



**Australian Government**  
**Productivity Commission**

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**PRODUCTIVITY COMMISSION**

**EARLY CHILDHOOD EDUCATION AND CARE INQUIRY**

**MR MARTIN STOKIE, Commissioner**  
**MS DEBORAH BRENNAN, Commissioner**  
**MS LISA GROPP, Commissioner**

**TRANSCRIPT OF PROCEEDINGS**

**WEDNESDAY 21 FEBRUARY 2024**

COMMISSIONER STOKIE: Welcome. This is our second public hearing today, and I'd like to acknowledge the Traditional Custodians of the land on which everybody's meeting today, and pay respect to Elders past, present and emerging.

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We very much welcome everybody's input and the time that people have spent both responding to our report and to come along and talk today. My name is Martin Stokie, I'm one of the Commissioners. If my colleagues are happy, I'll introduce them for them.

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COMMISSIONER BRENNAN: That's fine.

COMMISSIONER STOKIE: On my left is Professor Deborah Brennan, who's our Associate Commissioner joining us for this inquiry. And on my right is Lisa Gropp, and we're the three Commissioners presiding on this inquiry into early childhood education and care. We're also joined by a number of our team who are off to the side on their screens, and happily are keen to hear what everybody has to say in the process that we're running through.

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The purpose of the hearings is to hear back from stakeholders, and from yourselves, around the nature of our draft report. We will take on board the feedback and do further work as we have outlined already, and complete our report by the end of June. We hand that to the government. It's then up to the government just to, at least within reason, as to when they wish to publish that. They have 25 parliamentary sitting days to release that. We would expect, potentially they might do that sooner than that, but that's a choice from the government's point of view as to how they'd like to respond.

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As I said, we're very grateful for the submissions that we've received to date, both in relation to the earlier general call for ideas and process, but also in relation to our draft report which was released late last year. Those will be published and available on our website relatively shortly, and just in a process, and some stakeholders are still responding and they've been given a relatively short extension of time. We're keen to hear from everybody, so we prefer to receive something a little bit late than not at all.

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These sessions are being recorded, so there will be a transcript again made available, so just letting yourself know, Sheryn, and for everybody else, that's important. Nobody's required to take an oath as part of (indistinct words), but the Productivity Commission Act does require truthfulness in response. We really would expect nothing less than for people who are coming along, but it's perhaps necessary to reflect on that.

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And perhaps again, Sheryn, and for other people who are scheduled to speak and engage with us, just letting you know that it's not appropriate to be recording this session, other than what we do. But equally, there may be media who join, it's a public hearing, so they may join, so just to let you know. And potentially people may be drawing on social media in real in time,

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we don't know, but there's no restriction on that in that respect. It won't matter in this instance, but as a requirement around emergency areas, we are having public hearings in person, but that won't be an issue here, so I won't comment about that per se.

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In relation to each participant, including yourself, I'll call you to engage very shortly, but if you could just state your name and the organisation that you're representing, and potentially make a five minute short introductory comment if you wish to, and then we can have a discussion or, alternatively, we can just launch straight into specific points or comments that you have.

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We're very keen to hear about the recommendations that we put forward, and our request for information. But there may well be things that you are interested in, which we haven't raised today, and that aren't in our report and we're equally happy to hear and respond in relation to that. If there's nothing else from my colleagues, Deb or Lisa – Lou, I trust that we've got everything that we need. Sheryn, we might just handover to yourself and we're happy to hear from you. We have approximately 30 minutes or thereabouts, so the floor's yours.

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MS MULFORD: So a bit of context, my name is Sheryn Mulford. I am the nominated supervisor of Sanctuary Early Learning Centre. We are for-profit and we are standalone at this stage. However, we are looking at more services into the future. And I guess, for a bit of context, this is a 120 place service, so I've got between 32 and 35 staff given how many part-time job share things we've got going at the time. Depending on those things.

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So we run at above ratio. We have an additional staff member in every one of our rooms, and we're really lucky we've got a really reliable pool of 60 casuals that we've had with us basically since we opened our doors six years ago here. We've got an additional three early childhood teachers in our building, one being myself as nominated supervisor, my non-teaching educational leader who is also university qualified, and my admin assistant family coordinator who does all of our tours and accounts and is also an early childhood teacher.

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So with that additional support, we're available to the team and spend quite a bit of time on the floor. We cover all of our leadership meetings, all of our leaders' programming time, release time, and all those sorts of things. Even with those extra hands around, and with the additional qualifications in our service, we're still drowning. If you combine the experience of my leadership team across my six classrooms, it adds up to less than half of the experience of the leadership team I had six years ago when we opened our doors. They're amazing, and they work really, really hard every day and they do their absolute best, but they're still learning themselves and finding their way and leaning on the support that we offer them. But we can't pretend that the quality of the program and the supervision and the safety practices that the children in this service six years ago experienced, matched what these people are trying to do here now. Because there's just no substitute for experience and knowledge of how children play and work and interact with each other.

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5 So I understand that may sound like a service issue, or even a management  
issue. We've lost educators to COVID, we've lost educators to immunisation  
requirements, just like everyone else, we've lost educators to personal  
10 decisions and time with their own families, and things like that. But the single  
most common reason I lose qualified and experienced educators is stress.  
They can't engage and supervise and educate a group of children while they're  
also dealing with educators who just simply don't have the training and the  
skills that they need to deal with the complexities of the families and children  
15 in front of them. So we strive to be a quality service for all of our children.

20 We invest significant time and money back into the service creating a  
supportive environment. We manage a reasonable retention rate for staff  
overall. My leadership team have all been with me for longer than three  
15 years. Most of them have gone right from traineeships all the way up into  
leadership in our service. We subscribe to everything, we read everything, we  
post a weekly communication post for our staff to engage with ACECQA  
newsletters and sector readings, and to try to critically reflect and stay as up to  
date as we can. We fund professional development for our team. We run  
20 leadership meetings, we run full team meetings. Each one of our rooms does  
meetings with their teams individually. Even with all these strategies in place,  
we're finding it extremely challenging and regardless of our efforts and  
incentives, we just have a revolving door of certificate III educators who don't  
have the – I don't know if it's that they don't have the knowledge or the  
25 skillset, or if they don't know what the industry is when they come into it. I  
don't know if they don't know what they're signing up for. I wonder if, during  
COVID, people who couldn't work in their usual jobs, came to work with us  
because we were still operating, and a job was better than no job. But they  
didn't come to us because they genuinely wanted to be here.

30 We are in partnership with International Child Care College, one of our local  
registered training organisations. So my educational leader has a cert IV in  
training and assessment, so she assesses all of our trainees inhouse. And the  
reason we did that was because we wanted to match the practical skills that  
35 we wanted for our team to go hand in hand with the skillset they were being  
shown from the RTO. But even with that, we have a less than 50 per cent  
completion rate with traineeships because people sign up, they work out it's  
harder than they think it's going to be, or they work out that poor attendance  
or poor engagement isn't going to be tolerated, and they just walk out the door  
40 and State training just lets them cancel and walk away.

45 And it's not just young educators that are walking away. We've cancelled  
17 traineeships in the last two and half years, and four of them were mature  
aged women with their own children and grandchildren, so it's not flaky  
18 year olds that don't know what they're signing up for. These are  
established people who have had other professional careers that can't finish  
traineeships in this industry.

5 So I guess, and for nominated supervisors and leaders in general in this sector,  
I'm not sure how I'm expected to train my workforce, run my service,  
supervise children, and comply with all of the compliance requirements that  
are on early learning services, and still manage to have a relationship with my  
own children and my own family and get home before 7 o'clock every night.  
So the nominated supervisors around that are hanging in there, like, all of the  
forums, all of the network meetings, all of the Facebook groups, we're all in  
all of that, but everyone's hanging by a thread because the workforce issues  
are at the centre of everything.

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15 But it's also not just about the quantity of workforce, but it's about the quality  
of that workforce when it does come through the door, and then the ability to  
retain that workforce once they're here. Because we say our philosophy is  
based on relationships. Everything we do is based on a relationship approach.  
My only leadership strategy is based on a relationship approach. We just  
don't have the opportunity to develop those relationships across the board  
because people just don't stay that long.

20 So I guess the question I have for the Commission is, are we genuinely trying  
to create affordable and accessible positions for families in early learning  
services or are we trying to create quality positions in early learning services  
for children? Because I just can't help but feel that more accessible positions,  
and even more affordable positions, aren't doing children or families any good  
if they're not safe in those spaces, both intellectually and physically. So, yes, I  
guess that's my five minute opening.

30 COMMISSIONER STOKIE: Well, thank you very much for that Sheryn.  
You've reflected on a number of points that are critical to our report. Are you  
happy if we just take a few questions and maybe talk through some of these  
points?

MS MULFORD: Yes.

35 COMMISSIONER STOKIE: We agree the workforce challenges for the  
sector are front and centre and priority number one. If we can't resolve some  
of these things that you're referring to, we can't do all the other things. Our  
report refers to the potential expansion of services, providing universal access,  
et cetera. So if you're happy, maybe we could delve into a few of those  
points.

40 COMMISSIONER GROPP: If I could just add to that, that we're very  
conscious of this issue around quality, and it's not just a matter of providing  
more if it's at the expense of quality. And we've - - -

45 COMMISSIONER STOKIE: Indeed

COMMISSIONER GROPP: And maybe we have to make that clearer, but  
we've talked about that you have to do this step by step to ensure that you

don't expand the sector at the expense of quality just to provide any access. It's not what we're proposing.

5 MS MULFORD: Yes. I can only speak for myself and my team, but some of our frustration comes from we feel like every piece of – and I've listed perception further down my list – but if you ask families what they've seen in the media, or what they think the perception of early learning is, families talk about things like high costs, corporate providers. They talk about lack of safety standards.

10 Obviously with the media recently, they talk about child protection and those sorts of things. Families don't reference an early years learning framework. Families don't reference a National Quality Framework. Families don't understand that there is a whole educational basis to what we're doing in these sectors, because every time they hear about early childhood education, whether it's about how much CCS they're entitled to, or whether it's about affordability and accessibility, every single time the government talks about early learning, they talk about workforce participation. And while we keep talking about workforce participation, and our key role, that's how families see it. And that's how we're seen in the broader community. That's why we don't get the best and brightest of our HSC students enrolling into early learning courses, because who wants to go to uni to come and babysit kids, because that's still how we're seen very much in the public.

25 COMMISSIONER BRENNAN: Sheryn, thanks so much, first of all, for your opening statement, and for those additional comments there. And it is very powerful for us to hear from a provider such yourself. We have visited quite a number of services, but I just want to emphasise that we really do value hearing from you. And clearly you have an enormous investment, in every sense, in the services that you're providing to children and families. And as my colleagues have said, we are certainly very keen to convey not just the message, but the structures and the policies thrown around supporting quality. I think I'm hearing from you that that's not really coming through to you in perhaps our draft report. But I think I wanted to ask you, listening to your opening statement, it seemed to me there were at least three things that came through really clearly that were not enabling you and your colleagues to deliver what you'd like to deliver. One is about the training that educators – I'm not sure whether you've specified teachers as well, but certainly the training that educators arrive with into your services.

40 So I'd like to, in a moment – I want to say a little bit more - I'd like to hear a bit more about that and particularly whether your educators come from a variety of training backgrounds or whether you try to get educators who have been through specifics RTOs or TAFE, or whatever. Secondly, one of the ways that we demonstrate the way society values work is through wages, and I think you've directly and indirectly raised that issue with us. But equally, or more important, I think – perhaps more important, in your words – were the conditions and the stresses and strains under which your workforce is working, and I don't know anything about the area that you work in, but we

are certainly aware that there are more and more families arriving to ECEC services with highly complex needs, difficult family backgrounds, and we hear that preparation has not always got the students ready for the world that they're about to encounter. So I wanted to just to check with you. Are those  
5 three the critical issues, and would you like to say more about training, in particular, and then how that connects with the conditions and requirements of the job.

MS MULFORD: Yes, absolutely. You've definitely (indistinct words). So  
10 for us for training, we've had some sort of leadership ad and some sort of certificate III ad up for over 12 months, and they just automatically refresh at this point in time. So even when we have a full team, we continue interviewing because the way the climate is, you just can't afford not to be. So we are quite a well-developed area, we're surrounded by a lot of  
15 development, so we're not remote by any means, so our access to educators should be reasonably simple. But in 12 months of having certificate III ads, in particular, up in various places and using recruitment agencies as well as our own efforts to advertise, we probably get on average between five and eight applications for a three month cycle of an ad, and if you get two people who  
20 actually show up for an interview, you're lucky. And we usually have, out of the one or two people that show up for an interview, most often one of them won't actually hold the qualification, they'll be working towards it.

COMMISSIONER BRENNAN: Right.  
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MS MULFORD: So it's not unusual to post an ad for a three month life of an ad, and have no applicants at all or no applicants that actually hold that qualification. So out of 32 staff, right now I've got four on professional  
30 improvement plans because they're not able to complete the basic duties of care job description.

COMMISSIONER BRENNAN: Right.

MS MULFORD: So I have a window in my office that looks over the  
35 playground. Yesterday I picked the phone up four times to go, 'Can someone please go over and deal with this, and with that', and after that I just (indistinct words), which is what happens most days. And it's not that they're not trying hard, it's not that they're not doing the best that they can, it's just that they're working with the skillsets they've got.  
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COMMISSIONER GROPP: So Sheryn, you were saying it's sort of the cohort of trainees coming through is the issue, or is it has the training changed or is it the - - -

MS MULFORD: The training seems to be predominantly competency-based. So trainings used to be knowledge-based. So registered training organisations are now offering competency-based qualifications. They're much more tick-and-flick than they used to be.  
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COMMISSIONER GROPP: Yes.

5 MS MULFORD: And, I mean, the RTO we worked with was amazing and they're very adaptive and they're very receptive to us setting our own standards around trainees. But the reality of it is, I can't use their training packages independently. We have our own that goes with it. Trainees have the RTO's training course and they have a monthly system that we run them through ourselves. And that monthly system is what makes them, to us, employable as a certificate III at the end of that traineeship. Because it just doesn't give them the practical hands-on skillset that we need them to have the day that they become a certificate III. So they've met all the competencies technically that the RTO provides to graduate them, but then you send them out into the world and they've got no practical skills. And these are people that are working full-time and training on the job, so that to me is concerning to have them go through an on-the-job training course that's completely compliant and really well implemented, because our RTO does a great job, but they're not ready to jump in the day that they finish.

20 COMMISSIONER STOKIE: So is it the challenge, Sheryn, that they're still working towards, they haven't really completed their training, and so that's what's being observed, or is the challenge that the training isn't sufficient, even once they've completed the certificate III, to actually be sufficiently competent and deliver for the children for the service?

25 MS MULFORD: I think some of the problem is there's, like, the workplace elements, like, they have to actually do on the floor with the children. The requirements of those have become less and less and less over time. So there are some units now that don't even require a workplace component or a workplace observation from an assessor, and that's because their workforce isn't doing much better than ours. So they don't have the assessors to come out and do three assessments for every single unit.

35 And also we've got a lot of fast tracking going on. You know, now we can do a graduate certificate, which is supposed to make you equivalent to a four year trained ECT, and you can do it in two years. And fast tracking of degrees, and all of these things, have good intentions because they're supposed to help the workforce issue. But on the other end of that, you've got a whole bunch of people who have fast tracked a qualification and just don't have the experience. You just can't substitute experience. And the problem is we're losing all of our experienced educators, like, I would say more than half of them are already long gone. So they're the ones - - -

COMMISSIONER BRENNAN: (Indistinct words) - - -

45 MS MULFORD: - - - (indistinct words) a role model to them. There's no one here to role model, to this generation of educators coming through, what quality and responsive practice looks like.



COMMISSIONER BRENNAN: Yes. Sorry, I spoke over you there, Sheryn. But I was just asking where are they going?

5 MS MULFORD: Well, we've had three go and stack shelves at Coles because they can make more money that way.

COMMISSIONER BRENNAN: Right.

10 COMMISSIONER GROPP: Those are teachers or educators?

MS MULFORD: Sorry, diplomas, yes. Yes, early childhood teacher diplomas. Like, we've never seen an early childhood teacher go to schools and come back to this industry. So if they train in both, 9 times out of 10 you'll lose your early childhood teachers into the school system, and I know  
15 school systems are struggling too. So we've had early childhood teacher ads up. You can't advertise for an early childhood teacher on their own anymore, because we just won't get applicants, and we have been actively searching for an early childhood teacher for over two years.

20 COMMISSIONER BRENNAN: Right.

COMMISSIONER STOKIE: Sheryn, can I ask, you mentioned around the graduate certificate as an additional level of training and that that's not  
25 sufficient. We have heard in some areas that some universities are offering to recognise prior learning for certificate or graduate – sorry, diploma level educators who are working in early childhood education and care, and that would help accelerate their teacher qualification in early childhood education and care. So rather than at the top end after you've got a graduate, perhaps, a teaching degree, doing something around early childhood education and care,  
30 coming up through the ranks, clearly at a diploma level they would have the experience, would that be a better system? Is that likely to work if you were to find those people?

MS MULFORD: Look, I think that's definitely a better system than fast track  
35 qualifications that don't have the experience to go along with it. And I'm absolutely encouraging my eligible diplomas to enrol, because (indistinct words). So, yes, I think that's absolutely – like, with an experience component, that's definitely a better system. But I still think you're not getting – you've got to skip stuff. When you fast track a qualification, something has  
40 to go. And, you know, the ISPs will tell you the explosion in requests for funding for additional needs, requests for funding for inclusion support, and that's because that's one of the things that's had to be cut in half in these fast tracked courses.

45 So our educators hit our services, and I guess for me I go, 'Where's all the money going?' Because money goes into this industry, and there's no denying that, so where does the money go? The money goes on to scholarships and those scholarships fast track training. And that's good in theory, but then if those people get here and can't cope with inclusion or can't cope with children

with additional needs, then we need to give more funding to the ISP. Whereas if those people were made to train for an extra year and have that training, would their skillset be different so that they don't need that funding because they've already got those skills.

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And it's a bit of, what comes first, the chicken or the egg? And I understand that, but I just can't help but feel like the workforce and the training feed into everything else. They feed into how much support we need, how much funding we need, how much everything else we need. And I wonder if – and I don't know anything about anything as far as funding goes, but I can't help thinking, why are we funding families and not funding services? Why are we not funding services for qualified educators? So the more qualified educators you have, the more access to funding you have to support those educators, to pay those educators what they're worth, to attract more educators, and then the best services would have access to the best educators, and doesn't that promote all of us doing better?

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Because if you were offering a subpar service or not treating your staff well, or all the other horror stories we hear, those services wouldn't be able to retain people. And then it doesn't matter who's working full-time and who's earning what money, like, then it doesn't matter what a family's circumstances inside their home look like. I just can't help but think that would give us a more equitable system where children have access to early learning, because early learning's important, and we keep seeing early learning's important.

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The Early Year Strategy tells us early learning's important. The National Quality Framework and the National Quality Standard, all those years ago told us early learning was important. When we (indistinct words) the Early Years Learning Framework all those years ago, we said early learning's important, only families aren't getting that message. Families are getting, 'Child care's important so you can get back to work as quickly as possible. But you can't work full-time, because we won't fund that, because we'll only fund 100 hours a fortnight. So if you attend a 12 hour a day child care centre, we won't fund all of your time, so then we'll take money back off you. So if you don't work, you get no funding. And if you work too much, we'll take money back off you. So what we really want you to do is work three days a week because that's where you'll get the most out of us. Because if you do any more than that, then you're neglecting your children and they're in care too much. And if you do any less than that, then your children are missing out on education they should be getting'. Like, it feels like the whole funding model prioritises the wrong part. Does that make sense? Sorry, I'm rambling.

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COMMISSIONER BRENNAN: It's a very interesting perspective, and I think I'm hearing you say that there is rhetoric around quality not matched in the funding model.

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MS MULFORD: Absolutely. The funding model funds the workforce. The funding model is all about, 'Tell us what you're doing with your children and where they are, even if they're with a grandparent or not, or in care or not, or

in family day care or not. The funding model is all about getting into people's homes and judging what they're doing, it feels. And I know that that's a very simplistic view but, yes, the activity test is such a massive barrier to access for so many families.

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COMMISSIONER GROPP: You'd be aware that we've proposed removing the activity test, at least the first couple of tiers, it's about 30 hours, and we've had an information request about what should remain, if anything, beyond that 30 hours. Do you have any views on that?

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MS MULFORD: Thirty hours isn't three days a week for us.

COMMISSIONER GROPP: Sorry?

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MS MULFORD: Thirty hours isn't three days a week for us.

COMMISSIONER GROPP: Okay. You're a 12 hour a day centre?

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MS MULFORD: Yes. And, look, 30 hours a week is better than 36 a fortnight. Because, you know, you've got families who can only be here for six hours a day, and I don't know many people that can, you know, drop children off, get to work, do a full day's work, and come back within six hours. And, you know, spread across the fortnight, the way that it is, it's really complex, it's really difficult for families. And we find that the families who need our services the most – and, like, the children who would benefit from being in this setting because their parents are struggling, or unwell, or maybe not necessarily have the skillsets to interact with those children as you would like within their homes regardless of their own efforts, those are the children who are more likely to have families who aren't working or can't keep a job. And so the activity test stops those children from coming altogether.

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COMMISSIONER BRENNAN: Sheryn, do you mainly have children whose parents have paid work? It sounds like you've got a mix, because you're talking about the limits on - - -

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MS MULFORD: We've got a mix of families who are at that higher income end. So we've got a mix of families who are quite affluent, and quite competent, and all of that. And then we've got a stream of families who – I've got two families who I've got working with Samaritans and Brighter Futures, as far as family support goes, so they've got access to case workers, and things like that. We've got quite a few families on ACCS, the Additional Child Care Subsidy. I've written five referrals to the NDIS trying to get funding under NDIS for children because they don't need a diagnosis in this age range. So we've written five referrals to the NDIS trying to offset the fact that ISP funding is so hard to get, so trying to get those children funded through another avenue. I've had three children go all the way through this service trying to get ISP funding for them, and it doesn't come through in time before they leave to go school.

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COMMISSIONER BRENNAN: Yes.

5 MS MULFORD: And those children can start at two, and you start the process of trying to get all the paperwork together, and trying to get that application together, and that funding doesn't come through before they go off to school.

10 COMMISSIONER STOKIE: Sheryn, can I just take you back to something you said at the very beginning, which is top of mind, at least for us. We observe a number of people who enrol to become educators, or even teachers, and it's very significant numbers. But the numbers that actually complete are very, very low, and you're living and breathing that. You've had the churn coming through, and you alluded to one idea that I think we have, which is, well, is there a misalignment here? Are people not understanding what it is that they're enrolling in? Are they just doing this for, I don't know, for whatever reason? Because if we could get the people who are enrolling that genuinely want to be here and to keep them in the sector, that would be a very positive thing rather than the churn and the turnover. You're the, kind of, the coalface here and you're seeing it on a daily basis. What's your sense? What are the people saying when they enrol and then don't stay? Are there characteristics of people that be more likely to stay rather than others? You know, have you developed an antenna of, 'This person's a keeper', 'This person, I'm not sure'?

25 MS MULFORD: I think that - - -

30 COMMISSIONER STOKIE: How do we get them to stay longer? How do we get them to engage and complete? Because they're opening the door, they're at least enrolling.

35 MS MULFORD: And I think that they don't have any perception of what this industry actually looks like. The compliance aspects is massive, the paperwork is massive. Like, they enrol to be with the children, and they realise that being with the children is actually not what being in a leadership role in this industry is about. They think being in a leadership role in this industry is about producing a piece of paper that says you are with the children. And again, all of the compliance comes with really good intentions, but the human toll of that is people don't want to sign up to be with children and be locked in a room typing on a laptop. They want to be with children. So in order to meet the requirements and deal with all of the red tape, the amount of paperwork that's expected, and the volume of documentation, and parent expectations can be really, really high.

45 Like, these parents have gone from wanting a photo of their child every day to wanting a photo of their child every hour. And when you've got 35 children in a room, that's a massive, massive commitment to meet. And then they do their first prac training and they come in and they go, 'Wow, this is actually really hard work', and then they go to the staff, 'What are you earning?', and

it's all over. I've got three people in leadership positions in this service at the moment that are actively looking and enrolling in uni courses unrelated to this industry, because they can make more money that way.

5 COMMISSIONER STOKIE: Right. Do you think it's not good information  
when people start that this is what is involved? Do you think that they have a  
romantic view about the work, but reality doesn't – like, what could we do  
better that may even reduce the number of people enrolling, but those who are  
enrolling who are genuinely interested and want to work in this sector will  
10 stay? So the ambition that I'm keen to see is how could we increase the  
completion rates? And if that means the quality of those who are enrolling is  
better, what needs to be done at the early stages in your mind?

