

Public Accounts and Estimates Committee
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27 July 2015

Executive Officer
Public Accounts and Estimates Committee
Parliament House
Spring St
East Melbourne Vic 3002

Dear Madam/Sir

Inquiry into the impact of changes to National Partnership Agreements on Victorian Government Service delivery

The Municipal Association of Victoria appreciates the opportunity to submit to the inquiry on the changes to national partnership agreements which have directly impacted local councils and their communities.

MAV is writing in relation to two specific National Partnership Agreements: The National Partnership Agreement on Universal Access to Early Childhood Education and the National Partnership Agreement on Preventative Health.

National Partnership Agreement on Early Childhood Education

The first Partnership Agreement ¹ was signed by the Council of Australian Governments on 29 November 2008. Under this agreement, all governments committed to work together to ensure that all children have access to a quality early childhood education program, delivered by a qualified early childhood teacher for 600 hours of preschool education in the year before they attend full-time school.

Subsequent Partnership Agreements and the May Federal Budget allocation continued Commonwealth Government investment to the end of the 2017 calendar year. Total allocation to Victoria has been \$308m up to 2015/2016. Victoria will also receive a share (yet to be specified) of the \$843 million Budget announcement for the 2016 and 2017 calendar years. Funding beyond 2017 has not been confirmed.

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. These continual short-term funding arrangements have made it very difficult for governments, councils and kindergartens to

¹ Australian Government, Department of Education and Training

plan. It has been disruptive for parents, and potentially developmentally detrimental for children. The importance of universal preschool education for short and long term developmental and productivity outcomes for children and the nation are well recognised. The Commonwealth Government must continue its funding in an ongoing arrangement so that the Australian preschool education system is stable.

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

Local government also voluntarily invests significant funds and resources towards kindergarten provision – councils own the majority of facilities, are a major service planner and provider, and offer subsidies and other assistance for kinder programs. To achieve the 15 hours national kindergarten reforms, Victorian councils invested \$300 million of ratepayer funding towards capital investment in facilities.

It has been a large scale reform for Victoria to move from 10 hours to 15 hours. Since July 2013, almost all of the 73,000 Victorian preschoolers have had access to a 15 hour program. Families have enthusiastically taken up the extra hours and have had particular benefits for working families, rural families, and disadvantaged children and their families.

It is critical that the time limited arrangements stop and an enduring funding partnership arrangement is provided in a way that that maximises the investment of all three levels of government to retain a stable base for the first educational platform for our Australian citizens. In terms of inter-governmental roles, it is also essential that the Commonwealth has a commitment to an enduring role in a partnership in which it has required a minimum increase of 150% to preschool programs nationally.

National Partnership Agreement on Preventive Health

The *National Partnership Agreement on Preventive Health* (NPAPH) original agreement was due to expire in June 2015 but extended by a further three years to June 2018. However, the components of the National Partnership Agreement on Preventive Health involving payments to States and Territories were terminated in the 2014/15 budget. The abolition of the agreement is forecast to generate savings of \$367.9 million over four years. The NPAPH provided funding to state and territory initiatives that support healthy behaviours and address the rising prevalence of largely preventable chronic diseases such as type 2 diabetes.

In Victoria, the funding was largely directed to a State wide initiative branded Healthy Together Victoria (HTV) with local government as a core partner in leading and engaging with communities in 12 sites across the State. The State Department of Health also had a raft of state wide initiatives which provided a spine of evidence based approaches to support healthy eating and increased physical activity.

When the funding was ceased by the Federal government in 2015, the State Government committed funds to keep the initiative going to allow for the proof-of-concept trial to continue. The expectation was that the partnership with local government would continue until 2018 and that this time frame was crucial in supporting the 120 strong workforce in councils in reaching all sectors of the target populations through early childhood services, schools and workplaces. Local Government fully embraced the initiative and mayors and councillors,

CEOs and their executives were all involved in leading communities to collective action. All players knew that this 'dose' of large resource was in part to trial the systems approach and that evaluation was crucial to the evidence that the prevention approach works. International interest has been expressed in the outcomes of the HTV systems approach being applied in Victoria.

The premature axing of the funding 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.

Should you have any queries about this matter, please contact Clare Hargreaves, Manager Social Policy chargreaves@mav.asn.au ph. 96675543.

Yours sincerely



ROB SPENCE
Chief Executive Officer