

VERIFIED TRANSCRIPT

PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE

Inquiry into budget estimates 2007–08

Melbourne — 14 May 2007

Members

Mr G. Barber	Mr G. Rich-Phillips
Mr R. Dalla-Riva	Mr R. Scott
Ms J. Graley	Mr B. Stensholt
Ms J. Munt	Dr W. Sykes
Mr M. Pakula	Mr K. Wells

Chair: Mr B. Stensholt
Deputy Chair: Mr K. Wells

Staff

Business Support Officer: Ms J. Nathan

Witnesses

Ms L. Neville, Minister for Children;
Ms F. Thorn, secretary;
Mr A. Hall, executive director, financial and corporate services; and
Ms G. Callister, executive director, Office for Children, Department of Human Services.

The CHAIR — I call on the minister to give a 5 minute presentation on the more complex financial and performance information in relation to the budget estimates in the portfolio of children.

Ms NEVILLE — Thank you, Chair.

Overheads shown.

Ms NEVILLE — Very briefly, this slide gives you a bit of an indication of the range of the increase in investment that we have made, particularly in the early years right across the board — in child health, in early childhood intervention services and of course in kindergarten and child-care areas.

The government investment in services for children and families is based on very strong policy foundations and on our very explicit focus on the disadvantaged and the needs of vulnerable children. This gives you a sense of the policy framework in which we have been working, which has culminated in the development of Victoria's Plan to Improve Outcomes in Early Childhood which the Premier launched in April of this year and took to the April COAG meeting. As I said, all our initiatives that we will talk about today have come within that strong policy and best-practice framework and have culminated in this plan, which really is about taking Victoria forward over the next 10 years in relation to early childhood services.

I will just touch now on what I think are some of the challenges in this area and how the budget has addressed or attempted to address some of the key challenges in relation to early childhood. We know we need to continue to improve access to kindergarten and child care because we know from the research that quality kindergarten programs improve a child's subsequent learning, health and behaviour, with very positive impacts being experienced later in adult life. The impact is more marked for children experiencing economic disadvantage. To further improve access, the budget funds a number of very key initiatives.

Kindergarten programs and child care and extended care in kindergarten are a key focus of this budget. We know that of those children who currently miss out on kindergarten, the largest percentage are in the long-day-care centre. The budget provides \$2.5 million this year to improve access to kindergarten for all children. This will provide the opportunity to provide 4-year-old kinder in long-day-care centres as well as encouraging kindergartens to offer longer programs to ensure that we are more flexibly able to meet the needs of working parents.

Another key focus of the budget is ensuring accessibility to kindergarten for low-income families, so \$7 million is provided in this budget to ensure that children of eligible low-income families can access kindergarten programs by increasing the kindergarten fee subsidy from \$320 to \$730 a year.

This will effectively make kindergarten free for children of eligible low-income families. The budget also establishes a child-care register. This is a result of some work that the government undertook earlier which indicated that there continues to be an undersupply of child care particularly in certain areas. This will facilitate parents who are wanting to return to work understanding where they can find a place and plan for their future child-care needs.

Another important challenge for us is how we continue to integrate our services. We are doing this because we know integrated services are more accessible and more convenient for families than stand-alone services. By making it easier for families to access the range of services they might need to help raise young children, parents are much more likely to use them when they are in an integrated facility. It also encourages positive professional development outcomes by bringing particular professionals together.

This budget also continues our investment in improving the quality of our facilities, with \$3.75 million to assist not-for-profit kindergartens and child-care centres to upgrade their facilities and do additions, renovations and maintenance. We also continue our investment in new children's hubs, with \$5 million provided in this budget — 20 million over the four years — to establish 40 new not-for-profit children's hubs which will bring together the range of early childhood services. We know that this will improve outcomes for children as well as improve the access to these services by parents.

We need to continue to work on improving the health and development of Victoria's children. Overall Victorian children are doing very well, but we need to continue to invest in measures that will improve this further, because we know that health and wellbeing in early childhood will impact on outcomes later in life. We are doing this through extending the maternal and child health Parentline as well as other parenting services, with the provision of

\$6.2 million over the next four years. We also enhance our capacity to deliver early intervention places and enhanced early intervention packages, with \$6.2 million over four years. The budget has also provided \$7.6 million over four years to continue to provide early intervention places. The budget also contains some new initiatives like the young readers program, and provides \$500 000 this year. It is about encouraging a love of reading and also supporting parents who might require literacy support.