MS MULFORD: I don't know if it's too, and this sounds contradictory, but I  
15 don't know if it's too easy to get into. Because I don't know if people at a  
certain level enrol in these courses and then realise that the commitment and  
the skillset and the workload involved in actually completing the course is  
more than they're prepared to complete or necessarily capable of completing?  
I don't know if people think that it's just going to be something to enrol in and  
20 it's an easy course. But there's got to be some way in all of these reviews to  
the NQF in rolling back, like, the paperwork and volume of that  
documentation. I think that the best way to increase completion rates would  
actually just be to simplify what we're here for.

25 COMMISSIONER STOKIE: Right. Are you seeing an improvement? Like,  
is it getting better post COVID?

MS MULFORD: I don't know where the money's supposed to come from.  
Like we, as providers, don't have it. We just don't have it. And we're private  
30 and for-profit, so I'm meant to be the devil, I think, in a lot of ways. We get a  
tough rap some days. We provide – and we could do it cheaper than we do,  
we absolutely could, but then what's the point of doing it at all. So I think that  
if we're going to genuinely look at wages, it has to come from funding, and  
then I understand that funding has to be taken from somewhere else.

35 COMMISSIONER GROPP: So you'd be aware of the multi-employer  
bargaining process that's underway at the moment, so what's your view on  
that? I mean, do you think – I mean, presumably there will be an enterprise  
agreement with increased pay and conditions, which are – you wouldn't be a  
40 party – are you a party to that, or what's your – you're just watching with  
interest?

MS MULFORD: We're not at the moment. And I think that people to be able  
to negotiate and negotiate in groups, that's all good. But again, where does  
45 the money come from? Where does the money to make that happen come  
from?

COMMISSIONER GROPP: Well, I think there's some suggestion that, well, the government would get involved in some capacity but it's unclear at this stage what that would look like.

5 MS MULFORD: Yes. There's no real clarity around what sort of support would be available for that. And I think, for us, that's terrifying to be honest. And that's not because I don't think every single staff member I have isn't worth an additional \$15 an hour, I think most of us providers, if we have it, we'd be more than happy to pass it along.

10 COMMISSIONER GROPP: So relatedly, I mean, you said your users range from high income to low income, so that would set challenges for you in how you set your fees, I guess, because you have to take into account the capacity to pay, perhaps, of your users. So how do you do that? You know, higher income people may have greater capacity to pay, but you can't charge them more and the others less.

20 MS MULFORD: No, it's even more complex than that. Because at some point, if you keep your fees low, as we try to do, and then families are looking at a community and there's six services available to them, and your fees are significantly lower than everybody else's, it actually makes them less likely to walk through your front door, because they think there's a reason you're cheap. Do you know what I mean? So it actually creates a different sort of barrier because then those families in that higher income bracket think, 'Well, if I'm paying more than someone else, then I must be getting a better quality of service for that'. So we kind of fit in the middle of the area around us, and always kind of have, because we're trying to keep it as cheap as we can, and we're trying to keep it as reasonable as we can. But, yes, you kind of can price yourself out of the market at either end.

30 And there's not a lot of transparency from centre to centre of what we're doing with our fees. So for an area, once one centre hikes their fees by \$8 or \$9 or \$15, then there's not a lot of transparency from those services to the other services in the area. I understand there has to be an element of business sense to it, but I know it would be easier to keep our fees lower if we knew what other local centres were willing to do, and willing not to do, and then I wonder if, as a team of providers, it would be easier to go, for this area, 'Let's do this', and if families wouldn't be better in the long run. Because if someone else raises their fees \$5 and you were thinking about raising them two, it becomes more likely that you'll go four. Does that make sense? Whereas if everyone was talking to each other and they went, 'We're thinking five', and we went, 'We're only thinking two', everyone might land at three for an increase and then overall those families would be better off. But the way the market works at the moment, there's no transparency from service to service as to what our fee decisions look like. So I wonder if some sort of system where that could be looked at would help (indistinct words) families across the board.

COMMISSIONER STOKIE: Okay. Were there other points that you wanted to raise with us today, Sheryn? We're conscious of your time, you're very busy.

5 MS MULFORD: They were really my key concerns. I think that fundamentally there's a mismatch between what we say we want and what we fund. And I feel that there's a real disconnect between what early learning is actually for, and I think that hurts us workforce wise and in training as well.

10 COMMISSIONER STOKIE: The core concerns you raise are top of mind for us, Sheryn, and hopefully you've had a chance to look at our report, there's a number of recommendations that we're seeking to have adopted which would go hopefully a long way to addressing some of these points. And I think, like yourself, if we can't address them, then it's going to be very challenging to do  
15 and have the improvement that everybody seeks in this sector across the board. And that's not putting more pressure on yourself, but in fact provide a better outcome for the children. We are very much trying to centre the child as part of this exercise.

20 MS MULFORD: Yes.

COMMISSIONER STOKIE: But also for families, and particularly those families and children who are missing out now, is a priority concern in the immediate sense.

25 MS MULFORD: Absolutely, yes.

COMMISSIONER STOKIE: Thank you very much.

30 MS MULFORD: Amazing. Thank you so much for your time. I appreciate the opportunity to be able to be heard.

COMMISSIONER GROPP: Thank you.

35 COMMISSIONER BRENNAN: Thank you, Sheryn.

COMMISSIONER STOKIE: Thank you very much. I appreciate it.

40 MS MULFORD: Thank you so much.

COMMISSIONER STOKIE: I think our next meeting is at 10.45, so we might just call a break for 15 minutes, and resume the hearing at 10.45.

(Short adjournment.)

45 COMMISSIONER STOKIE: Good morning. How are you, Jenny?

MS DONOVAN: Hello. Very well, how are you?

COMMISSIONER STOKIE: Katey and Rowena (Indistinct words) everybody.

MS DONOVAN: Hello.

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COMMISSIONER BRENNAN: Morning.

COMMISSIONER STOKIE: So welcome. Thanks for your forbearance. We just had a very short break, and I think we're scheduled to recommence at 10.45, which is now, so why don't we recommence. Just for your benefit, we are recording these public hearings and there will be a transcript made available, not necessarily today, but in a very short time. We have around 45 minutes with yourselves, and you are welcome, if you wanted to, to make a short presentation or make a statement of some sorts, and then we'd be very welcoming of your views and discussion around our draft recommendations.

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We have a series of requests for information but there may be some very specific things that you, and your organisation, or as individuals, you wanted to make, and we'd be more than welcome and happy to hear. And we think AERO has an incredibly important role to play, but for our records, can you just maybe state each of your names and the role that you play in the organisation and then we'll handover to you. We're very much here to hear from you, rather than any other way around, but we're open for conversation. We'll handover to yourselves.

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MS DONOVAN: All right, thank you.

COMMISSIONER STOKIE: I think before I start, and maybe for your benefit, I think you have met, but I'm Martin Stokie, one of the Commissioners. I'm joined by Commissioner Deborah Brennan, our Associate Commissioner, and Lisa Gropp, our third and important Commissioner on this project. I know we have spoken before, but at least for your benefits, that's who we are.

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MS DONOVAN: All right, thank you. I'll kick off. My name's Jenny Donovan, and I'm the CEO of AERO, and very grateful for this opportunity to talk to you, and to give you a little feedback on what we thought of the work that you've done to date, and how excited we are about the opportunity to influence the shape of the final report. My colleagues, who you can see online, are Katey De Gioia and Rowena Shirtcliff, and I will be encouraging them to step in and not let me do all the talking because they are the dual experts in this space. I'm just the figure head, they know what they're talking about. But I will kick off because I do want to seize the opportunity to say thank you for the interim report.

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There is so much in there that's to be applauded. We think that it's definitely demonstrated the value of having this commission of inquiry and the opportunity now to finesse and really drive home some of the reform, that there's clearly appetite for, is really welcome, so thank you. And thank you



5 for acknowledging AERO's place now in the architecture. We are only new, and when we first spoke to you, and you began your work, we were even newer, but it's really gratifying to us to see that, in the work that you've done, you can see the place that we have now taken, the space that we're inhabiting, the quality of the work that we're doing, and the impact that we're having on the sector. So appreciate that you've seen that, and - - -

10 COMMISSIONER BRENNAN: And others have mentioned AERO to us too in discussions, in submissions.

15 MS DONOVAN: That is also really gratifying, thank you. I guess then, I might go straight to the point on a couple of the areas that were surfaced in the draft report, and we would like to offer our view on how they might be really brought home in a final report. One is in relation to the proposal around the Commission, which is a really interesting idea, and anything that brings focus and attention to the early childhood education and care sector is to be applauded. Our caution about that is really about the scope and functions in relation to research. We think that there is a real risk of both confusing the sector and duplicating activity if the Commission gets given a remittent authority to design and drive a research agenda when that's exactly what we are currently doing in AERO. So we kind of didn't weigh it in with our first submission, or even very much in our second submission, to say, 'Pick me, pick me', but we do want you to observe that if you've got something that's working well, and it's doing that job that you value and think needs to be done, then maybe it doesn't need to be fixed. So that would be one. I'm happy to talk a little more about that.

25 The other is, we're really grateful for your focus on data and how incredibly important it is for this sector to improve the way we work with, manage, and analyse the data that's available to us. And the sense that you've conveyed, that we need much more focus on better data stewardship, is absolutely spot on, and I guess what we would do is to urge you to go further and say that we actually need a much more robust data architecture for early childhood education and care. We need to have trusted mechanisms for data sharing and data linkage because, at the moment, we remain really hamstrung by our inability to get over the distrust that data gets, the things that are getting in the way of the work that we should be able to do. It would be possible to tell much more informed stories about what's happening in the sector if we were able to work more easily with the data that is available already.

30 The other point that I'd make about that is that AERO did a piece of work, which I know you've had access to, which really interrogated if we could get our act together around data better, what are the sorts of questions and research and analysis we might want to do. So we've already got that piece of work, kind of, sitting, ready and waiting. We've got all of the jurisdictions who were through the ECPG part of authorising that work and then accepting it when it was delivered to them. So we've got rungs on the board here, we're not starting from nowhere, we know what needs to be done with this, and our hope is that your final report will really push hard to say we can do better, we

know how that can be done, and the change to the architecture is what's needed here.

5 The final thing that I'll say is our research agenda for 2024 is really closely aligned to the kind of research agenda that was outlined in the draft report, so very happy to take some time in this meeting, if you would like, to go through some of the things that we will be working on over the course of 2024. But that's the point at which I'll invite my colleagues to join the conversation, because they're leading these pieces of work and will be able to speak about  
10 them with far more expertise than I can offer. But maybe I'll pause there and see – have I got really got up our noses and you're now going to say, 'AERO, you are dead to me', or is this kind of what you were hoping to hear?

15 COMMISSIONER STOKIE: Well, definitely not.

MS DONOVAN: Good.

20 COMMISSIONER STOKIE: There's many interesting aspects that you've raised and rather than us, sort of, go through with that discussion now, we might come back to Katey and Rowena and just allow them to have some input initially. What I would say, though, is our ambition for an ECEC Commission was very much around the gaps, so definitely not trying to overlap or duplicate its existing system, but indeed, if existing systems are working well, then the question might be, 'Well, where's the potential, if there  
25 is a Commission, to work then with an organisation like AERO that has a very significant and a broader remit and how do we take that research, or is there enough funding for that research, or are there specific questions that some are saying, 'How does that feed back into yourself', but we'll park at that point and loop back.

30 COMMISSIONER GROPP: Yes. I mean, I guess we'd envisage a Commission could be a champion of research, if you like, and you talked about data collection et cetera, again that sort of body could become a mechanism for getting cooperation across jurisdictions for data sharing,  
35 et cetera, and collection. So, I mean, we're taking a point, and you're not the first to make this point, if something's there and it's working or it could expand or do more, well, then look at how we can use what's there in architecture.

40 COMMISSIONER STOKIE: Yes.

45 COMMISSIONER BRENNAN: Yes. So just really to build on that that it's not at all our intention to sideline your crucial role in developing the type of research agenda that you've outlined to us, and in documents, and so on, and we are keen that the Commission doesn't overlap, doesn't push aside well-functioning entities. Hopefully, we might be able to make some of that clearer. We've had a variety of responses to the idea of a Commission, mostly fairly positive, but a lot of the questions raised of this type, 'Are you aware of what's been done by this, that or other organisation', and we are. But we still

think the need for a Commission is clear, but I think there might be a bit of refinement between now and the final report.

5 COMMISSIONER STOKIE: And elevating research is something that we think is important, however that gets done.

COMMISSIONER GROPP: And a Commission too would be great for the research outcomes for a way of diffusing the learnings, the outcomes, of research into practice through the - - -

10 COMMISSIONER STOKIE: Indeed.

COMMISSIONER BRENNAN: Yes.

15 COMMISSIONER STOKIE: But why don't we come back to that. Katey and Rowena, in any order?

MS DONOVAN: I'm thinking Rowena first to run through some of the research projects that we have on our agenda, and then Katey to talk a little about the learning partner project, in particular.

MS SHIRTCLIFF: Great, thank you. Hi everyone. I'm Rowena Shirtcliff. I'm the program director for early childhood in the research and evaluation team at AERO. Like Jenny said, I would like to commend you on a really comprehensive draft report and findings and recommendations. I think it provides a really nice overview about the importance of quality, as well in the early years and the benefits for children and families going forward in that space.

30 I guess for us, some of the work that we're doing and the overlap between the Commission and the findings relate to some of your recommendations as well as some of the findings around that. So certainly we're very keen, like Jenny talked around this, to think about a strong finding or recommendation around data architecture. At the moment, the current report does rely on a  
35 Commission and what that might look like, but we think there's probably a nice opportunity to think strongly about what could data architecture look like, and in our submission we pointed through a couple of recommendations about what that might look like, so obviously working with key players in the sector, but also that linking of existing data and thinking through, 'Do we need  
40 a national child centred longitudinal dataset right across that brings together a complete picture of early childhood data nationally. So that would be a consideration for the Commission around, 'Do we need to think through that and what might that look like going forward?' And that probably links  
45 through to some of the work that we have been doing, and are looking to do in the future.

One of AERO's key priorities is around maximising educational data, and the work in early childhood to date has been quite – one of the leading pieces, I think, in early childhood in bringing together data and conversation with the

sector, with stakeholders, as well as jurisdictions and nationally across that space. So we have done some data around priority cohorts of children. So we published last year some findings around multilingual, or emerging multilingual, children and the experiences in and out of early childhood, and the benefits for different pathways and understanding more about those children. We'll build on that research this year coming into, to also look at children living in regional and rural parts of Australia as well as children in low SES. So the findings that we have through that are really quite helpful for all jurisdictions, as well as nationally, to get a complete picture about how we can think about mitigating disadvantage or thinking about the pathways for children as they progress through different ECEC systems through that space. So I think that's probably a really nice example of the importance of having linked datasets or starting to think about the pathways for children in that space there.

We're also really interested in understanding the questions that the sector are most interested in terms of data. Obviously, 2024 is an AEDC collection year, so that's always an important dataset nationally for not just education, but for other government agencies around that, so we'll continue to work as part of the data sharing working groups, through ECPG, as well with jurisdictions that are understanding and using data in different ways. So that's probably just some of the pieces that we have done, and the work going forward in that space.

I guess some of the other pieces that we are quite interested in is the work around thin markets. We have got, in our 2024 research agenda, to do a literature review around thin markets, so we were really pleased to see the focus on understanding thin markets in the Commission report. We thought that the understanding around demand side funding as well as supply, all of those things were really helpful in helping us to shape up some of the literature review going forward, and what we might like to consider or be helpful to government. So we are looking internationally and in Australia, some of the promising approaches, or successful approaches. But an interesting part is also looking at factors that support effectiveness in that space, and we're hoping that what we can learn from what others are doing nationally and internationally will really be quite helpful going forward. So that's some of the overlap around the pieces in that space as well.

And I guess the other piece that we're always really interested in, and I think has been really highlighted well through the Commission, is the focus on quality, and obviously about having really skilled educators and teachers working in the early years. So we noticed in the submission the focus on mentoring around professional learning, and so we really obviously are very focused on making sure that when we are thinking about how best to support educators and teachers, that we're also thinking through translating the evidence, but also the mechanisms that support impact and engagement, and we'll continue to do that work as we head into 2024, particularly building on the learning trajectories work that was published last year by AERO, and understanding around how children develop across those early years, but also

then how we maximise learning and development for children in those early years, so in those services we're getting the best outcomes for children. So I do apologise, I just spoke straight at you for 10 minutes there, but I just - - -

5 COMMISSIONER STOKIE: It's incredibly important and, again, we'll come back to some of those points, I think, Rowena.

COMMISSIONER BRENNAN: And I've got one question.

10 COMMISSIONER STOKIE: Yes, please.

COMMISSIONER BRENNAN: Thanks so much, Rowena. I do think we're very fortunate in Australia to have AERO and to have a body so committed to research that engages with policy and with practitioners, educators and  
15 teachers. But I actually wanted to ask a question, because you call out specifically the development of a new national child centred longitudinal dataset, and I just wanted to ask, is that – because a lot of people have raised with us a new wave, or new LSAC. Is this essentially a revamped new wave of LSAC, or is it something else? Do you have any guidance or just  
20 suggestions around that?

MS SHIRTCLIFF: Yes. Look, I think it's about making sure it's a complete picture.

25 COMMISSIONER BRENNAN: Yes, yes.

MS SHIRTCLIFF: So I don't think it's starting from scratch, but I think it's about making sure it's a complete picture. So some of the challenges, that we know at the moment, is that it doesn't always encompass all data from all  
30 jurisdictions or different funding types. So preschool data nationally can be included in different ways, so I don't think it's about starting – I mean, we actually have great longitudinal datasets. We've got the AEDC, we've got the CCS, like, I think it's about a way to bring it together and an understanding and a governance framework about how we can do that better, and how we  
35 can all have access to that to understand what's working for children and families, and understand how to use that data to also monitor the effectiveness of system changes or system improvements. So we can follow-up absolutely with our scoping report, and some of the key specific parts of that as well, but my view from our initial understanding in the scoping report, is that it's not  
40 about necessarily something brand new, but it's making sure it comprises a complete picture of all the data that's available collected by multiple jurisdictions and government, so that it can inform the pieces going forward in that space there.

45 COMMISSIONER BRENNAN: That's something that we certainly position Australia at the forefront if we were able to bring that off.

MS SHIRTCLIFF: Absolutely.

COMMISSIONER BRENNAN: And thanks for your thoughtful 2024 research agenda too, which just so clearly shows how engaged you are with policy debates, with policy makers, and indeed, I think, with our inquiry so far as well.

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MS DONOVAN: It's a very consultative approach that we take to putting our research agendas together, so we hope that they reflect what people really see as being the important research questions to tackle. Just on the back of - Rowena mentioned mentoring as well, and we have of course done a piece of work about mentoring for the teacher workforce working group, the ECPG group, which we are doing everything we can to enable it to be shared with you. At the moment, because we did it for them, we can't speak to it in any great depth, it's with them, but they met yesterday to consider how quickly they can get it available for publication and dissemination.

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COMMISSIONER BRENNAN: As you know, we've got some draft recommendations around coaching, mentoring and so on.

MS DONOVAN: Yes.

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COMMISSIONER BRENNAN: And not that this certainly would not obviate the need for coaching and mentoring, but we are getting some quite concerning feedback around the content of pre-service training for both educators and teachers. Mentoring and coaching don't make up for that, but they do highlight the potential role for the sorts of thing you're looking at in a research and evidence-based way. So it's good, thank you.

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MS DONOVAN: It's clearly very highly valued by the sector. Can I invite Katey to tell you a little bit about the work that we're doing in terms of our learning partner project?

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COMMISSIONER BRENNAN: Please.

COMMISSIONER STOKIE: Thanks, Katey.

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MS DE GIOIA: Thanks, Jenny. I'm Katey De Gioia, the director for engagement and impact, early childhood at AERO, and I'd also like to commend the Commission for the report, and acknowledge the draft final report and really acknowledge children as a focus in that report as well, which I think is really important and key to what we're all here for.

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I think when we last spoke to you, we just released the learning trajectories, the early childhood learning trajectories, and those learning trajectories show how children learn and develop across five domains. Last year, we started with our learning partner project, and what we're looking at is promising approaches to implementation, so really thinking about the evidence-based practice of assessment for learning, and using the early childhood learning trajectories as the supporting resource. So in this learning partner project, we

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want to use an evidence informed approach to provide support and guidance so that we can actually improve practice and ultimately demonstrate impact.

5 So last year we worked across nine services in three jurisdictions. We have a very small sample that we're drawing on that gave us some really helpful information. We're in the process of putting together the evaluation report now, but we do have some high level findings from last year that have informed our ways of working for 2024. So in 2023, we were working directly in services. We had an implementation consultant who was pretty  
10 much in a service 10 hours a week, and was working alongside, what we had called, implementation coordinators, and those coordinators were most usually the educational leaders in the services. We were using four key components of implementation, based on implementation research, and the project extended approximately over a year depending on when services came  
15 onboard, and we also used 'meeting' as a criteria for all of our services as well.

20 Some of those high level findings, in terms of thinking first about the coordinators or the educational leader, that it was often not clear about the role of the educational leader, so what their role was or what they perceived as their role in the service, and that there was not often support available from their managers. We also saw that they appreciated the opportunity to network with others, other educational leaders, and hear about their experiences, and also we saw that they were becoming more planned and more intentional with  
25 their conversations with teachers and educators to support them in the practice of assessment for learning

30 With regard to the teachers and educators, what was really interesting was that we saw and observed a shift in confidence and language of how teachers and educators spoke about and documented children's learning and development, and that they were more aware and intentional with the different components of the planning cycle as well.

35 In terms of implementation, what we found was that the coordinators initially felt the process was slow. But as we worked with them, and worked throughout the year, they could understand the need for that slow process over time to really move to embedding and sustaining that change that they wanted to see. And what was interesting for us as well, in terms of the sector whilst we worked across three jurisdictions and three clusters, we saw similar  
40 characteristics and challenges. So obviously, workforce shortages and operational needs get in the way of the focus on practice. We saw that quite consistently across those jurisdictions, and also then impacting the support that was given to teachers and educators.

45 This year, 2024, we've adapted the model slightly based on some of our early findings. So we're working this time only in two jurisdictions, but we're working with 12 services, so six in each cluster, and we're actually lifting out of the services. So what we're looking at doing is working with the coordinators, so working directly with the educational leader and the centre

5 directors, so with that leadership team, to really work through them to enact that change. So working quite specifically from more of the trainer model, using the components of the implementation, working with them and having them go back in the services and then work directly with their educators and teachers.

10 So we've only just commenced, but I was actually saying to Jenny earlier that we had one of the cohorts in yesterday for their first series of professional learning, which was one of the strategies that we are using as part of the implementation process. And what we found was that the conversations and the engagement for those educational leaders and service directors, in terms of coming out of their services to be able to meet together, talk through, understand how the year was going to unfold, and what that meant for them in terms of what they would take back to their services, there was high levels of engagement, excitement, and just that real opportunity to really focus on assessment and planning.

20 COMMISSIONER GROPP: Thanks, Katey. In terms of the services, are they a mix of for-profit, not-for-profit, different sizes, can you tell me about that?

25 MS DE GIOIA: Absolutely. We tried to cover off on the mix as much as possible, so we have a wide variety of provider types. We've tried to exactly cover off, as you've said, across not-for-profit, for-profit, small, larger size services. We're also working with family day care as well as preschool and long day care, so quite a bit of a mix in that group as well.

30 COMMISSIONER GROPP: It's interesting you say how they value just being able to meet up with their peers, if you like, and having those networks, so that in itself is interesting, I guess.

35 COMMISSIONER BRENNAN: It is interesting, and I also really respect and value the way you're creating not just a perception, but a reality that research is not something that just happens out there, it's not just something that's done in universities or for high level policy makers, that you are really engaging with services, educators, educational leaders, directors, and so on, and helping them to perceive the value of their own work, and also the value of research. Because our big ambition is very connected to research, and to establishing a system where the system of learning from itself, learning about best practice, learning about quality, is absolutely embedded in everything we do. So I think the approach that you're taking to research is extremely valuable. And great to hear that family day care and preschool are in there too.

45 MS DE GIOIA: I think what's also really lovely about that is those conversations across those different services as well. So having family day care in the same room as long day care and preschool to have that conversation about implementation as well, I think has been really supportive, even for those services leaders that are sitting in the room together.



