them that long to do the detailed work that they need to do to estimate what the demands are going to be in infrastructure and in workforce. We are now collating and analysing that data so that we do not have to just second-guess what we think the need is, but we can have quite an accurate idea of how many extra teachers will be needed. Part of that work is also analysing the children who are in long day care, because they will be provided with their four-year-olds program at that service rather than at a stand alone.

The commonwealth is providing additional places for approximately 705 commonwealth supported places for early childhood education for students in Victorian universities. The actual number of students taking up these places is varying year to year. In the rollout of 1500 places there were 115 last year, 155 this year and we do not know how many places will be taken up next year.

With our workforce initiatives, the \$3.5 million is this year, but we have also got \$11.5 million which I announced in November last year for the scholarships and incentives. This \$3.5 million is more about professional development rather than recruitment. Combined with the additional commonwealth supported places, that is the range of initiatives that we are doing to try to ensure that we have the workforce ready for 2013.

Ms PENNICUIK — So that information that you are getting from the councils and collating, when do you think you will have that ready by, Minister.

Ms MORAND — Probably not until mid to late this year.

Mr SCOTT — For my question I again refer you to budget paper 3, pages 299–300, in relation to Victoria's Children's Capital program; \$14 million has been allocated in this year's budget to extend Victoria's Children's Capital program. Can you please inform the committee of what has been achieved through this program to date and how you intend to spend the \$14 million to improve services?

Ms MORAND — Since 2003 we have committed around \$55 million to 108 children's centres. They have been a great success because they offer a range of early childhood services all under the one roof, and they have been developed in cooperation with community and with local government. The range of services includes kindergarten and maternal and child health. Some centres offer early childhood intervention services, some offer playgroups and occasional care, and some offer family services and health services. There is even one centre that offers adult literacy training as well.

This is building on the success of the children's centres. They have been very popular, and it also helps us in responding to the growing demand for quality services but also for integrated services, because we know there is great benefit for the children for the professional development of staff and particularly for the families. Of the \$14 million, \$7 million will be for one year of another round of Children's Capital. We are going to increase the amount from a \$500 000 cap to \$1 million, so it is a fund of up to \$1 million per centre. There will be at least seven, but there may be more, because some centres do not require the \$1 million.

Five million dollars will go towards 50 renovation and refurbishment grants. They are up to \$100 000, and they have also obviously been very popular. In the provision of kindergarten services the assets are actually owned by local government, the community, church groups and so forth, but this funding is for us to provide for those centres to improve the infrastructure and the quality of the service they are providing to children. Finally, \$2 million will be for minor capital grants of up to \$5000.

In the Children's Capital program about 60 — as I showed on that slide — are already operational, and 26 are still in construction stage. Of the 72 that have either already been opened or funding has been allocated, 38 are in rural and regional Victoria and 34 are located adjoining a school site.

Can I just mention the one I had a photo of earlier? The Mernda children's centre is a great example and a different example, because it was also a collaboration with business, local government and state government. There was \$500 000 from the Victorian state government for that centre, \$3.5 million from the City of Whittlesea and \$3.75 million from the developer, Stockland. It was a great example of business, local government and state government pooling their funding and resources to result in a fantastic facility for a new development out at Mernda. I will leave it there.

Dr SYKES — Minister, my question relates to the kindergarten participation rate. I refer you to budget paper 3, page 62, and I note from previous budget papers that in 2002–03 the kindergarten participation rate was 97.2 per cent and has progressively dropped to where this year the expected outcome is 92.7 and the target for next year is 92, this target being below the target set by COAG of 95 per cent for 2013. We have had a drop-off in participation rate over the last seven years.

Given that Victoria is a signatory to the national partnership agreement for early childhood education, which commits to ensuring that all children have access to kindergarten programs of 15 hours a week in the year before school, and the measure that COAG has set for enrolment rates is 95 per cent or higher, are you confident that the measures you have outlined in response to previous questions are going to enable you to achieve this target rate of 95 per cent or are you going to set lower targets for Victorian children and accept 92 per cent or less?

Ms MORAND — By way of background, previous budget papers have reported a higher participation rate than what we now know was actually the case. We base our reporting in budget years on what we think the estimated population of four-year-olds is, but you get more accurate information from the ABS in the years following. For example, in 2004 the participation rate recorded in the budget papers was actually a lot higher than what we now know it to have been. We know exactly how many children are participating because we fund on a per capita basis, but there were actually more children than — —

Dr SYKES — This is about percentages, not absolute numbers?

