



**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**

**THURSDAY 22 FEBRUARY 2024**

COMMISSIONER GROPP: The purpose of these hearings is to facilitate public feedback and comment on our draft recommendations and findings from our report which we released in November last year. Following these hearings, we'll be working to finalise the report and hand it to government for the end of June 2024, including having considered the evidence presented to us at these hearings and the submissions that we receive in response to the draft. Participants and all those who have registered their interest in the inquiry will be advised of the final report released by the Australian government, which as it's an inquiry, even though we have to hand it to them by the end of June, it will be probably be some weeks after that.

By law they have 25 parliamentary sitting days within each term to release that report. We're very grateful to all the organisations and individuals who have taken the time to meet with us so far, and during these hearings prepare submissions and to, no doubt, participate up to our presentation of the final. While we'd like to conduct all our hearings in a reasonably formal manner, I just want to remind participants, those who are here at the moment, that the sessions are being recorded and a full transcript will be taken. Comments from observers can't be taken for this reason, but at the end of the day's proceedings I'll provide an opportunity for anyone who wishes to do so to make a brief presentation.

Also, under our Act, participants aren't required to take an oath, but they are required to be truthful. Now, that's probably fairly straightforward and obvious, but just to remind you of that requirement. The transcript once done will be available on our website. For any media representatives attending today some general rules apply. No broadcasting of proceedings is allowed, and taping is only permitted with prior permission. Members of the media should make themselves known to commissioned staff, which is a bit – I guess, online send us message. You can provide them with further information.

And participants also should be aware that media representatives watching may be using social media and other internet mechanisms to convey information online in real time, including your remarks. We also wish to advise that the hearing is made available online in real time for members of the public to observe, and for people who are observing online, we ask that you ensure your microphone's on mute to avoid disruptions during the hearing. I don't have to talk about where the toilets are, I think you should know that with where you are, but so I think that does the formal bits so we can go to our first presenter, Sean Cole from GrainGrowers Association. Hi, Sean.

MR COLE: Morning.

COMMISSIONER GROPP: I mean, it's up to you, but we're here to really to listen to – to hear your remarks and response to our draft report today. We

have some questions, but do you want to make a short opening statement just to kick off?

5 MR COLE: Yes. Yes, that'd be great, thank you. Look, I'll probably just introduce myself, so Sean Cole from GrainGrowers. We have 15 and a half thousand members approximately across the country. We're a representative body for growers nationally. We've been involved with ECEC for a little while now holding various round tables, particularly with Minister Anne Aly last year. We have basically identified that, essentially that, childcare or  
10 ECEC, early childcare, education, is basically a key blocker in its availability for the participation of women in the workforce.

15 Basically, women are overrepresented, in terms of, over 50 per cent of agriculture graduates through education systems are women, but we're not seeing that follow through in the workforce. We see that there are large impediments that could be removed to allow workforce participation, and also improve the quality of care for children. Obviously learning starts well before five years old, so that's why we come to the table with our interest. I'm happy to take any questions from hereon in, or I've got some points I can  
20 also run through.

COMMISSIONER GROPP: We're going to run through your points first, maybe then we can ask questions.

25 MR COLE: Yes.

COMMISSIONER GROPP: We'll have a bit of conversation from that.

30 MR COLE: Absolutely, yes. Look, basically the make up of our membership base is generally in small to medium sized towns. A lot of these towns are only, you know, 100, 200, maybe 500 people in regional areas. As referred to in the ACCC report, but it came up in the PC report as well, you've got very remote regional underserved markets that generally large operators won't come to that would operate in cities, you know, capitals such as  
35 Sydney and Melbourne and so forth. We really see an opportunity to use the CCCF, the Community Child Care Fund to help upgrade rural centres using family day care.

40 And GrainGrowers has actually been running a care connect program, and we're fairly involved with this and it's something very close to us. One thing we need to keep in mind is if we are to do that, the access to the CCCF relies on you already being a part of that, or registered essentially. We see that as a blocker to new entrants coming in, so we'd like to have some attention placed on that. As per your report, we totally agree that affordability should not be a  
45 blocker for anyone using the system in the bush, and I think just when you look at the NAPLAN scores, just anecdotally in regional towns for kids in

primary school, they're well behind compared to the major cities, and that's largely due to the quality of ECEC in their region.

5 We see that there is a chance - a big opportunity to utilise existing infrastructure, noting that we're not going to build enormous childcare centres in 200 personnel towns, but using existing schools or other infrastructure, but not trading off quality. I'm happy to discuss that further. Also, I think the other recommendations within the report is the relaxation of the activity test. Obviously, in farming businesses a lot of the income that's  
10 coming in might be through different financial structures including trust, that would make it difficult for some of our growers to access, you know, early childcare education and care services.

15 We need to probably think about how that test interacts with farming families in the bush because it's a bit unique, obviously, it's not always salary and wage. And we really do see, you know, women are our hidden workforce. Obviously, there's many, many fantastic female leaders in our communities, but I think the multiple unlocking people that are only, you know, they're borrowing, begging, stealing from their family and friends that might live in  
20 the town to work two or three days a week. They could be much more productive, and we think that with proper changes to the activity test, and also along with the CCCF fund, we could substantially move the needle on underemployment, particularly with women in the bush because they're left only two or three days a week a lot of the time.

25 I'm happy to take any further questions or discuss that further if you'd like.

COMMISSIONER GROPP: Yes. Thankyou, Sean, because in our draft we did talk about expansion of the CCCF to meet the needs of what we described  
30 as thin markets if you like. We have small populations, remote, regional, complex needs et cetera, and we weren't prescriptive about the form that the provision might take, or how it might be commissioned. We, sort of, we described various ways that it might occur. Do you have any - I mean, we've heard about from other participants, sort of, different modes of  
35 delivering in venue family, you know - - -

MR COLE: Yes.

40 COMMISSIONER GROPP: --- day care, more flexible models, have you, sort of, thought about the sorts of models that might work?

45 MR COLE: Yes, we have actually. Yes. Now, look, it's more at the ideation stage for us as well, but obviously through our round tables it was pretty clear that, obviously, family day care there needs to be quality. We don't want that to slip back to just child minding. We want our kids in the bush to have, you know, quality education from the time they're born. The idea of, you know,

School of the Air and, you know, sort of things that are overarching structure that family day care providers can access would help quality and consistency.

5 I think, you know, an overarching national framework or quality system that helps, you know, helps those people that otherwise wouldn't be part of a large professional development and training program, you know, with a large – with the large childcare centres that, you know, those people have, obviously, PD. I think PD is a big gap for people that are looking to provide family day care. It gets very isolated. Obviously, it's a very isolated role, a  
10 very important role for people in the bush providing it, but we see the schools particularly, you know, obviously in the bush we've lost a lot of services unfortunately, but the school is usually the last thing to leave.

15 We do see the school infrastructure could be used, and also integrated into a lot of the public schooling primary school age infrastructure in the region which is generally there. There would also be case by case basis. We do see as well, working with local government will be essential, and trying to have some kind of identification for us at GrainGrowers, even of which regions might be more suitable to kick off a trial program or help people start up  
20 family day care operations using existing, you know, school hall infrastructure for instance.

25 There are a range of hurdles. You know, the local council level even down to, you know, do you need commercial kitchen et cetera and so forth to run a premises, so that one's more difficult to solve. But in short, I think, yes, an overarching – back to my first point, an overarching standard that can be accessed. Delivered by whom, we don't have a view on that, but just to make sure that the PD does occur, and the children are not receiving just child-minding services, but true education services. I think that's essential. I think  
30 kids in the bush would have it just as good as the city as well. I think it's possible, but it would be delivered in a different way.

35 Especially also the work the RAI has done, especially around housing shows that there's, sort of, five or six different zones in Australia regionally, and each one needs a different strategy, I suppose. And we're generally in that quite remote, you know, thin market, typical thin market situation.

40 COMMISSIONER GROPP: Thanks. I mean, there's raised a lot of issues there, including – I suppose we'll get onto workforce et cetera as well, but we also recommended an ECEC Commission you might have seen which, sort of, had an overarching stewardship role. And we saw that part of its role would be to have that oversight over – ensuring that, you know, that there were options, you know, particularly looking at thin markets and how you might facilitate that. Did you have any particular reactions to that?  
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MR COLE: Look, I think it makes sense to be honest. It seems, you know, there is definitely a need for some kind of overarching support mechanism.

5 These people are very remote indeed. Often it is isolating. You know, it's just you and the kids, you know, so we're talking about small communities here. And generally those people just rely on the support of the people in the town around them. To be honest, I've lived regionally for five years myself as well in quite a small regional town in South Australia so, you know, my wife and I, you know, we probably come from that place to be honest, and struggling through that with younger kids.

10 But I think having that higher level framework that provides professional development, you know, best practice, I think that would definitely be valuable, not only for the kids, but also for the professional development opportunities for people that are running family day care which will typically be women. Obviously, we encourage men as well but, you know, obviously we've got the need to support our women in our communities, particularly as well with their underemployment situation.

20 COMMISSIONER STOKIE: Thanks very much, Sean, for the discussion. You've touched on a few areas that hopefully resonate, or you can see resonate in the work that we've done. We're acutely aware of the issues around remote and regional areas. We think that – agree with you, which is around that flexibility. It isn't necessarily a one size fits all. Are you happy if we drill down into, and maybe you've given some thought, into the specifics of these things because it's coming to mind? And the first one I have is that you raised around not being unduly discriminated against if we can get access to the CCCF funding and supply side funding, if there isn't the history and the long standing, sort of, reputation of a service deliverer.

30 And it's a dual edge sword, which is at the one hand you don't want to preclude people from coming, but at the same time you want to ensure that there's a strong and high-quality early childhood education and care sector. And you're not the first one who's raised this, sort of, point with us which is, 'Well, how do we get experience if we can't get experience?'

35 MR COLE: Yes.

40 COMMISSIONER STOKIE: And so have you given thought to that, as to how you envisage from your organisation or in these remote communities, that that issue of ensuring quality doesn't preclude the establishment of new parties coming in?

45 MR COLE: No, it's a good point, and you've hit the nail on the head. It's a classic chicken or the egg scenario. I think we need to have a pipeline. We need to have a system probably that adequately vets people that wish to enter, but it can't be so onerous that it's nearly impossible, because we're talking about people of fairly meagre means and, you know, they're obviously time poor as well. You know, obviously people are juggling a lot of things in the bush so we haven't given a lot of specifics that I'm sure there'd be plenty of

others that you'll be speaking to that have, you know, better ideas, but I think the key is creating a vetting or a gating system that does allow people to identify gaps, and then prepare themselves to step up to the mark with the CCCF.

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That some kind of ramping, you know, thought towards ramping or a pipeline creation there would probably be handy. At the same time, we don't just want these places to be school halls with kids running around, you know, being fed once a day and taught nothing. I think, you know, it does have to look like a proper ECEC, you know, service, noting that we will have a lower base to start from, but I think there needs to be recognition in the programs that that's where we're coming from, and we need – we see the desperate need for supply side solution.

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Obviously increasing demand through some of the other measures won't help us much in the bush because we don't have the supply to be honest. We very much focus on supply side measures, hence that's why we recommended, you know, use what we've got. You know, it's what we do in the bush. We use what we've got. We make do, but also not trade off the quality. I think that has to be paramount to your point.

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COMMISSIONER STOKIE: One of the things that, sort of, relates to this, Sean, is, and we've heard it a lot throughout, and you'll hopefully see it in our report, is a genuine concern around the availability and the pipeline of early childhood education and care teachers and educators. And we hear from others that getting those educators and teachers into remote and regional areas is even harder than satisfying the demand that is in, say, highly urbanised areas. And I just wondered, have you given thought to that, or is it an expectation that if we can, you know, field of dreams, pardon the pun, but, you know, if we build it they will come, you know.

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MR COLE: Yes.

COMMISSIONER STOKIE: If we can get access to the funding it will be – we can find the people – we can find the educators and teachers or - - -

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MR COLE: Yes - - -

COMMISSIONER STOKIE: Is that an additional level of focus that we would need to have and take on board.

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MR COLE: Yes. Look, we're under no illusion, you know, in the regions that, especially more remote regions it's difficult to have people move. Now, look, data does show we've got net migration into the regions, and we hope that persists, but particularly working with what's there is really the main solution. The people that are embedded in the town, those, you know, farming families, the, you know, the person that owns the local pharmacy,

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you know, and those communities. Obviously regional communities welcome anyone that will come, and we love to see new people, but there is a resistance at times.

5 And I think, yes, a realisation that we're dealing with a supply pool that's fairly static, a base pool in some of these regions, and then being able to work with that. I think holding a, you know, sort of, a lens over a certain region, you know. I'm really thinking about a town with a couple hundred people, and thinking about the construct of that. Now, on the other hand if we get  
10 that right we can, you know – if we're getting an extra, say, even 10 or a few dozen children through that system, we're giving them life-long learning outcomes and, you know, health and social outcomes being a whole range of things from mental health to substance abuse.

15 We are talking – and obviously the regions, many of them are in lower socio-economic areas, so that quality ECEC is just so essential to set those kids up for the rest of their lives. I'm a big believer in trying to structurally set it so it should, sort of, self-fulfil itself using the supply of labour that's already in a town. If more people want to come, that's great, but it is difficult. I'll grant  
20 you that, certainly. I think something might be said towards the educational standards, and this is more within just speaking generally now within the round tables that we've held.

We have heard that, you know, the relaxation of some of the tertiary  
25 requirements, and more of a tailoring towards, you know, specifics towards rural and family day care might be more suitable, because some of these people may struggle to complete a, you know, a tertiary education. Whereas, if it's a diploma or something like that that's, you know, really structured towards family day care, that might be – just I'm kicking ideas around now,  
30 really, but, you know, that might be something worth looking at.

COMMISSIONER GROPP: We've talked about – sorry, Martin.

35 COMMISSIONER STOKIE: No, go ahead.

COMMISSIONER GROPP: Look, I mean, in that, we've certainly talked about looking at recognition of prior knowledge and, you know, so that perhaps you can accelerate pathways.

40 MR COLE: Yes.

COMMISSIONER GROPP: In terms of, say, preschool requirements for teachers, we haven't looked at reducing that requirement. I mean, (indistinct), but certainly trying to utilise potential pools of ECEC workers in  
45 local areas whether that be Indigenous areas or where people have got a lot of experience, and you bring that - - -



MR COLE: Yes - - -

5 COMMISSIONER GROPP: So recognising that. But also different ways of teaching so that people don't have to leave areas and supporting workers through mentoring. And you mentioned professional development.

MR COLE: Absolutely, yes.