COMMISSIONER STOKIE: I'm just wondering if we can come back to some of the initial things that you raised, Jenny. In particular, we have a recommendation around establishing an Early Childhood Education and Care Commission, and one of the things we had spoken about, as a role for that  
5 Commission, relates to research. There's clearly activity, responsibility, and focus that you are already having in that space. A question that's going around in my mind is, how do you see those things working, does it work or not? And I appreciate your initial concern which is, you know, don't create overlap, don't have dual processes that are in conflict, but we actually want to  
10 see something come together. And at its core, our recommendation is in areas where we have thought and heard that there might be gaps, so that might be a perspective around AERO's still relatively new, and so that just begs to run its course.

15 I'm wondering also about the connection between research and then ultimately the regulatory areas, and the oversight, and the governance. As in, how do we take the research and make it real, not just, we've looked at it and we have a conclusion, but then how do we act on those conclusions or spur the next bit of research to get greater insight and have continuous improvement?  
20 Anyway, it's a long-winded way of asking, how would you see the role of AERO and the Commission working together?

MS DONOVAN: Thank you. It's a really interesting question and, to an extent, we'll take it on notice and maybe come back with some additional  
25 thoughts afterwards. But my sense is that we don't want to reproduce the function of a national agency having responsibility for defining and implementing a research agenda in the space on an annual basis. So we're here, we're doing that, I've talked to you about mechanisms for getting that actually embedded into practice, and inside the systems. There is, of course,  
30 other research happening in other places simultaneously, and we do our best efforts at having an eye on what's going on where, and who's involved in what, and making sure that our research agenda doesn't duplicate somebody else's area of current work, et cetera, but there is potentially a place for the Commission to play to, you know, host opportunities for it all to be brought  
35 together at different times, it could be a little bit of a forum for sharing insight into what we're learning and what new or current activity there is to know about.

40 In terms of what do we do to make sure, I boringly often talk about, you know, research is great, but if it sits on a website, it's not actually improving children's outcomes, and the whole point really of Katey's project, the learning partner project, is to examine the ways that we can be onsite shoulder to shoulder with people in early childhood settings, see what it takes for them to implement what we know into their practice, what can we be  
45 doing that will support them to adopt and adapt the evidence base into the work that they're doing on a day-to-day basis. So we're doing that to learn, so that we can push back the kind of findings that Katey described earlier about who do you work with, what's the kind of dosage, what are the resources that

will be needed, et cetera, all of those findings will be pushed back to the sector.

5 We also, though, are very conscious that it isn't – a faster way to get the kind  
of changes that we want to see, and improvements that we want to see  
adopted, is going through the sectors, the jurisdictions. So we participate on  
ECPG, we have a standing item on their agenda. Every time they meet, we  
get to go deep onto one of our pieces of research so that they are completely  
10 across it, they understand what we're doing, they understand the implications,  
and we will often go to the extent of providing advice about implementation at  
a sector jurisdiction level as well. And Rowena's come to us, of course, from  
the Queensland Department and knows well what it looks like being on the  
other side of this, and learning about something new that could improve things  
15 in the entire sector, and how to go about putting that into practice.

But I think it's fair to say, in early childhood, and it's true in schools as well,  
that having a predisposition to be evidence-based and undertaking research,  
only takes you so far. It still requires people with the time and the motivation  
to learn about it, and then try it and do it. And we could not be clearer that  
20 that is part of our task as well. It's not just doing the research and writing it  
up, it is about understanding how do we change behaviours, and that's the  
policy level as well as the educator level on the ground in early childhood  
settings. Rowena or Katey, did you want to add anything to that kind of  
meandering answer I just gave?

25 MS SHIRTCLIFF: I think, Jenny, from my perspective there's probably  
nothing else to add. I think that the important piece is the linkage between the  
research and the implementation, and I think that's really critically important  
for educators in the sector around that space there. I think there's also a  
30 linking between the understanding of what the research tells us, how we  
implement it, and then how we drive sustainable change, and I think that's  
what AERO is learning through that, and through the work with stakeholders  
and jurisdictions, and feeding that loop back around that space. But I  
probably wouldn't have anything more to add, Jenny, but Katey might do.

35 MS DE GIOIA: The only other thing that I would add to that is the  
importance of our project advisory groups, and our panel of educators,  
teachers and leaders. So those groups come together and are made up of  
different representatives from the sector, from peaks, providers, and from  
40 jurisdictions that's on the project advisory group, and it's really important to us  
that we have those ongoing conversations throughout the development and the  
life cycle of the research, and right through the implementation piece as well,  
feeding back, asking for advice and support is on the way, is really important  
to us.

45 The panel of teachers, educators and leaders, again, is checking in with those  
that are working directly in services or in around service support roles, to hear  
from their perspectives. Some of those are what the findings are from the  
research or what we're looking at in terms of how those resources are being

developed, and their perspectives on that has been really helpful as well as we shape the work that's available on the website to date.

5 COMMISSIONER BRENNAN: Fantastic. I must say, for myself, you've  
made me want to go back to your website and see what I need to catch up on.  
But just more broadly, what I'm thinking about, the relationship between the  
Commission and AERO and research more generally is, one potential role is  
10 helping everyone involved in research and policy to make greater use of the  
actual national laboratory that is a federation. Because I don't think we do  
that sufficiently well, and there's all kinds of ideas that come to my mind  
about, as we potentially move towards some greater level of harmony and  
coordination in some policy settings, we've still got eight pretty distinct  
15 jurisdictions and we can use that, I think, quite effectively in a learning and  
research sense if we choose to do so. And a lot of your work there, I think, is  
leading the way.

MS DONOVAN: It's been our experience with setting up the PAGs that  
Katey just described. We bring together people from the jurisdictions and key  
20 stakeholders to be on those panels to be there at the beginning of each of the  
research projects and to be with us along the way giving us feedback, advice,  
input, ideas. And while that's very useful for us, and guides the way we do  
our work, the great bonus has been how much they love having the  
opportunity to speak with each other because there aren't natural mechanisms  
25 for that to happen in the cases.

COMMISSIONER BRENNAN: Exactly. Thank you.

COMMISSIONER STOKIE: We very much appreciated the feedback around  
the datasets and the longitudinal capacity to do analysis, and we  
30 wholeheartedly agree. There's challenges I think, in getting access to various  
datasets and that's something that we could see, again, in a Commission and in  
conjunction with yourself potentially supporting. It may or may not require a  
formal change of some areas, it might just require a commitment by, in many  
respects, the jurisdictions to allow access to some of that material at a later  
35 point, and potentially also from the Commonwealth's point of view of the data  
that's available, and so I think that's a repeated call, and we've heard from  
different parties since we've gone through that, 'We want access to your data',  
but they want access to the other data, and so can it come together in a way,  
that's important.

40 I'm also interested in a view which is around the trade-off between, I suppose,  
the completeness and the robustness of the research versus its practicality to  
improve in a timely manner. And some of the studies we've seen, and  
particularly overseas or even Australia, they have very long lead times, lead  
45 times to get the approvals, ethical processes, to review, to come through, and  
most children would have gone through early childhood education and care  
before the research has even been completed. I appreciate that's why we often  
have a backward looking perspective around some of the data, et cetera, rather  
than real time. But again, perhaps when we have a chance to talk and see

your submission, et cetera, is to – I presume you all think as well that it might be a combination. There's long lead time, longitudinal ongoing, sort of, continuous, versus very targeted and very specific programs that could be accelerated, because there's a lot of challenge in this sector and a degree of uncertainty around what's driving those things, you know, whether it be how effective are the quality areas? How effective are the specific elements of the training requirement in a certificate or a diploma? How tailored is it? What effect would mentoring have? You know, there's a whole series of questions that no doubt occupy your minds on a regular basis that make up your research agenda for this year, but then the next year and the year after, et cetera, and that's an important part that we're thinking about as well.

COMMISSIONER BRENNAN: And if I may, Martin, I just also wanted to mention and acknowledge that you have a First Nations expert reference group, and I'm going to look more into that on your website, I'm sure there's more I can find out, but I also noted in your post draft submission your reference to the principles of Indigenous Data Sovereignty, and that's something that we're putting a lot of thought into in the Commission, because other commissioners and other teams have a very – well, the PC has a critical role in the research around closing the gap, and the principles of Indigenous Data Sovereignty is something that we collectively have thought about quite a bit. So it's really pleasing to see those principles embedded in your frameworks as well, so I just wanted to acknowledge that.

MS DONOVAN: Yes, we're very excited about the expert reference group. It's a new initiative that's still in the process of being set up.

COMMISSIONER BRENNAN: Okay.

MS DONOVAN: But the intention is that it isn't just there to add value to our work, that it becomes a resource that we can actually make available to others as well. So if there is a question that requires the perspective of First Nations people, then we have this panel of people with very broad ranging backgrounds and expertise and motivation to offer some insights. So, yes, it's very exciting.

COMMISSIONER BRENNAN: Well, there are for sure because, you know, we've been thinking a lot about Aboriginal community controlled services, but also the reality that a vast majority of Indigenous children are not going to be in those services, they're going to be in other services that are not Aboriginal controlled.

COMMISSIONER STOKIE: I'm sure you've seen it, Jenny, but we've published the Closing the Gap final report last month. There's quite a significant discussion around the sovereignty, and Indigenous Data Sovereignty, so if you haven't, then I'd very much encourage you to go off and adopt the recommendations where they've been put out here.

COMMISSIONER BRENNAN: Absolutely, yes.

COMMISSIONER STOKIE: In the relatively short period of time that we have left, is there anything else that you really wish to convey, or have us be aware of?

5

MS DONOVAN: Colleagues? Katey? Looks happy. Rowena? No. We're just so grateful for the work that you are doing, and the really thoughtful and comprehensive way that you're going about it, and very appreciative of the opportunity to talk to you and make our submissions. If there's anything that we could provide, or another question that you want to bring outside of session, we're very happy, just use us as you see fit.

10

COMMISSIONER STOKIE: Indeed. I suspect our team will come back and have some conversations about a few points, but in the meantime, thank you for your time today, but thank you also for your submissions and the excellent work that you're doing.

15

MS DONOVAN: Thank you.

20

MS DE GIOIA: Thank you.

COMMISSIONER BRENNAN: Thank you, and you as well. Have a good day.

25

MS DONOVAN: Thank you.

COMMISSIONER BRENNAN: Bye.

COMMISSIONER STOKIE: Brian, thanks for joining us today. You've had the benefit of at least hearing a little bit of our discussion with AERO before. But perhaps for your information, we're conducting these public hearings, we're also recording these and a transcript will be made available. For the record, when I call on you, I'd just ask you to state your name, your organisation, and background, et cetera. You're welcome to make a relatively short introductory statement, or take the full time to talk and share or, alternatively, we can have a free flowing conversation.

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We have a series of recommendations in our report and also information requests. We're obviously very keen in relation to those, but you might have other points that we haven't raised that you are very keen for us to take onboard, and we're equally open to that. Perhaps with that in mind, unless there was anything from Deb or Lisa, for your benefit, I'm Martin Stokie, Professor Deborah Brennan on my left-hand side, and Lisa Gropp on my right-hand side, are the three Commissioners presiding in this inquiry into early childhood education and care. And at least that's us from our side, but I might handover to yourself and we can start from there, Brian.

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45

MR BYRNE: Okay. Thanks, Martin, and thanks for the opportunity to appear. I'm Brian Byrne, University of New England. I'm retired, but I'm an

emeritus professor. And our contribution to the original sort of invitation was a) brief and b) limited. We've been conducting behaviour and genetic research into children's school development using twins recruited from the Australian Twin Registry, and part of the project has been to assess the impact on NAPLAN scores of attendance at preschool. And our data suggests that claims that preschool engagement, and particularly the dosage of preschool engagement, enhances children's learning subsequently in school are overstated.

10 We found in published work, no effect of dosage and no effect of attendance or non-attendance on NAPLAN scores in literacy, reading, writing, and so on, are numerous. Our work lines up with some research which was also surveyed in the Commission's report, particularly from the Tennessee Valley project, which was, in essence, as close as you can get to a randomised control study of the effects of preschool engagement on subsequent school development, and they found no long term effects. In fact, they found it's like decrementing. The Commission has noted that in the discussion and made some attempts to explain it.

20 So my general feeling is that whatever the merits of expansion and development of the ECEC sector, and of course there are many social and economic, and so on, I think it's imperative not to base it on a belief that it's going to be uniform and good for children who attend there. In my view, the data just perhaps doesn't support that, or at least the best quality data doesn't support it. There are early effects, and that was through the Tennessee Valley project, but they generally wash out. And in my view, that's kind of what you would expect for one or two years, two or three days a week of preschool followed by 12 years of school, just on common sense grounds you might think that that would simply overwhelm any early advantage of preschool.

30 We haven't addressed social development, and the other things that you draw attention to in your draft report. Namely, the benefits for classes as a whole if kids come in with a preschool background, and so on, so I'm pleading limitations to it. But I think what bothers me the most is that the sort of public domain discussion that preschool engagement is good for kids, may leave parents and families who either elect not to send their kids to preschool, or can't afford to, or are too remote, or whatever, plagued with worries that they may be undermining their children's prospects.

40 And I noticed in your draft report where you list the kinds of research priorities that need to be undertaken. There wasn't one that I think ought to be there, namely, trying to ascertain whether my hunch that some parents are really bothered by their failure, voluntary or otherwise, not to send their children to preschool are real or not. And if they are, I think we ought to know, and if they are, I think we ought to address it by telling them that, broadly speaking, that's not the case. That's not to say for individual children there's not advantages, and so on.

And the other thing - and I'll stop here – the other thing I'd like to add, in the report on the difficulties and challenges of doing research on academic consequences of preschool, which I think is very comprehensive and smart, it doesn't include a limitation that's now well recognised in, sort of, social science, and education research, and so on. Namely, the bottom drawer effect; articles that never get published because they don't feed in with the zeitgeist, either the authors decline to publish them, or to send them off for publication, or editors reject them because they're out of step with the general findings. That's being addressed by various teams to pre-register research studies, and mandating what people publish, and whatever the results. But it's been recognised in the last 10 years, I guess, that that's a serious defect at least in social science research. So they're the bases for my reservations about that aspect of the report that seems to have a, kind of, glowing feel, you know, about the benefits of early education. Full stop.

COMMISSIONER GROPP: Thanks, Brian. I'm going to ask, in the research, because we have got a fairly comprehensive literature, you know, we surveyed, and you note that we do survey a lot of the papers that you mentioned as well. But in your research, do you find that there's different effects – and you acknowledge that you're looking at cognitive, essentially, outcomes only – but is there a difference across different groups, like, disadvantaged children versus children from higher income families with more highly educated parents, do you observe anything in that regard?

MR BYRNE: We don't have that data to speak to it. These are twins, which is maybe - - -

COMMISSIONER GROPP: Yes, okay, so there's that sort of the same - - -

MR BYRNE: (Indistinct words) anyway, and they're a little bit, not a lot, a little bit above average in terms of SES, but not a lot, and we have a full range. In our main article that I referred to, we do have a fairly sophisticated thing called 'quantile regression' that looks at the mix of genes, because twin studies are illuminating in respect of genetic influence on things, but we do have data on whether there are a different mix of genetic and environmental things across the ability range and we find none. But I can't give a definitive answer to your question, because we have probably oversampled at the upper end and undersampled a bit at the lower end. But we do have a full range, but I've got to plead agnosticism on that one.

COMMISSIONER STOKIE: Sorry, Brian, perhaps this is a little bit reflecting. I haven't got across the material that you've undertaken, but are you suggesting that – when you looked at this, are the twins engaged in different levels of preschool, and I presume when you say preschool, it's four year old kindergarten equivalent rather than, say, a centre-based day care at age one or two or three? Are you trying to account for different levels of early, you know, some form of preschool versus no form of preschool within twins, is that what you're doing, or are the twins both attending and you're just

looking at the same, I suppose, dosage and then the academic performance over time?

MR BYRNE: Okay, if one twin goes, the other one does.

5

COMMISSIONER STOKIE: Yes.

MR BYRNE: We have dosage based on everything that parents told us, from one, two, three, four, years of age. How many hours a week they've gone, how many months over those years they've done, and we quantify that. That bears – well, I was going to say it bears no relation to the outcome. As a matter of fact, quite consistently, but to a very small effect, there's a negative relationship. The higher the dosage, there's a slight tendency, and NAPLAN results subsequently are a little lower. But we also have about 10 or 15 per cent of our kids, and there's a sample of about 2000 children, so it's very substantial, around 10 per cent didn't go to preschool at all, any form, and they're no different to the other ones in NAPLAN results.

COMMISSIONER STOKIE: But do you think more broadly in our outcomes paper, Brian, that if there's a range of studies across Australia, and overseas, and they have a range of outcomes, and there's a range of different methodologies, and different cohorts, and different contexts, and we're trying to synthesise all of that to come together to a general direction or conclusion, and even we acknowledge that there's degrees of uncertainty in that, do you think we've adequately covered off on the areas where, for instance, you have worked in and/or have, I suppose, complementary studies throughout the world that should – because we do talk about the convergence or the fade out, as some call it, at perhaps the early stages of their academic, as in schooling years, there's other studies that then go on over a lifetime and have longer – which we don't actually have in Australia to the extent that we would love, which is, in fact the conversation we just had with AERO, but have we adequately covered this material within the context of the wider, broader, academic literature?

MR BYRNE: Sort of. Yes, I think you've done a good job. You have stuff in there that I've never come across, and I've dived into the literature quite a lot. But what I would say is that I think the, kind of, - well that's not the right word – the weight that's put on the Perry and Abecedarian studies, done in the sixties, with tiny samples, which are completely misplaced, we're told there's samples of 126, which I think we should just forget them to be honest.

COMMISSIONER GROPP: I agree. But I think we do – maybe we have to make it clearer that we, you know, point out that that was – because it says about the comparator and it was a group of children with particularly high needs, et cetera - - -

45

COMMISSIONER STOKIE: At a point in time.



COMMISSIONER GROPP: At a point. And, yes, we look at how we present that, but there are lots of health warnings that need to go around those.

5 MR BYRNE: Yes. I think the other thing that I would say with respect to  
general coverage of the literature, you make a good case, I think, for  
randomised controlled trials, pointing to the challenges of correlational  
studies, and that's appropriate, with the following exception. Generally, the  
literature says if you do a correlational study between kids that have gone to  
10 preschool and kids who haven't, quite often you will find the kids who have,  
do better in school. And the problem with that, there are confounds; SES,  
family wealth, smartness, whatever, so we need to set-up randomised  
controlled trials in preference to statistical control simply to, kind of,  
randomise those effects. That's fine, except in data like ours, there isn't a  
15 correlational finding. So the need to replace our work, or to override our type  
of work – and I'm not especially pleading it, but I'm just making a general  
point – when the correlation doesn't exist that you're trying to guard against,  
then I think that literature ought to be cited as well. Because a randomised  
controlled trial, sort of, guard, is not really required there. But in answer to  
20 your question, yes, I think you've done a good job. I would have had a bit  
more in the conclusions that the evidence is not as compelling as is often  
thought, and maybe not sending your kids to preschool isn't going to, kind of,  
ruin their lives or bear the worst.

25 COMMISSIONER GROPP: So you acknowledged that you've only – I mean,  
I guess some would argue that's the more important, the non-cognitive skills,  
emotional regulation, et cetera, but that has to – and we deal with it in those  
papers as well – but I take your point.

30 COMMISSIONER BRENNAN: And that's what we've heard much more  
consistently than any advocacy for preschool having an impact on NAPLAN  
results, for example, which hasn't particularly been a feature of the  
information that's been brought to us in the inquiry.

35 MR BYRNE: No. I mean, as I started saying, our contribution is limited just  
to that, and it's not relevant to social development, the economic benefits, and  
so on. So I'm making a, kind of, narrow case, I think.

40 COMMISSIONER BRENNAN: Yes, you're bringing it to us fine. But I just  
wanted to check the point that Martin raised. When you refer to preschool,  
you're talking about enrolment in some kind of formal early childhood  
education and care service, which could be long day care or a kindergarten or  
a preschool, or were you more focused on the thing called 'preschool'?

45 MR BYRNE: No, not particularly.

COMMISSIONER BRENNAN: In a way university training - - -

MR BYRNE: We have family day care – anything parents told us about sending your kids to something before they start school other than being looked after by grandparents, or.

5 COMMISSIONER BRENNAN: I see. Thanks, Brian.

COMMISSIONER STOKIE: Okay. Brian, can I ask, have you had a chance to look at the research that was done as part of the South Australian Royal Commission where they were looking at, potentially, the expansion of three  
10 year old – well, what they're calling preschool – but the State run kinder program at a three year old level, and they do some statistical analysis. Again, it's backward looking rather than a random controlled trial, but they're looking at the children's outcomes for those who attend some form of ECEC at three  
15 versus those who only come, I suppose the language is, in the year before school versus the year before the year before school. They find quite significant and positive differences, and this again is just in South Australia. I just wonder whether you'd looked at that and whether you had any view?

MR BYRNE: I haven't. But, guys, it's probably in your report, a reference to  
20 it, I should dig it out.

COMMISSIONER STOKIE: Yes. Well, they have their website. I'm pretty sure they have concluded it, but I'm assuming that their information is still in the public domain.  
25

MR BYRNE: Right.

COMMISSIONER STOKIE: Anyway, I'd encourage you to have a look at that.  
30

MR BYRNE: Okay.

COMMISSIONER STOKIE: You have raised an interesting point, Brian, which I think we need to take onboard. One is that we're not suggesting that attendance or participation in early childhood education and care is compulsory.  
35

MR BYRNE: No.

COMMISSIONER STOKIE: We're saying that this should be a choice for parents. We're also saying that our interpretation of the literature suggests that the likelihood of a positive outcome for children is enhanced when considered relative to the alternative. So parents are choosing to do something else, invest in the children, et cetera, well, maybe that will be less  
45 of an outcome or positive outcome than perhaps in a formal structured learning environment.

But that said, you raised a point around parents' perceptions and maybe that's something we just need to take onboard. And if we have heard it elsewhere,

5 which is we're not trying to normalise a target and an outcome, and if you're not at that outcome of participation, then you're either – you know, too much is bad and too little is equally bad, this is not our intention. And if that's one of the contributions you're making as part of the day, then I think that's quite a valuable point for us, and perhaps I'm just acknowledging that we need to do a little bit more in our final report, and potentially more is needed to be done to support parents into making the choices and being aware of what those choices might be for their children.

10 MR BYRNE: Sure. Yes, I think that if you could find a Masters student somewhere, or a PhD student, for looking at the parent's perceptions of what they think the consequences are, or whether they're jeopardising their children and so on, I think that would be an important contribution. I don't really have time to do that before you put in your final report, but it's an urgent field, as far as I'm aware.

20 COMMISSIONER GROPP: Brian, I guess I'm going back to your research too. You said you have different provider types, did you find any differences according to provider type, either it was family day care, or did you try and make any – because there are quality ratings of providers – did you link to any information around quality of the service?

MR BYRNE: No.

25 COMMISSIONER GROPP: Or measured quality of the service?

30 MR BYRNE: Yes, we acknowledge that in our article. What I would say was that, because one of the assumptions, probably justified, is that quality of the ECEC makes a difference, and we don't have any metric of that. Like, we had 3000 kids spread in 1500 families across the whole country, and (indistinct words) limitations. But one of the things we do say in our article is that we don't think the quality thing undermines our findings because in a comparison with kids who didn't go to any kind of preschool versus the rest, there's got to be at least some high quality instruction in the kids that did go, and that's not a knock down argument, but I'm personally not too bothered by our inability to come to grips with it.

40 COMMISSIONER GROPP: You don't think you randomly picked all low quality providers, is that what you're saying?

MR BYRNE: Yes, it's possible. I mean, it's improbable.

45 COMMISSIONER STOKIE: Brian, since you sort of focused your study on this, I'll ask a question which has been running around in my mind. We see the literature around convergence and fade out, and I've sort of thought to myself, which is, is this a reflection on early childhood education and care or is this more a reflection on the schooling system? Because the child leaves early childhood education and care and generally speaking, certainly if you look at AECD data, they start in school with fewer vulnerabilities. But then

5 by the time you start to look at NAPLAN results, either your three, five, seven, nine, and we start to see a level of convergence, how much are we putting and able to confidently put back to whether that's early childhood education and care, or what's happened in the last five/six years, and I'm just interested in your perspective?

10 MR BYRNE: Sure, I think that's a good point. One thing that – I mean, you might say that schools – I mean, regular school, five up, are, in theory at least, compensating for the kids who didn't go to ECEC. Like, the development of these early screening tests or literacy readiness – and I've been a little bit involved in them because of other research I've done – may in fact be succeeding in identifying the children who need extra support, and the preponderance of them maybe the children who didn't have any ECEC or just a very small bit of it.