Ms MORAND — That is right. In previous budget papers the percentages that were reported were higher than they actually were, but that being the case, we now have nearly 93 per cent participation, and yes, we are committed to increasing that participation rate to 95 per cent. We are going to do that through a range of things that I have already outlined. In terms of the budget for the number of places, there is no cap on that. If more children are attending, then the funding will be available for those children to attend a kindergarten program. What was the other part of your question? I cannot remember.

The CHAIR — If you are going to reach the 95 per cent target.

Dr SYKES — So you are going for 95 per cent? Why is your target at 92 if you are heading for 95? Why are you setting a lower target?

Ms MORAND — We are setting a target on what we think we actually might need to budget for, because we know that is currently what the participation rate is. The actual number of children is increasing because of the birth rate, so more and more children are actually attending. When you do the budget you budget on what you think the numbers will be, but we do want a larger number of children to participate, so we have got the range of workforce initiatives and — —

Dr SYKES — Your target is lower than your expected outcome for this year, so you are dropping your standards.

Ms MORAND — We would like the participation rate to be higher.

The CHAIR — If you could you provide the committee with a reconciliation in terms of the figures as well as the percentages, it would help us to understand the particular changes.

Ms MORAND — Yes.

Ms GRALEY — Minister, I would like to refer you to the ‘Output initiatives — government wide’ in budget paper 3, pages 282 and 283. I would like you, please, to inform the committee of the government’s plans for the \$38 million for early intervention services, how the service providers will use these new funds and what the professional associations’ response may be.

Ms MORAND — The \$38 million over four years will boost early childhood intervention services right across Victoria, and it will see a substantial increase in the recurrent price that we provide for every place for early childhood intervention in Victoria. Over the next two years it will actually increase by around 30 per cent: it will go from \$5522 in this current financial year to \$7205 in year 2011–12. When fully implemented at the end of the fourth year it will represent around a 40 per cent increase in the value of the place for early childhood intervention.

We have substantially increased our investment in early childhood since 1999, but because the budget two years ago increased the number of places by 1000, this state budget is really about increasing the capacity of the services to be sustainable and to provide more intensive support for service provision. That includes things like greater access to speech therapists, physiotherapists, special education and the specific supports that those families need for each individual child’s needs. It also puts us in a position to realise the next phase of our reform.

We did get some very welcome responses from Early Childhood Intervention Australia. Of course they stressed the need to continue to increase funding for these important services, but they have very much welcomed the increased funding. The Autistic Family Support Association has also welcomed the increase. We are now going to do detailed work in the department in collaboration with the peak bodies, service providers and staff over the next two years to progress further reform in early childhood intervention — things like having, for example, a centralised process for assessing and then allocating a place for a child.

Mr DALLA-RIVA — Following on from that good-sounding statement, on page 62 of budget paper 3 is the budget measure relating to early childhood intervention services under ‘Number of places and packages funded annually’. Given that I cannot ask a follow-up question, the issue also relates to the statement from Early Childhood Intervention Australia’s Victorian chapter which says ‘there is a growing population that needs to be addressed’ — not necessarily a glowing endorsement.

I put it in the context that your budget measure, the target for 2009–10 and expected outcome for this financial year, is \$10 325. You say you are dealing with the issue and actually dealing with more throughput, so to speak. Why is it then that your target outcome for this year is still the same?

Ms MORAND — Because, as I explained, the budget from two years ago allocated an additional 1000 places, and they have been allocated as 500 in the first year and 500 in the second year. They were allocated to achieve a more equitable distribution of places. It was based on the ABS 0–6 population data, the best information we had on where the demand was. With the extra 1000 places we really focused on where the demand was, and that included putting 344 additional places into the northern region, 290 into the western region, 63 into Gippsland, 49 into the Grampians, 94 into Loddon-Mallee and so on and so forth. The number of places has not been impacted on by this year’s budget. The number of places has not increased. The \$38 million is to go to increase the unit price for each of those places so there is more intensive support provided to each individual child who is given a place over the next four years.