We also obviously need to continue to focus on improving outcomes for disadvantaged children. We know some families and children need extra support to achieve good health and development outcomes, so we have a strong focus on utilising universal services in a targeted way to turn around the outcomes of disadvantaged children. One of the key areas in this budget is the extra support for young indigenous Victorians, and this program will deliver free kindergarten for three-year-old Aboriginal children who hold a concession card. It will expand the Koori Early Childhood Education Program to support the participation of three-year-old and four-year-old Aboriginal children in kindergarten, provide a new home-based learning enrichment program from three sites and also undertake a comprehensive study into the health and wellbeing of young indigenous Victorians aged between 0–18 years.

The budget also provides \$850 000 to provide sexual assault support services to children and adolescents between the ages of 0–18. This funding will ensure a greater capacity for a timely response for children who have been victims of sexual assault and help reduce the emotional and psychological impact on them and their families.

This gives an overview of some of the important services the budget is delivering in terms of achieving higher quality and more accessible early years services for our Victorian children.

Ms GRALEY — Minister, my electorate of Narre Warren South, which includes the city of Casey, I think has more children aged 0–4 than anywhere else in Australia, so I am very interested in asking you about children's centres. I refer to page 15 of budget paper 3 in which the government announces that it will spend:

\$35 million in grants over four years to upgrade and better equip existing not-for-profit kindergartens and child-care centres, and for children's centres where maternal and child health, child care, kindergarten and family support services can be co-located

Could you explain to the committee how these funds will be utilised and future planning?

Ms NEVILLE — This government acknowledges that there are many kindergarten buildings in Victoria that are about 20 to 30 years old, and individual kindergartens were established under a whole range of arrangements including contributions from local, state and commonwealth governments and also from the community. The partnership approach has resulted in local government being the owner of 67 per cent of kindergarten buildings in Victoria.

Traditionally upgrades and maintenance of premises where community-run kindergarten programs operate have been a partnership between local and state governments and the community. Whilst state and commonwealth governments have invested in centres initially, and often provided grants over time, local government has the potential to realise the value of these fatalities often with little or no obligation to repay the state or commonwealth governments. Importantly local government is the beneficiary as the owners of buildings.

Far from neglecting kindergarten, early years infrastructure is a key priority for the government. The government aims to strengthen our kindergartens and other children's services by developing world-class infrastructure that is accessible to all Victorian families and their children. It also wants to promote a more integrated, holistic and collaborative early childhood framework in which these services can be delivered.

So in 2006 we provided money for minor capital works to over 1500 early years services. It included grants to 834 kindergartens to help make purchases and undertake small projects to improve their facilities and the environment in which children are learning and developing.

Recently we have committed \$15 million to upgrade and better equip existing not-for-profit kindergarten and child-care centres, so we will be rolling out that program again, and it is something that was valued by local government but also by local communities because we know that lots of parents have to raise money through fundraising, so it takes the pressure off that as well.

The budget also importantly commits \$20 million over four years to continue our program of children's centres. These will be built in areas where there is greatest infrastructure need and where there are the largest numbers of children, so in the areas that you have identified, Ms Graley.

The government is working with developers and local councillors to ensure that the children's services are in the best location to meet the needs of families, particularly in our growth corridors on Melbourne's fringe. We are also committed to ensuring that all new schools in growth areas are also able to provide space for integrated children's centres. These centres will provide a one-stop shop for families, making it easy to access things like maternal and child health services, early intervention services when required, occasional care services, long day care and other family support programs as well.

This builds on other commitments we have made through our Children First policy — \$16 million to develop 49 facilities across the state, and of those, 29 are currently open. We also provided \$7.2 million to six new children's centres specifically in our growth corridors, and also through our plan that I mentioned before, which we took to the COAG meeting in April, it looks at ways in which we can further enhance our capacity to strengthen and sustain our early years services here in Victoria.