15 So the schools may be compensating, and I think that's relatively new, and so individualised education built around early screening tests in kindergarten may in fact be somewhat compensating for the advantages of ECEC that might have shown up in earlier years. Or alternatively, a more pessimistic view of it, with kids who come with some advantages washed out because of the, sort of, messy business of school and the dynamics of classrooms and, you know, all that sort of stuff. So, I mean, I take your point in general. Which way it cuts is not all that clear to me.

25 COMMISSIONER STOKIE: Yes. So was there anything else from our side?

COMMISSIONER GROPP: No.

30 COMMISSIONER BRENNAN: No.

COMMISSIONER STOKIE: All right. Was there anything else you wanted to raise with us today?

35 MR BYRNE: No, no, thank you. You've been very liberal with your time for me.

40 COMMISSIONER STOKIE: We certainly appreciate you taking the time, and submissions, and it's all part of the mix partly because these things aren't as settled as perhaps everybody would like to reflect on. It's an evolving area.

MR BYRNE: Yes. No, I think your draft report is really impressive. At least the bits I'm familiar with.

45 COMMISSIONER STOKIE: Thank you.

COMMISSIONER GROPP: Thank you.

COMMISSIONER BRENNAN: Thanks for your engagement with the inquiry.

COMMISSIONER GROPP: Thank you.

MR BYRNE: Okay, thanks. Bye.

5

COMMISSIONER BRENNAN: Bye.

COMMISSIONER STOKIE: Well, we might call for a break then, and recommence at 12.30. So thank you for everybody that's online, and we'll see everybody in about 35 minutes.

10

LUNCHEON ADJOURNMENT

UPON RESUMING AT 12.30 PM:

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COMMISSIONER BRENNAN: Welcome, Sam. Now, we know one another, but I'd like to introduce my fellow Commissioners, Martin Stokie.

COMMISSIONER STOKIE: Good afternoon, Sam.

20

MS MOSTYN: Hi, Martin.

COMMISSIONER BRENNAN: And Lisa Gropp.

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COMMISSIONER GROPP: Hi, Sam.

COMMISSIONER BRENNAN: And welcome other people who have joined us online this afternoon, and also to let you know, Sam, that members of the public can join online, and we also have some members of our team who will be observing this afternoon. And these proceedings are being transcribed, and a transcript will go up on our PC website at some stage.

30

MS MOSTYN: Yes.

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COMMISSIONER BRENNAN: I think those are the key things that I need to tell you in advance. It's great to have you with us this afternoon, and I understand you're primarily here in your capacity as the Chair of the Women's Economic Equality Taskforce, but you've worn a number of hats in the gender equality space over the last few years. So maybe I think the way we'll go is get you to introduce yourself formally for the record, and then you might like to make some opening comments about your vision of child care and any reflections on our draft report, and then we'll just move into a free flowing conversation.

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45

MS MOSTYN: Lovely. Thank you so much for the opportunity to join you, and thank you for accommodating my timing. I'm chairing an Aware Super Board meeting today, so thank you for letting me use my lunch break here to do this. And, of course, at Aware Super, we also have 70 per cent women members in the care and services sector. We have also have a fairly strong set

of indicators around why child care matters so much to so much of our economy, in addition to what it does for families, so I'm delighted to be here.

5 And I guess I represent both the work we did at the Women's Economic  
Equality Taskforce, and the work that I was involved in in chairing the  
New South Wales Women's Economic Opportunities panel while we worked  
for the then treasurer, Matt Kean, the Minister of Education at the time, in  
relation to the New South Wales program that has ended up inside both  
10 Treasury and Education in New South Wales with the establishment of the  
\$5b child care fund. So I'm happy to draw on both of those matters.

COMMISSIONER BRENNAN: Great.

15 MS MOSTYN: I also chair the Centre for Policy Development and I was  
heavily involved in the work that led to the publication, now some years ago,  
of the Starting Better report that brought together the breadth of the early  
childhood education and care sector to advocate for a guarantee to families  
and children for a universal high quality accessible child care system that  
placed child care within a range of other policy, suite of policies, that say it's  
20 not just ECEC that will actually benefit children, families, and our economy,  
it is the place of child care and ECEC more generally within the framework of  
complementary policies and matters that are currently before both State and  
Commonwealth governments.

25 So firstly, I just want to say I would really like to congratulate you on your  
terms of reference language. I think the fact that you've talked about charting  
a course for universal early childhood education and care that follows in the  
great tradition of Medicare and superannuation, for me, says that you've  
posited this within the framework of thinking of a major structural reform for  
30 the country that has the capacity to do some of the most important reform and  
structural listing for the country. I know that is seen largely through the rights  
of children, and the ability for education and children in our system, and I  
really admire your draft report for the focus that you've taken on who's in and  
out of that system, in terms of the children most in need of ECEC, and the  
35 provision of services, infrastructure, and the workers doing the work of the  
provision services, and I really admire all of that.

40 And I guess I'll step out and say, if there's something I'd like to recommend to  
you today, or share with you, with the benefit of those two major inquiries, the  
CPD work, and now a number of years of looking at the economy through the  
lens of the economics, and the economic uplift that these kind of reforms can  
deliver, that it is wonderful to see ECEC and child care sitting alongside  
Medicare and superannuation as a fundamental shift in the way we might  
45 think about the productivity of the Australian economy. So I want to  
congratulate on you that. I think it's a remarkable place to start, and sits  
comfortably with all the work that I've been really privileged to be involved  
in.

I think I suggested that there were three things I'd just refer to. One is that, when we first started the consultations for both the New South Wales Economic Opportunities and the Commonwealth Women's Economic review, we went out and spent a lot of time talking to people across the community, women predominantly, but not exclusively, and to all of the various organisations, academic institutions, those that have looked at this for a long time, to get a really strong sense about the capacity of – I'll say loosely child care, but you'll know I mean the ECEC – the role that child care would play in the broader sense of what does it mean to be a productive nation, and what does that mean for the families and parents and children, at the centre of this, together with the workforce required to deliver that. So evidence in all of those fora went straight to productivity, and the straight line between the provision of the highly skilled affordable universal child care system, and its capacity to release people into the workforce, predominantly women, but not exclusively. And we heard from people across the Australian society talking about the pervasive nature of the lack of child care, or the cost of child care, or the failure of a child care system that was preventing their contribution as workers, and as part of the labour force for this country.

Again, it was largely about women's participation, but the deeper we got into this with various organisations who had researched this at great depth, it was clear that we were not just working on a women's rights issue, or even children's rights, but what we were talking here was the, if we get this designed right, and we make the kind of investments of the kind that we've recommended in all of the reports I've been involved with, we would be seeing a profound change in the productivity of families of workers who at the moment are locked out of work because of the problems that are inherent in the system that you've identified very clearly in your interim report.

So your interim report really goes to the systemic issues right across the board, and they reflect very much the issues that we discovered in our investigations. And then you'll see in both the recommendations we made to the New South Wales government, and then that we've made much recently to the Commonwealth government, we have really leveraged the position of – and our recommendation to the Commonwealth, I just read it, it was one of our primary recommendations to the Commonwealth, which was to legislate to invest and invest in universal high quality affordable early childhood education and care in a way to meet the needs of modern families, be culturally appropriate, and be delivered by highly skilled securely employed and well paid employees.

We made a series of other complementary recommendations around the Child Care Subsidy activity test, things to do with the applications in the fair work jurisdiction on wages, and went into looking at things to do with the Paid Parental Leave scheme, and superannuation matters on that, in addition to everything else that we have recommended around the National Care and Support Economy Strategy. I think it's fair to say that that reflects what we said originally at CPD in the Starting Better report about the notion of a guarantee of a universal system that effectively is as free as our public

education system is, particularly in the early years, that does so many things that allow families to operate better, deliver extraordinary benefits to children, but releases a huge amount of activity back into the labour market in a way that we haven't experienced in this country because of the failings of the system that you've identified in your interim report. So I think we're probably very similar in that regard.

And the last thing I'd say is the economic benefits. There have been a number of studies that we certainly drew on from New South Wales. We've looked at the extent of the economic uplift over the 10 year period we were responding to, and I'm just trying to find my notes about that. It was a \$230b uplift in the New South Wales economy over 10 years from the time we made our recommendations in real 2019/2020 dollars. Now, that was at the State level. And then separately we had looked at, for the Commonwealth, the work that was done by Deloitte Access Economics on the missed opportunity of productivity of the \$126b by failure to implement policies and focus on those things that would release families and workers because of the gendered nature of much of the policies that we currently work within. So that was more about the gendered nature of a number of structures and systems, whereas the New South Wales one was very much about the direct contribution that the child care fund would make to the economy of New South Wales over the coming decade.

So we've tried at every point when making these recommendations to go to primary sources, primary data, we've spoken to as many of the academic researchers who have looked at this over considerable periods, and we also looked very much at the personal stories of the people we engaged with, and I spoke with the team at Sydney University and the Institute there that looks at gender and work. And I just this morning confirmed, again, that when surveyed, the issues of unaffordable and inadequate supply of child care in this country today is shaping family decisions about work, who works, how many hours they work, when they work, and in the absence of good affordable supply of those processes that allow women to make those decisions together with their families and partners, women, most predominantly, reduce or cease participation or rely on complex informal care arrangements with grandparents, older brothers and sisters, neighbours, you know, not the greatest way to think about looking after the early childhood requirements of those young people, and that that work has now been underscored by a more recent analysis, by Natasha Cortis and Professor Sara Charlesworth, on how this is impacting on our retail workforce and the fact that the care sector now is so unattainable and expensive, it's now almost out of reach for parents working in that employment sector, and has become a real issue that's pushing people into such difficult circumstances of casual employment, and making shiftwork almost impossible.

So I might stop my opening remarks with just, I guess, the final point that I would encourage, if it's possible, that when you take your interim report to your final, I think there's so much in your current report that is absolutely at the heart of the problem of the system, but it would be wonderful to see a



focus on the profound impact that a universal high quality very affordable system would have on the productivity of the nation, the ability for families to make better decisions about their work practices, and would solve for so many of the problems that families are facing right now, about wanting to work more and finding that this is the barrier that prevents a much more productive nation, and that link, I would hope I can show is being made many times. And so that's why I think your reference to Medicare and superannuation is so well made, because that's what we're dealing with, I think, with the ECEC sector for the future of the country.

10 COMMISSIONER BRENNAN: Thanks so much, Sam. I appreciate those comments, and very much like your reference to our terms of reference, which did bring to us those phrases about universal Medicare and universal superannuation in which we understand expressed the government's ambition for universal early childhood education and care. And as you also referred to the two, kind of, key policy ambitions of ECEC being around children's well-being and development education, and so on, and parents', particularly mothers' workforce participation.

20 So we've got our draft report out now, and you will have had a chance – it's a huge report, but hopefully you've had a chance to look at some of the key recommendations. And I guess you will have seen that we've got a very strong focus, and you've alluded to this actually, a very strong focus on the most disadvantaged children, children who are currently missing out, and what we might do to bring every child into the system, and that's, in a sense, at the essence of how we've described universality. There's obviously other ways that universality can be thought of, and you've referred to some of them, or at least one of them there, which is it might be an ECEC system that more closely resembles a public education system, in that it's free.

30 Now, one of the points that can be made against that is, well, early childhood education and care isn't compulsory, so if we make it free, it's a bit odd, it distorts choices and so on. And I guess the two big things that are said that it's not a compulsory system, and also if you make it very low cost, and certainly free, you're sending resources right up the income chain to more advantaged families. So if you have any thoughts on those two points, I think we'd all be interested to hear them.

40 COMMISSIONER STOKIE: Yes.

MS MOSTYN: Yes, thank you. Both really important points, and if I start with your second point first. We do not have this argument when it comes to public education in the primary and secondary field. We accept that there is a universal opportunity for a family in Australia today to send their children to a local public school for both their primary years and their secondary years. We don't mean to test that, we don't make that out of reach of those that need it most. We understand that by the age of a child starting at, well, if it's kindergarten and some of the early stages for some of the States that have got a start date earlier, that that is a fundamental right of public education. And I

came through the public education system, my daughter was able to access wonderful public education in the inner west of Sydney, and I was never means tested or asked the question as to whether we had any right to access that essential piece of education for our daughter, and it would be  
5 unconscionable to believe that that would ever be the case in this country.

And so what I've heard consistently across all of the investigations I've been involved in, every consultation we've had, is that what families are looking for is the same level of respect at a community level for the ability to access that  
10 same level of commitment to an education system that starts earlier. And with all the data, about 20 per cent of children starting at a school system with cognitive disadvantages, sometimes multiple disadvantages, depending on their circumstances, we have a significant problem about that early education period where if you're lucky enough, as I was, to be able to find a way through  
15 that because of economic circumstances in where I was living, that I could guarantee that my daughter would start school well.

That has not been the experience of over 20 per cent of the Australian population starting school, and we reference that in the Starting Better report that, apart from anything else, that is a chronic failure of what's happened in  
20 the expectation that families can manage all of that with their complex lives and their work patterns, and for children that need that early childhood education and care, and we know the data is in about the earlier that starts, the great the opportunity for that child to thrive in the course of their life in  
25 education.

So I'd say I think it's a false argument to suggest that we're in a world of having to think about that to prevent us taking that step about the affordability and the universality of that. And, of course, many people in the system or in  
30 the society who would have capacity to go private, and make other arrangements, necessarily will do just as they've done with primary and secondary education. So what I've heard over and over is we should just trust communities and families in that regard, and not put that barrier upfront, because I think it's a false argument about the provision of early childhood  
35 education and care. Your first point, I think, was about – just remind me of the specific of the first point. I'm sorry to do that, I just got carried away with that one.

COMMISSIONER BRENNAN: Yes, it was about our study point being on  
40 the most vulnerable children.

MS MOSTYN: Yes, yes.

COMMISSIONER BRENNAN: Or our recommendation, I should say.  
45

MS MOSTYN: Yes. And, look, I read all your recommendations and you would have seen again, from many of the reports that I've been involved with, and the CPD report, that that is a very, very particular set of issues that we must focus in on, and the fact that you identified the issues of what happens in

the system, and I think combined with the work that the ACCC has done on pricing and the way in which centres have turned up in high income areas, and the lack of availability in the child care deserts, particularly in outer metro, regional, and remote communities, and for those that probably need it most not having, you know, appropriate provision of that child care, tells us a story about an unequal world where there's discrimination at a system that is holding back those that need it most.

So I very much support your focus on those aspects of the system, and it does speak to the need to have a system that makes sure the kids most in need of that early childhood education opportunity are the most likely to receive it. And I think, as a principal, that's where we must hold true that that is the case that the system does take care of those that need the system much, and I think we're just on a cusp of, if we can make these reforms of providing an opportunity for those children and their families to actually lift and be part of a much more productive nation where we are bold and smart about ensuring that the reforms that you recommend, that all of us have been involved with in our respective ways, that that is how we think about early development in this country, and we reach for the best possible outcomes that handle everything from those who are most in need, all the way through to those that would benefit equally in other ways because of the impact that will have on their families and the working environment in which they grow up.

So I think bold and ambitious and smart, but understanding where the chronic need sits is the balancing act here, and we heard over and over about those structural disadvantages that are experienced by those people who need it most at the moment. And I think that's why the current system is, essentially, a voucher system. It's just not fit for purpose for a high quality affordable universal system.

So I think this is where we get into the gnarly issues of Federal and State government negotiations and the commissioning of how we do that, who bears what costs, how that's rolled out, how much we use the education system in its current form, with infrastructure, and teachers, how that is done is going to require a whole lot of really interesting convening and working together to find a really full service early childhood reform that does the heavy lifting that, I think, the terms of reference suggest is possible, but it's complex and will require a great deal of ambition and belief that if we do this, we fundamentally change the outcomes for all children and families in this circumstance, and it's one of the great productivity lifts, alongside the thing I think is not as much leveraged in your report at the moment, and I say that with the deepest of respect, but it's what I've seen, is that the release of women into our economy, the release of men who may start to take more caring responsibilities, and then involved in the raising of their children, the release of families to be able to plan their work lives and their incomes to provide a better set of environments in which children are raised. We know it's a better economy where this takes hold, and I think it's almost a balancing equation for what is great for children, and their starting life is equally great for our community, and for making sure that those that want to work better,

and work more, are given a fair opportunity to do that because they're not burdened by a system that, at the moment, doesn't work for so many families.

5 COMMISSIONER BRENNAN: Thank you, Sam. I can feel my colleagues jumping with questions, so I'm going to handover to them now.

10 COMMISSIONER GROPP: I've some questions, I'll start with this one. I think in your vision of, like, a school model, you're not talking about compulsion, I wouldn't imagine, I don't know, but also, would you envisage that – I mean, it would require government provision, are you moving away from the model we have at the moment, or would you have a – like, you mentioned schools where you'd have, perhaps not-for-profit on top, you know, sort of, private which people could pay more money to get a different service. I mean, I'm just interested in what you envisage there?

15 MS MOSTYN: Yes. Well, I would not be a proponent of compulsion in the sense that school has a compulsory element. I think if we get this right, and the availability and affordability and high quality nature of that early  
20 childhood education is available, it will be highly used. It will be one of those things that communities around this country have wanted so desperately, that those that need it, I think – and I think that there would be support for those communities that had suffered such disadvantage, are provided a very safe, and respectful, and supported path to utilising those services. So I don't believe that we've ever spoken about compulsion, but the availability of this, I  
25 think would have very high take up, particularly for those who have been locked out of the system or are not aware of how valuable it is.

30 On the issue of – I don't think it's pure government, I think this is where there are some fascinating developments already underway, and we met with many of those providers, through the ECEC model, that has continued under the CPD work, and also those bodies made representations to us in the various committees I was involved in, and that is that we know that the highest quality comes from the local government not-for-profits provision, so that level of service, and the level of quality, is judged high for local government and not-  
35 for-profit providers. We've seen that with Goodstart, we've seen that with interesting models that have combined a number of aspects of how they've delivered their services, and we've seen that the pure private provision has not met quite as high a level of service. As I say, it hasn't been playing an important part. So I think what sits behind this, in the design of this system, is  
40 a focus on the delivery of the highest quality services with the best providers of those services, and that for me necessarily takes you into a more not-for-profit-type model, and we've seen how that works. And that's why this becomes such a vital reform.

45 In some cases that may be attached to a local primary school where there's an infrastructure that's available to do that. In many cases, that won't be where that will be happen. It may be a local combined area, it might be supplied by the local government of the area, particularly in regional and rural environments, but there's also been a very significant rise in the number of

philanthropists who have come to both my inquiries to say they want to be part of a solution that provides philanthropic funds to help either provide the infrastructure required or the push to get us up to the standard we need to rapidly, because they see, as philanthropists with significant hundreds of millions of dollars to invest in the future of the country, that this is the area they'd most likely to partner in if the policy settings are correct. I can't tell you who those people are, because of the confidentiality of those discussions, but the level of interest if the general guarantee principle, and as I've described it with the various elements, was to be supported by the Productivity Commission, by the ACCC, and by governments, State and Federal and local, there's a huge appetite to find a funding model to do that for the best outcomes that doesn't rely purely on government. And then the rewards, of course, for families and children are clear, but this lift in people's ability to be working well, and be part of the economy, start to manifest. So I think it's going to be a complex thing to do, this is a degree of difficulty in this area that is well articulated, I think, and you've identified that very clearly in your interim report, about the layers of things that need to change.

COMMISSIONER BRENNAN: Indeed. Sam, I'm terribly conscious of your time, and ours, and I'd just like to make sure that Martin has an opportunity to ask a question or two.

COMMISSIONER STOKIE: Well, there's lots of questions. Probably the one that's, sort of, top of mind, Sam, is that we've outlined a whole series of factors that are taking place at the moment. The workforce in the ECEC sector is at a critical point in time. We've identified that there isn't sufficient supply, and availability. We've identified, as Deb's spoken about in terms of our options, which is that there are cohorts of families who are just missing out, whether it be the activity test, or they can't afford it, et cetera. We have a series of recommendations in here which is to target, at least in the first instance, those areas first and foremost. The model that you're articulating in my mind, depending on how it's rolled out, has a potential to create bottle necks or almost advantage those who are already in the system. So my question to you is – and that would be at the expense of potentially those who aren't in the system now, the low income people, who don't understand, haven't got a relationship with the centre, et cetera. So my question to you is, what sort of timeframe are you envisaging? When we've spoken with various parties, it takes anywhere from five to seven years to go from a concept of thinking about a service to actually opening and operating, and after all the planning, buying of land, building, staffing, systems in place, what sort of timeframe are you talking about, or thinking about in your minds, because otherwise I think we could raise expectations from a parent's point of view very early, and not be able to deliver, is at least a concern I'm envisaging. So am I articulating something that you grapple with and, therefore, are we talking a 10/20 time horizon, what's in your mind?

MS MOSTYN: Thank you. It is the question at the heart of this, so I really appreciate the question, and I think your reference to bottle necks and who is excluded if we do this too quickly and leave people out and prefer those,

5 where it's easy to do, is a real risk of the whole revolution that I think is required for early childhood education and care. We made recommendations for the Commonwealth that was in a 10 year timeframe. We mapped out this, because I think for families, and for those using this, we can only move at the speed of trust, and the trust that's going to have to be built is trust that there are facilities, and educators, and ECEC workers, that are going to be there to fill this demand.

10 COMMISSIONER STOKIE: Yes.

15 MS MOSTYN: And we know that that is a chronic issue right now. So one of our key recommendations was, under the National Care and Support Economy Strategy, to rapidly move to what is it that needs to happen that will develop that workforce, and going right back into those at high school at the moment who we think would enjoy a career in this area, but are not currently encouraged to because of the very low rates of salary and conditions, and a low status of these jobs in the way we think about what is a good job in Australia. So I think you're absolutely right. We would need to be very conscious of the workforce that we're trying to build, and over what  
20 timeframe that can happen, and I think - - -

COMMISSIONER STOKIE: And that's certainly consistent Sam with - - -

25 MS MOSTYN: Yes, that's right.

COMMISSIONER STOKIE: You couldn't do it overnight, that's the challenge.

30 MS MOSTYN: You could not, you could not.

COMMISSIONER STOKIE: It could actually be counterproductive.

35 MS MOSTYN: Correct. And I think your point about those that we must not do something that leaves out those it would most benefit from a series of reforms. So how we do that must mean that we are focusing on those areas that have chronic need that would receive, for the first time, the focus that they need, and we just need to be really clear about how to do that. As I said, I know there are philanthropists and others in the system who want to be part of fixing that problem early if they can see that part of that is to help the  
40 whole system move, and it was starting with those who need this most.

45 In saying that, I do think we underestimate where this kind of reform helps families who may not meet the disadvantaged criteria as much, who are just left out completely, and our low to medium incomes, who are stranded at the moment and are not part of our thoughts, and we see that, in all the work we've done with those that come forward to say their family and work arrangements just cannot work unless there's reform, or they can look forward to it occurring. So I think you do start with those that we've identified, that's

why I really admire your focus on that in your interim recommendations, and that should be urgent.

5 And then we've got to think about how this system can grow over the next 10  
to 20 years, and look at models around the world to say, where has it been  
done best, what is the system that most gets things done, and how are we  
going to grow that workforce as a respected part of the early childhood  
education and care, and how do we measure our success. A lot of this, as  
10 you'll be acutely aware, is the Commonwealth State arrangements, and the  
role of local government, philanthropy and the providers. So degree of  
complexity, very high; ambition to go through that and not be frightened by  
that, I think also very high in order for this to benefit families.

15 But I know it's a bit of a broken record, when we talk productivity, very rarely  
do we hear about women's economic participation being a driver of  
productivity, or solving this issue helping us build an economy that over the  
next 20 years will be advantaged by children today having the best start, even  
if it takes 10 years to get there, that is a productivity lift of a size that we can't  
20 even imagine, I think, at the moment. And that's what families, I think, are  
looking for, from very disadvantaged all the way through to those that would  
like to do this more, and also find themselves out of the system.

COMMISSIONER BRENNAN: Thank you so much, Sam. I'm sorry that  
25 we're going to have to draw a line, I know you've got a meeting to get back to,  
and I can see our next group waiting in the wings too. But we very much  
appreciate the time you've spent with us. If there's any other documents or  
reports that you'd like to contribute to the inquiry, please be in touch with our  
team. And thank you very much for your time.