Mr NOONAN — Minister, in your presentation you outlined capital initiatives and the initiative to establish and operate a new deaf education institute, which is also detailed on page 303 of budget paper 3. Can you please inform the committee of your plans in this area, because it is a substantial commitment?

Ms MORAND — I am really pleased that we are providing funding of \$9 million to establish the deaf education institute; \$1.66 million of that is for capital infrastructure and upgrading of an existing facility and \$7.36 million will be for recurrent funding for the employment of staff, delivering coordination of professional learning, short courses, learning modules for teachers and support services for staff and parents of children who are deaf and hard of hearing.

We are confident that this institute will become a centre for excellence in deaf education and will lead to improve education outcomes for deaf and hard-of-hearing Victorian children. That will be done by professional development, professional learning programs, strengthening the networks for knowledge exchange for those

who are teaching the deaf right across Victoria and encouraging innovation and more evidence-based practice. We do believe the education institute will play a leading role in deaf education nationally.

We have received a very positive response from Deaf Children Australia. They are very supportive of the deaf education institute and have commented that the initiative is very much a positive step forward in support of deaf and hard-of-hearing children being able to access a quality education.

Workforce capacity is about building partnerships with education providers. It will be delivering accredited programs for teachers of the hard of hearing, and there will be additional professional learning opportunities. The institute was part of the government's response to a review of deaf education which was completed in 2008. What the review did identify was that reforms needed to improve the learning and wellbeing of and outcomes for deaf and hard-of-hearing children and young people. Specifically the review identified the need for improvements in educational support, workforce sustainability, early diagnosis, family-centred support, equity and fairness in access to services across the state and ongoing assessment and monitoring of the deaf and hard of hearing in their education pathways. I think I will leave it at that.

Ms PENNICUIK — Minister, this is a follow-up on some earlier questions. It is in regard to subsidies. Currently there are subsidies available for concession card holders, and you indicated that that would continue for the 15 hours. I think you said 27 per cent currently receive it.

Ms MORAND — Currently receive it, yes.

Ms PENNICUIK — Mr Rich-Phillips was pointing out that with the move from 10 to 15 hours it is a 50 per cent rise, and it could be around \$200 a term for parents. Kindergarten Parents Victoria has recommended that subsidies be extended from concession card holders to other disadvantaged families. I am wondering whether in the study you are doing — in talking to local councils et cetera — you are identifying other disadvantaged families which are going to struggle with meeting the increased fees for the extra 5 hours. They are already struggling but are not eligible via a concession card for a subsidy, and I wonder whether the department is looking at that, given that we are going to expand a very good measure. I totally support it, but it will put other families at a disadvantage, and they will struggle to meet these kindergarten fees. What is the department doing to look at that, and what is the government doing in terms of anticipating the need to perhaps extend the subsidies to disadvantaged families?

Ms MORAND — The eligibility is currently on health care card, pensioner concession card, veterans gold card and also asylum seekers, refugees, special and humanitarian visas — —

Ms PENNICUIK — Card holders.

Ms MORAND — Sorry, card holders. That is part of the work that we want to do through the pilots, because the pilots will tell us whether or not there is going to be a disincentive or a problem for some families, and that is going to be important to establish in the greater rollout. There are going to be so many different models, and each community will obviously be different in how they provide for the 15 hours. That will depend on the area that it is located in and the scale of disadvantage in that community.

We certainly are cognisant of the potential for there to be disincentive to attend for 15 hours. While I am on that, in terms of rural and regional Victoria there is also the challenge that might be presented by the additional hours of attendance. For some communities that will be terrific because of the way the structure will be set up: it will actually be a benefit to families to have their child in for a longer period, for 4 hours.

In others it might be a challenge because of the distance they need to travel to get their child to attend a kindergarten program. We are hoping that every kindergarten service develops a model that best reflects the needs of their communities. Whether that is a longer number of hours for each session or whether it starts earlier or finishes later because it suits those particular families, we have a completely open mind about how the models will be developed. There is a very significant range of different pilots, and I am happy to provide you with some information on some of the examples that are being funded for the pilots.

Ms PENNICUIK — That would be good.

The CHAIR — That would be useful if you could give the committee that information. I thank Professor Dawkins, Mr Linossier, Mr Rosewarne and Mr Claridge for their attendance.

Witnesses withdrew.