We will continue to work with local government — it is an important player in this area. We work very closely in partnership with them and we will also continue to work in partnership with local families and ensure that they have the services where and when they need them.

The CHAIR — Thank you, Minister. I know you are looking to make Victoria a better place to live, work and raise a family. I am just trying to get in before Dr Sykes! Maternal and child health services are a very important part of this, and I see that on the same page we were looking at before, page 15, but also on page 284 of budget paper 3 that you are putting aside \$24 million for maternal and child health services, in additional money. Can you tell us what this money will go towards over the next four years?

Ms NEVILLE — Certainly the health of Victoria's children is absolutely critical in ensuring that they have the best start in life, and to ensure that Victoria is the best place to raise a child. I am very pleased to be able to report that the government has continued to focus on the issues of health of Victoria's children in Victoria's plan to improve outcomes in early childhood. It is important to acknowledge, particularly in the area of child health services, that local government in Victoria continues to be a very valuable and key player in the planning and delivery of these services. One of the four policy directions that we outlined in our plan to improve outcomes in early childhood is in the area of improvements in health. While there are many aspects to our approach to achieving the policy direction, Victoria's world-class maternal and child health service really stands out in its ability to impact on each of those areas of development in terms of health and wellbeing.

The maternal and child health service promotes a comprehensive and focused approach for the promotion, prevention, early detection and intervention in physical, emotional or social factors that affect young children and their families and contemporary community. It is unique, really, across Australia in that it is providing a universal service. It comprises this universal service and it also comprises — and you will note in the budget papers that we talk about this service as well — the enhanced service and also the maternal and child health line.

The universal maternal and child health service provides 10 key age-stage consultations, from birth to 3.5 years of age, which includes an initial home visit and consultations at two weeks, at four weeks, at eight weeks, at four months, at eight months, at 12 months, 18 months, two years and 3.5 years — for all children and for all families, and we have a very impressive participation rate. This service also provides additional support for children and families who may need it — this is our enhanced service. These activities might include additional home visits, they might include first-time mothers groups, outreach services to Aboriginal cooperatives, and also a focus around breastfeeding and how to settle babies.

In 05–06 the maternal and child health nurses provided over 528 000 consultations to children and their families. Participation rates, as I said, are very impressive — as high as 96 per cent in the first weeks of life and at 3.5 the participation rate is around 58 per cent. Participation rates at the other older-age visits have also increased over the time. We have continued to invest in this area to increase the participation rates because we know the value of monitoring a child's health and development. Rates at the 18-month visit have risen from 65.8 per cent to 68 per cent and at the two-year visit from 62.8 to 64 per cent. In addition to these direct consultations, nurses made over 50 000 referrals in the year on behalf of families to other support services that families required. Currently around 5800 families are also supported through the enhanced maternal and child health service. We also have a 24-hour service, which is the maternal and child health line. This operates 24 hours a day, 7 days a week, and has around 5500 calls a month. Use of the service from rural municipalities is also increasing and represents around 16 per cent of callers.

In addition to the funding commitments that were mentioned in the budget, the 6.2 million over four years, we have allocated money to enhance the maternal and child health line to provide practical parenting support and advice for new parents. We have also prioritised groups like new immigrants, new fathers and new arrival refugee mothers. We are also prioritising those mothers who might be suffering from mental illness, particularly postnatal depression. These services will encourage parents to maintain their relationship with maternal and child health nurses right through to the 3.5-year visit, because we know that doing that we are able to ensure that our monitoring is appropriate and we are able to respond to the needs of both the children and their mothers and broader family networks.

Mr WELLS — Minister, budget paper 3 at page 100, under the heading ‘Early Years Services’, has ‘high quality, accessible health and community services’ and refers to maternal and child health centres and nurses. Where is the exact funding promised in the election promise by former Minister for Children Garbutt for allergy training, in particular anaphylactic treatment? Also, the Premier said in a media release that Victoria will be mandating training for child-care workers, kindergarten and school teachers ‘to treat children with life-threatening allergies’. Can you explain to the committee how you will be training more than 70 000 staff at a cost of around \$35 per head? Thirdly, will your department be providing EpiPens to all kindergartens and child-care centres throughout the state?