30 MS MOSTYN: Thank you. And if there's anything I can provide, I will. If  
you have any other questions, I'm very happy to provide that. And just thank  
you for the work you're doing. We are talking about the nation over the next  
20 to 50 years, and this is up there with some of the most important reforms,  
and I think what you're doing, and the way you're going about it, is just  
35 excellent. And anything that any of us can do to support your work, and to  
get clarity for some of this work, delighted to be part of it. But thank you for  
all your hard work in making sure that everyone is now aware of the great  
opportunities that lie before us.

40 COMMISSIONER BRENNAN: Thanks so much, Sam.

COMMISSIONER STOKIE: Thank you.

45 MS MOSTYN: Thank you, bye-bye.

COMMISSIONER BRENNAN: Good. Good afternoon, KU. We could see  
you waiting in the wings, you are up on our screen there, and very nice to see  
you. So I think you're probably by now pretty familiar with the process, but I  
do want to mention that these hearings are being transcribed and recorded.

The transcript will go up on the website so the public can read the content of our discussions and deliberations. We really welcome you this afternoon. We've just begun this week the process of hearing from the community, and from jurisdictions, and State officials, their responses to our draft report.

5 We're really interested to hear what KU Children's Services has to tell us about our starting points, what you like, and what you think maybe we need to give further consideration to. So over to you to introduce yourselves, and lead us into the discussion.

10 COMMISSIONER GROPP: And introduce us maybe.

COMMISSIONER STOKIE: Yes.

COMMISSIONER BRENNAN: I'm sorry, and I'm just about to say for the -

15 and I know that a couple of you met before, but Lisa Gropp and Martin Stokie.

COMMISSIONER STOKIE: Good afternoon, everyone.

20 COMMISSIONER GROPP: Good afternoon.

MS LEGG: I think are we muted still? No. I think we're muted. It says you're muted.

25 COMMISSIONER GROPP: Because of the public who also might be listening online as well.

MS LEGG: Can you hear us?

30 COMMISSIONER STOKIE: Yes.

COMMISSIONER BRENNAN: We can.

MS LEGG: Okay, thank you very much. I will just make a start. So I'm

35 Chris Legg, I'm the CEO of KU Children's Services, and on my left is Cherylanne Williams, who's our general manager of early childhood education, and on my right is Natalie Grenfell, who's our general manager of inclusion. So we just wanted to, first of all, make a start by congratulating you on your report, but also to the Productivity Commission. From our point

40 of view, we see this as an exciting time for early childhood. We have a great opportunity to really look at the complexity of the sector, and also to move it forward. So your report has absolutely captured the complexity of it, and it's certainly not an easy task to move forward.

45 But I'd just like to say that obviously KU started as a not-for-profit and we remain very proudly a not-for-profit. We did establish early childhood education in 1895, and we have been continuously since then, through two World Wars, and now through two pandemics, so we do have a lot of experience. But I think that our concern is, and we're totally supporting



5 mixed market, but the not-for-profit sector is shrinking. And yet, you know, from our point of view as an organisation who invests heavily in children, we see them as citizens of today and tomorrow. We obviously invest in our staff. We have very high engagement scores, and we do keep our staff for a long time.

10 We're very much invested in quality, and we have a very strong commitment. One of our values is obviously to diversity and inclusion, and we have operated, and continue to operate, in areas of high disadvantage and vulnerability. So that's kind of a little bit about KU. But I also think, you know, we have to accept that quality service provision does cost. So it's the issue of who pays, and at the moment, obviously we get State funding, we get, you know, families get CCS, but still families are paying, and often that quality, you really can't do it, there's no Jetstar model for early childhood, and nor should there be, because these are children, they're not products.

20 But as I said, we do support a mixed market, we can't afford not to have all those services operating. But we would really like to see ways in which the not-for-profit sector can grow. And it's quite interesting, and we'll talk about the barriers a little bit later, but crucial to the whole thing is the workforce. The status and standing of early childhood we've been talking about for quite a few years, and yet we haven't got ourselves there. And I think part of the problem is the language that's used, you know, referred to as child care workers, or child care, or day care, when really what we're all doing is providing really strong early childhood education and care. So I think we need to move the language, and promote it better. Because we're not going to – when I first started teaching in early childhood, it was seen to be a great profession, and it is, but I'm not sure that it's seen that way now. I think it's crucial that we absolutely address the issue of wages and conditions. We've seen an increase in New South Wales in school teachers of 22 per cent, which is fantastic, but that hasn't flowed on to the early childhood education sector. So I think that status and standing is really important - - -

35 COMMISSIONER BRENNAN: Chris, can you hear me?

MS LEGG: Yes.

40 COMMISSIONER BRENNAN: I'd just like to ask a question about that, because I'm pretty sure that when we asked New South Wales, they said that that increase was flowing on. So it's flowing on in the schools, but not in the (indistinct words).

MS LEGG: It flows (indistinct words).

45 COMMISSIONER BRENNAN: Okay, flowing on to the kindergarten teachers, so it's going to exacerbate that pool into the schools.

MS LEGG: Yes.

COMMISSIONER BRENNAN: Okay, yes.

5 MS LEGG: Absolutely, yes. We're not saying they don't deserve it, we  
totally agree they deserve it, but I strongly believe everybody who works with  
children in that profession does deserve better pay and conditions. We know  
we've got multi-employer bargaining happening at a Commonwealth level,  
but at the moment that's not going to flow on to State funded preschools or  
kindergartens unless that particular State government comes to the party as  
well. So it just exacerbates the complexity of the market, and the differences  
10 between Commonwealth funded services and State funded services.

15 So I think the other thing that I wanted to just stress is that, in terms of the  
workforce, there are a lot of plans out there and a lot of strategies, but we're  
not seeing a lot of uptake of that at the moment. I think there needs to be a  
great public campaign of the value of early childhood, and I know it's  
happened, you know, bits and pieces over the years, but if we don't get high  
school students interested in working in early childhood or interested in  
teaching, we're going to still be where we are now. With the growth of  
services as well, and they're continuing to grow, that's depleting the  
20 workforce more. But at the same time, we are strong, strong supporters of  
retaining qualifications and ratios, we don't believe we can compromise on  
that because we know that that will have an impact on quality for children.

25 And I think that what we would really like to see come out of some of these  
reforms is a little bit more national consistency as well. At the moment, we  
have Working with Children Checks that exist, we have different teacher  
accreditation or registrations happening in every State, and I think that just  
adds to the complexity of it all. I know that within KU, as people in  
management control, we need to apply for Working with Children Checks in  
30 every State in which we operate, and yet there is always the potential for  
people to slip through a State check like that. So we'd like to see some  
national consistency. We're great supporters of the National Quality Standard  
and the National Quality Framework, because I think that has brought some  
things together. So I'm going to just pass on to Cherylanne, who's going to  
35 talk a little bit about affordability.

MS WILLIAMS: Okay, lovely. Thank you, Chris. Can you hear me well  
enough?

40 COMMISSIONER BRENNAN: I think we're getting some street noise from  
your street, I think, is what we're going to get, yes.

MS WILLIAMS: We have a lot of buses.

45 COMMISSIONER STOKIE: Yes, okay. Thank you.

COMMISSIONER GROPP: Yes, we're going to know what the timetable is,  
I think.

MS WILLIAMS: Some of what Chris has already covered off obviously impacts on quality, you know, so forgive me if I repeat a couple of things, but it's all linked to the quality component for early childhood. Look, KU is strongly committed to quality, and the National Quality Framework, which Chris has already underpinned. I quote, 'Quality is paramount to achieving benefits', you note in your report on ECEC. However, it's paramount for our children. They deserve a high quality early childhood program no matter where they attend. Improving the policy architecture for universally accessible ECEC requires a stronger focus on quality.

There is a strong body of evidence that shows positive outcomes are met by participation in quality ECEC, and that poor quality has detrimental effects on children. Families need to know and understand that all the services, they do send their children to, all have that same standard of quality. And we talk to the National Quality Framework, which is, to Chris' point, national and has brought some of that consistency to that. I think that the National Law and Regulations are central to safety, health, and wellbeing of children, and KU supports the regulatory authorities' performance reporting, which you've noted in your report, and a review of how services are assessed against the NQF.

Recently, New South Wales has brought in what they call 'partial assessment of services'. That is something that is concerning, because we'd like to understand how that is evaluated across the States nationally, apart where the other States do not have that, and we're thinking that we should revert back to what we were doing previously, assessing all of the quality areas, where a partial assessment could be a mechanism for supporting quality for provisional services, not yet assessed services. So rather than waiting, you know, for several years, or however long that does take for the resources to be available to assess them, an actual partial assessment is put in for those services so that they can actually be working towards an overall rating, and they're not just left to their own devices for that period of time.

I think there are challenges in maintaining high quality service delivery. You know, Chris has already highlighted from your report that the not-for-profit sector contribute to quality. We invest in our children, we invest for families in children. Acceptance that quality costs is required, and there can be no argument that we must invest. What does this mean? To Chris' point, and she's capably covered it, but I'll reiterate, quality teachers and educators are the foundation for quality in our services. From the ACCC report, it's clearly articulated that family want quality interactions and relationships with the people who educate their children. This is foundational to quality as staff. They need the expertise and inclusion, as Natalie will speak to inclusion shortly. There has been an increase of children with additional needs in our services. It's grown substantially over the past few years. We need to be able to equip our educators and teachers with the skillset to be able to bring those children in, include them well in a quality manner.

Ongoing high professional learning needs to be addressed. Maintaining currency and contemporary thinking from research is an imperative. Well

trained, skilled, and knowledgeable educators lift educational outcomes for children. As we've already talked about, the sector needs to attract and retain a skilled workforce. Staffing wages have risen to worryingly high levels across the country, and while there was a fall in December 2023 quarter, we need to actively continue this trend and reject appeals to undercut ratios of qualifications, which are the bedrock of quality. We need to accept the quality costs, but should it cost families? What is to be considered? A proactive and achievable workforce is needed, actionable strategies that address the immediacy of workforce shortages, skills, and knowledge gaps, and then we need to closely monitor that for impact. Some jurisdictions are offering individual and locational incentives, and relocation supports. While incentivised recruitment is novel, the sector needs persistent strategies that attract and retain teachers and educators that are professionally valued and remunerated. All of this underpins what Chris has talked about. However, implementing an unfunded wage rise for educators and teachers, inevitably means an increase in fees that would intensify the cost of living pressures on families.

This is following on from Chris' point as well. Investment in a national awareness program could raise the status and standing of teachers and educators within the community, resulting in attraction and retention of quality people. I take us back to the COVID period where their contribution, teachers and educators, our frontline staff, weren't recognised as essential workers along with other, you know, health professionals, et cetera, et cetera. However, not once in the media were they recognised for their contribution during that period. We need to be able to raise that profile – and again I refer to what Chris said – in terms of enlightening the community to the valuable and essential work that these people do with their children.

Affordability for families. KU strongly supports removal of the activity test, which can discourage participation of children from families experiencing vulnerability and disadvantage. We also support reduction of CCS administration, the complexities of it, and extending the initial length of eligibility for ACCS, our child wellbeing team work with that, and for children on long term protection orders, informal foster care or kinship arrangement. We support extending ACCS to grandparent arrangements, you know, because their lives are changing, and grandparents do play a pivotal part in families' care arrangements. We support maintaining the current fee-based benchmark approach with setting the hourly cap, but this must reflect indexation and increase in cost provision to sustain affordability for families. On that note, I must note that operational costs for providers, as it is for families, are increasing, and this is a requirement that we cannot avoid our cost of providing services increasing, and unfortunately that flows on to families' fees, you know, so increasing their costs. On that point, I'll hand back to Chris or to Natalie.

MS LEGG: Natalie.

MS GRENFELL: To me.

MS WILLIAMS: To Natalie, as Natalie will talk about inclusion.

5 COMMISSIONER BRENNAN: Thank you, Cherylanne. And we'll come back, because some of the points you've made go to recommendations that we've made and would align really well with our recommendations.

MS WILLIAMS: Yes.

10 COMMISSIONER BRENNAN: So we possibly won't spend much time on those, although you might want to add or elaborate things that are new. We certainly would like to develop a little more with you, but you'll be welcome to talk about anything, but just as a little guideline.

15 MS WILLIAMS: Yes, thank you.

COMMISSIONER BRENNAN: So, Natalie.

20 MS GRENFELL: Hi. Thank you. Firstly, I'd just like to say KU does hold their contract as the Inclusion Development Fund manager on behalf of the Commonwealth government, and we also hold their contract for the Inclusion Agencies for New South Wales, ACT, and Queensland, and we subcontract to community child care in Victoria. So I thought, in terms of what I'm going to talk about particularly is about building the capacity of the sector, so that's the basis on that information provided.

25 So from the Commonwealth in respect to the Inclusion Support Program particularly, we have guidelines which, of course, are implemented and the guidelines are based on building the capacity of the early childhood sector to support the inclusion of children. KU would like to actually see these guidelines broadened, and it's in line with both the points raised by Cherylanne and Chris about developing the capacity of early educators to meet the changing needs of what's happening in the early childhood sector.

30 So the Inclusion Agencies are well placed to help target, to provide, and deliver targeted and tailored professional development to individual services, plus also from a regional basis. We think that targeted and planned professional development from Inclusion Professionals will support the ongoing learning journey for services, and help meet the needs of those services. There's a place for information sessions, such as for autism or

35 challenging behaviour, just as one-off. However, we believe some of the challenges we currently have where the sector is having a lot of difficulties with ensuring that children remain enrolled, and every child has the right to be enrolled in a service, but they really need some broad and professional

40 development opportunities. And the way that we look at that from Inclusion Professionals' perspective, they know the services, they work with the services, and know the capacity and needs of that service. So whenever the contract is released again, we'd like to see that expanded for any new provider

45 to consider that. Because we really - - -

COMMISSIONER BRENNAN: We'll come back to that too.

MS GRENFELL: Yes.

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COMMISSIONER BRENNAN: And also to potential impacts of the NDIS review on the sector, which I'm sure will be exercising you - - -

10 MS GRENFELL: Yes, certainly. From a preschool perspective, KU also supports 375 preschools around New South Wales, so we've had a targeted professional development approach to those services, and that has been a really successful approach, and has been backed up by data and surveys for those services that we currently access.

15 We have an ongoing increase in the number of children with additional needs and early childhood services, and Cherylanne just mentioned that as well, and there's an increasing number of children with very high support needs. So we have an early childhood sector that really hasn't been equipped long term to be able to support these children adequately in services. In the last 12 months,  
20 from our New South Wales and ACT Inclusion Agency, we have a hotline for families and for services to discuss any issues. So in 2023, we had 7138 requests for extra assistance from a total of 4088 services, and that's an increase of, I think, 200 calls from the previous year. And from those requests for extra assistance, 75 per cent of those calls were to support educators to  
25 work effectively with children with challenging behaviour. So it's an ongoing issue.

COMMISSIONER BRENNAN: Yes.

30 MS GRENFELL: The current - - -

COMMISSIONER BRENNAN: Sorry, Natalie, but one issue - just to flag that, potentially we could come back to - is the preparedness of educators to work with children with challenging behaviours, because we've put an  
35 information request out there about the content of pre-service training and that's, kind of, a nice walk to one of those issues.

MS GRENFELL: Yes. Look, I think that's a great way to move forward. Would you like me to go on, or go - - -

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COMMISSIONER STOKIE: We have to leave some - - -

COMMISSIONER BRENNAN: Yes, I think (indistinct words) points on the table, yes.

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MS GRENFELL: Yes, certainly.

COMMISSIONER STOKIE: We'll have to leave some time to engage, but we're equally keen to hear your comments.

MS GRENFELL: Great. Well, the current funding under the Inclusion Program is a contribution of the wages to educators within the service, and the contribution has not increased since 2016. So with the increase in wages over the time, if the staff feels that they do need extra support to support their successful inclusion of any child into a service, that's a significant financial contribution for that service perhaps to make, because \$23 an hour compared to what the service would normally be spending on wages, it's a considerable gap that services are required to make.

The other aspect is also the relevant cultural support, and this is an area where it needs considerably more thought and funding. There can be challenges for inexperienced workforce, and working with children and families with limited English, where they may not be proficient in their home, and literacy in their home language, and that presents challenges when many families are coming to services with children who have had limited contact with other children, limited ability of language, and also the families have that cultural difference and cultural challenges, particularly around child rearing practices.

The other point is disability standards, and we'd like to see greater consideration of those disability standards incorporated into early childhood services. Children are being excluded from early childhood in a range of different ways, and it may not be directly that the child is unable to access a service, but it may be that they're only able to access a service for a limited number of hours or days based on the skills, knowledge, and funding that's available to support that child's transition into that service.

The other point that you've raised is the NDIS and early childhood education services really need to work together in partnership, and really look at what inclusion is, and look at the difference between early intervention and inclusion, and ensure that we have services that can support inclusion of all children into their programs. There's also a lack of conversation or collaboration between NDIS and probably some of the Inclusion Programs, and that needs to be thought through and developed, so greater collaboration is needed so there's not a repetition of pilot programs or projects where funding could be given to, you know, the Inclusion Agencies, for example, to promote a particular program to build the capacity of services to include children with disabilities when that is already happening. Thank you.

MS LEGG: I'd just like to make a couple of additional comments about that. One of the issues we see that has impacted on people coming into early childhood education or the philanthropic sector has been moves for universities to extend their courses from birth to 12 years of age, so it's the same length of time as a four year degree as the birth to eight used to be, but obviously now it includes a whole lot of content about primary school curriculum. And I think what we see as a result of that is that squashing it in over, you know, that wide age group, has meant that we've lost some of the fundamentals of early childhood that would actually build the capacity of staff to come in and work with children.

5 So I think that would be one of our recommendations that we go back and  
look at, you know, that specialised qualification that does go over four years,  
and does include music and drama, and working with children with additional  
needs, because you get little snippets of it, you don't get to do it in depth, and  
they don't get to do in depth professional experiences in those prior to school  
settings. And we know, if people don't have a good professional experience  
placement, they are turned off early childhood and they're more likely to go to  
schools. So that's one of the things that we've been advocating for quite a  
10 while.

15 I'd also just like to add that, apart from the programs that Natalie manages, we  
also, within KU, have an education support team who have early childhood  
qualifications, and also additional qualifications in special education. And I  
think we're starting to see the impact of COVID. Last year, that team dealt  
with double the number of children in KU services as we did in the previous  
year, identifying with the challenging behaviours, and also the complexity of  
the increasing number of domestic violence that we're seeing, and families  
we're seeing with mental health issues as well. So all those supports are really  
20 crucial. From our organisation, we see that as an investment so we do top-up  
the shortfall in funding from State and Commonwealth Inclusion Programs to  
ensure that we can give every child, as much as we can, the best experience,  
and get issues identified early before they start formal school.

25 And I know we're probably running out of time, but I just want to talk a little  
bit about the barriers that make it difficult for not-for-profits to grow, because  
we haven't been growing, and it's interesting because we work in three States  
with early childhood programs, and we can see in New South Wales, we've  
been here for a very long time, the change in local governments towards the  
30 way they see early childhood services. Many of the local governments now  
are charging commercial rents to providers. We might have been operating in  
one little LGA for 50 or 60 years, and we're being told that, 'At the end of  
your lease, it may well be tendered out to other providers'.

35 We're also seeing, in Victoria, though, the opposite where some local  
governments are investing in early child care, they're building buildings, and  
then tendering that to the not-for-profits. We are concerned about, whilst we  
acknowledge that we want every child in Australia to experience at least three  
days of early childhood before they start school, and it should be at an  
40 affordable rate for families, but we've also got now 100 new State government  
funded public preschools that will open on Department of Education sites,  
which is great. But again, that's going to deplete our workforce a little bit  
more, and they will be free. And it might be that they have some unintended  
consequences on the existing community-based services, many of which are  
45 standalone in some of those communities. So we - - -

COMMISSIONER STOKIE: Yes. Could I just ask you on that point around  
the expansion of not-for-profits. I struggle a little bit to try and understand,  
which is that the for-profits, for instance, they have to pay commercial rents,



they have to borrow money in the commercial market, they have to make a profit and return money to their shareholders.

MS LEGG: Yes.

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COMMISSIONER STOKIE: None of these are constraints to the not-for-profits, and, in fact, you almost have an advantage over them, yet the not-for-profits haven't expanded. Is it because it's just in the ambition, as in the focus of the not-for-profits, which is you serving the children and the families that you have, and it's not about growing into other markets, et cetera. I struggle a little bit in this space.

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MS LEGG: Yes. Look, I think it's a little bit different in that we don't have investors. So, you know, some of the for-profits may have investors, and obviously we don't have them. We have a voluntary board, who are very conscious that we're managing taxpayers' money, in a way, so that ability to grow, unless they're prepared to borrow money, and they are obviously, as individual directors, they would be responsible for that money. We do need to grow, as an organisation KU needs to grow. We've been traditionally growing through winning tenders through either local government or Commonwealth, and so forth, but one of the issues that we find really difficult to come to grips with is this whole lack of planning about where services should go.

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So we opened a new service in Victoria two years ago, and now there's a new centre being built right across the road. So that sort of unplanned growth, I don't think is good for the whole sector in general. So we really do support your recommendation for a Commission. We would like to see that it has a role in planning, that thin markets are identified, and over supply is identified, because for any provider, whether you're not-for-profit or for-profit, you have to invest a lot of money to buy land and build a building, and it's a bespoke building, really, you can't just easily convert it into a house, the viability isn't there. So I think that need for planning is huge, and I do think that that would help the market a bit.

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COMMISSIONER STOKIE: It's primarily an access to capital challenge, is it, rather than an operating challenge, is that right?

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MS LEGG: Absolutely. And it's not a mindset either. We, as an organisation, know we have to grow. That's why we've survived for 128 years.

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COMMISSIONER STOKIE: Yes, you're doing well.

MS LEGG: And services close and services open so, you know, that's the natural reason of it all. So it's that access to capital, but it's also that access to longevity. So, for instance, there's tenders that come up and you might only have the lease for three years. It's very hard then to invest in that building, or that playground, if you don't have the reassurance, you know, to get a return

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on that money. So I think capital is a really big issue, and the longevity of leases can also be a barrier as well.

5 COMMISSIONER STOKIE: Okay, thank you.

COMMISSIONER BRENNAN: So we've got about just under 10 minutes, actually.

10 MS LEGG: Yes.

COMMISSIONER BRENNAN: But I think that we might have some questions, my colleagues might have some questions, on our actual recommendations and your response to then, or perhaps on other issues. Lisa, or?

15 COMMISSIONER GROPP: No, no.

20 COMMISSIONER STOKIE: Well, I had a question, as I was listening to, I think it was Cherylanne. You mention the Additional Child Care Subsidy, so ACCS, and grandparents, and I was wondering if you could maybe talk a little bit more about what you mean there, because my understanding would be, well, the parents would be either eligible or not eligible for the Additional Child Care Subsidy. Are you talking about grandparents who are almost acting in a de facto carer role, but it's not recognised in a legal sense and, therefore, grandparents perhaps whose income is now, you know, they might be retired or otherwise, but that's not being reflected. Is that where you were going?

25 MS WILLIAMS: That's right. That's where we're going, yes.

30 COMMISSIONER STOKIE: Okay.

MS WILLIAMS: So I don't know whether - - -

35 COMMISSIONER STOKIE: Okay. I think we do talk about it a little bit in our recommendations, which is I was just wanting to make sure that we're - - -

MS WILLIAMS: Yes, aligned.

40 COMMISSIONER STOKIE: Yes.

MS WILLIAMS: And it's also the timeframe, you know, the 13 weeks, then you have to reapply, and whatever, so I think all that admin creates a problem.

45 COMMISSIONER STOKIE: I had a question for Natalie then on Inclusion Support, and perhaps this won't come as any surprise, but we've had a lot of feedback around Inclusion Support, it's probably not dissimilar to things that you hear, which is the amounts are not sufficient, and the availability, and maybe the targeting in the way that its structure doesn't work for services or

for the individual and the children. As a coordinator, I'm also wondering, we hear a lot about the length of time it takes from an application through to it being approved, and are there things that perhaps you might have as insight and suggestions that we could take onboard.

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For argument's sake, we heard it was probably more in outside school hours care that a child might already be assessed in a school setting as requiring additional needs, and the teacher's aide and support. Yet, outside school hours care would still need to apply, as opposed to almost as a right, 'If the child has already been assessed in one setting in education, why would they need to go through another one?' And the other, at least in preschool arrangements of any year, depending on how you want to define it, but that length of time can potentially outstrip the time in which the child is at early childhood education and care in some extreme circumstances, and all these things are quite alarming. Anyway, I was interested, like, are there insights that you would like to give us, or tell us, how this could be improved?