10 COMMISSIONER BRENNAN: I've got a couple of questions too, Sean, and thanks so much for bringing the perspective of GrainGrowers and grain growing families to the inquiry. It is really, really valuable. I'm really interested in what you say about the proportion of women graduates in agricultural degrees, and I imagine that's Agriculture Science, Agriculture Economics, Agricultural (indistinct) - - -

15 MR COLE: Yes. Yes, they're agriculture based – agriculture based degrees, yes. Yes.

20 COMMISSIONER BRENNAN: Yes. And we know that often people don't end up in the occupation or profession that they study in, but still, really can understand your concern that you've got this high proportion of graduates and it's not flowing into the workforce. Can you tell us more about how you know that childcare is one of the key factors there, or a blocker as you've said?

25 MR COLE: Yes.

30 COMMISSIONER BRENNAN: And do you know anything about what happens to those educated women?

MR COLE: Absolutely, and I think this is a question where we can actually say we do have – it's not anecdotal. It's, you know, empirical evidence. We've got – we've got 15 growers on a national policy group which lead our policy formulation, and they are very – we have very smart, intelligent women on that, and they've personally attended these forums and spoken about their own struggles. They, you know, they do end up having to juggle their kids. If they're lucky enough to live in a town where they've got – you know, usually elderly parents they're, you know, relying on them to watch the kids at critical times including harvest and things like that. And often it's the participation of those women that suffers.

45 You know, we're talking about having to compromise to working one, two, maybe three days a week. And I guess that's also a key point too. When you look at the cities, and I've lived regionally and in large centres and cities as well, you can migrate to a city from the bush because you don't need family, and, you know, obviously we love to have our family around, but you don't need to rely on your parents to watch your kids et cetera and so on.

Obviously, it is expensive which is obviously something the Productivity Commission has, you know, addressed in its report, but when you do the reverse move to the bush, and that comes back to the other gentleman's point, you know, it's hard to attract that workforce because you just don't have the ECEC available to be honest.

I think the main – that is the main underutilisation, underemployment problem, and it manifests really with women. I think it's – you know, I think it's not fair that we have to compromise. Yes, women they have – they have our children and they take time out of the workforce, but they, you know, there is definitely an opportunity for them to re-enter the workforce, you know, much earlier than they are. You know, you don't need to stay at home and watch your kids for, you know, 15 years. I think, yes, it's absolutely empirical evidence from us, and we've got some very smart intelligent women on our policy group that back that.

COMMISSIONER BRENNAN: Thank you. The other question I had was around your comment about using schools, and as you say in the bush you use what you've got, and more generally - - -

MR COLE: Yes - - -

COMMISSIONER BRENNAN: I think using the schools is a very interesting strategy and, you know, one that is being pursued in the cities in a number of jurisdictions. I'm just wondering, you're talking about a lot of pretty small towns, some with, you know, one to two hundred. Have you got a sense about what size of town you need to make it effective to use a school, because obviously it's only going to be one school, likely in a region that's going to be a likely venue for ECEC, and potentially for out of school hours care as well - - -

MR COLE: Yes.

COMMISSIONER BRENNAN: - - - which we might talk about in addition. But I just wondered if you've got any thoughts about that and whether – I appreciate you're not an education expert or ECEC expert, but whether you've got a sense of whether there is capacity, like physical and infrastructure capacity - - -

MR COLE: Yes. Yes.

COMMISSIONER BRENNAN: - - - in some regional schools?

MR COLE: I'm probably going to defer to something pretty anecdotal here, but I did sit on our kids' school board as deputy chair. We're dropping enrolments and losing – we've lost a lot of people to the cities, you know, and obviously they're coming back now, but you'll find that a lot of these

schools aren't operating near capacity. There are excess rooms. There are often excess buildings and infrastructure that do exist. I'm not – this is anecdotal now, but - - -

5 COMMISSIONER BRENNAN: Sure, yes - - -

MR COLE: We do know this is the case, and you'll, you know, they will be scattered around the country, and it's going to depend on each town's situation, but it does leave an excess capacity that could be utilised for  
10 ECEC. And back to the CCCF fund, that's where we see it very useful and upgrading those facilities to something that is a place of, you know, excellence and learning for our young ones. I think you'll see there is some adequate capacity. In other larger towns and growing centres, obviously it might be bursting at the seams, but for those small towns of 100, 200 people,  
15 because their aging population demographic, people having less kids, I think you'd well find that there is excess capacity in a lot of those smaller towns with the one or two hundred people.

20 COMMISSIONER BRENNAN: Okay. Okay. Thank you very much, Sean.

MR COLE: You're welcome.

COMMISSIONER STOKIE: Sean, you raise a couple points which I'm really, you know, quite interested and wanting to follow up on. You  
25 mentioned harvest time, and we've heard quite a bit from different stakeholders and participants around, I suppose, what they might call, sort of, non-standard hours. And in metropolitan areas, well, a service will run from a certain time in the morning to a certain time in the evening. That works from a work point of view, but in regional areas they don't, you know, you  
30 mentioned harvest and you say that, and I can see the background and I can think, 'Well, obviously that makes a lot of sense'.

MR COLE: Yes.

35 COMMISSIONER STOKIE: Have you given thought to how a service if, you know, we can have it all up and running and all those sorts of things, how it would need to operate? And I suppose part of it would be trying to tap into – the ambition, at least from our perspective, we're trying to tap into the needs of the community, the needs of the children and the families. I just  
40 wondered if you had given some thought to that, or whether it was more, 'No, no, we'll take the standard, you know, nine to three, or nine to five' or something like that on Monday to Friday - - -

45 MR COLE: Yes - - -

COMMISSIONER STOKIE: And weekends and nights, and - - -

MR COLE: Yes - - -

5 COMMISSIONER STOKIE: I know with the harvest time, well, it'll be seven days a week, and, you know, however many hours a day. Yes, probably, you know, approaching 20 hours a day sort of thing, but how does it work? How would you see it working in that sense?

10 MR COLE: Yes. Actually, look, it's something we have given some thought to. It's something that has come up in our roundtables and discussion with various people as well including government. At the moment you do have the situation where, you know, it is shift work. During harvest it's usually an intense one to two, even three months depending on how the season goes. I'm thinking, this is just out loud now, but flexibility definitely during the harvest period would be excellent, and that would then avoid, you know, 15 situations where you may even have, you know, people, you know, kids have to ride in a tractor with dad for long periods of time.

20 It's fantastic and, you know, we all love a ride along but, you know, obviously the educational factor might be traded off a bit. Although, you know, dad might have something to teach you as well, but - - -

COMMISSIONER STOKIE: Life is very short.

25 MR COLE: It's going – yes, exactly. Yes. Look, I'm just walking the line there because kids, you know, we do love the fact that our kids can be involved, you know, in the farms as well, but definitely during harvest some flexibility is needed. And I'm probably stating the obvious here, and it is a 24/7 operation, you know, that's happening night and day.

30 COMMISSIONER GROPP: What do they do – what do most do now without – they just have in home care - - -

MR COLE: They will just - - -

35 COMMISSIONER GROPP: Or they have family? Staying with grandparents?

40 MR COLE: Yes, family. The grandparents would be the go-to most of the time and, you know, obviously you're hoping that the grandparents are able and obviously there. You know, obviously we're dealing with, you know, a lot of the aging population as well in the bush, so generally that's great to be with the grandparents as well but, you know, quality wise that's where we end up a lot of the time. And otherwise it's, yes, generally the female – the woman of the family will, you know, have to take care of it at night time as well and work in the day. So, yes, it's generally fairly gruelling work, to be 45 honest, because there is no – you know there isn't a lot of ECEC option there. So a pop up sort of situation or a seasonal recognition of that would be

fantastic I think, because we've got people working longer and longer hours to make do with the reduced workforce.

5 So, that's probably the extent of the consideration, but it has come up a lot in conversation and it is something that we just make do with at the moment. But it would be fantastic, you know, if you could have some flexible options that are seven days a week and even with extended hours during harvest would probably be fantastic. Generally through sort of, you know, October, November, December periods.

10 COMMISSIONER STOKIE: The other question that was sort of on my mind – just you had been talking Sean is just – I'm sure that I'm projecting a little bit – it won't come as any surprise that people who live in remote and regional areas will sometimes travel quite significant distances; long  
15 commutes, long drives are not uncommon. And I'm just wondering out loud, have you given thought to what is that sort of distance that would make access to an early childhood education and care service that might be located in a town, you know, what's the maximum distance in some respects? Because we could start to have a think about, you know, where those towns  
20 are relative to people and populations. And some small towns like that maybe sufficiently close together, or the family might be equally distant between two towns and you wouldn't have to build two services.

25 You might only have one and they have a longer commute. But if it gets beyond reasonable – anyway, so I'm interested in your views around, yes, transport and travel times, if that makes sense?

MR COLE: Yes. Absolutely. Actually, it's one of the main considerations. So just another anecdote, you know, the town we lived in in South Australia,  
30 generally most of the people lived in that town within, say, a 20, 25 kilometre radius. Probably 80 per cent of, you know, the people that would use an ECEC service are probably within 5 to 10, anecdotally. I think, yes, if you can sort of – and then just the next step is often the next town is 50, 60, 100 kilometres away. So, you know, in the situation we were in, that would have  
35 made the access to ECEC very difficult, because you're spending, you know, in excess of an hour, maybe an hour and a half, dropping the kids off and coming back.

40 So I think just looking at the different radiuses, I'm thinking about Western Australia here as well being a bit more spread out. That would probably be a good thing to examine in terms of just the population distance to a centre. And generally this is why we come back to the schools, because there generally is a school at least in these areas. So central – yes, within a radius to potentially a school would be probably the key. And I think only, you  
45 know, the experts such as yourselves will be able to analyse that. We haven't done a lot of analysis. But once you're looking at in excess of, you know, 50 - 40, 50 minutes travel, it's really, yes, it's becoming difficult again.

COMMISSIONER BRENNAN: It's really important, and it was partly behind my question about the size of a town that might be appropriate as a centre in a – for a centre in a regional area. And we've worked through other studies and inquiries that have been happening that in the cities people typically don't want to travel more than two or three kilometres, or don't travel more than two or three kilometres. So it's really interesting – and I appreciate that it's not a scientific discussion that we're having but really valuable to get your perspective on what might potentially be reasonable travel times. And obviously if the government accepts our recommendations and there's a Commission, and so on, questions like this would be addressed and thought through by a Commission.

But it's great to have these sorts of exploratory discussions as we really start to take seriously what it would mean to have a universal system that reached regional and remote Australia.

MR COLE: Absolutely. It's not uncommon in the bush to, you know – as my wife and I did – you know, do a hundred kilometre round trip to go to the shops for instance. But, you'd prefer not to, you know.

COMMISSIONER BRENNAN: Yes.

MR COLE: So I think that would be a shop you might do, say, once a month for instance. Whereas, yes, I think two to three minutes or kilometres would be a dream, I think, in the bush.

COMMISSIONER GROPP: It should be on your property.

MR COLE: Yes.

COMMISSIONER BRENNAN: (Indistinct) the drive yet.

MR COLE: Yes. You know, because we're so underserved, you know, we're just happy to have anything to be honest. But I think we should hold ourselves to a standard comparable, you know, if not equal, to the cities to be honest. I think all the children in Australia should have the same opportunity, despite where they live. And, yes, I think that's something we're really passionate about, the universal nature of childcare. But obviously how it's delivered will be unique. Understanding, you know, we have constraints.

COMMISSIONER GROPP: Okay, sure and on that – I was just going – and going back to – you said you had roundtables and you're open to different modes of delivery, et cetera. I mean what was the appetite or feeling for more use of technology, perhaps of a mix – maybe whether it's mobile services, but also so you could sort of augment face to face to services with,

again, streaming in. You know, so teaching certain curriculum online or something. Is that something that - - -

5 MR COLE: Absolutely. Actually that was something that the groups have felt very receptive to. And it was – you know, School of the Air is a very old concept but it’s still a modern one today. And I think we’re going to have to rely on, you know, today’s technology to fill that void. I’m joining you remotely now. You know, I think we’re having a fairly deep and meaningful conversation about the issues as presented. So I think it’s going to have to do  
10 that. And then, you know, we fold in then to other issues, such as telecommunications, making sure we’ve got telecommunication that work.

15 COMMISSIONER GROPP: Making sure you’ve got good, like NBN or whatever you – or not.

MR COLE: Exactly, yes. So I think considerations are toward even, your telecommunications come into that conversation as well, which is then something GrainGrowers is passionate about. So, yes, I think certainly you’d have to look at hybrid models and things of that nature. Which then, once  
20 again, will also help those people in the bush providing the services. You know, it will maintain PD and currency, you know, yes.

25 COMMISSIONER GROPP: That could be, you know, a support quality, you know, linking networks for providers, etc.

MR COLE: Absolutely, yes.

30 COMMISSIONER STOKIE: Sean, perhaps my final question. You might have other points you want to raise. But you mentioned earlier about the activity test and how that was causing concern and discouraging access. And then you couple that with the – I suppose the variability of income within farms and trust income et cetera. And I just want – it wasn’t my understanding that, you know, the activity test was income based. It was more activity from employment activities. And I’m just wondering is there  
35 something specific to remote regional farmers and families that you’re aware of that perhaps we should know about as to how this is operating in practice.

MR COLE: Yes.

40 COMMISSIONER STOKIE: We’ve obviously got recommendations to remove the activity test, at least up until 30 hours or three days. We have a request to say, well, what do you do at the fourth and fifth day. Should we remove it entirely, or otherwise. And so I was just struck by what you said and wanted to understand a little bit more where you are coming from.

45 MR COLE: Yes. Absolutely. I suppose with farming,, it’s very unique, and often being, you know, over 90 per cent of all farms are – you know, 95 per

cent upwards I imagine would be all family farming operations in Australia. You know, there's 22 and a half thousand grain farming families out there. So often the employment arrangements are one of a true family business. So activity and specifying that might be more difficult because you can't walk in  
5 with a pay as you go summary.

COMMISSIONER STOKIE: A payslip, a time sheet that you've signed off yourself, yes.

10 MR COLE: Yes, so you know justification of your employment or involvement in the business, you know, we just don't want that to be an impediment in any activity test. Because it is more family focused obviously. So, you know, we don't have always structured employment agreements. It's a family business. So, yes.

15 COMMISSIONER BRENNAN: Yes. It's an interesting point, I think, Sean, because I think even under current arrangements you shouldn't be caught up on that – you should be (indistinct) - - - But working on a family farm, it constitutes activity. But there's the technical side and the sort of,  
20 bureaucratic policy side and the community perception and understanding. And we certainly picked up on that in our – during our (indistinct). And --

MR COLE: Yes, if there's any technical barriers - - -

25 COMMISSIONER BRENNAN: At least for the first 30 hours. Yes, at least at this stage, removal of the activity test would be significant for your families

30 MR COLE: Absolutely. Absolutely. And once again I think, you know, obviously farming is a hard business at the best of times. Obviously, you know, farmers love what they do. But, you know, just because the incomes of some of these farms may be higher than those in other professions in the town, you know, the amount of workers that also hang off these farms which are essential to retain, also benefit from the same ECEC. So it is very much a  
35 community service, you know. We're not just talking about, you know, the farmer and the person individually driving a tractor or doing the books. We're talking about, you know, potentially 20 or 30 other employees of some of these larger farms that all need the same ECEC service, together especially know at harvest time and things like that. And, you know, throughout the  
40 year.