Ms NEVILLE — Anaphylaxis is a severe allergic reaction and while allergies are widespread in our community, affecting many children, anaphylaxis is quite rare. In fact research estimates that the prevalence is around 0.43 per 100 children, with about 17 per cent of these episodes either occurring in school or in an early childhood setting.

The research indicates that there are around 25 000 before school age or school-age children who will have at least one anaphylactic reaction. Most of these children can expect to have a recurrent episode. Food allergies are the most common cause, with most children having their first allergic reaction, not necessarily an anaphylactic reaction, upon initial exposure, which is really often between 14 to 19 months of age. Of course there has been considerable community concern about the management of anaphylaxis.

Last October the Premier announced that Victoria will legislate to provide the minimum safety standards for children diagnosed at risk. In conjunction with the Minister for Education and the Minister for Skills, Education Services and Employment, I will be leading the introduction of this legislation to Parliament later this year. Victoria is the first Australian jurisdiction to propose this legislation. In 2005 similar legislation was passed in Ontario, Canada. It will require schools and early childhood services to maintain an anaphylaxis policy and to train staff. This builds on the strategies that have been in place since 2004 to assist staff in early childhood centres and in schools to manage the risk. However, with the legislation there will be no choice as to whether these staff members implement these measures. Parents will be able to have much more confidence in the response we are able to provide.

The minimum safety standards will now include a requirement for the school or the children’s service to maintain an anaphylaxis management policy which will prescribe the requirements for strategies to reduce the risk of the child’s exposure to allergy triggers and will also include individual management plans for each child who has been diagnosed at risk. It will include a communications plan and also mandatory anaphylaxis management training including how to administer the lifesaving medication. I am very confident that a legal requirement to respond to particular needs of children at risk will increase the safety of these children.

These is a requirement for ongoing training. Staff will be better equipped to understand severe allergies, to reduce the risk and be more confident in actually providing the emergency treatment if required. Funding of \$2.1 million has been identified to support the development of the new legislation and the provision of training of all early childhood staff and the majority of school teachers. This will build on the management training that has already been provided with over 8200 teachers in government schools since November 2005 and 3500 staff in early children’s services in the last six months.

We anticipate that 70 000 teachers and children’s services staff will be trained over the next four years. I think these proposals — the combination of training and legislative support — will ensure that we are able to provide a safe environment for children at risk of anaphylactic reaction in our child care and the school system.

Mr WELLS — Can you just identify where that \$2.1 million is?

Ms NEVILLE — It is in the kindergarten and child-care output.

Mr WELLS — Which page is that?

Ms NEVILLE — It was in last year's. There is no specific — —

The CHAIR — This is on page 101; is that correct?

Ms NEVILLE — It is in the total output costs under 'Kindergarten and child-care services'.

Mr WELLS — It has not been identified as a special program?

Ms NEVILLE — No. It was the Treasurer's advance in the last financial year.

Mr WELLS — In 06-07?

Ms NEVILLE — Yes.

The CHAIR — So that continues on as an output for the following years?

Mr WELLS — So you have trained so far 11 700 — the 8200 and the 350 — and you have more than 70 000 more to go? Are you going to do that over four years? Is that my understanding?

Ms NEVILLE — It's a four-year program.

Mr WELLS — Is that figure right, that you are going to do it at a cost of \$35 per head? Is it \$2.1 million divided by 70 000 or thereabouts?

Ms NEVILLE — That is provision that has been made. I might refer to the executive director just in relation to how the specific figures were calculated.

The CHAIR — It might depend on the course and how many attend a particular course.

Ms NEVILLE — It is group training programs. So the unit cost can actually be quite wide. They are group training and that is how they are being operated.

Mr WELLS — I just want to confirm that figure is right — \$35 per head is what has been allocated?

Ms NEVILLE — \$2.1 million has been provided to operate it.

Mr WELLS — For over 70 000 staff?

Ms NEVILLE — The training.

Mr WELLS — And the EpiPen — the allocation of the EpiPens to child-care centres and kindergartens?

The CHAIR — I think they bring their own.

Ms MUNT — The children have their own.