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MS GRENFELL: Yes, I think there are very set and established targets, and timeframes for applications to be assessed. I think the challenges, from a very operational perspective, is ensuring that the information provided, that is to be assessed, is accurate, and that it meets the criteria that's set down by the guidelines. So just in terms of details, you know, applications do have to go back and forward if the information is not correct that's been presented to be assessed, and that does take time. Look, we hear stories from time to time, you know, and we keep very good records about when applications have been received, assessed, and what the information is about that.

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Look, there can always be improvements. I think an upgrade to the portal – and that is happening on an ongoing basis – but the portal is problematic that's currently being used, and it needs a considerable financial commitment to maintain that portal, so that applications can be assessed quickly, and that that information is being able to work through by the assessors as well. Yes, as I said, we do look at timetables, and we do meet the timetables provided, but it is generally because the applications haven't provided the level of information required, you know, based on the experience that I have.

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MS LEGG: And I think we would also - - -

COMMISSIONER STOKIE: You're seeing it. So that's why I'm interested in the feedback, because you're seeing it across the board as opposed to the isolated application.

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MS GRENFELL: Yes.

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MS LEGG: But we do think that application could be simplified.

MS GRENFELL: Definitely, yes.

MS LEGG: And obviously the portal needs a huge overhaul.

COMMISSIONER BRENNAN: Lisa's got a question.

5 COMMISSIONER GROPP: Just a quick one. I mean, you raised the issue of  
the curriculum for teacher training, and the extension from zero to eight to  
zero to 13, and the implications of that. I was going to ask about – we're sort  
of hearing about training for educators as well, and whether you think that's  
adequate, is it covering what needs to be covered, or the way it's delivered as  
well. I mean, are you seeing any implications of that, or see ways for  
10 improvement?

MS BEGG: I think we'd like to see a stronger connection with perhaps the  
last two years of high school, you know, to allow high school students to  
study some of the cert III modules so that they can get into the workforce  
15 much earlier. Look, I think that we did see the decimation of TAFE for a  
little, certainly in New South Wales, and that has had an impact. I think that's  
all been tightened up. I have to say, our very best teachers that we have  
come from being a diploma in TAFE, and then gone to university. So I think,  
you know, the smoother we can make pathways for people the better. I think  
20 there's all issues for people now, particularly young people. They need to  
work, and their study, so we need to look at how do we build in that flexibility  
for them, you know, do we look at internships for teachers in their last year so  
that they're paid while they're working. So I think, you know, there's room for  
some more flexibility.

25 COMMISSIONER GROPP: Thank you.

COMMISSIONER BRENNAN: Just while we've got a minute, one of our  
most important recommendations is removal of the activity test for the first  
30 30 hours, and a subsidy of 100 per cent of the hourly rate cap for a large  
proportion of Australian families. If government were to take up those  
recommendations, I imagine they would have pretty profound effects on your  
services. Could you give us any reflections on how you think they might  
impact KU, what might they need to change, what opportunities that would  
35 give them?

MS LEGG: I think it would certainly have a larger intake from our  
Aboriginal and Torres Strait Islander families, and our highly disadvantaged  
families. We have subsidised, I can't remember how many, but quite a few  
40 Aboriginal families last year with their fees to allow them to attend more  
days. So, I mean, the activity test is tied to people working, and whilst we  
want people back into the workforce, and females, there are many families  
that are not working for a whole variety of reasons. So to remove that activity  
test would be really helpful.

45 MS WILLIAMS: And we would welcome (indistinct words).

MS LEGG: And it's also very complicated. You know, applying for CCS,  
you know, it's incredibly complicated, and for people who work part-time, it's

a minefield just rejigging their hours all the times. And we also do know that some children need more than 50 hours.

5 COMMISSIONER STOKIE: But do you have the capacity to absorb that additional demand, or is it just effectively helping to contribute to those who are already coming, but they're not paying because you're extending that - - -

10 MS LEGG: No, I think, in our more disadvantaged areas we would see an uptake of children.

COMMISSIONER STOKIE: And you could take them on, or would you just have demand, and no places.

15 MS LEGG: Yes, we can take them on in particularly our disadvantaged areas. We have vacancies in some of our disadvantaged areas in long day care.

20 COMMISSIONER BRENNAN: Finally, I'd just like to ask about our recommendation to extend CCS to preschools for wraparound care. I imagine with a number of preschools that you're operating in New South Wales, that that would be quite significant.

25 MS LEGG: Yes. Look, we would welcome that. We had a model many years ago where we had a preschool program operating 9 to 3, we had wraparound in the morning, and in the afternoon, but then that was stopped because the government at the time said you can't get Commonwealth and State funding. But I think that would certainly help a lot of families. In New South Wales, our preschools operate for seven and a half hours for children, and we tend to attract families who are working part-time, or who are school teachers, and I think to have that wraparound would be really  
30 helpful, and would also give more access to children who could be missing out.

35 COMMISSIONER BRENNAN: Well, thank you so much, all of you, Chris, Cherylanne, and Natalie. We really appreciate your reflections on the service landscape, and on some of our draft recommendations. And thank you very much for your time this afternoon.

MS LEGG: Thank you for the opportunity.

40 MS GRENFELL: Thank you.

MS WILLIAMS: Thank you.

45 COMMISSIONER STOKIE: Thank you.

MS LEGG: Thank you. Bye-bye.

COMMISSIONER STOKIE: Thank you. I think we're joined by our next allotted time, and guests are coming along to talk with us. For those who just

joined, and perhaps those who have been looking on for a couple of minutes, so thank you for your patience. We're recording these public hearings, and there will be a transcript made available. And for the record, when I come to ask you to speak, or to talk, or ask questions, could you just state your name, and the background, and the organisation you're with, that would be very helpful. For those that perhaps we haven't met before, my name is Martin Stokie. I'm one of the Commissioners responsible for our inquiry into early childhood education and care. I'm joined on my left by Professor Deborah Brennan, and on my right by Lisa Gropp, who are my fellow Commissioners, so you have the full team here. And we've obviously put out our draft report late last year, and we have a series of recommendations, or at least draft recommendations, and perhaps a series of information requests. We're very keen to hear back from stakeholders and interested parties on those, but you may have some very specific things that you wanted to raise, and so we're equally happy to engage on those matters. You are welcome to make a short statement, or comment at the very beginning, and we can then open it up for conversations. We're very much in your hands. Is there anything I've left off, Deb or Lisa, before we start?

20 COMMISSIONER GROPP: No, thanks.

COMMISSIONER STOKIE: Okay. Well, we're a little bit in your hands if you wanted to introduce yourselves, and then we'll take it from there.

25 MS O'HALLORAN: Thank you very much. I think we're on next from WentWest, the Western Sydney PHN. My name is Di O'Halloran. A background in general practice and clinical education, but that's rather long ago. My ongoing involvements are very much around health system reform, and today I'd like to thank you for the opportunity to talk to you about the contributions that primary health networks, or PHNs more broadly, can make towards early childhood education. We are definitely not here as experts on the centres or the services per se, or even the recommendations of the Productivity Commission, but perhaps to give you a slightly different perspective on why we believe that PHNs, in particular, can provide an enormous and essential support to the successes of early childhood education.

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45 So I'm actually the Board Chair of WentWest, which incorporates PHNs being around for 20 years. I started off life in the division of general practice, then a Medicare local, and now Primary Health Network. It's one of 31 PHNs across the country, and we have exactly the same boundaries as the Western Sydney local health district, caring for a population of about a million and, as you would probably know, a significantly high proportion of that population is seriously disadvantaged. In particular, we've got very high CALD population, refugee population, and I believe the largest Aboriginal population in the metropolitan area in the country.

So PHNs are predominantly funded by the Commonwealth, but also by State government and other organisations with the intention of delivering on their key policy areas. PHNs do this by a very intense Local Area Needs

Assessment, by collaborative planning with our key stakeholders, by co-design, and with innovative commissioning. The fundamental objective is to achieve health system reform through system analyses and redesign to enhance integration, coordination, equity, efficiency, and, most importantly, the health and wellbeing of our people and our communities.

I think the important thing today is to stress that, what has always been clear to PHNs, and is not increasingly accepted by government, that PHNs cannot deliver on health goals unless they're working hard across services and sectors, and unless they're working to close the gaps between health, social care, and education, in working with families and communities to deliver very contextualised place-based developments within a common overarching framework. And I guess, the fact that early childhood education centres function in just those sorts of communities, means that they can't achieve their goals either without the support of those surrounding services. It doesn't matter if a child has access to high quality early childhood education, it matters how secure that child's home is, it matters how supportive the local community environment is. So for ECE centres, our work, and the work of many others, is also critical to your achieving your objectives.

So just going back to WentWest for a second. Child and family wellbeing has always been an absolute priority for us, even before the policy and strategy frameworks existed at the Commonwealth and State levels. For us, it was a major priority, because we could see just the impact that it had in our own district. From the beginning, we were pooling together modest funds from multiple sources to provide cross-sector services, like, Tiny Tots Talking, and Paint the Town REaD. More recently, KEYS, or KEYS, the Kids Early Years program, represents a very logical end-point of that work. It's a major evolution, a program to identify and support vulnerable children and their families to individualise a coordinated wraparound tier with a well curated combination of cross-sector services.

Important to note, that is funded through the Department, not of Health, of Communities and Justice, and it is signed off by four separate ministers and their departments in health and mental health, education, and communities, and justice. And we believe, for most areas of need, and particularly for childhood funding, that is the way of the future. But there needs to be a sign-off between Commonwealth and States, and at State level between the departments at a regional level, a collaboration between stakeholders to develop the nature of the program and, at local level, with the engagement of all of the local health providers, and others, to deliver on that commitment.

So just in terms of introducing our other speakers. In Western Sydney, the issues of affordability, access, and quality disparity in relation to community socio-economic status are clearly really obviously very critical, and I'd like to just introduce our next two speakers. The first is Dr Michael Fasher, who is a GP of 40 years standing in Blacktown, a champion of child and young people's health, and an absolute champion in terms of leadership of the local GP community, and our clinical director, to speak very much around the

evidence as it applies to our circumstances. And then Michelle Quinn, who is our acting CEO and our director of commissioning, with an absolute wealth of experience in both Australia and the UK in delivering on the objectives that relate to and support early childhood education objectives. So thank you, guys, and over to you.

COMMISSIONER STOKIE: Thank you. Welcome, Michelle and Michael. So over to you, Michael, I think is the order of proceedings, as Diana has put out, so you're welcome to make a comment or raise a point.

COMMISSIONER GROPP: You're on mute, Michael.

COMMISSIONER STOKIE: I think you're on mute. It's not quite yet.

COMMISSIONER GROPP: You're still on mute.

COMMISSIONER STOKIE: There we go.

MR FASHER: Thanks for the introduction, Di, and thank you, Martin, Deborah, and Lisa, for the invitation to chat. One of the reasons I am working with the PHN is that I really see that no matter how much high quality work is done at the service level, unless there's system reform, we're going to be having problems with equity. So one of the problems, I think, that faces both government, those informed by the evidence, and the Productivity Commission, is bringing the population's knowledge of what we all now take for granted along with it. So most people in Western Sydney would not believe that playing peek-a-boo with a small child could change the world. We all know Molly Wright's TED Talk, and its power. But somehow that message has to seep out into the community if taxpayers are ever going to persuade governments to invest in system reform.

Because of the social gradient, many children, in our patch of Western Sydney, miss out on the joys of peek-a-boo and all that goes with it. It is no longer tolerable that an Australian child's chances in life, at the population level, depend on the postcode they grow up in. As you all know, inequity is avoidable inequality. At the population level, children in Western Sydney, with adverse experience, when compared with children with less or no adversity, have, as you know, higher lifelong risk of cancer, coronary heart disease, stroke, kidney disease, depression, and an increased lifelong risk of ongoing failure to engage with their school community, adults smoking, heavy drinking, and interaction with the justice system. All this has a clear impact on productivity.

Even more extraordinary, public health often develops interventions, aided at each of these unwanted outcomes as individual outcomes. Intervention in early childhood, that increases positive experience, not only improves every one of these outcomes, but and this is often overlooked, all the outcomes improve simultaneously. Quality education and care is potent because it occurs in a context where a child finds safe, sustained, nurturing relationships



with responsive adults. Safe, sustained, nurturing relationships with responsive adults are key, both inside ECEC and beyond. These educators also are skilled in helping children to better manage episodes of emotional turmoil. And in the early childhood space, unless that job is being done, very little else can be done.

The accumulation of early education deserts, in the least advantaged communities in Western Sydney, is avoidable inequality. As described in our written submission, it has been a special joy to see how the Tiny Tots Talking program enabled educators, themselves often from disadvantaged backgrounds, to find increased joy in the work as they experience their previously unrewarding relationships with the children begin to flourish.

Now, we hear access, you've heard access. When I hear the word 'access', I say, the question is always, 'Access to what?', because poor quality early education and care does damage. (Indistinct words), these relationships, these positive experiences, in and beyond ECEC, mitigate the impact of adversity at every level of adversity, and now we have Australian data that confirms the findings that first came from America.

And as a last point from me, science has moved beyond correlation towards causation. We now have plausible biological pathways that explain the impact of adverse child experience on health. Toxic stress affects the developing brain's architecture and chemistry, it affects the developing immune system, and developing endocrine system, and toxic stress affects the developing inflammatory system. It alters the structures of genes, helping in part to understand the intergenerational transmission of trauma. We now understand why hurt people hurt people. And we understand why quality early education and care is such a powerful element in the public health mission of primary prevention. A challenge for us all with an interest, and the Commission, is to bring the community, and disadvantaged communities, along with us in the goal of putting this science to work. Thank you. Over to you, Michelle.

MS QUINN: Thanks, Michael. Thanks, Di. So what I'm looking at is summarising that affordability, access and quality. As Di and Michael have been talking about, kind of, all three of those go together, and they're particularly important for the families in lower socioeconomic communities. Because those barriers exacerbate the inequity and inequality, and that limits children's potential. And we're not just talking one child here and there, we're talking about whole suburbs of children and the fact that by living and growing up in that suburb, or in that low socioeconomic environment, their potential is reduced.

Now, we know from an affordability perspective that the international benchmark of child care affordability says that it is affordable if a family is spending less than 7 per cent of their disposal household income on child care. The Mitchell Institute says that 40 per cent of Australians are spending more than that on average. We know, therefore, that 40 per cent of Australians, you

think about in lower socioeconomic environments, it's going to be significantly higher than 40 per cent of families that are finding it unaffordable.

5 In Western Sydney, if we look at the single suburb of Auburn, the local prices  
for child care there are \$80 to \$110 a day, and a single income family's  
average earnings in that neighbourhood is \$36,000 a year. That means that  
they are spending, if they can afford it, 60 to 80 per cent of their take home  
pay, before subsidies, on child care, and clearly that's why we say it's  
10 unaffordable. Now, this - - -

COMMISSIONER STOKIE: Michelle, you might have seen our  
recommendations. We have a series of recommendations that relate to  
providing 100 per cent of the fee cap, in essence, making it free for the lowest  
15 30 per cent of income families, which the cut off is around \$80,000 per year.  
That's our draft recommendation. We're open to feedback on that, and what  
that's likely to do. In addition to that, those families would still be eligible  
also to additional child care support if that was deemed appropriate or  
necessary, depending on where they are. Have you seen that? Is that  
20 according with what you're raising with us today?

MS QUINN: Absolutely. So from our perspective, we really support those  
recommendations, and I guess, from our perspective, it's really just  
reinforcing that we're talking about significant levels of disadvantage and,  
25 therefore, those recommendations will make a significant difference to whole  
suburbs of our community.

COMMISSIONER BRENNAN: And, of course, the related recommendation  
around removing the activity test for the first 30 hours.

30 MS QUINN: Absolutely. And then if we get affordability sorted, then we  
move on to access. And we know that, and you'll be aware, that child care  
place availability increases along the continuum of socioeconomic advantage  
where the areas that have the greater numbers of child care places, are in the  
35 areas where people are more likely to afford them, previous to if these  
recommendations are enacted. And therefore, the least child care places per  
child are typically in socioeconomically disadvantaged environments, and  
culturally and linguistically diverse communities as well.

40 COMMISSIONER BRENNAN: Michelle, can I just make an observation. I  
think I'm hearing, in your comments, and also in Michael's and potentially in  
Diana's, echoes of Michael Marmot's work on social gradient.

MS QUINN: Yes.

45 COMMISSIONER BRENNAN: And I just wanted to say that we really  
welcome you bringing a public health and – what's the other p word – primary  
health perspective to our work. I do have a specific question, and I know I'm  
interrupting you, but I'd just like to get this out there. You would be aware

5 this is a very crowded policy space at the moment, and we've got this inquiry  
into early childhood education and care. There's another inquiry into  
something called the Early Years Strategy, and there's other services and  
supports that potentially set around families. A question I would like to ask  
10 you from your joint collective experience is, what's some of the effective  
ways that you've seen primary health networks interrelating or interacting  
with early childhood education and care? I just wonder if there are some  
things we could learn from you specifically from that perspective. I don't  
want to stop you talking on the other points, but I'd just like to make sure that  
15 comes in.

MS QUINN: Certainly. We have specific examples, and Michael particularly  
referenced them. But one of ours, in particular, is called Tiny Tots Talking,  
and another is Kids Early Years. Tiny Tots Talking was specifically designed  
15 to reach in, taking into account that accessibility, that affordability. We've  
been focusing down on to quality, because once you get into the childhood  
centre, getting in is one thing, but actually then having high quality is what  
drives improvement, and what drives that lifetime potential. So we teamed up  
with Blacktown Council, and went into three of their early childhood centres.  
20 In two areas of Western Sydney, Doonside suburbs and Mount Druitt, very  
disadvantaged areas, are high Aboriginal and Torres Strait Islander  
environments, and we also worked with a speech pathologist from our local  
health district. And what we did was design a program, that was delivered by  
the speech pathologist, to the educators and, in fact to, in several instances,  
25 family members, to parents. That was to support and enable the delivery of  
quality educational environments in those centres. That was evaluated by the  
University of Wollongong.

30 What that showed was that, in the beginning, four out of five children entering  
the locations were developmentally at risk, and that a link to all of that, as you  
know, you know, adversity, violence, food insecurity, rent, goes around that.  
What we got from developing a program that was focused on raising the  
ability of the adults to change their intervention towards the children, made a  
35 significant improvement in those children's developmental milestones,  
increased their ability to be school ready, and, from our perspective, it is a  
financially more affordable fast option for changing that trajectory than many  
of the others.

40 We know that workforce is critically important, but when we're looking, for  
example, in an area of low socioeconomic standing, the people who are  
available to enter the workforce, who might be interested in working in an  
early childhood centre, may not have significant levels of education behind  
them. This is a different way of getting them in, and teaching them hands-on  
in the environment, and not theoretical. The speech pathologists bring the  
45 theory, the children are those life learnings, and you're learning how to apply  
these instances across a wide ranging need, so we would say that is a specific  
example.

Di also mentioned our learn to read, which was Turning (sic) the Town REad,  
R-E-a-D, was about, again, teaching parents, giving parents the skills in order

to start reading and interacting with their children differently. And then our other big one – so we believe the Tiny Tots Talking is absolutely ready for upscaling, and we think we have some good evidence, which was included in our pack - but then the second one we were really keen on is the Kids Early Years Network. That's our collaboration across agencies with the Department of Communities and Justice, with the local hospital systems, with education, and working at the family level.

So if you want to change the life trajectory of a very young child, you have to look at them within their family system. And while the adults in that environment are experiencing and focused on adverse experiences, including domestic violence, food insecurity, unstable rent, they find it very difficult to be able to create the environment for those children. We know that that is one of the advantages of early childhood education centres, but it's also taking the child out of the environment for a few hours every day, and putting them back into that environment, doesn't change their life trajectory. The way to change trajectory is to change the intergenerational disadvantage, and some of that is removing the stress between the systems that exist.

So Kids Early Years, they talk about it as being the glue between the system. It's the glue between out of home care, and Centrelink, and the early childhood centre, and the hospital appointments, because a child is developmentally at risk or developmentally delayed, and the transport that is impacting the ability to get to places, the food insecurity, and the ability of the parent to then be able to separate all of that to think about entering the workforce, which, we would say, is one of the other parts of making the life trajectory, that intergenerational change, happen. So we believe that we have some really good evidence.

Kids Early Years is two years old at the moment. We have really good evidence for the first 700 families that have been through that, and the impact that that is having not just on the youngest children, but by having a family approach. It's also looking at changing the intergenerational outcome for the children that are eight years old, 13 years old, et cetera, as well as giving the parent – taking away some of those stresses that are sitting there that are preventing them from moving to the next phase, which actually allows them to make that next significant change that will help the impact on to that youngest child. So for us, we really see that there is that multi-agency.

You talk about the policy space being really crowded. We advocate for looking at how we can do it cross-area. We believe that separating everything into – we talk about not having silos, but every time we create new silos, or strengthen one area but doing it in a way that is in a silo, we put in the money, but we don't get the outcomes that we were hoping for. So for us, primary care, public health, is all about prevention, and looking for long term. When you think about something like smoking cessation, no one was ever looking at reducing lung cancer in a year, everything was about, 'How do we make this generational 20 years/30 years/40 years change through helping to reduce the uptake of smoking?' The same thing. We would argue that that, in spades, is

5 the same thing that we want to do for young children, is how do you link everything together, use all the money that is out there, use all of the smart brains that is out there, to do it together, so that you start thinking about it in a wraparound way, that you think about the family unit, and, therefore, how early childhood education and quality early childhood education impacts that child, but in a way that supports the rest of the family.

10 Because, as Michael talked about, adverse child experiences, we know that the life expectancy of people with high adverse childhood experiences is 20 years lower than those without. So just creating more childhood places isn't going to improve their life expectancy if we don't keep quality, and if we don't reduce their lifelong stress that is created by the home that they're living in. Their home should be a sanctuary, and it isn't because of all these other stresses that are around them. I'm going to stop there, thank you.

15 COMMISSIONER BRENNAN: That's a really powerful message that you've given us around not simply access, but quality. We hope we're conveying that in our report. But to the extent that we're not, we can revisit that. And I guess, it also goes to the question of, 'Will our reform stimulate providers to come into areas, for example, Western Sydney?' And if so, are they the kind of providers who are going to deliver what is needed for the communities such as your own, and areas of disadvantage, and vulnerability?' But I think you've conveyed that message to us very clearly, and also in your written submission.

25 COMMISSIONER GROPP: And we do recommend, I think you might - in thin markets, there's areas or the deserts, or whatever you want to call them, it's not just necessarily an ECEC centre, we talk about different models for complex needs (indistinct words) of a commissioned approach probably in some of these areas. And I've just got one really quick question, because I found that the Tiny Tots approach really fascinating, and how you link with families, et cetera, and I'm sure you'd be aware of the NDIS review, which is now, sort of, looking at to use not only the ECEC sector, but using it as a mainstream support, and then we have foundational supports, but the sort of program you were talking about, would fit into that, would it not?

35 MS QUINN: Very much so.

COMMISSIONER GROPP: Yes.

40 MR FASHER: Perfectly - - -

MS QUINN: Because not only is there - go, Michael.

45 MR FASHER: One of the problems, Lisa, is that PHNs have relative discretionary funding.

COMMISSIONER GROPP: Goes back to resources.

MR FASHER: Most of the funding is run from Canberra. And I draw the Commission's attention to the State Commonwealth divide. Until recently, the Commonwealth has shown very little interest in early childhood. I think the draft Early Years Strategy is looking very promising.

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COMMISSIONER GROPP: So there will have to be resources if that's the shift of the NDIS, but also that the PHNs are well placed, aren't they, because you have really broad remit about outcome focus, et cetera, in prevention and covering wider areas, so that's sort of an interesting approach, yes.

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MS O'HALLORAN: Can I just add that they are very well placed, but they are not well resourced.

COMMISSIONER GROPP: I accept that.

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MS O'HALLORAN: And the reasons that Michael mentioned is that early childhood has not been a priority for either State or Commonwealth for a long time, or forever as far as the Commonwealth is concerned, so that it has not figured in the policy of agenda, nor in the grants that have been provided. So where PHNs have provided early childhood programs and initiatives, and we can certainly pull those more broadly from the across the network, they have done so by cobbling together bits and pieces of funding from their limited sources, and their flexible funds, because there's been no ongoing funding. So clearly, we could make a huge difference there given the pivotal position at regional and local level if we were resourced to do so.

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MR FASHER: But I love Lisa's remark about the need for a stitched up system approach in local communities, rather than saying that we just go for ECEC.

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MS O'HALLORAN: Yes.

