

5. Page 3 of the MAV submission stated that:

The premature axing of the funding (NPA on Preventive Health) has meant that the leadership and commitment of councils to a whole of community approach to healthy eating and increased physical activity is compromised. Without the skilled and experienced workforce and the focus that the program could bring, there is a major risk that the work of the past four years will not be sufficiently captured to have lasting impact in research evaluation terms but more importantly will not be sufficiently resonant in a population that most needs assistance in chronic disease prevention.

Could the MAV please provide details of any evaluation/analysis being done to quantify what the impacts and risks are if the NPA on Preventive Health funding is not continued?

MAV Response

The Preventative Health National Partnership Agreement included the funding of research positions within each of the 12 sites and these worked to capture the reach and local impact of the activities within the Healthy Together Victoria initiative. The overall research and evaluation program was provided through the central office of the Department of Health (now Health and Human Services). This analysis aimed to inform the state-wide research including the potential scalable nature of the trials and to analyse the reach within the local community settings such as early childhood, schools and workplaces. The local evaluation and research was not intended to provide population-wide impacts.

On page 4 of the transcript of evidence, the MAV stated that Victoria has received a funding commitment to provide 10 hours of kindergarten and the Commonwealth Government provides funding for 5 hours of kindergarten. The MAV submission on 28 July 2015 stated:

Currently the Victorian Government funds preschool operational costs of 10 hours (estimated \$204 million per annum), and the Commonwealth funds the additional five hours (estimated \$100 million per annum). The community and local government provide a further 35 per cent to meet the government shortfall through parent fees, fund raising and council support.

To help the Committee further understand the operational costs of running kindergartens, could MAV please provide any details on:

- a. **How much Victorian Government funding have the local government councils received since 2008 to support the 10 hours of kindergarten?**
- b. **How much Commonwealth Government NPA funding have the local government councils received since 2008 to support the 5 hours of kindergarten?**
- c. **How much funding have the community and local government councils raised through parent fees, fund raising and council support to fund the remaining kindergarten operational costs?**

MAV Response

MAV, as the peak body representing Victorian Local Government, does not normally collect financial data related to individual councils – unless it is part of a state/local government funding agreement (Such as the State/Local Government Maternal and Child Health MOU).

In the case of preschools, the Victorian and Commonwealth government funding is determined through a state service agreement with each individual council who

provides approved preschool services. The funding is calculated as one amount for the whole 15 hours delivery (not separated out into 5 and 10 hours)¹ It is based on a number of factors including a per capita amount for each child attending, kindergarten fee subsidy for health care card holders, a weighted rural subsidy and allowances for teachers. As this is a funding arrangement between the Victorian Government Department of Education and Training (DET) and each of the councils delivering preschool - DET would be in the best position to provide a breakdown of these figures.

The Bilateral Agreement on achieving Universal Access to Early Childhood Education, between the Commonwealth and the State of Victoria states (p10) that the aim across the period 2009-2013 was "to maintain the relative proportion of government (65%) and parent (35%) contributions for Victorian funded kindergarten programs". The Report of Government Services (ROGS) ,produced annually by the Commonwealth, details State and Commonwealth Government expenditure on preschool education for the period of the National Partnerships. Based on the 35%/65% split – MAV therefore conservatively estimates that Local Government and the community raised a further 35% on top of Commonwealth and State figures presented in the ROGS. (Not including infrastructure investment).

2. On page 5 of the transcript of evidence, the Committee (Mr O'Brien) asked what percentage of the kindergarten infrastructure would be owned by local councils in Victoria. The MAV indicated that they could provide the data.

Could MAV please provide details on how many kindergarten infrastructure facilities in Victoria are owned and operated by local government councils?

MAV Response

The Victorian Government took a planned approach to achieving universal access. There was a State/Local Government funded project as part of the "Municipal Planning Process" - outlined in Victoria's Commonwealth/State Bilateral Agreement on achieving Universal Access to Early Childhood Education. Each Victorian council undertook Capacity Assessment Reports with every community operated and privately operated preschool and childcare centre in their municipality. These reports provided data on the readiness of all services to meet 15 hours by July 2013, and included data on Local Government ownership of kindergarten facilities. This data indicated that in 2011, there were 1,129² facilities operating as approved preschool services owned by Local Government across Victoria. This represents 82% of the 1,374³ facilities operated by community provided preschool services, and 60% of all preschool services (including privately operated services) The number of council owned facilities has increased since then but later data is not as conclusive.