COMMISSIONER BRENNAN: Were you also – I don't want to lead you into this – but I just wondered were you also raising with us an issue about  
45 subsidy rates and how family income is assessed. I thought I heard some of that in the remarks.

MR COLE: Yes, look, we – I'm happy - - -



COMMISSIONER BRENNAN: (Indistinct) the activity test.

5 MR COLE: Yes, look for more specifics I'm happy to circle back, and probably, you know, not deep, deep in that to be honest. Just making sure there's no bureaucratic, as you said, barriers, that do prop up, you know, obviously some of these things are well intentioned, but we just want to make it as streamlined as possible for people to access so it's just, yes, having a really good look at you know, how – how those requirements for subsidies  
10 interact with a family farm. Particularly a small one where there may not be employment contracts, or work is not regular but it's still, you know, all year around essentially.

15 COMMISSIONER GROPP: Thank you. And would the income averaging of provisions apply – I mean presumably they would – as they apply for tax purposes it would apply for the income test for ECEC as well I guess.

MR COLE: Yes, well I guess - - -

20 COMMISSIONER GROPP: Farm incomes go up and down, you know over the years.

25 MR COLE: Yes, highly variable during drought and then incomes can be near zero. So I think that is the question. I think it's just a consideration just as, you know, you go on this journey and the recommendations – it's just a bit of a point from us to be honest to make sure it's as easy as possible for growing farming and farming families to access with highly variable incomes and, you know, unusual employment arrangements at times. In the eye of, you know, any forms they've got to fill out and things like that.

30 COMMISSIONER GROPP: Just one last question from me about – you mentioned family day care about quality, et cetera. But I guess we also – there are issues around – there have been issues around the decline in that sector, there are issues around some integrity issues et cetera. But it's also  
35 seen as one where it has that – it offers that flexibility that you were talking about more in venue type care.

MR COLE: Yes - - -

40 COMMISSIONER GROPP: As a possible model. And we've heard that from a number of – you know, from a few people.

MR COLE: Yes.

45 COMMISSIONER GROPP: Have you seen anything like that working or – where - - -

MR COLE: I think really – look, personally my children have been involved in, you know, sort of in venue care in South Australia. So, you know, it is very much utilising that excess capacity that, you know, I think you’ll see in a lot of those smaller towns back to, you know, what we were discussing  
5 before. I think just – yes, getting that pipeline is essential, you know. I think it would be utilised. I think at the moment we’ve just got a blocker because, you know, in the bush we’re so used to not having anything and making do. I think we’ve really got to almost have a campaign to, you know, sort of –  
10 have trials, at least trials in certain towns to see if it does work. And that’s actually something that GrainGrowers is potentially going to be involved with.

Yes, I think, you know, you start with four or five, you know, regional towns and do that test, you know, the litmus test, on if it’s viable or not for in venue  
15 or expansion of family day care or a combination of both.

COMMISSIONER GROPP: Thank you. Deb, do you have anything?

COMMISSIONER BRENNAN: No, I’m fine. Thank you.  
20

COMMISSIONER GROPP: Sean, did you have anything else you wanted to raise with us?

MR COLE: No, I’m just - - -  
25

COMMISSIONER GROPP: Final thoughts, or final – or telling us what we should – you know, anything else we should be looking at in our - - -

MR COLE: No, look, I think it’s just fantastic. And I just wanted to thank  
30 the Productivity Commission for the opportunity to speak today. And we think it’s, yes, heading in the right direction and, yes a focus on regional and rural Australia and kids in the bush is fantastic. So, no, I feel like we’ve thrashed that pretty well. So thank you very much for the opportunity.

COMMISSIONER GROPP: Thank you very much, Sean.  
35

COMMISSIONER BRENNAN: Thank you, Sean.

COMMISSIONER STOKIE: Thank you, Sean.  
40

COMMISSIONER GROPP: Have a good day.

MR COLE: You too, thank you.

COMMISSIONER GROPP: Bye. We might just have a couple of minutes  
45 break before we resume.

**SHORT ADJOURNMENT**

**[9.45 AM]**

5 **RESUMED**

**[9.55 AM]**

COMMISSIONER GROPP: Hello everyone. We'll re-resume with the  
10 hearings with Social Ventures. I'll just – before we handover to you to  
introduce yourselves and make your opening remarks, we'll just introduce  
you to us. I'm Lisa Gropp, one of the Commissioners. And I'm joined on  
my right by Deb Brennan, and on my left by Martin Stokie.

15 COMMISSIONER STOKIE: Good morning.

COMMISSIONER GROPP: So, hello everyone. Also just a reminder that  
the hearings are being taped and transcribed, and the transcription will be  
made public on our website. And there some – I'm not sure how many, but  
20 there are probably members of the public or interested observers online at  
the moment as well. So just that's for your benefit. But, yes, I'll just – the  
purpose is just really to have a pretty informal conversation today for you to  
get your thoughts on our draft report and other issues that you think are  
relevant that we might have missed. But if you wouldn't mind before we  
25 start off is for you to say your name and who you're representing, just for the  
purpose of the transcript. And then some opening remarks and then we will  
have a bit of a conversation.

MS RIDDELL: Wonderful. Well, thank you Lisa, for having me. My name  
30 is Suzie Riddell. I'm the Chief Executive Officer of Social Ventures  
Australia. And I'm joined today by my colleagues Rosie Hodson and Caitlin  
Graham who are leaders in our early childhood development work, in case  
they need to contribute in response to some of the questions. In opening, I'd  
like to quickly introduce Social Ventures Australia to you and then point to  
35 the four areas that we'd be very happy to talk to today.

Social Ventures Australia is a not for profit organisation and we are working  
with partners to alleviate disadvantage. Our mission is to influence systems,  
to deliver better social outcomes, and we were created to help find innovative  
40 solutions to social disadvantage. The work that we do in early childhood  
development is obviously focused on the evidence that in influencing a very  
young child's life can set them up for a trajectory of very positive outcomes  
over the life's journey. We've been at the forefront of some significant social  
investments that have influenced the system in social – in early childhood  
development.

45 So we are a member of the Goodstart syndicate that bought ABC Learning  
and changed it into the not for profit Goodstart. We've been supporting

5 SNAICC with their Early Years Support Program over the last few years. We've been leading work on integrated child and family centres. Over the last decade have led the initiative, 'Evidence for Learning,' and have been partners for a decade in 'Restacking the Odds'. Some of those organisations and initiatives I know are presenting separately to the Commission.

10 In our vision for a thriving early childhood system we see three key ingredients. Firstly, the combination of supports. So we want to see the right combination of high quality supports, the right stacking of those supports. Secondly, integration of services so that they work well together and are accessed by families across Australia. And, thirdly, mobilisation. Mobilisation of evidence so that what works is actually informing practice across the country.

15 We'd like to acknowledge and welcome what we've seen in the Commission's draft so far. The ambition for a universal ECEC system means making quality services accessible to all children and families. We absolutely agree about the 'all children and families'. We also agree it means tackling availability, affordability and inclusion. Your acknowledgement that children experiencing disadvantage and vulnerability who are likely to benefit the most are least likely to attend, is what we have observed and what evidence plays out as well. We support the universal entitlement for children. We really wanted to highlight that your focus on children has been very valuable. It will change how the discussions are played out in terms of what Early Childhood Education and Care is for and how important the Early Childhood and Education Care workforce is.

30 I acknowledge that this is a mammoth task, reforming ECEC, and that you are focused as well on how this sits within a broader Early Childhood and Development System and how this interplays with things that have recently come out like the NDIS review and the Early Years Strategy.

35 For today, four areas that we'd particularly be very happy to dive into. One is equity; ensuring those children can really have the most to gain are the ones who will benefit most from these reforms. And that is a lot to do with sequencing how the reforms are implemented. Secondly, not for profits. We'd like to share insights from our broad work around the charity sector and not for profits and how – of what it would take to increase not for profit supply of ECEC.

40 Thirdly, integrated services outlining the contribution that integrated child and family centres play, and what it would take to create more of these in a sustainable way.

45 And fourthly, system stewardship, what we've learned, particularly through Restacking the Odds about how we can have visibility of the system, who is

participating, what quality, what dosage, and how those services are being stacked, at the service level, the community level, at the system level.

Thank you.

5

COMMISSIONER GROPP: Thank you, Suzie. I should thank you, too, for your excellent submissions. They're very insightful and comprehensive, including your response to the draft. So thank you. Look, I mean we've got – have a number of questions. But did you want to start discussing, perhaps  
10 lead off with each of those about what you would like to see in our, you know, how you'd like to see us respond. And then we can perhaps have a conversation on each of those.

MS RIDDELL: Thank you. I would love to. So firstly on equity, the ECEC  
15 reforms that you've laid out are very ambitious. And while there is a universal entitlement in there, we think that it's important that when the system stewards are taking forward your recommendations, that they're really weighing up how and when to stage those reforms. We see a risk that moving to an entitlement of 30 hours of ECEC for everyone will mean that  
20 there will be an increase in supply for those who are already well served, and that the underserved, or a very thin market, will be left further behind.

So some of the things we think could be done first to really prioritise equity, firstly committing to the 100 per cent Child Care Subsidy for families earning  
25 under \$80,000. That will make a big difference to those families. And secondly, on the activity test, our observation is that the activity test is both unfair and a barrier to access, and that it will remain that way unless it's applied to all five days. So children shouldn't be penalised for their parents' activities, and that they will continue to face inequality if that's not applied  
30 for in the same way that their peers would have access.

We know that workforce is a critical question here in terms of how equity can be applied. And we'd like to put forward that the children who are currently not accessing high quality ECEC at all at the moment, must be prioritised and  
35 that we need to also support fair wages and high quality, evidence-based professional learning for staff in the settings where those children are likely to attend.

So we know from, and I'm sure they'll tell you as well, from SNAICC and Goodstart, that during COVID when there was a period where childcare was free and where the requirement to demonstrate entitlement for children was reduced or removed, that there were new families attending who had never participated in ECEC before. So it is important that there are this very visible  
40 reduction in barriers in order to encourage participation of children who are currently not in the system at all.  
45

5 COMMISSIONER GROPP: Suzie, thank you. Could I just ask, with the relaxation of the activity test, and we put in an information request about what would happen or what should happen after the 30 hours, and you said just get rid of it. And other participants have said similar things. Others – you know – so we’re hearing that. But – and with the 100 per cent subsidy relative to the cap. Do you think that’s enough to get – is that – are there other barriers for these families that, you know, we’ve heard that there might be transport barriers, or a whole range of barriers. I mean what’s your view on that?

10 MS RIDDELL: Great questions. Yes, there are other barriers. So transport is a key barrier. We heard yesterday at a launch that I was at, at Cullunghutti Aboriginal and Child and Family Centre down in Nowra on the South Coast in New South Wales, that things like having the bus service cancelled  
15 dramatically changes whether children and families are able to participate. So transport is a big barrier.

20 For some families, understanding the benefits of ECEC for their children is a big barrier. So community outreach about explaining the benefits, making sure that it’s culturally responsive and safe, which may be for First Nations families. But it’s also the case for lots of families who have migrated to Australia.

25 Feeling like this is going to be something that is inclusive for my family, there are families and children like mine, is also a key barrier to participation. So being able to encourage people through soft entry points like playgroups, like toy libraries, that are not necessarily as high barriers because you don’t need to demonstrate entitlement. So filling out Centrelink forms and go through an enrolment processes are key.

30 COMMISSIONER BRENNAN: Suzie, thank you very much, and also thank you for your submissions and engagement with the inquiry so far. You certainly don’t need to persuade us that careful sequencing and implementation of our recommendations is absolutely essential, particularly  
35 for equitable outcomes to emerge from this process. Not to say we don’t want to engage with you on this. We do. Because there are really tricky issues. So, for example, and I should say that we have been planning all the way to put a great deal of attention on implementation in this current phase of our inquiry.

40 But there are tricky issues. For example, were we to remove the activity test for above the 30 hours, demand is going to increase much more quickly than supply. And people in the system – one potential outcome is that people in the system then quickly ramp up their engagement before people who are  
45 currently excluded or not in the system, let me say it in a more neutral way, get a chance to get a toe in. So, you know, we’ve got to grapple with issues like that. So not to say that we – well, I’ll just leave it as that observation.

So any guidance that you'd like to contribute, either now or at any point, about that sequencing would be something that we would certainly be actively listening to. And we are certainly very alive to those considerations.

5 MS RIDDELL: Great questions. We certainly don't have all of the answers. But some observations from talking, particularly with not-for-profit suppliers about how to respond to childcare deserts where there isn't currently ECEC provision at all, it will take time. This requires identifying locations, refitting buildings, building new buildings, developing up the workforce, attracting  
10 families in if there isn't sufficient demand already in those communities, and addressing some of those barriers.

And it's important to get going on some of those things really quickly because, as I've just described, that takes real time to develop. So prioritising  
15 the removal of barriers for those families to participate as well as thinking through things like, what does supply-side funding look like in thin markets. How will providers be able to participate even if they don't have site occupancy straight from the get-go? Are there incentives that might encourage people to be part of the workforce in those areas? So the  
20 integration of the location, the development, or refurbishment of things, the workforce piece, as well as on the family side. How do we encourage families to participate.

I believe all of those things will take quite some time, and are vital. Because  
25 if the focus is on predominantly increasing supply in well-serviced areas with relatively more advantaged children and families, and in more urban environments, we'll see that that will take up most of the time and effort from providers and from regulators and from system stewards. And those who are in currently unserved markets completely will get further behind those who  
30 are being served well.

COMMISSIONER STOKIE: Well, Deb stole my words, so we're in sympatico around these things. Often we hear from stakeholders and participants, discussion around where we are today and where we need to be  
35 in some point in the future. And there isn't a lot of discussion of what's the pathway between here and there, and almost what are the traps. If you do that in the wrong sequence, what would that do? And Deb has rightly raised the question. And we are grappling with the activity test between three days and five days. What should you do? Maybe that's a timing question for the  
40 exact concern, whether it's valid or not, that Deb has articulated. And I was going to ask that question.