COMMISSIONER GROPP: Well, we've recognised that it is more of a - that some of these communities, it's not just about a centre-based day care. It needs to, whether it's integrated services, hubs, or, and there are examples of those, but we've said that there's a different, probably a more a bespoke approach in many of these areas required.

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COMMISSIONER STOKIE: Thank you very much today for coming along. I know that Jodie's joined – sorry, Julia, I beg your pardon, has joined us, so we might bring this discussion to an end with yourselves. But thank you very much, Diana, Michelle and Michael.

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MR FASHER: Thank you very much for having us.

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MS O'HALLORAN: Thank you.

COMMISSIONER BRENNAN: Thank you.

COMMISSIONER STOKIE: Julia, I know you've joined and we have asked you to join 15 minutes earlier.

MS BROAD: Yes.

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COMMISSIONER STOKIE: If you're comfortable, we're proposing to take perhaps a 10 minute break. And I know you're scheduled for 2.30, so you're welcome to stay on the line and grab a cup of tea, or do something else, but if it's convenient, we might pause now and come back in 10 minutes time and start again at 2.30.

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MS BROAD: Yes, definitely. Thank you. See you then.

COMMISSIONER STOKIE: Thank you.

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COMMISSIONER GROPP: Thank you.

COMMISSIONER BRENNAN: Thanks, Julia.

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(Short adjournment.)

COMMISSIONER STOKIE: Thanks for rejoining us, Julia. Hopefully, you've had a chance to have a cup of tea, or something, we certainly have, and we appreciate your forbearance of being patient.

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MS BROAD: Yes, that's fine. No problem.

COMMISSIONER STOKIE: You're one of the first people we spoke with when we started our consultations up in Queensland, so we very much thank you for your time needed today. And just for your benefit, and reminder, I'm Martin Stokie. I'm one of the Commissioners joined by Professor Deborah Brennan on my left, and Lisa Gropp, our third Commissioner on this project. I'll throw to you shortly. You're welcome to make a 5 minute or a short overview, or statement, or whatever you'd like to say, and then we'd happily maybe have a bit more of a direct conversation.

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For the record, it would be helpful if you could just state who you are, and who you're representing, and then we'll get into it. We've obviously got a series of recommendations and information requests, but you probably are likely to have some specific points, and if you prefer, we're happy just to go to those. But equally, if you had general comments or direction, we're a little bit in your hands. This is a listening exercise from us, and a level of engagement. So perhaps with that introduction, I should just say this is being recorded, and we will have a transcript for the formal record, and it's open to the public so there may well be other people. And I know there's a number of our team who are sitting in the background, and it's just to, you know, keep you informed as to the process, and who's around and not around. But over to yourself.

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MS BROAD: Yes. Thanks, Martin. So Julia Broad, representing the Isolated Children's Parents' Association of Australia. And I'd like to start by thanking, from the ICPA, the Productivity Commission for the work that's gone into creating the draft report so far, and with particular reference to children who, for geographic reasons, have no access to daily early childhood education and care. We are particularly interested in the finding that the children who most likely are going to benefit from access are the ones that aren't getting the opportunity to attend, and we look forward to seeing stronger recommendations in the final report building around that finding.

We hope to see that the Commission will recommend a universal system that will enable rural and remote children access to services that support their development, and the reality is that that won't happen unless the PC recommends the specifics of how that might work, and so we hope that the final report will give the government opportunity to address the gaps that we see in services at the moment.

So a major gap is with the In Home Care program, which hasn't been detailed in the draft report, and I acknowledge that you're waiting for the education department review of that program, but we have lots of specifics about how that program needs to change to meet the needs of geographically isolated families. And we also recognise, in the review of that program, some suggestions were made that would create a high impact for geographically isolated families, but they also might pose high risk. And we would ask that the Productivity Commission recommend those high impact changes, and in the belief that the government is there to accept that risk, and to manage that risk for the reward that remote families will see from those high impact changes.

So the other gaps that we see in the current programs are lack of surety of funding for mobile early learning services, that has resulted in a very low number of those services in rural and remote Australia; affordability of distance, education, for the preschool age group, so that's because the AIC, the Assistance for Isolated Children, is not paid for that age group; a lack of adequate funding for rural and remote early childhood centres that have higher costs associated with staffing their centres, and the Community Child Care Fund has not met that need; lack of affordability of other rural and remote programs that parents are paying for because they don't qualify for the Child Care Subsidy; and lack of flexibility for in venue family day care in small remote towns.

Just the logistics around grant funding. It does not provide the flexibility, accessibility, and affordability, that we're looking for; staffing issues with In Home Care; the qualifications that you need to meet the guidelines of that program, as well as pay parity for early childhood teachers in a centre as opposed to the education departments; the barriers that are created by the State Working with Children Checks; and the need for a national Working with Children Check; gaps in the working holiday visa program that don't



allow governesses or nannies to do their 88 days of rural work, those roles don't qualify for that visa.

5 So the PC have found that Child Care Subsidy is too confusing for parents to understand what their entitlement is, and that it's not serving the purpose of making ECEC affordable for families. So in the goal of achieving universal care, although there isn't a clear definition of what universal is, the ICPA believes that filling those gaps, that I've just described, would begin to make quality ECEC available, accessible, and affordable, for rural and remote families.

10 The PC have recommended option 2 of the six options for changes to the Child Care Subsidy, and we'd like to question how this option stops the centres from charging above the hourly rate cap, and we feel that any option that doesn't endeavour to do that won't achieve anything, because the centres will still need to charge above the hourly rate cap, which leaves parent out of pocket. So a system that has a daily flat rate for parents will take the confusion away, and flip that funding to be between the government and the centres instead of now, as it is, centres can charge families fees up to whatever they deem those families will pay.

15 And we also feel like a flat fee will create financial accountability for the centres to provide the service they're being paid for, rather than parents and the Child Care Subsidy system being charged for days that are not being used. And we would like to see recommendations that centre around, and hit home for the government, the fact that the more money that is spent in the zero to five year old age group will lead to less overall government funding being needed for that child as they're a teen and an adult.

20 Another major issue that we see with the current report is that grant funding does not work in thin markets. The report acknowledges that some communities won't have local representatives to manage the development of an ECEC program in their community. And in reality, it shouldn't be left to any local reps to manage that. In any community, we feel that relying on rural and remote people to put their hands up is not a sustainable model, and will not deliver the government what they need, which is quality ECEC in rural and remote communities. So we've lodged some of our suggestions for longer term reform, as well as the interim changes that we feel could be quicker and easier fixes, so I'm happy to detail either or all of those, if we've got time?

25 COMMISSIONER STOKIE: Well, we'll have a little bit of time, Julia, if you're happy for us to take a few questions, or are there further points that you wanted to make first?

30 MS BROAD: That's it for now, thanks. I'm happy to respond to questions.

35 COMMISSIONER STOKIE: Well, thank you. As you'd probably appreciate, in a policy sense, it requires additional thought as to how policies that are designed to, sort of, be consistent and uniform, to an extent, across Australia,

can actually work for those who are living in very remote and isolated communities, or isolated areas, and that requires us to probably give more consideration than we have to date, and we're acknowledging it, but I think we'd be the first to say, well, we've parked an aspect of that, so we welcome your feedback on our work.

COMMISSIONER GROPP: Yes, on the CCCF, and you were talking about the limitations of grant funding and, sure, I mean, if you get a three year grant, you don't know whether it's going to be funded again, that's a real issue. I guess we had in mind, where we talked about – we sort of talked about different models that it could be, say, a grant for capital, which would mean you could build something or that wouldn't have to be ongoing in that sense, but then you'd have to have operational funding that would need to be ongoing, and that might be through the CCS or, you know, something, but there would have to be different approaches, but we would recognise the need for there to be ongoing funding. And in terms of the community, I don't think we were saying it would have to be community led, or, I mean, it wouldn't have to rely on that, where there was a need, but we wouldn't want to exclude the – we think if there's a strong community feel for what is needed - - -

MS BROAD: Yes, definitely.

COMMISSIONER GROPP: It should definitely be taken into account.

MS BROAD: Yes, for sure.

COMMISSIONER GROPP: And so it was more about ensuring that the community was a consulted as part of it, as much as they wanted to be, so that the communities could go out and provide something that nobody wanted to meet anybody's needs, that would not be a good outcome.

MS BROAD: Yes, definitely.

COMMISSIONER GROPP: So I take your point about, you know, maybe we need to make that clearer about – because we didn't - expanding on those different options under what we see as an expanded CCCF.

COMMISSIONER BRENNAN: Yes, I wanted to ask a bit about that too, Julia, just to make sure that we've heard completely what you're saying there. Because I took it as being as, 'People in really isolated communities, we don't think the onus should be on us to instigate the service'. So have you got a view about – so is it that a market provider coming in is an answer, or is there another party there that you've got in mind, are you thinking of government, or?

MS BROAD: Yes, I feel for consistency, the government need to oversee that so that it's consistent across Australia. If it was – yes, I think market providers would just create a piecemeal proper system that might work in some areas, but not others. So, yes, it's just not leave it up to parents who are

desperate for child care for their children to find funding and develop that program - - -

5 COMMISSIONER GROPP: So are you saying that, you know, 'We've got needs here'. I mean, we have made a recommendation, and you might have seen it, about an ECEC Commission, which we've envisaged that would be one of its roles, by identifying areas of need, and then what would be the best approach to do it. So I don't know if you had any thoughts about that?

10 MS BROAD: Yes. So I probably left that out. Yes, as it's written in your recommendations, we will definitely be supportive of that Commission as a central contact point, and, yes, maybe they oversee the delivery of it across Australia.

15 COMMISSIONER STOKIE: One of things that I'm sort of grappling with in the hearing, the sort, general response, Julia, is we've taken our work, and if you think about it, we've made some recommendations around regional areas, we've then made some recommendations around remote areas. And as I understand it, you're representing more the isolated families, in particular.  
20 But if you think about it as population density, we're going from a size, which is obviously less than what you might get in metropolitan areas, but you're getting, potentially, capacity to sustain a service of some structure, or what have you, which is where our grant funding would come in, or even expanded services, because we would be potentially, in our recommendations if they  
25 were adopted, providing 100 per cent funding for the lowest 30 per cent income families, et cetera.

You go then into remote areas, and maybe that's where grant funding fits in, but it's still a dedicated service, it's targeted to that remote community,  
30 however that is defined, and then at the isolated family level, which is even more less dense, or it might be very specific to the farmstead, et cetera. So I'm sort of grappling with, you've given us a whole series of points, some of them, to me, I listen and go, well, actually, I think that would be dealt with in the regional and the remote. It may not be dealt with in the isolated  
35 communities. Some of the solutions might be dealt with in a remote or regional area for the isolated communities if they could get to them. So, like, you're talking about in venue family day care, or that type of thing. Unless you're thinking, 'No, no, we do the in venue family day care in the remote community homestead as opposed to in the community town centre', which  
40 might still be a while away, and you then mention transport. So that's when I said at the very beginning, I'm thinking about how does it work, or how do we think about this in a way that actually makes meaningful sense, and then targeted – and sorry, to, sort of, bang on about it, but if you think about education more broadly, there would be remote areas that will have distance  
45 learning that we're not building a school in every single area, we design a separate program that's trying to deliver the outcome in the most optimal way for those communities and those families. But, sorry, it's a long winded way of saying, I'm just trying to work out what problem are we trying to solve here, and for whom.

MS BROAD: Yes. So it's complex, because we do represent those geographical isolated families who have no service available other than In Home Care, and the odd mobile service, maybe that visits their property, and then we also represent members in small remote towns where there might be a family day care, or a small centre, or something based at the school, there's just so many different so options, so adds – yes, our members come to us with a large variety of issues as well that we are trying to grapple with, and advocate for. And the family day care is a good example, but maybe as part of the In Home Care review, they've hinted maybe at altering the family day care system so that it suits the geographically isolated property, because there's maybe two or three families on one property, and they can't have one in home carer, and they can't do In Home Care because there's no house that's appropriate for the family day care regulations. So maybe the solution is for in venue family day care for the geographically isolated families, but there's also small towns where there's family day care providers using a community venue, and they have asked to advocate for the legislation to be able to have two family day care providers, and use that same venue, so where that venue is suitable for that. So, yes, there's a few different options at play there for the possibilities around family day care.

COMMISSIONER BRENNAN: Sorry, Julia, is that two simultaneous family day educators?

MS BROAD: Yes.

COMMISSIONER BRENNAN: And can you expand on that - - -

MS BROAD: Yes, so - - -

COMMISSIONER BRENNAN: Can you expand on that? What's the thinking there?

MS BROAD: Yes. My understanding, from the case study that we received, is that a family day carer can have, one approved provider, can have seven children, and it depends on their ages, but up to seven children in their care using community venues that is suitable for family day care. And their idea is that if there was another family day carer in that community, who's home wasn't suitable, they could also use that community venue, and have 14 children there in that venue, with two adult approved carers in charge of that program. And for that small community, in their case study, would double the number of children that can receive that care in their town.

COMMISSIONER GROPP: So, Julia, the case studies come from – has that been proposed by the review, or - - -

MS BROAD: Yes, South Australian branch.

5 COMMISSIONER GROPP: Yes, but we only had about in venue care for the first time a few weeks ago. But we also understand that several years ago there was something like that did exist before rules were changed, or something. But, yes, it's – so we're trying to get our heads around that too.

MS BROAD: Yes. So I can give you, you know, contacts of the particular community if you'd like to try and see their specific situation.

10 COMMISSIONER BRENNAN: Is there something written up?

COMMISSIONER GROPP: Yes.

COMMISSIONER BRENNAN: Is there anything written up about it?

15 MS BROAD: Yes, a fairly brief case study, basically just what I've explained to you, not any further detail.

COMMISSIONER BRENNAN: Yes, that would be good.

20 MS BROAD: Yes.

COMMISSIONER BRENNAN: Otherwise, we're putting – I mean, you've taken on a big burden, and I felt this, possibly we all did, felt this last time you spoke with us.

25 COMMISSIONER STOKIE: You're representing a cross-section, yes.

COMMISSIONER BRENNAN: You were representing a very significant – well, not a huge number, but a very significant group of families, and you're saying to us, 'If it's universal, where are we?' And I sensed this last time too, it must be very tiring taking on this role, and fruitless sleep quite often, so we're not seeking to be obstructive at all, we're just really, really trying to get our heads around this, and we genuinely do want to establish a universal system.

35 MS BROAD: It's very complex.

COMMISSIONER BRENNAN: Yes.

40 MS BROAD: Yes, I don't feel like that all. But, yes, I wish I had my head around it may be better to help explain it.

45 COMMISSIONER BRENNAN: Yes, yes. It's very tricky, yes. And I think too, you know, I was reading your comments around the RICE program. It's kind of like the services don't fit neatly into boxes, you know, you just don't have the number of children to say, 'Here's our kindergarten program. Here's our playgroup and parent support venue', it's not working like that.

MS BROAD: And we don't have all the answers to that, but (indistinct words) - - -

5 COMMISSIONER BRENNAN: Well, you're not necessarily policy thinkers, you're people living your lives, and trying to raise your children.

MS BROAD: Yes. And we just think probably the legislation is a barrier a lot of the time.

10 COMMISSIONER BRENNAN: Yes.

15 COMMISSIONER STOKIE: Julia, you mentioned that you didn't think grant funding was going to work well. Is that because, perhaps, how people might interpret what grant funding is? Perhaps the way we're envisaging it is very much almost like a block funding capacity to underpin the viability of the service as opposed to funding following the child, which is currently the case, and therefore it's up to the operator to make sure there's enough children, and in theory it's where, perhaps in remote and regional areas, they could go up and down depending on the seasons, it could go up and down depending on  
20 the amount of rainfall over a longer period of time, the success, or otherwise. And so I was interested when you said grant funding was not going to provide the flexibility, oh, okay, because that's one of the things that we're suggesting might work, and you're telling us it's not, and so we can we maybe just explore that a little bit with you.

25 MS BROAD: Yes, maybe we misinterpreted what grant funding might mean. Because historically, grants have been provided for a particular program, or a particular aim, and if the child or the community need doesn't fit into that, those guidelines, they don't quality. And then the next round of grant funding  
30 might have different guidelines, different achievements they're trying to achieve, so there's just no continuity and no surety. So that historical view of grant funding is where we're coming from.

35 COMMISSIONER GROPP: That is our bad, because we haven't explained as well as we might, and I think it is about different funding mechanisms to ensure that services are delivered, appropriate services delivered. And so how do you do that in – in some areas it might be a mix of grant funding and CCS, and others it might just be go ongoing, you know, block funding, grant  
40 funding, you know, but it has to be – yes, as long as there is a need for the service, it would have to continue, and that's what it is.

MS BROAD: Yes. And historically, there's been a lot of energy of, you know, dedicated early childhood staff, their energy is put into having to reapply for grant money to keep their program alive. But that's the stories that  
45 we hear.

COMMISSIONER GROPP: Yes, which is versus, say, the demand driven system where that does not come into play.

MS BROAD: Yes, that's right.

COMMISSIONER GROPP: Now, we hear that, and so we'll have to make that crystal clear.

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COMMISSIONER STOKIE: At this point, we haven't recommended capping fees, and you mentioned the concern about parents being charged excessively.

MS BROAD: Yes.

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COMMISSIONER STOKIE: We are, as we highlighted, potentially going to fund, or if the recommendations were adopted, 100 per cent of the rate cap for lower income families. That may not address all of the members, et cetera. We are also suggesting the rate cap be reviewed to better reflect the cost.

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MS BROAD: Yes.

COMMISSIONER STOKIE: Is it your experience, or are you hearing from members, or people who come to you, that that out of pocket expense is excessive and/or something that parents can't predict well, or they don't feel like they have control over. What's behind - - -

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MS BROAD: Yes, definitely with the In Home Care program, the gap fees have blown out since 2019, in particular.

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COMMISSIONER GROPP: And the ACCC saw that in its data. Have you seen the ACCC report, they made a feature of that, so they have certainly argued looking at the cap program.

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MS BROAD: Yes. And you've touched on the fact that the families we represent are from all different levels of socio-economic status, so even though a farming family might have a high business income, income is not necessarily, you know, available for different expenses, so they might actually, you know, not have the money available, but it appears that they do have via their tax system, as well as lower socio-economic families that might live in a small remote town. So the stories that we get is more about the In Home Care than those rural and remote childhood centres.

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COMMISSIONER STOKIE: We have heard, Julia, in a couple of other jurisdictions that transport was a really big issue for those jurisdictions, and the ambition there, no doubt from the people who were speaking with us, is some sort of capacity to collect the children, and bring them to the early childhood education centres, and so I just wondered, it's not something you've raised before, maybe it doesn't work when we're talking isolated families, we are talking isolation, you know, as in very large distances, and so therefore that's just not practical, realistic, or desirable.

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MS BROAD: Yes.

COMMISSIONER STOKIE: But I just thought I'd ask your thoughts.

5 MS BROAD: Yes, sure. So for some of our families, it's not an option to transport them on a daily basis, but others might be within a bus service to get their children to preschool or child care. I know in Queensland, for the school bus services, where students catch a school bus, the under school aged children are not allowed on that bus, just because of State department guidelines.

10 COMMISSIONER STOKIE: Yes, there is a requirement around (indistinct word) and ratios and responsibilities.

15 MS BROAD: Yes. So I know that is an issue for some of our families, that they put their six year old on the school bus to go to school, and then drive their three year old to the same town to take them to the kindy program. It just doesn't seem practical, but that's what some of our families do. And, yes, we don't hear from our members from in the small towns that they might require a bus service to go around and pick their children up. That isn't something that has been raised by our members, but I'm sure they'd take advantage of it was a service that was available to them.

20 COMMISSIONER STOKIE: Yes. There's some discussion around what is the role of the Inclusion Support Program, more broadly, which you may have read or looked at. But in part, at least currently, its delivery is very much around supporting children with additional needs, disabilities, in particular, but it's not inconceivable to think that it extends to things like transport services, and the geographical location of those families is such that the support that's needed is, in fact, in some circumstances transport services, and others it might be cultural, linguistic, it might be, you know, additional people to support children with additional needs, but I thought I'd ask because it's come up from other jurisdictions, but my sense is that those jurisdictions are less remote than perhaps some of the families that you're representing and responsible and engaging with.

35 MS BROAD: Yes. So, yes, our families are right across from being very remote to the small towns, and it would just be – so our members wouldn't want to see, like, another transport system go beside a school bus service, for example. It sort of makes sense to integrate them, if that can happen.

40 COMMISSIONER STOKIE: Yes. Can it? Can it happen?

MS BROAD: Well, yes, I guess it comes down to each individual community, and how many children there are, and, yes, if they can staff the bus to supervise the other children, or - - -

45 COMMISSIONER BRENNAN: Those required to be on the bus with the children.



COMMISSIONER STOKIE: Yes. Well, I think that we've seen in other areas where it's working, the appropriate seating, or restraints - - -

COMMISSIONER GROPP: They will need two buses.

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COMMISSIONER STOKIE: And that's not always possible, certainly not on a historical traditional school bus, and then the number of staff that would be adequately trained and capable and responsible, and all those sorts of things. It's not just an additional person.

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MS BROAD: Yes.

COMMISSIONER STOKIE: Anyway, I just thought I'd ask.

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MS BROAD: We do have, particularly from WA, a lot of interest in school buses having some sort of alarm system to prevent, you know, situations where children are left on buses, so that would only be a higher need the younger the children are, just to prevent any tragedies.

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COMMISSIONER STOKIE: You mentioned some programs, Julia, which probably fit within the State purview, but mobile services, and the like, and I just wondered have you observed any change in these spaces for support for your mobile playgroups or community engagement, are there examples that we could or we should be looking at, or reductions in that level of service that you observe that are of concern?

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MS BROAD: Yes, definitely. I think over the last – I don't know if it's five or eight years, maybe 10 years ago, the funding model changed to be that grant-based funding, and there's been a massive drop in the number of mobile services provided across Australia. And there was a fully kitted mobile bus sitting in Cunnamulla, and it's probably still sitting there, not providing any service because no one has applied for funding to staff that bus to actually drive it around to the families in the Cunnamulla area. So I think the critical side of the mobile early learning is it doesn't provide any child care for parents to go to work, as some of these other programs might, but for some families' children, they don't get any other service, so this is the only opportunity, maybe three or four times a year, to meet in a group with other children their same age with a professional early childhood teacher who might be able to identify needs that they have, or help the parent understand their child's behaviours, all these different socialisation things that, for some families, that's the only opportunity for them to get that service.

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COMMISSIONER BRENNAN: Yes, it's quite challenging to wrap your head around that idea, actually.

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COMMISSIONER GROPP: Julia, you have a few proposals around workforce, including around age, you know, sort of the inconsistency of the In Home Care guidelines.

MS BROAD: Yes.

COMMISSIONER GROPP: Do you want to take us through those, what you're proposing?

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MS BROAD: Yes. So we have quite a few examples of families, who the In Home Care program often is staffed with often young girls that are having a gap year following Year 12, and they've done their cert III qualification while they were at school, they finish Year 12, and they're still 17 until sometime in the following year, so they don't qualify to work under In Home Care, even though they've got certificate III. And, you know, we recognise that, is it okay for 17 year olds to be in charge in that role, but if the family have made that choice to employ a 17 year old, who's got the early childhood qualification, you know, it's just a barrier that our families get brushed over with, that they have to wait until they're 18. But often the family employs that person, and just pays their full wage until they become eligible for the In Home Care Program, and then they get the Child Care Subsidy. So the children are still being cared for by 17 year olds, but it's just not under the In Home Care Program. That's one example.

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The other is that, say, secondary education doesn't qualify as one of the eligible qualifications for In Home Care. And an example might be a retired secondary teacher might go to a rural community, and want to do that In Home Care role, their qualification doesn't meet the guidelines, so they have to enrol in a cert III in child care. Often on remote properties, the in home carer is actually providing before and after school care for school aged children, so it's not an early childhood job, you know, the children - - -

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COMMISSIONER GROPP: Outside school hours care.

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MS BROAD: Yes. But they are still required to have the cert III in early childhood. So being enrolled, some in home carers want to study their education degree while they're working in In Home Care, but if it's not an actual specific early childhood education degree, they don't quality under the guidelines, which I just think that's an easy fix, and it's actually highlighted in the In Home Care Report as an easy fix, and a low risk fix. So hopefully, they can make that change.

COMMISSIONER BRENNAN: Yes.

MS BROAD: You know, our families, there is the child care need, but that need doesn't automatically disappear once the child becomes school age. So the In Home Care Program isn't available for paying for a tutor for the distance education classroom, so another major part of what our members need is some program to help them cover the cost of having that supervisor in the classroom once the kids are school age. That's another whole issue.