Mr WELLS — That is what the question was: will the department be providing it, or will it be an issue for the locals to provide it?

Ms MUNT — Children usually have their own.

Ms NEVILLE — I will take that on notice. The priority here is obviously the introduction of the legislation, the provision of training to ensure that the staff are able to use the equipment in the first place and understand the risks. We want to ensure all our schools and all our child-care centres have the policy in place to better manage anaphylactic reactions in children. That is the priority of the government. The money has been allocated for the training.

This is also a partnership with parents. Parents are the ones who work with us, and we want them to work with us in relation to risks that confront their children.

Mr WELLS — Do I understand that it is going to be the responsibility of the child's parents to provide the EpiPen?

Ms NEVILLE — I have said I would take that question on notice, but my understanding is that a child with an anaphylactic risk would always have one on their person; I think a child would always have one on their person. We would not want to discourage that because obviously a child will not always be in an early childhood centre or in a school.

The CHAIR — There are many forms of preventative medication. The minister has taken that question on notice.

Ms MUNT — I am particularly interested in the protection of women and children, and sometimes men, from family violence. On page 274 of budget paper 3, under 'Continuing Family Violence Reform', mention is made of a whole-of-government approach to family violence reform. Could you explain how these initiatives will work under this reform program?

Ms NEVILLE — Our government is continuing the family violence reforms we put in place to ensure that we are better able to respond to the safety needs of women and children and increase the accountability of men for violence. We have provided a commitment to new family violence legislation. This legislation will aim to improve the responsiveness of the justice system by replacing the current intervention order system with a scheme that specifically targets family violence.

New legislation will recognise that there are different forms of violence, place a clearer focus on the safety of victims and maximise the choice for women and children to remain safely in their own homes. Support for women and children at court will also be increased and will prevent direct cross-examination of victims by perpetrators of family violence.

Further investment in the government's new approach to family violence was announced as part of the 07–08 budget process, so \$2 million over two years will be allocated to implement the Safer Families Training program. This aims to provide a very consistent approach in terms of risk assessment and ensuring an effective and professional response for family violence victims. As I said, we will also have stand-alone family violence legislation which will be enacted as part of a comprehensive response to the Victorian Law Reform Commission's recommendations on family violence.

There will be \$3.7 million over four years provided to prevent victims being cross-examined by unrepresented defendants. We also have the family violence courts and courts-directed counselling programs located at Ballarat and Heidelberg magistrates courts which will be continued for a further two years.

As part of a significant increased investment in community legal centres, \$3.8 million over four years has been provided to fund a network of 7.5 dedicated family violence community lawyers to support victims of family violence, as well as an additional position at the Aboriginal family violence prevention legal service. These reforms, as I indicated, are part of the government's approach in improving responses to victims of family violence.

The CHAIR — Thank you, Minister, it is a very important area.

Dr SYKES — Minister, I have quite an interest in kindergartens. We have at least a dozen small or small-medium kindergartens in the electorate of Benalla, and interestingly one of the issues with our small rural kindergartens is fluctuating numbers. For example, Moyhu had under 14 kinder participants last year but are up to 28 this year. The other thing that is interesting is that the Benalla electorate is one of 10th poorest in state based on disposable family income or gross family income, and that financial position has been exacerbated by recent events — floods, fires, drought and frosts. So we obviously welcome the low-income support measure you have brought in, \$320 going up to over 700, but I would draw to your attention that there are still a large number of other families that may be above that threshold qualifying for that increased support that still battle to meet their fees and also to conduct ongoing fundraising activities to meet basic operational costs and capital works programs at the kinders.

There is also an issue that you may be aware of and that is particularly with the smaller kinders there is the issue of the admin parents committee where there is a turnover each year because the students are in the kinder for only one year and with a small pool of expertise to draw from you can end up with it being very difficult for parents to manage the kinders and that can create frustrations equally for the teachers as well. One of the opportunities to address the issue is to have co-location with primary schools. I know in some areas there is some bond with co-location and with voluntary admin support being made available by primary schools.

I have two questions. First of all, what is your position on encouraging increased cooperation between kinders and primary schools in terms of co-location and providing some admin support? And secondly, what would be your preparedness to review the funding formula to ensure that parents of the smaller rural kindergartens do not have to put so much time into fundraising for basic operating costs and capital works?

Ms NEVILLE — Perhaps if I address the second question that you have raised first. The government is strongly committed to ensuring that all children have access to a year of kindergarten regardless of where they may live, which is why we provide a higher per capita grant rate to meet the needs of particular rural communities. We acknowledge that there are particular issues in small rural communities. So we have a rural funding rate which is 24 per cent higher than the standard rate. We also have a small rural rate which is actually 82 per cent higher than the standard rate. These are applied to services where it is the only funded kindergarten program in a particular rural city or town.

This is designed to assist those smaller communities where there may be potential impact on the viability of the kindergarten. Also last year 34 per cent of all children attending kindergarten in a rural region received a kindergarten fees subsidy which reduces the fees for families. This was also added to in relation to drought communities where additional subsidies were also provided. Basically for many rural families free kindergarten was provided.

We have been very proactive about trying to address the challenges facing rural kindergartens. A range of initiatives that we have implemented include 24 new children's centres and kindergartens in rural communities that provide a range of all the childhood and specialist services under one roof and particularly focus on under-resourced and disadvantaged communities. The percentage of rural kindergartens that have also benefited from being managed within a cluster continues to increase and is now 63 per cent. The cluster management model is a key element of being able to take the pressure off the volunteer committees and also provide peer support to kindergarten teachers. That is particularly valuable in small rural communities.

Rural community kindergarten programs have shown very strong leadership in fact in the uptake of cost and management arrangements; as I said, 63 per cent actually compared in Melbourne with 31 per cent. So they have seen the value of that, and this budget provides an increase in the kindergarten cluster grant up to \$7000 per location, so that will further enhance the capacity of rural kindergartens to get the benefit of working together.

Also just in terms of recruitment and retention — because that is obviously one of the really key challenges in our rural communities, and we work very hard to encourage recruitment and also retention of kindergarten teachers in rural communities — we provide through the department seven rural employment grants to encourage teaching graduates to take up employment in rural communities, and this grant is being offered again in 2007. We also commenced a pilot project in Loddon Mallee region for final-year early childhood teaching students to access teaching placements in rural kindergartens, thereby introducing them to local employers and teachers. This was offered in 06 to eight students in Barwon South West, Loddon Mallee and Gippsland.

Just in relation to cooperation with the education department, as I indicated when I spoke about our commitments around children's centres, one of the things that we are certainly encouraging is how we might better work with schools to provide children's centres, where appropriate, on school grounds, and that will work in some communities and in others it will not. The real driver there is about what it is that parents need and where they need those services. That will be the key determinant, but obviously we will look at opportunities to enhance the cooperation between the education department and the provision of early childhood services.

The CHAIR — Thank you, Minister. We have time for just two more quick questions.

Mr PAKULA — On page 101 of budget paper 3, Minister, there is \$170.2 million as the output for kinder and child-care services. I do not want you to re-prosecute a campaign argument, but the opposition argued during the campaign for the movement of kindergartens to the control of DoE, and I heard the argument for that, and I am

generally interested in what you say are the arguments for the retention of kinders within DHS as distinct from moving to DOE. I would just like a brief summary of those reasons.

The CHAIR — All right, and relating it to the estimates too, please, Minister.

Ms NEVILLE — There is a range of major reports that have been undertaken both in Australia and overseas that have emphasised the importance of early childhood development, in terms of child safety, in terms of their health and in terms of their learning development and wellbeing. Certainly the latest brain research says that learning starts in fact from the day we are born. The very early years — the first three years — are in fact the most important for learning. That is when the foundations for the future are laid, and these years are a time when the brain develops much of the wiring, and much of the wiring is actually laid down.

The experiences and relationships a child has, plus the nutrition and health, can affect this enormously. Positive experiences help the brain to develop in healthy ways. So every child needs safe and engaging environments to support their development and learning, including time with other children, including time with attentive adults. Providing kindergarten programs in the year before children start school is a key way in which the Victorian community supports this early learning. Victorian parents value that kindergarten education as an important opportunity for the child and also a transitional bridge into school, but still distinct from it — it is not just a bridge and it is not just a transition into school. Although kindergarten is not compulsory in Victoria we do continue to have high participation rates. As I said, kindergarten is and should be part of a broader early-years picture; it is not just a precursor to school.