I had a separate but related question which was around the, effectively free, but 100 per cent of the rate cap for the lowest 30 per cent income families.  
45 And I just wondered what your thoughts were around the timing. Let's assume that the government is happy to do what we're suggesting, the timing of when that would be. For instance, if you did it tomorrow, we – and our

own analysis and the Mitchell Institute's analysis, et cetera, says we don't have enough services.

5 So we would create an expectation in families, and particularly those who aren't there, that well, it's now free, so where is it? Is it better to do that and then create the demand which then stimulates the investment, and then flows to where those families are? And I suspect, but we'll do a bit more analysis, that won't be in existing areas where there's significant existing services. It will be in less well-served areas because there have been – those families  
10 have been excluded from activity tests or income levels or costs. And so we would expect there would be a degree of realignment of that investment.

15 You couple that with investment from a supply-side funding into genuinely thin markets. And suddenly we do start to move away from existing areas into new areas. My question is, do you build the supply first, and then give the money, or access to the money? Or do you signal that the money is there, and then allow then that to help drive some of the investment decisions coupled with direct intercession by government on supply-side funding. You know, I have a view.

20 But there's not – in my view – my suspicion is it's not an easy answer. Because some of it is going to raise expectations for, in the first instance, may not be able to be catered. But over time you want to be able to create that certainty for families and for parents who would want to avail  
25 themselves of the services, even if the services aren't there straight away. But have you given – you've raised, quite rightly, the challenge that we're grappling with, which is the sequencing. But what are your thoughts?

30 MS RIDDELL: So some of these are observations about what would be great for the system rather than for an individual family. I would point out that for an individual family, 100 per cent CCS would make a very big material difference from day 1, if implemented for those who can access places. So there is an immediate benefit to the individual family and to, obviously, that child participating.

35 From a system perspective, Martin, I think this interplays a lot with the role that not-for-profits play. In general, what the ACCC found, and I'm sure you found in your submissions, that those low income families are more likely to be attending a not-for-profit ECEC service. And if we want to think about  
40 how to encourage more not-for-profits to grow their services to meet the increasing demand from the 100 per cent CCS families, then we need to think about what are the things that constrain that right now, and how might we address that.

45 So in general, from SVA's analysis of all charities that report to the ACNC, who employ people, we see that charities are likely to have small margins, relatively smaller balance sheets. They're more likely to invest their



revenues in fairer wages. And the ACCC found that in the ECEC case as well. They may have more conservative boards who are more worried about stewarding the balance sheet of the organisation. And it means that there is less ability for not-for-profits to take on the financial risk of significant growth at a rapid pace.

That combined with the fact that they're not allowed to raise equity, and a lot of debt is not fit for purpose, means that for-profits who can raise equity and grow very quickly, build lots of new sites, take lots of risk, not-for-profits can't do it very quickly. So if we want to encourage more not-for-profits to quickly increase supply, then we need to have incentives for those not-for-profits that may look like encouraging expansion for those who have high quality ratings, rather than just, 'can you meet the requirements for a new application'. And that might be a good way to encourage not-for-profits.

Quick discussions around what supply-side funding might look like is also going to encourage not-for-profits to go into new areas. What will that actually take into account? Does the government have a good understanding of what it really costs to operate in an area of high disadvantage where you may need to have additional supports? Where it may be high ratios, for example, or additional services required on site. So, Martin, I think that there is a case for going quickly on the 100 per cent CCS for families under \$80,000, benefiting those who can get the place, but then empower them to either work on how we encourage not-for-profits to grow supply.

In parallel there does need to then still be work on workforce. And that is about encouraging policies and settings that mean that there are fair wages and that people can work in places near where they live, which is also related to the communities who are not getting provision at the moment.

COMMISSIONER STOKIE: Thank you.

COMMISSIONER GROPP: There are so many things there. I mean on supply-side finding you have said that we made recommendations about expansion and CCCF funding, and looking at different models that meant whether it's to suit community needs and whether it's community driven. We would encourage that, but not require, you know, we're not saying the community has to do all the legwork. But, I mean, that an ECEC Commission could be, you know, we would envisage that would take a role in stewarding the different models of provision in genuinely thin markets. And that could be whether it might be funding capital and operation. It might be the whole block funding model. Or it might be funding capital.

But do you have any particular – do you think what we've set out is adequate, or that we could be – you know, is that the right track? Or do we need to – have we missed something? Which would also bring into account broader needs of communities, like with complex needs. So in some cases it would

be trying to have a more central, integrated service model. But do you have any particular thoughts on what we've set out?

5 MS RIDDELL: So our work in this area has looked at some different categories of thin markets and what might be needed in order to address the viability of those services. So there is potentially up to two thirds of the places that I've described as childcare deserts. It's really just about the finances. If you were to increase the financial viability of those services, then probably the market would respond, largely with not-for-profit organisations.  
10 And then the economics would stack up, and they would be able to offer places at a fee price that parents are willing to participate and make the whole thing work.

15 As you move further from that you start to see that it's finances and challenges around things like transport and whether there's demand from the community and other barriers that we were describing, that might mean that there's additional services required. We start to get into the territory of the integrated child and family centres where a welcoming environment that integrates multiple services is required. And the work that we've been doing  
20 around that looks at the additional funding that's required for the glue, bringing together those different services, creating the right environment, doing the outreach, et cetera. So it's not just about the standard economics of an ECEC provider and a bit of a top-up. This starts to get into a different funding model. And then that might be kind of another 20 per cent.

25 And then right at the edge we've got much, much more complex community situations where the kind of block funding for integrated services and a more holistic early childhood and development lens would be required. That's not just about does the P&L add up for the ECEC provider, but a completely  
30 different holistic approach to early childhood development.

COMMISSIONER BRENNAN: Thanks, Suzie. That sounds like incredibly valuable work. Do we have – I haven't had a look at your post-draft submission but it may be in a link or something – but do we have access to  
35 that further work you've done on differentiating the notion of thin markets?

MS RIDDELL: We can share it with you. I would describe it as informed by some preliminary conversations and quite back of the envelope. We'd really encourage further work with providers about understanding, when you  
40 provide services in these communities, what does it really take? Because at the moment the ACCC work has recommended, for example, supply-side funding. And I heard you describe the same thing. But without a deep understanding of what is it going to take, then that's quite a loose commitment to supply-side funding. We need to know what does it take in  
45 different contexts to be a viable and attractive proposition. So Deb, I can share that with you afterwards.

5 COMMISSIONER BRENNAN: I would appreciate that. And just thinking through that question of where, if the funding mechanism is the CCS, at what point does the CCS become – how far or how deeply into communities will that be an adequate mechanism, particularly for reaching disadvantaged children, and where it is just simply inappropriate to say that this will work? I can see Caitlin and Rosie - - -

10 MS RIDDELL: Caitlin and Rosie, if you have additional information on this, I'd love you to jump in. I would encourage you to ask, particularly Goodstart and SNAICC about the natural experiment that happened during COVID about which families participated when childcare was free. Because I think that will give you some indication as to how far you reach into the community with the 100 per cent CCS. I don't have that data to hand. Caitlin, Rosie, do either of you have insights into that question?

15 MS GRAHAM: I couldn't say how far it will reach in. I think we would sort of look at CCS funding being adequate only for well serviced ECEC suppliers and markets. In our work on integrated centres, CCS is not in any way adequate for the wraparound supports they're trying to offer. Yes, I think that would be as far as we could comment.

20 COMMISSIONER BRENNAN: Thanks Caitlin.

25 COMMISSIONER STOKIE: I know we haven't gone onto properly into integrated services or into stewardship yet. But could I just keep you on the expansion of the not-for-profits. I thought, Suzie, where you might have been going with the funding and then some additional supports, and I thought I'd heard earlier also the work you're doing with SNAICC and also historically with Goodstart, was the capacity building of the not-for-profit themselves. So we've heard in some areas, particularly into remote and regional, they're very much looking forward to some form of block funding, tapping in either to the CCCF sort of funding or a supply-side funding, no matter what you want to call it. It's some form of direct subsidy, direct funding towards the service.

35 But I thought where you were going to go was, even that may not be enough. Because in the first instance you need to actually lift the capability of the organisation and the service. And we know we've got recommendations in around co-designing and developing and supporting an adequate funding source for ACCOs and for the Aboriginal controlled organisations, et cetera. But even that, and that would be consistent with the closing the gap, it would be lifting capacity as well.

40 I thought that's where you were going. But you haven't gone there. I'm asking you, is that something that you see as an issue? Or is that not an issue? The expansion of the not-for-profits would be the existing players

who already know what they're doing. They're just not doing it in the areas that we'd like them to do.

5 MS RIDDELL: Thank you for throwing me that opportunity, Martin. It is both. There are large, sophisticated not-for-profits who know what they're doing. And this is about getting the incentives and the settings right. There are also not-for-profits who, even with additional funding, don't have the capabilities or the access to the specific skills in order to be able to expand. So there's very specific, technical pieces around property development and  
10 location, the kind of planning that you'd need to do around cash flow and how long it takes for new services to be economically viable, even in the places where they would already make sense under the current system, access to the right legal support, being able to do that whilst understanding all of the reforms.

15 Most of these not-for-profit providers who aren't large are very, very focused on making sure that the children in their services are getting high quality education day in and day out. But they can't have lots of spare people who are kind of focused on this other piece. So the opportunity we've seen grow in the ACCO sector with SNAICC early years support, is that by joining  
20 them together and providing dedicated people who are able to then share resources and insights, some of those things are quite technical. And other things are about ensuring that those people have got peer support, are able to draw on each other's ideas, can access what's happening in the reform  
25 environment, can feed back into that via advocacy. That would be similar – that would be of similar benefit to support a not-for-profit sector as well.

COMMISSIONER BRENNAN: Do you – sorry, were you - - -

30 COMMISSIONER STOKIE: No.

COMMISSIONER BRENNAN: We've been talking about not-for-profits in a general sense. And you have talked about differences within not-for-profits. But do you also see a role for philanthropy for organisations that  
35 may not themselves apparently be not-for-profit providers, but that have signalled their interest in children and these questions about equity, early childhood development and so on?

40 MS RIDDELL: Absolutely. In general, the role that philanthropy tends to take in Australia when it's at its most effective, is in driving innovation and taking risk that's inappropriate for governments to take. So trialling new concepts, expanding things to see whether they work in new locations. We have seen philanthropy play a key role there. For example, in the expansion of the Parkville Institute's approach, which is a very intensive, early years,  
45 model. We also know that philanthropy across Australia is very interested in playing a role around data and insights around evidence.

5 So this kind of neatly takes me onto the system stewardship and data. It is philanthropic organisations who have been backing Restacking the Odds for the last 10 years, looking at the role that data could play at the community level as well as at the service level, and then more broadly at the systems level. And I believe that philanthropy would like to continue to play that role if it is going to have a line of sight to influencing how governments are stewarding the system.

10 Similarly, it's philanthropy that backed the 10-year initiative of Evidence for Learning, which is about mobilising what we already know works into the hands of practitioners on the ground. And I think philanthropy will continue to play a role in developing that high quality professional development opportunities for early childhood practitioners and educators, as well as demonstrating what works in new models like we've seen in Our Place for example, and the expansion of Our Place.

20 What philanthropy should not be doing is plugging the gaps in the funding of day to day services. There simply isn't enough philanthropy to go around. And that eventually runs out, and then leaves a service high and dry if philanthropy doesn't continue to support them.

COMMISSIONER BRENNAN: Thanks, Suzie.

25 COMMISSIONER STOKIE: You mentioned as part of the stewardship the word 'dosage' which we kind of dislike intensely. But it's the adequate description that everybody understands in terms of how much participation in early childhood education and care children enjoy. Did you want to talk a bit further about that? Or is there something broader about stewardship that you wanted to have us talk about today?

30 MS RIDDELL: Well, I'll talk about the higher level piece and then ask Rosie to talk specifically about dosage. The higher level piece is, do we know who is participating, in what, at what level of quality, and at what rate or at what dosage? And the answer is often, no, we don't know. Children who are enrolled when we looked participated only in half the recommended 35 15 hours a week. And so having that insight and being able to know which children are participating and where have we got more work to do is crucial to being able to reach the ambitious goal of all children participating in high quality early learning, and being able to thrive.

40 Rosie, on the dosage question specifically, I'll ask you to respond.

45 MS HODSON: Yes. Thank you, Suzie. I think on the dosage specifically, with the Restacking the Odds work, we focused on the 15 hours. And I think, you know, your report does a really good job actually of kind of examining the evidence on this and saying that it's pretty inconclusive. It's really not clear what the optimum dosage is. And so I don't think we have a, you

know, a strong position beyond that other than that there is certainly a minimum dosage that is important for the benefit, which we've identified as being 15 hours.

5 There's some clear evidence that there is additional benefit for the most disadvantaged children, of higher intensity, of more hours. But beyond – but exactly kind of where you draw that line, I think we haven't, you know, we haven't landed a view from the evidence.

10 COMMISSIONER STOKIE: We have at least put a line in the sand, notwithstanding some of the challenges around interpreting and synthesising the relative academic pieces of work over time in different jurisdictions with different cohorts, different contexts, et cetera, et cetera. The 15 hours –  
15 presumably you're referring to preschool in that sense rather than necessarily, say for one year old or two year old or three year olds. And I think, Suzie, your point around enrolment versus attendance where we are equally concerned around – well in fact our focus is around attendance and participation rather than enrolment.

20 Enrolment is an interesting factoid, but it doesn't do very much for the child or the family per se. It does reflect cost requirements because it has to be provided even if it's not used. But yes, it's an interesting area. And we acknowledge that further work needs to be done and we're suggesting, as part  
25 of a steward or an ECEC commission, perhaps working in conjunction with AERO, the need to do much deeper, targeted further research on the impacts for children over time, over longitudinal sort of studies, but also specific elements of the training and play-based learning. There's a whole series of questions that are – and it's not a simple exercise.

30 COMMISSIONER BRENNAN: You go, Lisa.

COMMISSIONER GROPP: I was just going to – in respect about stewardship, I mean, we have proposed a Commission - - -

35 COMMISSIONER BRENNAN: (Indistinct.)

COMMISSIONER GROPP: Yes. And so, yes, I mean, what do you – which would look at these issues about not just, you know, about the operation, the gaps in the system, et cetera, who's getting – we know a lot more about the  
40 children who are attending and not attending ECEC sort of rather than preschool – I would stand by preschool – but, yes, look, looking at who's missing out, where they've got – needs are, how – the best way to deal with it, but also bringing together jurisdictions, hopefully, and philanthropy, you know, and the players in the – in the system to what are the best models of  
45 meeting those needs. And so I'll just ask you whether you think that would be – is that a reasonable way forward to have some sort of national commission to - - -

5 COMMISSIONER BRENNAN: And can I just extend Lisa's question to say – absolutely want to hear those things – but I – just in my quick glance at your submission, I noticed that you responded to our draft by suggesting an Early Childhood Commission - - -

MS RIDDELL: Yes.