¹ Bilateral Agreement on Achieving Universal Access to Early Childhood Education, June, 2009

² Analysis of 15 hr Capacity Assessment Reports undertaken by councils , provided by DEECD to MAV, May 2012

³ 2011 Annual Report on Achieving Universal Access to Early Childhood Education in Victoria

3. The Committee is aware of the potential regulatory and compliance burdens/costs imposed by NPAs on local government councils.
 - a. **Could the MAV please provide any details to the Committee in terms of quantifying the regulatory and compliance burdens/costs of NPAs and its impacts?**
 - b. **Could the MAV please provide details to the Committee on actions currently being taken to help minimise the regulatory and compliance burdens/costs of NPAs?**

MAV Response

Quantifying the costs of regulatory and compliance burdens imposed by NPAs on councils would be a costly and detailed process which MAV has not undertaken comprehensively.

However - MAV has a number of consultative mechanisms with councils that discuss issues that impact on local government – including National Partnership Agreements. It would be fair to say that the impact of Universal Access and the National Quality Reforms were continually and persistently raised by councils between 2009 and 2015 - in State Council meetings, MAV Roadshows, Human Services Committee meetings, MAV Early Years Strategy Group meetings (representatives of councils and Department of Education attend these quarterly meetings) and Forums.

The “Municipal Planning” process undertaken in 2011 did identify the impact of the 15 hours kindergarten (Universal Access) NPA. The Capacity Assessment Reporting process⁴ (as already outlined) revealed that there was considerable work to be done to achieve this reform. The Reports indicated that for all kindergarten services:

- 27% were ready to deliver 15 hours
- 36% needed to make staffing and model changes
- 36% needed external support to transition to 15 hours – in particular around modified/new infrastructure

In addition to the Capacity Assessment Reports, MAV undertook infrastructure surveys of councils in 2009 and 2013. These revealed:

In 2009 – 2012 councils invested \$216m of their own funds to meet the capital costs associated with the 15 hour reforms. Councils identified a further \$280m capital investment would be needed to meet the new National Law, National Regulations and National Quality Standards being phased in between 2012 and 2016.

4. Page 1 of the MAV submission stated that:

The funding of 15 hours of preschool education for the year before school has been subjected to a series of time limited arrangements which have caused disruption for children, families, educators and the State/Territory Governments.

Could the MAV please provide details of any evaluation/analysis being done to quantify what the disruption impacts and risks are when the NPA are continuously subjected to time limited arrangements as part of support for 15 hours of kindergarten?

MAV Response

Preschool is the only universal platform that offers all children the opportunity to have a quality educational program provided to meet their developmental needs before they

⁴ Analysis of 15 hr Capacity Assessment Reports undertaken by councils, provided by DEECD to MAV, May 2012

attend school. Consequently, preschool provision is taken seriously by all Victorian councils. Every council plans and provides facilities and many directly deliver preschool programs for their children and families. In its work with councils, MAV has identified the main areas that have impacted on them with the time limited arrangements of the 15 hours NPA:

- Planning - councils have been unable to link preschool planning into their four year corporate planning cycles without knowing what preschool provision may look like from NPA to NPA;
- Infrastructure planning – councils have been unable to link their preschool facility planning into their asset management and planning cycles without knowing what modifications, refurbishments or new facilities may be needed without certainty of 15 hours continuing beyond the expiration of the existing NPA;
- Service delivery – councils who deliver preschool programs (40/79) are not able to have robust and equitable workforce plans of service delivery models firmly in place without knowing whether the 15 hours preschool will continue;
- Financial planning - the impact on councils undertaking annual budgets/ and striking their annual rates when having to use "best guess" due to uncertainty of ongoing funding;
- Resource allocation - council resources that have had to be allocated through each year of the different National Partnership Agreements to support parents and committees in dealing with the uncertainty around their preschool and childcare arrangements.