COMMISSIONER BRENNAN: Yes.

MS BROAD: It isn't really part of early childhood.

5 COMMISSIONER BRENNAN: So in the room with us we've got – I'm not sure if you can see, but we've got Lou and Miriam, our Assistant Commissioners. I just want to check, because I know they're quite across some of this detail, whether there's any questions that have come up for you?

MS VEISMAN-APTER: Thank you, no.

10 COMMISSIONER BRENNAN: Yes, okay.

COMMISSIONER STOKIE: Is there anything else, Julia, that you wanted to raise with us?

15 MS BROAD: No, I think I'll send you the example I've got of the family day care suggestion from our members. Yes, apart from that, just thank you for your time, and your energy, and we look forward to the final report.

20 COMMISSIONER BRENNAN: Thank you for what you're doing, Julia.

COMMISSIONER GROPP: Thank you. Yes, we hear you, yes, and when we met last year, and we - I think there's some interesting – well, there's certainly complexities, but there may be some things we'll be able to look at further.

25 COMMISSIONER STOKIE: I'm just wondering out loud that one of things that we have recommended is an Early Childhood Education and Care Commission, and one of the things that I'm hearing, and it's coming in through in all the examples, is that, particularly remote, isolated families, are  
30 somewhat slipping through the, sort of, generalist approach that we're taking, and the examples you put in there, you know, well, okay, if that was in the city, et cetera, that might be different, or wouldn't be an issue, but in very specific areas, this is going to be the difference between people having a level of support, or a level of education, or a level of care, but, you know, there is  
35 no other choice, and so having some flexibility around what works in specific areas may well be an area that the Commission, or at least a component of that.

40 MS BROAD: Yes.

COMMISSIONER STOKIE: The other that I'm sure you (indistinct words), Australia now has a regional education Commissioner, Fiona Nash, and I presume you've had various interactions with Fiona a couple of times.

45 MS BROAD: Yes.

COMMISSIONER STOKIE: But again, these things probably come up on a regular basis, and may well be a source of frustration, and once again we have to raise the same issues, et cetera, but, yes, we appreciate the comments and

hopefully maybe some of our solutions, and our areas of focus, will seek to address, as best we can, the challenges and the needs for the children.

5 MS BROAD: Yes, thank you. And we're hoping to move away from that blanket approach, and some specifics that will meet the needs of rural and remote and geographically isolated families specifically.

COMMISSIONER STOKIE: Yes. Thank you very much, Julia.

10 COMMISSIONER BRENNAN: Thank you, Julia.

COMMISSIONER GROPP: Thank you, Julia.

15 MS BROAD: All right, thank you very much. I think I've overstayed my time, so thank you very much for your time.

COMMISSIONER BRENNAN: No, no, you haven't.

20 COMMISSIONER STOKIE: It's been very helpful for us, and hopefully for yourself too to have these discussions.

COMMISSIONER GROPP: Yes, thank you.

25 MS BROAD: Thanks, very much.

COMMISSIONER STOKIE: I'm not sure Lisa has joined.

MS ANNESE: Hi. Yes, I have joined.

30 COMMISSIONER BRENNAN: Hello, Lisa.

MS ANNESE: Hi, how are you?

35 COMMISSIONER STOKIE: Very good, thank you.

COMMISSIONER GROPP: How are you?

MS ANNESE: I'm really well, thanks. Thanks for having me here today.

40 COMMISSIONER STOKIE: That's absolutely fine. You might have heard, with our discussions with Julia then, we're obviously having our public hearings, and very pleased that you could join us. My name's Martin Stokie. I'm one of the Commissioners and I'm joined on my left by Professor Deborah Brennan, and on my right, Lisa Gropp, so this is the team. We also have a  
45 number of our team who are writing the work, and doing a lot of the heavy lifting around with us today as well.

These are public hearings. We're recording the transcript, so for your information, just letting you know that we'll have a transcript in due course

and that will be up on our website. Others may join, and sit in the background, and listen, et cetera, so it's not just necessarily us who are talking, in the same way that you were able to hear Julia in the last conversation. I'm going to throw to you which is to, you know, you're  
5 welcome to give a statement, or a reflection, and we're happy to take, sort of, an interactive discussion, we're a little bit in your hands, but we wanted to hear from the various interested parties. If you can just state your name, and the organisation, that will be good for the transcript, and then we might go from there.

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MS ANNESE: Thank you. I do have an opening statement, if that's okay?

COMMISSIONER STOKIE: Okay.

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MS ANNESE: My name is Lisa Annese. I'm the chief executive officer for Diversity Council Australia. We're an independent not-for-profit peak body leading diversity and inclusion in the workplace. We have over 1300 members, including many of Australia's largest employers, and business diversity leaders, and we provide research, events, and programs, as well as  
20 curated resources for them to improve their capability on creating inclusive workplaces.

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As a workforce diversity inclusion organisation, our main focus, with respect to this inquiry, is how child care impacts gender equality. Recently, DCA  
25 provided two submissions on early childhood education and care. In May last year, we made a submission to the Productivity Commission inquiry, which is the subject of this public hearing, and we forwarded a copy of this submission to you as requested. We have also provided a submission responding to the draft findings and recommendations outlined in the ACCC childcare inquiry  
30 interim report, and we're also happy to forward a copy of this submission to you.

30

DCA is not alone in our concerns about the current early childhood education system in Australia. Recently, the Women's Economic Equality Taskforce, who I think presented earlier today, released their final report calling for  
35 immediate action in this area. It said that motherhood attracts a significant earnings penalty, and that on average an Australian woman earns \$1m less than an Australian man across her career. The impact on economic security for women is significant. It is unfair and discriminatory. It contributes to a widening gender pay gap, it discourages women's workforce participation, and negatively impacts career advancement.

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The current system reinforces traditional and unequal gender roles and responsibilities in relation to child care, and this is detrimental to the pursuit  
45 of gender equality in this country. There are broader benefits associated with access to early childhood education and care. It's obviously much more than simply enabling parents to participate in the workforce, it plays an important role in children's education, health, and development. It also has important social and community benefits. The government's recent White Paper

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identified the vital role early childhood education plays in boosting productivity by building foundational skills for children, and creating an inclusive workforce.

5 But despite this acknowledgement, the reality of the current system devalues early childhood work, and underestimates its potential, and we note that that's an industry that's dominated by women. There are a number of problems with the current early childhood education system in Australia that we believe should be addressed as a matter of urgency. They include affordability, a  
10 shortage of appropriate child care places, and accessibility for lower socio-economic families, staffing shortages in the early childhood sector, and a lack of access to child care, posing a barrier to women's workforce participation, and contributes to the gender pay gap.

15 In our submission, we address these issues within the scope of the Commission's review. However, rather than stay within the current mix of the for-profit, not-for-profit, and community care, paid for by families and subsidised by the government, we urge the Commission, and the government, to radically reimagine the early childhood education system in Australia. We  
20 believe that early childhood education should be directly funded in the same way public schools are funded to make the system truly universal, affordable, accessible, and inclusive for all families. We also encourage the Australian government to invest in policies and programs that recognise the economic importance, and value, of care work in Australia, and help families to share caring responsibilities.  
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In our submission, we've highlighted some key opportunities. Investing in early childhood education will enable increased workforce participation for women, it will reduce the gender pay gap, which the care component of the  
30 pay gap is quantified at about 30 per cent of the existing pay gap, and it will bring economic benefits for the entire country. We recommend considering alternative funding models. According to the OECD, direct public funding models can be more efficient governmental steering of services, advantages of scale, better national quality, and more effective training for educators. These  
35 also deliver a higher degree of equity and access. And we would like to see the encouragement of more men to take on more care.

Recently, the Paid Parental Leave Amendment Bill, which DCA also submitted to and provided testimony at the public hearing, highlighted the  
40 benefits associated with challenging gender stereotypes, and encouraging more parents, in addition to birth mothers, to share child care responsibilities. To achieve gender equality, we need to promote women's workforce participation, but also men's participation in caring. And in our submission, we made 10 recommendations, and I won't go into them, but they have been  
45 submitted in our report. Thank you.

COMMISSIONER GROPP: Lisa, can I just, one Lisa to another, can I ask how is gender equality measured? I mean, is it purely on lifetime income? Is that the only metric that you're using? I'm just interested.

MS ANNESE: No. I mean, gender inequality is caused by multiple things. It's about women's representation in leadership, and places where decisions are made. It's about the distribution of caring work inside the home. It's about the way women are remunerated and rewarded in the economy. It's about the safety women experience at work, at home, in the community, in intimate relationships. It's the way in which gender stereotypes limit women's ability to contribute more fully in the workforce, and at home. So the pay gap is one aspect of gender inequality in a broad suite of areas where, on every measure, statistically there is a gap between women and men. And the gender pay gap, we did a significant piece of work with the Workplace Gender Equality Agency, and KPMG, which we've repeated twice, and it's yielding similar results.

The pay gap is made of a variety of things. One of those things includes where women are located in the economy. So the fact that women are overly represented in the care economy, and work in the care economy, is undervalued compared to the work that men do in the economy. So the fact that unskilled labourers on construction sites can earn more than early childhood educators, who are qualified, is one such example. It also includes the gaps in length of service that women have as a result of their caring responsibilities, which include the fact that, you know, the government funded parental leave system does not include superannuation.

There are also barriers to women's progression at work when they return, because of what we call the 'motherhood penalty'. So the pay gap is a complicated assembly of different factors, which means that there are lots of different levers that need to be pulled on in order to close that gap. And one of those levers is looking at how child care is funded, but also how we value the work of the women who are working in the care economy as well. So for that reason, it's been included as part of our submission, but by no means is it the only indication of gender inequality.

COMMISSIONER GROPP: Thank you. And you're proposing, if you go, is it the school's model, so you were saying it should be free for everybody, is that the proposal?

MS ANNESE: I mean, we are basing our recommendations on the Nordic model used in Finland, the models used in Norway, where early childhood education is seen as a societal responsibility in the same way that public education is seen. What this means is that all families will have access to high quality education, it's not just families where couples are working. So children are getting access, and benefit, and it also means that there's an equitable, and available, and appropriate level of support for families, which can support people having children, and raising their children. And I know that's a radical departure from where we are now, but we believe that it's in the public interest to move forward that way.

5 COMMISSIONER STOKIE: So have you thought about how you achieve that? We have a whole series of operators who are currently in the sector, from not-for-profits, community run groups, for-profits, government provides, at least at a State level and Territory level, some level of early childhood education and care in, what they call, their preschool programs. But in the scheme of things, it's limited in that it's currently four year old, potentially expanding to three year old. How do you - it's about 18 to 19 billion when you take in parent spending per annum, and child subsidies, et cetera, with close to a million children, and families, et cetera. What's the transition path here, as these things roll off the tongue easily, a radical plan, but they're not as clear to me as to what that transition arrangement is? And for those who are advocating for it, I'm very keen to hear how you think that works.

15 MS ANNESE: Yes. Well, I mean, firstly I should say that our contribution as an employer organisation really is on how early childhood education is accessed, and its affordability, and the women in that economy, how that impacts gender equality. We're not early childhood specialists at the Diversity Council, but I am aware that The Parenthood, I'm not sure, I'm assuming that they've made a submission - - -

20 COMMISSIONER STOKIE: Yes, we have spoken to them.

MS ANNESE: Yes. So Georgie has got that information for you, but it's not information that DCA had developed.

25 COMMISSIONER BRENNAN: I think that's fair enough. Lisa, I wanted to ask you – you mentioned that you've got 1300 members, including many large businesses.

30 MS ANNESE: Yes.

COMMISSIONER BRENNAN: So is this message about women's untapped potential coming to you from employers and businesses? Is that a message that you hear?

35 MS ANNESE: Yes, it is. Whenever we develop submissions, depending on the time allowed in our submission process, we often consult with our members. In addition to that, we're in dialogue with our members regularly about the issues and the matters that concern them. One of the things that we're aware of at DCA is parents within member organisations raise these things specifically with us. The other thing that we've observed is that there's a real inequity between the level of support parents get for having children, and raising their children, which is entirely dependent on whether you're lucky enough to be working in an organisation with a generous paid parental leave scheme, and perhaps onsite child care.

45 COMMISSIONER BRENNAN: Yes.



MS ANNESE: Most Australians are not working in those sorts of organisations. So if we take an intersectional lens, and we look at gender inequality through the lens of women who might be migrants, or might be racially marginalised, First Nations, women and First Nations' families, people with disabilities, people from lower socio-economic classes, what we see is that they are not included in the opportunities afforded to other women and families who are from higher socio-economic groups, or not from racially marginalised communities, who are able to take advantage of generous workforce schemes. I mean, that's just how the demographics fall if you have a look at, you know, who's working in these top tier organisations, and what kind of people are not working there. So it's a matter of equity as well, and I think as long as this is a private system, and the responsibility – and look, we encourage employers to be generous, because the absence of a State funded generous support system means that employers are picking up that responsibility, and we encourage them, and we profile them when they do it, but it's by no means universal, we know a lot of people who work in small business. So it becomes this elite opportunity for people who are lucky enough to work in large ASX listed companies or top tier law firms - - -

20 COMMISSIONER BRENNAN: And public universities. Yes, it's a very interesting discrepancy.

COMMISSIONER GROPP: Lisa, I mean, we talk about equity across, you know, particularly vulnerable groups, I guess, but what we've recommended in our draft report is that for the bottom third across the deciles of income households, that they be able to access ECEC services at 100 per cent of the cap. So for many, that would mean free child care for at least three days a week, and possibly more depending, because we're removing the activity test for at least 30 hours. We haven't determined what the activity test might look like beyond that, we're seeking views on that. But what's your view, would that address a big part of that equity issue, because that's a third of households, and so women would be able to access pretty much free child care for at least 30 hours a week?

35 MS ANNESE: I mean, I'm sure it will go some way in closing the equity gap, but it won't address issues around the availability of the workforce, and the way that workforce is remunerated - - -

40 COMMISSIONER GROPP: No, I'm sorry, we've certainly focused on – well, say, you'd have to deal with workforce before you can do anything like that.

MS ANNESE: Yes.

45 COMMISSIONER GROPP: What you're proposing if you went to a - you'd have to have a huge effort to expand the workforce, and we've talked about additional funding in thin markets, et cetera, to provide services in those areas, but let's say we've solved the workforce and the accessibility issues, and so we're just focusing on affordability for that cohort, you know, what do you think the impact would be for women to access for their children who aren't

accessing ECEC now to get the benefit of it, but also for, particularly women in that cohort, to be able to access work, or participate in the workforce, and they're not now?

5 MS ANNESE: Well, obviously free child care is the goal, so that can achieve  
free child care for a proportion of the economy. I mean, that would be very,  
very welcome, and will go some way in creating greater equity. I would say,  
10 though, that it's not just people who are in the lowest 20/30 per cent of the  
economy who are struggling with access, you know, cost of living pressures  
mean that women who, you know, are in the middle of the economy, are  
having to make choices that aren't choices around participation in the  
workforce due to the cost of child care. I mean, one thing that we've observed  
15 at DCA is that whenever people talk about the cost of child care, it's always  
seen in the context of women's employment, it's never seen in the context of  
men's employment. It's seen, the choice to return to work, or participate more  
fully, in the economy, is always seen as a proportion of a woman's salary.

We feel that any efforts to make child care more universal will start to smash  
20 those stereotypes where child care, or early childhood education, is seen as a  
family responsibility, not just something that, you know, depending on your  
access, means that as a woman you can, or you won't, participate in the  
workplace, or if you do participate in the workplace, you may be able to take  
up opportunities which, in the short term, might be a sacrifice you're willing  
25 to make, but in the longer term has significant implications for women's  
lifetime earning potential, and can really affect them in retirement,  
particularly if their relationships don't last. We know that mature aged  
women are the fastest growing group of homeless people in Australia, so  
that's very, very concerning. So I think that creating some level of  
30 universality is something we really need to be striving towards,  
notwithstanding any kind of relief for very low income earning people is very  
welcome.

COMMISSIONER BRENNAN: Lisa, thank you. Can I ask you, in our draft  
35 report we've laid out several alternative policy options that could be,  
you know, funding options. They include the one we've recommended, which  
is the one that Lisa just laid out, about high level of support for the bottom  
30 per cent, but we've also listed some alternative approaches. And I'm  
wondering if the Diversity Council's had a chance to consider those, and  
whether they include, for example, a 90 per cent subsidy across the board, a  
40 low flat rate fee, and various combinations and permeations of lifting the  
activity test, and so on. I'd be really interested, if not now, but I'd be really  
interested to hear the Diversity Council Australia's response to those different  
options, and the consideration that we've given to each of them?

45 MS ANNESE: We have, in our submission, gone through that and put our  
position forward, I believe.

COMMISSIONER BRENNAN: Okay.

MS ANNESE: Yes. And I'm just going through it to quote exactly - - -

5 COMMISSIONER BRENNAN: I'm sorry, I think that just hasn't quite come to us yet. It may be making its way through Productivity Commission processes. So if that's coming, that - - -

MS ANNESE: Yes, can I take that on notice, please?

10 COMMISSIONER BRENNAN: Yes.

MS ANNESE: Thank you.

15 COMMISSIONER BRENNAN: Because that's a really important one for us, yes. I appreciate your articulation of gender inequity is involving men as well as women. I find it very frustrating that often it's just considered a problem for women, and that women are a problem, and women's behaviour's a problem, and I really appreciate you bringing men into the discussion, and also the way structures limit the likelihood – I won't say the possibility, but I'll say the likelihood of men being involved in the care of their own children. Do you see any particular links between the provision of more affordable, and accessible, ECEC and men's involvement with their children, or is that a bit of a long bow?

25 MS ANNESE: It's a really good question. What we're seeing is that younger men are saying to us that they really want to be move involved in the raising of their children.

COMMISSIONER BRENNAN: Yes.

30 MS ANNESE: But they actually find it harder to access the flexibility required at work to do that, so it's harder for them than it is for women because they're obviously behaving in a way outside the stereotype for their gender, and there's really strong gender bonds. We're a very gender segregated economy, one of the most in the OECD, and what men find is they experience significant career penalties if they put their hand up and say they want flexibility at work, for example, to take onboard the rearing of children. We argued in the parental leave submission to remove the use-it-or-lose-it clause on parental leave to encourage more fathers to access it. What we find is that, even in organisations that have universal parental leave policies, men are reluctant to take it up despite a desire to do so. So we really need a whole reimagining of how we bring men into this conversation.

45 What our research shows is that men stand to benefit significantly from greater engagement with their children and from sharing the caring responsibilities with their domestic partner, they're in that traditional two parent household. The studies from Northern Europe show that longitudinally men experience greater increases in well-being and happiness, and a reduction in loneliness due to the improved relationships that they form with their

partners, but also with their children. And I do think that when we talk about child care, we always present it in Australia as this is something for women.

5 Actually, affordable, accessible child care, generous parental leave, and flexible work, is good for children, it's good for women, it's really good for men. It's good for women because it improves their economic empowerment, it's good for men because it improves their relationships with their children, it improves their domestic relationships with their partners, and it contributes to greater wellbeing and a reduction in loneliness. And I think that a universal  
10 conversation around this is really needed, because as long as this is couched as something for women and not for everyone, then it's seen as a less urgent issue, I believe. So we have a lot of success with organisations in trying to get them to mainstream their policies so that it benefits all of their employees, and to support them to understand that gender equality benefits everybody, and it's  
15 not a zero sum gain.

COMMISSIONER STOKIE: Lisa, I just had a question – I presume we might be coming up to the end of our time – and it might be in your  
20 submission, so apologies, we haven't had the chance to review it – is there a perspective from the Diversity Council around the composition of the ECEC sector, that the gender balance of the workforce, the cultural balance, the linguistic capability. I mean, we've talked very much about the macro context, and decisions that are made, or lack of choice for families, and what that does for workforce, our report has very much tried to centre the child and,  
25 therefore, the type of quality, we talk about high quality education. I just wondered whether the Diversity Council had a view about what constituted quality in terms of the composition, or any other factors, or are we perfectly fine as we are now, and these macro issues that are - - -

30 COMMISSIONER BRENNAN: I think Lisa mentioned the composition of the workforce in general.

MS ANNESE: Yes.

35 COMMISSIONER STOKIE: Okay, sorry, I must have missed it.

MS ANNESE: No, that's okay. No, thank you, Commissioner. What I would say is that, you know, Australia has a very gender segregated economy, one of  
40 the most in the OECD.

COMMISSIONER STOKIE: Sure.

MS ANNESE: There's lots of reasons why the economy is structured the way  
45 it is, and it starts very, very early in education. I think by age seven, girls are opting out of STEM careers, boys are opting out of the care professions, and I think that that's a tragedy. I think that the shortages in not just the care sector, but including the health sector, require that we open up those opportunities to boys as well as girls in terms of what could be potentially viable careers. But that's something that happens very, very early on. What I would say – and I

5 have a daughter who works in the early childhood sector, so I have personal  
knowledge of her frustrations around, you know, it's a really responsible job,  
it's really poorly paid, it's really hard work, it's really high stress, and they  
play a critical role in a functioning society, and it's gobsmacking to her, as it is  
10 to me, that we would reward and remunerate so poorly the people whose job it  
is to care for children, and I think it reflects badly on us as a society that we  
pay people more money if they're doing stuff with buildings than if they're  
doing stuff with children. So I think that it's a bigger conversation than just  
15 this, because it's about who opts into these careers. But what happens is, a lot  
of young women opt into these careers, and they just don't stay. It's just paid  
too poorly, and the work is too hard to warrant those sorts of conditions.

COMMISSIONER STOKIE: Sure. Okay, I just wanted to ask.

15 COMMISSIONER BRENNAN: I would like to ask, Lisa, has the Diversity  
Council of Australian had an opportunity to look at the work that's been done  
by Susan Himmelweit, and I think it's the International Council of Trade  
Unions, on investments in the care economy compared with investments in  
20 construction, in terms of the creation of sustainable long term jobs for men  
and for women?

MS ANNESE: No, I don't believe we've looked specifically in that, but we've  
certainly been paying a lot of attention to the work of the Women's Economic  
Equality Taskforce, and we've been working with our members, especially  
25 those who are in the care economy, regarding the sorts of things that the  
taskforce is discussing, and we've held events with our members, and built  
resources to support them on it, but that particular piece of work, no, I'm not  
familiar with it.

30 COMMISSIONER BRENNAN: It's all right. We've already met with Sam  
Mostyn earlier today, so in our discussion, is a nice complement for that, yes.

MS ANNESE: Yes.

35 COMMISSIONER STOKIE: Is there anything else you wanted to raise, Lisa,  
that we haven't had a chance to talk about?

MS ANNESE: No, just thank you for having me here today, and I know that I  
don't have the solution for how we restructure the economy to create a  
40 universal system, but what we know from looking at universal systems in  
other parts of the world is they really do work well for families, they support  
women's participation, they're good for children, they're good for men, and  
longitudinally, they have really good outcomes for men, women, and children.  
So I would urge that to be, you know, part of the consideration, if not now,  
45 then in the future. Thank you.

COMMISSIONER BRENNAN: Thank you very much.

COMMISSIONER STOKIE: Well, thank you very much for your time, and thank you for your submissions.

MS ANNESE: Yes, my pleasure.

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COMMISSIONER BRENNAN: So we're indicating we haven't had a – I think there's indications we've not received - - -

MS ANNESE: Received it. Okay, I'll follow that up because you should have received it.

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COMMISSIONER STOKIE: Well, we may well have received it, but it takes a little bit of time to filter through to us.

MS ANNESE: Okay, all right.

15

COMMISSIONER BRENNAN: The information I have, Lisa, is that we have your pre-draft submission, and the submission that you gave to the ACCC, but we haven't received one on our draft report yet.

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MS ANNESE: Okay, I'll follow that up.

COMMISSIONER BRENNAN: Thank you.

MS ANNESE: Thank you so much.

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COMMISSIONER BRENNAN: Thanks, Lisa.

COMMISSIONER GROPP: Thanks, Lisa.

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MS ANNESE: Okay, bye.

COMMISSIONER STOKIE: Appreciate it. There aren't any other scheduled appointments for today, but we have potentially people online, and there may be of interest to raise any question or comments, and that's part of our normal process to at least invite from outside anybody who's actually formally made an appointment to talk. Are there any comments, questions, thoughts, that people wish to raise? Silence is golden. There are other opportunities if people did wish to raise something as we have other online sessions and there's further public consultations we're holding. But at this point, I'll bring to an end, and conclude our discussions today, and thank everybody for their time and participation, and very much look forward to our next conversations, which I think are tomorrow. So we will reconvene early tomorrow morning. Thank you.

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**MATTER ADJOURNED**