10 COMMISSIONER BRENNAN: - - - rather than an Early Childhood Education and Care Commission. I'm particularly interested in that idea, and I'd like to hear a little bit more about the thinking. I've got an idea about what could be behind it, but I'd like to hear you say what's behind it.

15 MS RIDDELL: Thank you both Lisa and Deb. Yes, we would recommend that it's an Early Childhood Development Commission rather than an ECEC Commission. That would be an opportunity for us to integrate what we know frustrates providers and professionals across early childhood development that there is not a point of integration. It's an ambition that we think would be something that would really benefit the children and families where that  
20 integration across child and maternal health, child protection system, transition into school, as well as ECEC is currently a source of great friction, and having a commission that is overseeing all of that would encourage not just reform that's going to benefit one of those areas but that takes into consideration what it's like for a child and family who are trying to  
25 participate in combinations of those kinds of services.

Lisa, in terms of the commission, we would really welcome having a commission. We think that that could be a very useful role to play in terms of oversight, data, stewardship, integrating the – and overseeing what's  
30 happening in states and territories as well. That would be helpful for lots of the providers who work in more than one state or territory as well.

Some of the things that we would encourage you to include in that is the longevity of the commission so that it has an agenda to pursue over 10 years  
35 rather than a short political cycle. We'd love to see a level of independence that means that the commission is trusted by the profession and can be seen not as a place that regulates and that you may not want to tell them what's really going on but they're a place that's there for the early childhood development professions and not kind of working against them.

40 Which then brings in a key question about whether they will be responsible for allocating funding or whether they will be making recommendations to governments who will still be allocating funding and whether we can do those things together with representing and stewarding the system. It also  
45 asks the question about how the body is owned. We see examples internationally where there is a role for very independent organisations who are endowed and then have an independent, skills-based board rather than

5 being jointly owned by, say, the early learning ministers across – or the early  
childhood development ministers across the country and be seen as a much  
more political organisation. So we have a view that the independence and the  
ownership structure will be material to how the ECD or ECEC Commission  
works.

10 And in general, being able to play a role in how organisations and service  
providers use data is critical to the ECEC Commission. If we could oversee  
setting of targets with use of information at the service level, community  
level and systems level, that would create a really positive fly wheel for the  
whole system over a long period of time.

15 COMMISSIONER BRENNAN: Thank you for that. You've clearly been  
thinking about this issue quite a bit. Maybe if I can be quite direct and say, in  
our discussions with various organisations and individuals around a possible  
commission, we've heard generally positive responses to the – to the idea,  
but a concern that we don't duplicate unnecessarily existing systems or  
institutions. One idea that's been put to us is that the remit of ACECQA - - -

20 MS RIDDELL: Yes.

COMMISSIONER BRENNAN: - - - could potentially be expanded. And so  
I wonder if you have a view about that.

25 MS RIDDELL: So we would recommend ACECQA remain separate and  
that it continues to play its regulatory function in a separate capacity rather  
than expanding ACECQA to become the expanded ECEC Commission, and  
that the commission may then provide advice to ACECQA to aid efforts to  
provide more consistency across jurisdictions and to continue their focus that  
30 has been very effective over the last decade in rising – or in lifting quality of  
services across the whole ecosystem.

35 COMMISSIONER BRENNAN: Is that partly because ACECQA in – would  
be part of what is being stewarded, rather than - - -

MS RIDDELL: That's right. So the stewarding would include ACECQA.  
It's also about the perception of what is the purpose of the organisation, and  
ACECQA is playing the role of inspection, and can you play the role – the  
question is, 'Can you play the role of inspecting and regulation on quality as  
40 well as recommending on funding as well as data insights about what's really  
going on and how do we encourage, for example, the growth of more  
services in thin markets? Can you do all of those things in one place?'

45 COMMISSIONER BRENNAN: Thank you.

COMMISSIONER GROPP: We're sort of running out of – got a few more  
minutes, I think, because they're really interesting topics. But is there



anything in particular you would like to talk about before we finish up? Any other issues? I mean, it's - - - Is that Rosie? Sorry.

5 MS HODSON: Yes. I was – I was going to suggest as one thing building on the role of the commission, I think one thing we're really keen for you to think more about is how it – how it relates back into communities, particularly, and to the local area and the sort of the flow of information. So through our work on Restacking the Odds, you know, as we – as we've mentioned, we have had this real focus on, 'How do you make sure the system's actually delivering for everybody?'" And the role of the commission in kind of monitoring the attendance levels that we've talked about, monitoring policy, monitoring thin markets is super helpful.

15 I think there's then a question about who are – who's best placed to take action and where does the information go to support those decisions. So we'd – what we're trying to do on Restacking the Odds at the moment is we're partnering with a number of place-based initiatives and really seeing the benefit of those sort of community-led approaches in bringing together services in a local area where, informed with the right data about what's happening in the services in their community and indeed, you know, what the policy changes are and what the demographics of the community are looking like.

25 That can really help them to have a – to better understand, actually, what are the particular challenges and gaps in our community more or less, you know, address that gap. So rather than someone coming in from outside and saying, 'This is a thin market and you need an additional centre here,' or, 'You need an integrated centre there,' that – just that connection into the community and thinking about how you actually get that with some local intelligence to inform some of those decisions would be another – I just encourage you to sort of think about how that – how that works in practice.

35 And I note the South Australian Royal Commission had some, you know, interesting proposals in relation to their local implementation teams with a role to really think about the joining up of services at the local level and how those connect into their, you know, early learning reforms and address those gaps and think about the integration of services at that local level, and so there might be a need for that extra piece of infrastructure in the system to support that.

40

COMMISSIONER BRENNAN: Thanks, Rosie.

45 COMMISSIONER GROPP: Thanks, Rosie. Well, thank you very much. That's been a fascinating discussion and we might mine your submission, and if there's any – we may well come back if we've got any other questions, if that's okay with you.

COMMISSIONER BRENNAN: Particularly further thinking on thin markets - - -

5 COMMISSIONER GROPP: The thin markets and the commission, et cetera, and - - -

COMMISSIONER BRENNAN: And the commission, yes.

10 COMMISSIONER GROPP: I think that's been really insightful, so – helpful, so thank you very much.

COMMISSIONER BRENNAN: Thank you so much, yes.

15 MS RIDDELL: Lisa, thank you so much for having us. The work that you are doing is fantastically welcomed by everyone who works in this sector and we're all feeling the energy around at the moment of reform that early years is having at the moment so commend you on the great work and of course happy to help in the future if we can.

20 COMMISSIONER BRENNAN: Thank you. Thank you all.

COMMISSIONER STOKIE: Thank you very much.

25 COMMISSIONER GROPP: Thank you very much. Okay. We'll now break for just, I think, what, 10 minutes?

COMMISSIONER STOKIE: Five minutes?

30 COMMISSIONER GROPP: Five? Maybe 10 minutes, so – and we'll resume at 10.50 with the Early Childhood Australia – South Australia in 10 minutes.

COMMISSIONER BRENNAN: Great.

35 COMMISSIONER GROPP: Thank you.

**SHORT ADJOURNMENT** **[10.40 AM]**

40 **RESUMED** **[10.48 AM]**

45 COMMISSIONER GROPP: Hello.

MS JACKSON: Hello.

COMMISSIONER GROPP: Thanks. So we'll resume now. So we took a bit of a break and went beyond your designated start time, and the previous one went a bit longer than we planned. But thank you for joining us. I'll just introduce us and then I'll hand over to you to introduce yourselves. For the purposes of the transcript, I'm Lisa Gropp, one of the commissioners. On my right is Deb Brennan, my left, Martin Stokie.

COMMISSIONER STOKIE: Good morning.

COMMISSIONER GROPP: Thanks for coming along. Just a reminder, you're probably aware but these hearings are being transcribed and the transcript will be public on our – published on our website in a few days' time or so, and there are – there probably are – I can't see them, because we're – observers online, in addition to our team, of course, but some people from outside as well, but I can't say who they are because I haven't got any line of sight either at the moment. But thank you for coming along. So if you want to introduce yourselves and perhaps an opening statement or if you have some opening remarks about your organisation and any comments, thoughts about our draft report to kick off, then we'll have a conversation.

MS JACKSON: Thank you. I'm Susan Jackson. I'm the chairperson of Early Childhood Australia, South Australian branch, and I'm here with Dr Amy Graham who's in a new position. I've just forgotten your title. Do you want to elaborate, Amy?

DR GRAHAM: It's an evolving one. I'm the advocacy and strategic projects executive for Early Childhood Australia in a national role. Not quite sure what the 'strategic projects' part is yet, so it's evolving. I started in December and part of my role is to support the local jurisdiction in their policy.

COMMISSIONER BRENNAN: Yours is a national role, Amy, that you're  
- - -

DR GRAHAM: Yes, that's right.

COMMISSIONER BRENNAN: Are you based in Canberra?

DR GRAHAM: No, I'm based in South Australia, so I don't - - -

COMMISSIONER BRENNAN: You're based in South Australia.

DR GRAHAM: Yes, but I travel around. It's not very far to visit Susan, luckily, being in South Australia but to the other jurisdiction.

COMMISSIONER BRENNAN: Thank you. Thanks very much.

COMMISSIONER GROPP: Thanks.

MS JACKSON: And along with being the chairperson of Early Childhood Australia, I have worked in early childhood for my whole life and I've  
5 worked in many different roles starting off in long day care, and I currently, along with being chairperson of Early Childhood Australia, South Australian branch, work in an integrated site.

10 So I've worked in government roles, advisory roles, childcare roles, kindergarten roles, lecturing roles over the period of my career, so I've got sort of that broad basis of understanding. And yes, so I'm speaking on behalf of Early Childhood Australia, particularly the South Australian branch, and bringing that personal aspect into the comments that I would like to make as well as some of the key points from Early Childhood Australia on the – on  
15 the talking points.

Did you want me to go ahead or did you want to - - -

COMMISSIONER GROPP: Yes, you go ahead. You have your opening  
20 remarks and then we'll just open up for discussion after that, if that's all right with you.

MS JACKSON: Okay. Yes, that sounds good. I mean, I have just been  
25 listening to the Words Grow Minds launch in South Australia and the Premier did a – made a couple of points about how fundamentally important the work that's happening in early childhood at the moment is to the present and future of Australia and South Australian children and made comments about, if we're serious about breaking barriers to make a difference, every bit of research and data indicates that the investment in the early years makes a  
30 difference and that, currently, we're the lowest in the OECD countries, which I, you know, already was aware of, but it just – of course, I was thinking about talking to you as commissioners on a national level as I was listening to his words as well, and I think that is, you know, why I've wanted to take the time to be here, because it is so important for Australia's children.

35 In Early Childhood Australia June 2023 submission to the Productivity Commission Inquiry, 'Moving from vision to action on universal early childhood education and care', access and affordability, inclusion and stability were put forward as four pillars to underpin the framing of universal  
40 provision and now entitlement of young children in Australia.

ECA's vision is for every child to be thriving and learning, not simply  
45 surviving, and the Productivity Commission will be critical in making this happen. So I know that you have a big job and I know that the task is really complex, but I truly believe it is important for, you know, our current situation for children in our sites at the moment and to go further than we have ever been able to go in the past.

5 So there's all the baseline information, there's all the data, and then, you know, as we know, data can be manipulated, statistics can be manipulated, and, you know, it is what is really happening for children in sites in Early Childhood Australia that is going to make a difference. And it's some of the nuance things that I think are hardest to capture in the – in the data.

10 So the first point that I wanted to talk on is about 'universal access must start with affordability, availability, and simplicity in the system'. The benefits of quality early childhood education and care are well documented, but so are the disparities in children's access and participation within the current system. Many children living with the greatest vulnerability may not be enrolled or are not attending early childhood education and care with any regularity.

15 Early childhood education and care needs to be easily accessible and available where children live. Barriers to access, inclusion and participation need to be resolved, and innovative, case-based solutions modelled, explored and adopted. While targeted programs show great promise for some, it is the universal platforms that have the potential to change the landscape for every child. To make this happen, though, barriers and complexity within the system must be addressed for families and service providers.

20 So that's sort of the core of what – you know, Early Childhood Australia, and I believe is going to make a difference. And I think, although we're asking for affordability, availability and simplicity, we know that that's not a simple outcome to achieve.

25 And I guess the thing that does keep coming back into my thinking is the difference of what Australia puts in economically for children to what other OECD countries are putting in, and I am really hoping that, through your work and the other work that's going around the country, this is going to be a time where national and state governments are going to really listen to your recommendations and listen to the voice of early childhood people to make a difference that can be embedded into the systems for the future. If it's not universal, then it's not going to have the same impact.

30 I didn't quite get the quote properly from another speaker this morning, but it's something like 23.8 per cent, and I'm not sure if that was children in South Australia or Australia – Amy's nodding. You might - - -

DR GRAHAM: South Australia for vulnerability.

35 MS JACKSON: South Australia, yes, on the vulnerability scales. So, you know, that's not what we want for our children, and early childhood education and care can definitely make a difference. It can look like it's okay, you know, with minimal funding, you know, just meeting the ratios –

5 I'll talk a little bit more about that later – but, you know, there are other complexities within actually offering the services that can be looked at through the eyes of the ACECQA, like the exceeding standards, and wouldn't it be good if all early childhood services in Australia could be at the 'excellent' standard?

10 But at the meeting – even at the meeting standard, the funding doesn't really think about all of the complexities in offering that. If you think about a 1-to-11 ratio or a 1-to-10 or whatever it is to the age group that, you know, people are working, they're minimum ratios. If you add in all of the other requirements for documentation, community consultation, to really make a place that is a thriving hub for children and families, really make a place that is going to make a difference for children and families, then that is the complexity funding that isn't – is harder to show up, it's harder to build in, and it's easier for people to argue that you're wasting money and making it – you know, putting too much money into early childhood, and I would definitely argue against that. And you do need to have the money put in to governments to make it affordable.

20 So we can easily think about the children who are in disadvantaged areas, in rural and remote areas that, you know, 'How are we going to attract staff to those?' Yes, that's important, but there's the aspect of people, even in the affluent areas, who may be time poor, there may be societal requirements that they think they should be the person looking after their child. They may, you know, be under pressure. There's often, you know, domestic violence issues that come into play, family, things that, if it isn't a given and easily accessible and affordable, those people also are often in a situation where they can't pay for their children to access a service that is going to make a positive difference for their lives. So - - -

30 COMMISSIONER BRENNAN: It's Deb here. Can I just jump in for a tick? I just want to say I really appreciate what you're telling us, and the fact that your background spans everything from direct service delivery to the roles that you now have in important organisations like ECA makes your perspective very, very rich. I take your point about Australia spending less than the average of OECD countries in this space. Some of our recommendations that we've already put forward in the draft – we're pretty expensive - for government, and I just wondered whether it would be lovely to have – you may be getting to this, but I'm thinking of things like our recommendation around relaxing the activity text for 30 hours, and introducing an entitlement for every child, raising the subsidy to 100 per cent of the hourly rate cap for families under \$80,000. Are we heading in the right direction in terms of your kind of goals and visions for children in South Australia and Australia more broadly?

45 MS JACKSON: Yes, you are heading in the right direction with those type of recommendations. I believe that – not necessarily a cost-free, but easily

cost-free early childhood education and care system type of concept would be the most valuable. And I know that it is challenging to get the government to put in money because they have competing priorities, but I think it is definitely heading in the right direction. The cut-off points always raise issues for what I was just talking about. I have worked in different areas as well, and in those affluent areas there can be - we might know it from the sixties or the fifties: people who were at home for long periods of time with their children.

There are stories about them popping Valium to cope; that might be an extreme example, but I think we want to encompass the whole of our society. We want to be thinking, 'What do we want to be easily and freely accessible for all children?' So any caps on income if it is necessary, if it's a higher cap, I think that that would be beneficial, but no cap; and just like we say: schooling is free, why isn't early childhood education and care free if that's going to have the greatest impact on our future? If that's going to have the greatest impact on children's lives, I would like to be thinking that it is as free as schooling.

COMMISSIONER BRENNAN: Okay.

COMMISSIONER GROPP: Susan, would that be – if you're looking at that model, would you say it's from zero to five, or are you looking at preschool, or only, or?

MS JACKSON: I think there's – I mean, personally, I do think that they're looking at funding for parents to be able to afford to be at home with their babies in early years is an important option as well. There's the attachment theories, and I know we consider attachment when we're looking at young babies. And there might be different circumstances that will have an impact on that, but I do think free from birth. I don't think people are going to be wanting to access early childhood education and care unless there's a reason for them needing to access it when their children are extremely young.

I always think about nature. When nature led – you know, naturally women are given the gift to breastfeed and there's a need to be close to your baby when you're breastfeeding your baby. So there's things that we can set up in society and in early childhood services to still enable that. But I think that that may be a period when nature intended us to be fairly close to our babies for a certain period of time at the beginning of life. And even in saying that, I'm sure you know as I do, there are a number of people for a number of reasons that still require early childhood education and care from a really young life.

If we did make it universally accessible for people, even people in challenging situations maybe less children would need to be removed from their parents if we could make parenting something that's achievable by

5 putting in additional supports. For those children that end up in foster care – I don't want to side-track too much; I know I've got limited time – but for those people who are needing foster care, for example, early childhood services can be a constant, even if they end up being moved from family to family.

10 COMMISSIONER BRENNAN: I think you're not side-tracking us at all. I think that's a really important issue, and when we – I know that not every child who's in a risky situation is in a very poor family, but most children who are removed from their families are in very low-income families. And we certainly think that our recommendations around the 30 hours that would be free or very low cost would be of significant assistance to many of those families. Hopefully, we also agree with you about the complexity of the existing system, and we've got some suggestions in our draft about maybe making it easier for families – eligible for a health care card, for example, to have easy and simple access. So yes, I think you're not side-lining us. We're thinking along similar lines.

20 COMMISSIONER GROPP: I'll just note that Amy's had her hand up for a while.

COMMISSIONER BRENNAN: I can't see, because - - -

25 DR GRAHAM: That's okay - - -

COMMISSIONER BRENNAN: That's a little hand at the top, there.

30 DR GRAHAM: No, I didn't want to interrupt that excellent summary, Susan. What I was going to say was that I think with the access, and when we look at early childhood education and care, it's not necessarily leaving your child or leaving your baby. And that's where I think the Commission's recommendations around the integrated service hubs, and the supports around families and having children at the centre is really important. I know Susan's model of practice; I think we can speak quite strongly on those integrated family hubs in a practical sense, can't we, Susan?

40 That's all I was going to say, but it's not necessarily – we're not only suggesting that it's about leaving children to go back to work. That's an important economic imperative, and I think that we acknowledge that having access to high-quality – which is absolutely fundamental – education and care services enables workforce participation, but it's not our primary goal. It's the quality of early learning opportunities, and that can look very different in different communities.

45 So I think that if that's flexible – enabling flexibility, and it's also having those integrated hubs where families get what they need. They don't have a wrong door to go through. Wherever they walk in, they will get the support



that they need. So that's all I was going to say, Susan. So I don't know whether you want to talk about your model now?

5 MS JACKSON: I will. I do want to make sure I've saved time for talking about the other points, particularly inclusion. But I will talk a little bit about the service that I'm working in, which is one of the children's centres for early childhood development and parenting in South Australia that were initiated with the Weatherill government in response to the virtual village enquiry that happened in – I don't know if it was – quite a few years ago, 10 about 2002, 2003.

So the centre that I work in has got add-on services. It's got consulting rooms. It's got a community room. We offer an inclusive preschool program for children with additional needs. We offer preschool and we offer 15 occasional care. We don't have long day care in my service; that's something that children's centres do. I'm working there. I was on the initial team in central office, one of the project officers rolling it out, because it is what I believe can make a difference for families if we can provide those families supports at an affordable price. If we can make it easy for them to 20 access services, we bring in services.

I wouldn't say that it has been funded to the extent, as is often the case, of what the original vision was. I was the 49<sup>th</sup> out of 49 – I think I'm 49<sup>th</sup> or 25 48<sup>th</sup> out of the centres that were opened. Some of the centres do have OTs and speech pathologists as part of it, and that, I believe, makes a huge difference to the programs you can offer to families. I can see the difference that it makes. Even with simple parenting programs such as Circle of Security, I can see the difference for those parents. I can see the difference it's making to the children who are in the kindergarten program, kindergarten 30 being preschool – like the four-year-old universal access type of program.

That's just a basic thing. [Redacted.] So situations that can really make a difference to families – I would love to see them built in.

35 I would love to see them offered properly so that they actually give to families what they need and what Amy has just said. That is an example. You can have parents in breastfeeding-friendly – the services, and the answer I was giving to you was for people who do actually require that care from birth, which needs to be with education for babies as well. So I don't think 40 you can separate education and care and I'm sure that you all agree with that.

I'll go on to my next point, which is inclusion is fundamental to an equitable and universal early childhood education and care system. Improved 45 coordination of inclusion funding between Australia's state and territory governments is well overdue as an early action. Early childhood proposes that governments collaborate on an inclusion strategy that informs the redesigned model. This strategy should ensure it builds the capability of the

early childhood education and care workforce and encompasses a number of things – easy access and automatic provision on request for a set period.

5 So if we have children that are neurodiverse children; children with trauma; the application process to get support – adequate supports – for them is quite onerous. In state kindergartens in South Australia, you do have a small amount of money that you can allocate initially to help get the ball rolling, but when children have got complex needs it doesn't go anywhere near meeting those needs, particularly if it's more than one child in the service.  
10 Last year, I had in the service that I run – and this goes for minor things to much more extreme things – over 50 per cent of children with some sort of functional needs.

15 The complexities on staff when you get to that situation are really high, but the complexities of actually applying for the funding that you need to give the children what they need is huge. I've restructured the way that I organise my centre to actually allocate some time to specifically looking at funding, and that's not a feasible thing to do on an ongoing basis. The impacts on that are far-ranging, to what we can do for those children to help them. I truly  
20 believe in early intervention, and I've seen the difference that early intervention getting in really, really early with children in a play-based form and maybe with a little bit more structured things when necessary – the huge difference it can make before they start school.

25 It can mean that they're entering school not needing support if you can get in early. So to make it easy, lessen the complexity of that, I think, is essential, and it can't be based on diagnosis for very young children because they're often not diagnosed. And again, yesterday, I was talking to a representative from Kudos who, in South Australia, is the gateway to NDIS; and they've  
30 been extremely helpful, in my experience, of getting in early, recognising the needs of children. She was telling me that there's a – I've tried to check this on the internet because I knew I was talking, but I was told that it's going to be around six months now with a speech therapist or another professional before they can even be eligible for NDIS.

35 So I came with the question of, well, what does that mean for those families who can't afford to work with a speech therapist or an OT or access a psychologist? And if what I'm saying is actually correct, then I think that looking at an integrated service not just for early childhood education and  
40 care, but for the supports around it – I hope that that information I'm saying is incorrect because I'm thinking we're moving forward, and that seems like a step for moving backwards if that is actually true. But it can't be based on a diagnosis for very young children, and I think there needs to be some trust in the system.

45 For example, with my 50-odd per cent of children last year out of 120 children, roughly – those children, I wouldn't be putting them forward for

support if they don't need it. I think there needs to be trust in the professionals working with the children. There needs to be trust in parents, and it needs to be made easy.

5 COMMISSIONER GROPP: Susan, can I just ask, when you say the extra support that they need, what is it? Like, therapy or Allied Health sort of services, or are you talking more of additional child educators and teachers to sort of just to – what's the nature of it? Because you're working in a preschool setting.

10

MS JACKSON: Yes.

COMMISSIONER GROPP: And we've made some recommendations around the inclusion support program, which is operating in ECEC settings. But we've also heard about the need for – well, not – about just the training of ECEC workers et cetera. It's those generic capabilities, et cetera. I'm just interested in what sort of additional supports you're talking about here?

MS JACKSON: I am talking about all of the things that you mentioned. So when I talk about NDIS, I'm talking about easy access to OTs, speech therapists, psychologists – like the therapy-type of support they need. Yes, the need for educators to be skilled and have some sort of formal or in-service training so that they have good strategies. At the site that I work at, I put in a lot of money – probably above average – to get high-quality professional learning, and we have some key strategies that are imbedded into our system. But then, the bottom line is: you can use all the strategies that you want, but if that child is suffering from trauma, if there's brain connections that need a lot more support to get into that place where they can become regulated, if you don't have an educator working with that child individually or close to individually, the result is that the child can't engage in the education or curriculum without support.

25

30

They need extra education support from a person – an educator – to help them do that, and they will be physically harming themselves, other children, and usually educators as well. Did somebody want to say something then? Sorry.

35

COMMISSIONER GROPP: Amy's got her hand up. Sorry.

DR GRAHAM: No, and Susan's local knowledge is excellent, so this is just to clarify. Nationally, we certainly see the additional educator subsidy is certainly needed, but it's not the solution. It's one part of the picture, but extra supervision is not sufficient. That's not inclusive practice, so we certainly don't want to lose it, but it needs to be a more systemic change to the program and a whole re-think around embedding inclusive practice, and that goes through upskilling the workforce, addressing the criteria and the need for the diagnosis. It's a whole suite of things that are needed.

40

45

That's not to say that the additional educator isn't valued, but some locations can't even get one. So what do they do, then? They can't use the funding for anything else, so it's such a locked-on system that there's not anywhere –  
5 there's no flexibility, once again, for people to be able to acquire professional or local knowledge and understanding. So I really valued your points, Susan, when you said trust the educators and trust the parents. Trust the people that are working with children – that they understand these children best, and they understand what their service might need, so you can be able to use the  
10 funding flexibly.

MS JACKSON: I think that is the thing of trust, but also is having that funding there in the first place. Although I am talking about in these examples that I'm giving – the site that I'm working at, some recent  
15 examples – I'm also talking about the South Australian branch's perspective on what is needed to include children properly. It isn't just one solution, and it's correct if people even in local areas, in metropolitan areas – often you can't get staff with the quality that you need to provide the right support that children need. It's a multifaceted approach. One of the suggestions that has  
20 been given at our meetings is possibly loading; 'weighting' a child.

For example, it's easy to think about a child that has got multiple physical disabilities who can't move, can't talk, needs assistance for toileting – health things, as well as cognitive delay. But for children impacted by trauma, it  
25 can often be more complex because of the impact they're having on other people. Instead of thinking that they – you've got a one to 10 or a one to eight, whatever ratio – those children need to be counted as more than one for when you're figuring out the ratio. That's another way around of looking at it; that we have talked about as one of the possible solutions.

30 But just leaving it with thinking, 'staff training', thinking, 'OT and speech therapists' – yes, they're all necessary, but it's not the only answer to solve the problem. The other thing is the documentation and consultation time. If you have children with additional needs, that takes longer. Funding is often  
35 based on the ratios and in with those ratios – if you're taking people out for an hour for nappy changing; if you're taking people out for an hour's extra documentation and consultation with families or other professionals: that needs to be worked out to be as how that can be considered in the funding models.

40 Community engagement is vitally important and core to how services develop. That also takes time and connecting in with the services for multiple needs of children; integrated practice development across sectors as not-for-profits. I think the more integration we can have and working in  
45 connection with professionals who've got certain expertise – and each professional's expertise being valued to get the best outcomes for children is essential. Professional learning for early childhood educators, education, and

care educators? Definitely essential. Coaching and mentoring to support early childhood education and care educators.

5 Coaching and mentoring for those new graduates who are coming out, but not only for the new graduates coming out. I paid for myself. I have coaching and mentoring, and I'm close to the end of my career, but I think we all continually need to be growing. I mean, I'd be an example of a lifelong learner, and I've been in a situation where I can afford to do that, but to make that easy for people, to not just get the initial qualifications so that  
10 we're ticking that box for getting people into the early childhood education and care workforce, but making sure that they can accommodate the multiple needs.

15 And there definitely is an increase of diagnosed and undiagnosed functional needs. Neurodiversity, so many things now compared to when I was first working many years ago. Allergies. There's just so many things that seem to have changed with the cohort of children that we're seeing. So coaching and mentoring, I think, is vitally important, and recognition of the unique needs of each jurisdiction and the cohorts of children they serve using data from the  
20 AEDC and SEIFA index, as well as the local site contextual information to understand the nuances and plan for local supports.

25 Early Childhood Australia supports significant increases to the funding allocation to the inclusion support program to better reflect the growing number of early childhood education and care services and children requiring support. Delays in support in the inclusion of children requiring support due to the administrative burden, requirements for a formal diagnosis, and demands on inclusion agencies are impacting the capacity of the services to ensure inclusive and responsive practices and environment for every child –  
30 and this does impact all children.

35 If one staff member is spending 50 to 100 per cent of their time on one child, what's happening to the rest of the children in that whatever ratio they're working in? Early Childhood Australia has developed a statement of inclusion that articulates a commitment to the inclusion of every child in early childhood education and care. Inclusion means that every child has access to participate meaningfully and experience positive outcomes from early childhood education and care programs, and this positively framed commitment offers an alternative to focusing on barriers and deficits in  
40 language.

COMMISSIONER GROPP: Susan, I'm – we have about another five minutes. Would that be okay with you? We've got another presenter lined up. Would that be okay?  
45

MS JACKSON: Yes, that would be fine. Yes. I've got a little bit more written in my notes.

COMMISSIONER GROPP: Great.

5 MS JACKSON: So I might just read through that and that will probably leave just a minute or so if you have any other questions of me.

COMMISSIONER GROPP: Thank you. Thank you.

10 MS JACKSON: A strong and supportive workforce is a critical underpinning of the early childhood education and care reforms, and it's well documented that early childhood education and care is under pressure in relation to its workforce. I know that this a wicked problem, and Early Childhood Australia is supportive in principle of incentives being offered to universities. The South Australian branch – and in South Australia, we have  
15 talked a lot about the importance of making qualifications affordable to people, particularly people who are going from the diploma into the degree qualification – and not forgetting the Certificate III people.

20 People who maybe have moved out of the workforce and might need a little bridging course, or teachers who are currently working in primary education and would like to change their qualification to an early childhood qualification. I've worked with people recently. We've had discussions at our meetings about the complexity of people moving into that teacher-qualified early childhood workforce. Finding the right course to do,  
25 particularly if they're starting – not starting from ground zero so that they can have their qualifications recognised.

That is a way of getting into the workforce faster. There are newly qualified early childhood teachers. Their ability to cope, let alone thrive, starts with  
30 the knowledge, experience, and preparation of graduates from the tertiary institutions, and also encompasses the individual's capacity. So there is more work that definitely needs to be done once teachers are in the workforce. Mentoring is just one of the strategies, but funding for ongoing high-quality professional learning where it is needed is something that really needs to be  
35 considered and it is supported by Early Childhood Australia.

Currently, some degree of support towards professional learning is in place in states and territories but is inconsistently funded, applied, and delivered. I think it's having that professional learning, having that professional  
40 expectation of the staff but also the time for staff to do it. In a South Australian kindergarten, you do get four pupil-free days that allows for team training. I know that's not about getting people into the workforce but about keeping people in the workforce, and it's about keeping people in the workforce operating at a standard that you want them to operate at.

45 I don't think it can be put aside and not considered that at the moment, we've got an urgent situation of trying to get enough people with the right

qualifications into the workforce. And similarly to – the education in Australia used to be free, but similar to the provision of early childhood education and care, I think we're in a state where – not South Australia state, but in a national state where we desperately need to get high-quality people.  
5 We don't want to just push people through courses. We want to maintain our standards and, I think, this is a big challenge for how we are going to get the right workforce qualified in time for the changed state that we're in.

10 COMMISSIONER GROPP: Thank you very much for your insights, as Deb alluded to your rich background and many years of experience, so that's been very helpful. Thank you. We'll have to move on.

15 COMMISSIONER BRENNAN: I think that will probably wrap it up. It was very comprehensive, Susan, thank you.

MS JACKSON: Okay. Thank you for the opportunity,

COMMISSIONER GROPP: Thank you very much.

20 MS JACKSON: Thank you, bye.

COMMISSIONER GROPP: Thank you for coming in. I'll start off by introducing the three of us. I'm Lisa Gropp, one of the Commissioners. One  
25 my right is Deb Brennan. And on my left is Martin Stokie. If you've just come into the hearing I'll just explain what's going on. We'll be transcribing the session and the transcript will be made public on our website down the track, not too far away. And we have got people – members of the public observing online as well. I can't tell you who they are at the moment, because I can't see them myself. But just so that you know that you're live  
30 and you're public.

PROF WHITINGTON: I'm aware of that. Thank you (indistinct).

35 COMMISSIONER GROPP: Good. Okay, great. So I'll just hand over to you. Because I mean participants usually have an opening statement or they, you know, have remarks et cetera. But before you do that if you could just give your name and position and organisation for the purpose of the transcript and then start off. And then we can have a conversation after you've had your opening remarks.

40 PROF WHITINGTON: Thank you, Lisa. Now I'm just wondering whether I'm sharing my screen or whether you're showing the one that I sent through last night.

45 COMMISSIONER GROPP: You're sharing it, I think, I've just been told.

PROF WHITINGTON: Okay.

COMMISSIONER GROPP: Is that all right?

5 PROF WHITINGTON: No, I just wanted to check. That's absolutely fine and I'll do that now. I'm just getting it up. I've got it all ready to go when it's ready to go. There it is.

COMMISSIONER GROPP: I think we have got a hard copy.

10 PROF WHITINGTON: You have, but actually - - -

COMMISSIONER GROPP: It's up.

15 PROF WHITINGTON: There was sometimes I was thinking before – just the night before where you think, 'Oh, actually I'll have another look at that and see what I think of it. And there were some things in there that I just think, 'Oh, no, I could do better with that.' So I actually corresponded with Roland and he told me, 'Fine, send it through,' – the new version – but he said you would have the older one, so I'm just wanting to know that what  
20 you've got there is not the final version, but I'm sure he will supply that.

COMMISSIONER GROPP: Okay, thank you.

25 PROF WHITINGTON: All right. I'll get started now. So my name is Victoria Whittington, and I'm the Presiding Member of the Child Development Council in South Australia. And we wanted to make a response to the Productivity Commission Draft Report on Universal Early Childhood Education and Care because we see this is being part of the work that we do here in South Australia. And I'm going to tell you a little bit  
30 about that work so that you're aware of that. And so here's just a rough overview of what's going to happen in my presentation. And I would like people to know apart from giving an outline our Council, and what our work is, I have also included where we're going to respond in terms of the draft report from the Productivity Commission. Because the Productivity  
35 Commission had a lot of very specific recommendations, where we work in a more general level, so we've decided to respond on the level of those particular areas.

40 Okay so the Child Development Council is an independent statutory body under Part 6 of the Children and Young People (Oversight and Advocacy Bodies) Act. So we're legislated, South Australia. And our Minister Boyer, Education Training and Skills, appoints our council members with collective skills. They're not representing organisations but they're people who have got particular sets of complementary skills and qualifications to enable us to  
45 fulfil the functions that we have that have been legislated for us. And we work also with outside experts and communities. We involve children and young people with parents and carers, and of course we have a close



relationship with the Commissioner for Aboriginal Children and Young People and the Commissioner for Children and Young People in our state.

5 And we work with state and local government and other organisations. So when we were set up, a council key function was to establish an outcomes framework for children and young people in our state - - -

10 COMMISSIONER GROPP: The slides don't seem to be moving with you. We're still on the original one.

PROF WHITINGTON: I'm sorry to hear that. I don't know why that is.

COMMISSIONER GROPP: Maybe put it on slideshow.

15 COMMISSIONER STOKIE: While we do that, why don't we keep going, Victoria. You'll know the differences of what the older version we have and the one that you'd like to talk to, so you could probably correct us in what we're looking at. I think all three of us – correct me if I'm wrong - - -

20 COMMISSIONER BRENNAN: Yes.

COMMISSIONER STOKIE: All three of us have the previous version which is probably, I suspect, not going to be vastly different.

25 PROF WHITINGTON: Correct, yes.

COMMISSIONER STOKIE: And then we keep going with the outcomes framework then we – and then hopefully Roland will have it up on screen by the time we sort of move in to the Charter for Children and Young People.

30 PROF WHITINGTON: Thank you, Martin. I appreciate that. So as I was saying here, we want to promote the uptake of this framework which we developed, of course. And so our goal is to report on how children and young people are faring, with the objective of improving outcomes for  
35 children and young people in South Australia. So that's the core of what we're on about. So we want to ensure that children and young people in our state experience a good life now into the future, that we want to facilitate through our work a whole of government approach to creating strategies and setting objectives and developing implementing policies related to children  
40 and young people, and to report annually currently – but we're going to move to an online report, which will mean we can update all the time – about how children in our state and young people are developing and progressing over time.

45 So the idea is that this framework and our report guides all state authorities in South Australia, individually and collectively to improve outcomes for all children and young people in our state.

COMMISSIONER GROPP: It's all up now, Victoria.

5 PROF WHITINGTON: I'll get mine off the screen then. That's helpful,  
thank you. Really good. Okay, next slide please. So our charter, which we  
have for children and young people, is part of our work. And it outlines 20  
essential life conditions that all children and young people can and should  
10 have to thrive and to have opportunities in their lives. And we've worked a  
lot with national, international and state children's rights documents,  
including the United Nations Convention on the Rights of the Child, and  
we've looked at all other instruments as well. And our Charter Ambassador  
Program, in which we engage children and young people gives life to the  
outcomes framework and our charter.

15 And we want our children in our state to be safe, happy, well and that the  
children and young people have a democratic right to be involved in  
decisions that impact them. There are links through this so people can chase  
those things down if they would like to know more. Okay, next slide please.  
So the report card – I mentioned earlier – we're publishing it annually  
20 currently, but very soon in the next couple of months or so we'll have it all  
up online so government authorities at all levels and also individuals in our  
state, organisations, et cetera, can look up and look at particular parts of it  
that might be relevant to our work. They're focused around the dimensions  
that were in the legislation initially. So, health, safety, wellbeing, education  
25 and preparation for adult life.

Next slide, please. So I'm just reprising here the two areas of – and scope  
and context – of the Productivity Commission's draft report here. And I'm  
going to focus on developmental and educational outcomes for Australian  
30 children, including preparation for school, as my first comment. Next slide,  
please. So this is just to give an idea of the context. So in South Australia  
with children between birth and five years we can say that overall our  
children are faring well. And you can see there by looking at graphs which  
depict South Australia in 2016, 2021, by census data, and then by Australia.  
35 But the numbers of children in those age ranges from birth, less than one  
year, then one year, two years, three years, and four years, are pretty much  
the same as they are nationally.

40 So you can see the numbers that we have for three and four year olds which  
tend to be a focus in early childhood education and care for good reason in  
terms of our work. Okay, next slide please. The next slide talks about the  
participation in education and care by three and four year olds, children in  
South Australia. This data comes from 2021 and it's again responding to  
area 1. And you can see there that slightly fewer children in these age groups  
45 are attending government approved childcare services then nationally. So  
that's something of concern. I know they seem like small differences but

actually because of the population size they do represent significant numbers of people.

5 So the next slide, please. Now this is one that I did change overnight, because I didn't think it was as sequential as it should have been. But I will begin with the first one. So just beginning with point 5. For most children early childhood education and care appears to have a positive effect on levels of vulnerability which is of particular interest of course. And we can't really identify causal factor absolutely precisely, but we do know that participation  
10 in early years education and care appears to have a positive effect on the overall vulnerability of children in this age group. But we don't know the amount of time that's needed for attendance in those services at this point.

15 But we do know in South Australia that fewer three and four year olds than nationally are enrolled or attend preschool or early childhood education and care. So, again, something that we are thinking about and concerned about, and I think you're aware of the moves in South Australia around addressing that. Next slide, please. So this is again response area 2 as the previous one was. And while the majority of children, as I've said, are faring well, there  
20 are a number of dimensions that children in this age group are behind those in other states. And this one is a particular concern. It's about out of home care. And you can see that in the data from 2019, 2021 for South Australia, more birth to five children in our state were in out of home care than nationally. And this is a major concern for us which is something that we are  
25 wanting to work very much on in our state.

But I want the Productivity Commission to be aware of this, as does the Council because we want to outline what's going on for us here in this particular context in this state. The next slide, please. So this comes from  
30 SEIFA data, which I think people are fairly familiar with. And this is another slide which I think prioritises looking at the data some really major issues we have. The data is broken into quintiles and with quintile 5 being the most disadvantaged. And this has been disaggregated data from all of it to focus just on children from birth to 5. And in South Australia we have the highest  
35 frequencies when compared with other states for children in that group who are most disadvantaged and compared with nationally, it's 27.4 per cent and 20 per cent nationally. So you can see it's really significantly much higher.

40 And if you look at quintile 4, which is the next one up – so then the next most disadvantage quintile – so we have 29 per cent of children in this age group compared with, again, the national average which is about just over 20 per cent. And the other point that I think is very important here is that in each quintile, no matter which one you look at, there are more vulnerable children in each of them, even the most advantaged, which in this particular way of  
45 recording is called, 'the least disadvantaged'. There are more vulnerable in this birth to 5 age group than in other states. So we've got an increase in vulnerability.

And I have got a graph to show that furthermore. And lastly there are fewer children – but this is very older data and that’s something that we do struggle with at the Council – 2018 data about children living with disability, and we have fewer, as you see, in South Australia compared with nationally. Okay, next slide please. Continuing with response area 2. Now we’re moving now onto the – I think everybody is aware of the Australian Early Development Census, AEDC. Now these results are tested every three years during the first year of formal schooling, at five years of age. And we know that in our state there is an upward trend in the developmental vulnerability of South Australian children by the time they reach five years. However, one gap that we do have is that population level checks are not conducted systematically and regularly over these years.

And the recommended development check are soon after birth. Most of those do occur. But then we find that they drop off at six to eight months and at 18 to 24 months and at four years. Now those are the ones that we recommend and we think that’s so important and we’re really hoping that the Office of Early Child Development, that’s just been set up in South Australia, will work on that and make sure that we have the data that we need to make decisions, because policy of course needs to be based on data, and right now we have this gap really from the early checks until we get into the AEDC data. And so I suppose this is really – and I’ll show you in the next slide – but the more specific areas of development that are of concern, using those indicators that are in the AEDC.

So we have physical and social development, emotional development, language and communication. And that we have an upward trend, as I said earlier. And you can see the contrast with other states in the graph that comes up next. Thank you. Can you change the slide, please? Okay. So here it is very clear that South Australia – which is, as you find in the middle of the column graph in the, sort of, I don’t know, teal colour, I suppose it is, that we are increasing in vulnerability there. And whereas Queensland, in particular, and Western Australia have made massive moves in this area to change the vulnerability for the children in this age group in their states.

And of course there’s a little bit of a reduction in Victorian and in New South Wales. Tasmania, probably in South Australia – apart from the Northern Territory – are the ones that are increasing in vulnerability. I don’t really understand the one from the ACT, so I won’t even try to think about that one.

COMMISSIONER BRENNAN: You wondering about that one too?

PROF WHITINGTON: I think that’s one to chase down. I did ask someone who is from the ACT about that, and he said that there’s a lot of people moving into the ACT who perhaps don’t have the economic resources that

the previous population has. But I don't know. I think that's one to have a look at, absolutely.

5 COMMISSIONER STOKIE: Victoria, just before you cover off this graph –  
or this slide – and, yes, we're interested around ACT, but that's an unfair  
question for you, and we'll follow up that ourselves directly. You mention  
there's an upward trend in South Australia, and depending on when you're  
taking this trend from – and obviously these representations go back to 2009  
10 and between 2009 and 2021 years. But between 2018 and 2021 it's gone  
down. And between 2012 and 2021 it's pretty much stayed stable. So I'm  
just interested in your comment of you saying there's an upward trend here. I  
appreciate it's not going down. I just wondered how are you reaching that  
conclusion? Because I'm just looking at the numbers and it's not perhaps I  
15 would interpret it, but maybe I'm missing something, maybe there's  
something behind this, maybe there's the types of vulnerabilities and their  
composition is changing and so therefore there's a particular type of  
vulnerability is becoming higher but it's being counted as – anyway, do you  
have a response or a thought in my comment?

20 PROF WHITINGTON: Thank you, Martin for that. Look, I do think  
probably the next slide will give some insight, but - - -

COMMISSIONER STOKIE: Okay, well we can jump to the next slide.

25 PROF WHITINGTON: I was going to say - - -

COMMISSIONER STOKIE: Sorry, I didn't – it wasn't for me to tell you.

30 PROF WHITINGTON: Look I think really for us the overall numbers are a  
concern, and the fact that it's not going down. So we're looking more - - -

COMMISSIONER STOKIE: It's certainly higher than other jurisdictions  
and that would be of general concern. And that's consistent with your earlier  
comments around the proportion or representation, and yes.

35 PROF WHITINGTON: I think there's going to be a very great interest when  
the next round of data are collected. I'm not actually sure when that would  
be. Maybe it's, in what, three years. So very soon. And we'll see it's  
something. But of course we've got COVID in the mix there too, which is  
40 sort of in this as well with 21 there – 2021. But, you know, I suppose we do  
look more at the trend but also the comparative element. I think that's  
particularly important to us. I think the results for Queensland and Western  
Australia show dramatic changes and that's kind of what we're looking at,  
rather than this kind of stable to sort of creep up kind of situation - - -

45 COMMISSIONER STOKIE: Sure. I didn't want to distract you. We're  
interested in this type of data and information as well, so.

PROF WHITINGTON: Right. So I think we're all looking forward to the next round of the AEDC data to see where it's headed, yes, for everybody really. Okay, I'm ready for the next slide now. So, as you see here, again  
5 looking at response level 2 regarding vulnerability, and in particular groups as outline here, you can see if you look at the average for each of these domains – so the physical, the social, emotional, language and communication that South Australia – in terms of vulnerability – is above that average. Now that does vary in terms of particular states and territories,  
10 but we are too high for sure, and of course the trend data we talked about earlier is something that we have to think about in terms of other states and their progress.

So in terms of physical, in terms of social, in terms of emotional, I'm sort of  
15 comparing the highlighted slide with the total at the bottom.

COMMISSIONER BRENNAN: That's quite compelling I think, yes.

PROF WHITINGTON: Yes, that's right. And the last slide is going to give,  
20 I think, a further insight too. But if you look at the whole – when I looked at all these – no, sorry, back, yes, this one. So if you look at this – the last column on the right – you can see that we are still above the average for the country in terms of developmentally vulnerable in one or more domains. So this is for five year olds. Yes. So that's important. So we're on the second  
25 to last slide now, please. So this gives us a lot of information. It's done by council area and it gives us a sense of where our issues are in South Australia regarding vulnerability.

I'm not sure how many people on the Commission know much about South  
30 Australia and the geography, but we do know that Playford in the north is a council area where there's a high degree of vulnerability. You can see that on the X and Y axes here. And of course Salisbury, which is close to Playford. And then Onkaparinga which is in the south, and then of course Port Adelaide Enfield. So, you know, I suppose the city is divided into areas  
35 of least vulnerability – if you look at the right – part of the slide around Unley where I am, and then the most vulnerability towards the left and towards the middle and higher in the graph.

And also you see there various – and these are numbers here of course – so  
40 there are areas where in rural and remote areas – so you see Ceduna, for example, up there, Port Pirie, Port Augusta, and Whyalla where there's a high degree of vulnerability as well. So that's where it lies and that's I think a very useful site in terms of informing particular council areas where their concerns are. Keeping in mind that all areas – even the most disadvantaged –  
45 have still got increases in vulnerability amongst their children, according to the AEDC data.

COMMISSIONER STOKIE: Sorry I have a question, and I spoke over the top of you.

PROF WHITINGTON: Go ahead.

5

COMMISSIONER STOKIE: Have you done the work where – sorry on that slide – very early on you referred to the level of attendance in ECEC and services. This is an interesting perspective that part of it would be matching back to in these areas who is attending and what proportion are attending, and what level of services. And we’ve done some of this work particularly around availability, and we’ve also started to look at things like attendance or non-attendance. But I’m just wondering have you – is this part of the work that you’re doing as well. Because I presume that the overarching theme of what you’re getting to is that attendance and participation in Early Childhood Education and Care leads to better educational and child development outcomes, which hopefully leads to fewer vulnerabilities when they come to school in the AEDC.

20 You haven’t actually said that, but I’m assuming that that’s the general tenor of almost all other research in this space, so.

25 PROF WHITINGTON: Everything we’re doing. Yes, everything. I’ve just been at the Words Grow Minds session this morning with the Premier and the lead in that area of that is definitely the underlying idea. But of course we need to be very careful about the types of services that we offer, the quality of the services, and so that’s another dimension to that. But I would say that one of the things that we know is a lot of people are doing work in these particular areas of high vulnerability, but it’s not coordinated sufficiently.

30 COMMISSIONER STOKIE: Right.

35 PROF WHITINGTON: So the comment that I’m going to make at the end is about we need a more systemic and systematic approach. It seems to be quite a fragmented – everybody is doing something that they can with the resources that they have, but what we lack is, you know, a systemic and systematic approach, which I think we haven’t had, and I think the policy direction in this area needs to be sharpened quite considerably to make sure that people – we don’t have people falling through the cracks or not having access to services or having access to services that are lower quality. All of those issues.

45 So, yes, I think we do need to do work in that area. And so that is something a challenge for us, I think, in South Australia. I’m not aware of anything that is publicly available – you know, a population level kind of data. But we can pursue that. One of the interesting things is we’ve made a very good connection with the Playford Council just recently, and this is the kind of information that we want to get close to and perhaps if, where possible, if it is

possible to include that data to give the council and other services in that area information about what's going on and where the focus needs to be in terms of their policy and strategy, you know, and implementation.

5 COMMISSIONER STOKIE: We have a lot of this data, Victoria. We may not have been able to pull it together in a way that I'm articulating just yet, but it is the ambition over time to potentially – even as part of an Early Childhood Education and Care Commission, to do this type of research which then links both availability of services by location and region, the  
10 attendance and participation by the population in those regions, and then longer term mapping that back to, well, AEDC is one measure of vulnerability, but equally over time longitudinal performance and outcomes for children. But, anyone, I didn't want to distract you but I think we're thinking along similar lines.

15 PROF WHITINGTON: No, that's fine. Yes, I'm very happy to be distracted and to get engaged in this area. Don't worry at all. And I think the other thing that comes along in my mind with this is the AEDC is at five years. We need to know more about the early years, because we know that the birth  
20 to five years are foundational, and I never say it's too late, but I think that if we want to be efficient in terms of use of our resourcing in the early childhood area, you know, to give children the best start in life and schooling and beyond, then we really do need to have a systematic and systemic approach much earlier than five, you know.

25 COMMISSIONER STOKIE: I distracted you. But I don't know, Deb, if you had a point that you wanted to raise, or - - -

30 COMMISSIONER BRENNAN: No, I'm actually very interested in that idea of earlier assessment. So I'm happy with the discussion we've had so far and your information.

COMMISSIONER STOKIE: Let's keep going then.

35 PROF WHITINGTON: Yes. I've just got one more slide. The last one, please. There it is. Okay. In summary, the council really strongly supports the Productivity Commission's findings that a quality, cohesive, responsive and national – and you see I've underlined system there – for early childhood education care be created in Australia. This is, I think, really important. I  
40 think we've grown like Topsy, and we don't – you know, that's not been helpful to overall investment and outcomes. And a system like that would assist in providing all children in that age group with optimum learning and development environment in the early years, and also forming a strong foundation for later life.

45 Which in South Australia, I don't know if you've heard about this, but the ramping thing at the hospitals is a big deal right now and has been for a long



time. And our idea is that, you know, that there would be downward effects or – I don't if you say downward or upward, but in time in those kind of situations where people's health, a mental and physical, is reduced. And because we have been having a stronger foundation in their early years, backed up of course by strong childhood and adolescence too. And, of course, the recommendations of the Productivity Commission will benefit children, I think, particularly who live in socio-economically disadvantaged communities, children with disabilities, and children who live in – within communities which are often marginalised linguistically, religiously and culturally.

These recommendations are important. And the council would also like to have noted that, as we were just talking about, regular population level data collection regarding the development of children, young people, and I'm going to say birth to five, but I also think that we could do something a little bit broader down the track which includes the health, safety, wellbeing, education and preparation for adulthood is central to strategic direction and policy, and evidence based decision making at the national and state levels. From the point of view of the council, it's very important that data collection be able to be disaggregated by state, by child age, by disability or ability, socio-economic circumstances and by cultural group.

And of course, regarding our Aboriginal and Torres Strait Islander communities, data sovereignty is really central to that. Thank you very much for this opportunity to present.

COMMISSIONER STOKIE: Thank you.

COMMISSIONER GROPP: Thanks.

COMMISSIONER BRENNAN: South Australia has – all the jurisdictions are of great interest to us, but with the Royal Commission and all the initiatives that are being taken in South Australia, it is a very interesting jurisdiction, so thank you for your perspectives.

COMMISSIONER STOKIE: The topic is incredibly relevant. As you'd appreciated for our organisation. It's very much a data driven evidence-based policy thinking, and the notion around trying to understand what's happening, the comparisons, and then ultimately what leads into good public policy consideration is critical for us. We have similar recommendations which you would have seen around data and linking data sets, and the capacity to - - -

COMMISSIONER GROPP: And the capacity to drive that.

COMMISSIONER STOKIE: Indeed, and then to support a broader research agenda and program consistent with what some of the things that (indistinct)

is doing, but in a broader sense of some of the data sets and sharing of information we do in states and territories and the commonwealth hasn't happened to the extent that it could today, but it's very much aligned. Thank you. I think I don't have any specific questions other than I look at it and go,  
5 'Well, yes, these are the issues'.

PROF WHITINGTON: Yes, that's right. I think you're absolutely right about the data and data sets, and I think data agreements are important. And one of the things that we're moving into the council is trying to data  
10 agreements with particular organisations, rather than going along each time and asking, 'Yes, we know this person and they'll help us', because it isn't always easy to get the data that we would like to have, and we do have gaps in our data for our report, and getting those gaps addressed is very important in terms of understanding the whole picture. So thank you for working in the  
15 same area. That certainly supports our work, and in the end helps or works to support optimum life, chances for children and young people.

COMMISSIONER STOKIE: Thank you.

20 COMMISSIONER BRENNAN: Thanks very much.

COMMISSIONER GROPP: Thanks, Victoria, that was great.

25 PROF WHITINGTON: Thank you.

COMMISSIONER GROPP: We'll break now for lunch and resume at 12.45.

PROF WHITINGTON: Thank you.

30 COMMISSIONER STOKIE: Thank you.

**LUNCHEON ADJOURNMENT**

**[12.04 PM]**

5 COMMISSIONER GROPP: Hi, Anita. Can you hear us?

MS JOVANOVSKI: Yes, I can hear you.

10 COMMISSIONER GROPP: Can you see us? I think we're just adjusting the camera.

MS JOVANOVSKI: Yes, I can.

15 COMMISSIONER GROPP: Anyway, thanks everyone. We'll now resume the hearings after lunch, and we have New South Wales Family Day Care Association with Anita Jovanovski. Before we kick off, Anita, we'll just introduce ourselves and so I'm Lisa Gropp, one of the Commissioners. On my right is Deb Brennan, and on my left, Martin Stokie.

20 COMMISSIONER STOKIE: Good afternoon.

MS JOVANOVSKI: Hi.

25 COMMISSIONER GROPP: I'll hand over to you to introduce yourself for the purpose of the transcript, but I just wanted to remind you that this is being transcribed, and there will be - the transcript will be put on our websites and publicly available. And also to let you know that there are observers. I mean, we've got members of our team observing online, but there will be other observers online at the moment as well. So that's for your information. If I hand over to you, can you just give your name and organisation for the  
30 purpose of the transcript, and did you want to make a - some brief opening remarks?

MS JOVANOVSKI: Yes.

35 COMMISSIONER GROPP: Great. Okay.

40 MS JOVANOVSKI: Great. Thank you. Good afternoon, Commissioners. I'm Anita Jovanovski, the CEO of New South Wales Family Day Care Association, and firstly I'd just like to thank the Commissioners for a very, very comprehensive and exceptionally researched report. So I just wanted to congratulate you on that. I'd just like to talk a little bit about our submission.

45 Our submission opens with the recognition of the Productivity Commission's acknowledgement of family day care's unique ability to cater to diverse community needs, particularly in areas where larger centres are not viable. It acknowledges the opportunity to further leverage family day care's flexibility, and responsiveness to provide care beyond standard hours,

advocating for improved financial models to support educators and enhance our services' viabilities.

5 Our submission highlighted the pivotal role of family day care in offering flexible care options, especially during non-standard hours, and suggests an enhancement in hourly rate caps for such hours. This approach aims to strengthen family day care's viability by encouraging a more supportive financial model, thus motivating educators through better income and access to professional development. This constructive perspective underscores the importance of adapting financial structures to meet the evolving needs of educators and families within family day care.

15 It also highlights the opportunity for growth in family day care services, reflecting on the increasing demand as a sign of sector's vital role in the community. It suggests targeted strategies to support the sector, including policy enhancements to facilitate educator recruitment, and address the challenging needs of qualification requirements. By focusing on these areas, our submission promotes an expansion of family day care services, entrusting resilience, inclusivity within the early childcare system that meets the needs of both families and educators.

25 It addresses inclusivity within family day care services, recognising the importance of Inclusion Support Program, and its role in supporting children with special needs. This highlights a proactive commitment to expanding support systems and funding aiming to boost family day care's capacity to welcome a diverse array of families.

30 It engages with the growth opportunities for not-for-profit service amidst the challenges of the regulatory complexities, and the need for more educators. It also advocates for the strategic recommendations from the Commission, such as an increase in the family day care fee cap and reintroducing supply-side funding.

35 Our submission also is positive and constructive call for enhancement in policy, highlighting the potential growth and the vital importance of family day care in offering exceptional flexible and inclusive early childhood education and care. It invites all stakeholders to collaborate in strengthening the sector, ensuring every child and community benefits from their fundamental support and nurturing environment which family day care provides.

COMMISSIONER GROPP: Thank you very much.

45 MS JOVANOVSKI: So that was just a little bit of an overview, I guess, Lisa, and I know you've obviously seen the submission and have received it in more in depth.

5 COMMISSIONER GROPP: Thank you, that was great. