



The Hon Dr Anne Aly MP
Minister for Early Childhood Education
Minister for Youth

Reference: MC24-011643

Dr Caralee McLeish PSM
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Dear Dr McLeish

I refer to recent media regarding the Inclusion Support Program (ISP) administered by the Department of Education. The report raises some questions about the administrative arrangements of the program including contract management, conflict of interest and transparency.

The ISP commenced on 1 July 2016 and provides support to mainstream early childhood education and care (ECEC) services to include children with additional needs through tailored support and funding to services.

Under the ISP, the Australian Government provides funding to assist eligible services through the Inclusion Development Fund (IDF). The Department contracts an Inclusion Development Fund Manager (IDFM) to process funding applications submitted by ECEC services. Payment of funding is provided to eligible services by the Department, however all payments provided to eligible ECEC services are publicly reported under the single contract with KU Children's Services.

Under the ISP, the Australian Government also provides funding to Inclusion Agencies (IAs) in each state and territory. IAs are contracted by the Department to assist ECEC services to build their capability and capacity to provide and enable inclusive practice in the delivery of early learning and care programs. Where appropriate, this includes facilitating access to the IDF for more challenging barriers.

KU Children's Services has been contracted as the IDFM since the commencement of the program and is contracted as the IA for the Australian Capital Territory, New South Wales and Queensland. KU Children's Services also operate ECEC services that could apply for the funding under the program. The department assesses KU Children's Services ISP applications, however, up to August 2023 their applications were assessed by a third-party contracted by KU Children's Services. This change was made after the identification of issues with non-compliance of delegations by the Department.

I ask that you consider an audit of the ISP administration arrangements.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Anne Aly', written over a circular stamp or watermark.

Dr Anne Aly
26/11/2024