That is why we as a government and myself as a minister strongly believe that kindergarten must be administered through the same department that is responsible for overseeing other vital early youth services such as maternal and child health, health care and early intervention.

That is why we have a strong emphasis on funding integrated services; that is why we try to bring together under one roof, where we can, maternal and child health services, early intervention services, long day care and kindergarten. As I indicated earlier, most of the children who are not participating in four-year-old kinder are not participating because they are in a long-day-care setting.

The reality for parents is that they want services that support their children from 0 to five in an integrated way, and all of those services contribute to building healthy children. Kindergarten will also contribute to a transition to school, but it is an important component of early years provision.

The CHAIR — In my area some of them are not participating because they cannot afford it, particularly the ones in public housing, so we need to address that as well.

Ms NEVILLE — That is why we have the subsidy.

Mr BARBER — So it was not just the opposition that argued who should go to the DOE, it was the Australian Education Union as well. Another thing that union would be concerned about, I would imagine, would be the entitlements, including sick leave and long service leave, of workers in the sector. In 2001 the Kirby review — yes, I do my research, with the limited resources I have available —

Mr PAKULA — That actually was not what I whispered, but I will tell you after what it was, Greg.

The CHAIR — The last two questions were meant to be quick questions.

Mr BARBER — Okay, a quick question: the 2001 Kirby review of preschools commissioned by your government said that DHS should, and I quote:

take immediate steps to identify and cost the options for safeguarding the long service leave and sick leave entitlements of preschool centre staff.

Has that been done, and are there any plans in this budget to do that research or, alternatively, to in fact create a centralised leave provision fund to guarantee those workers' entitlements?

Ms NEVILLE — If I could just also indicate the range of organisations that actually support the continued administration of kindergartens and early childhood: Community Child Care, Early Childhood Australia,

FKA children's services, Lady Gowrie Child Centre, Centre for Community Child Health and Victorian Council of Social Services. So it is a policy that is well supported by experts in the early years services. That is why we also acknowledge the important role that kindergarten teachers play in terms of delivering approved outcomes for children.

So we need to continue to improve the quality of our kindergarten professional staff. That is why we have also focused our attention on professional development and skill development with an additional \$4 million provided in this budget to do that. We have also got a commitment to pay parity with primary school teachers through our award process. Certainly the issue of long service leave entitlements is a longstanding one. I will make a couple of comments, but I might ask the executive director to add to this if there is anything to add to this.

The CHAIR — I think if you need to add to it, add to it on notice.

Ms NEVILLE — Certainly we have acknowledged that there are problems with it, and we are trying to work our way through that with stakeholders. It must be remembered that we do not actually employ the kindergarten staff; they are employed by a range of organisations. We fund the kindergarten as a contribution to the cost. We fund per capita on the basis of the child, but we do not actually employ the kindergarten staff. Until 1994 we were in fact responsible for long service leave and sick leave entitlements, including maintaining the records. Prior to that we had a central payment process. But from January 1994 when the system was altered, the funding moved to a per capita basis. But we did retain the liability for providing long service leave and sick leave in terms of the accrued entitlements up until that particular point in time.

The kindergarten funding guidelines require services to put aside the funds for long service leave and sick leave — that is, the people that employ the kindergarten teachers. Cover is available should that be required once staff use those entitlements. We assist kindergartens with this process by funding governance training and support. But it is fair to say that each of the stakeholders are involved here, KPV, AEU and local government employers, have a different view in relation to how we best safeguard this. So we are working with these stakeholders to try and achieve a consensus view. The department will continue to do that, and hopefully this issue can be resolved shortly. I do not know if the executive director wants to add anything.

Mr BARBER — It sounds like a no in terms of action this year.

Ms NEVILLE — We are trying to work through with the consensus of the stakeholders, who all have a very different view.

The CHAIR — I just have one question on notice here regarding the early intervention places, which I will provide to the secretariat which will then advise the minister of that. I thank the witnesses for their attendance.

Witnesses withdrew.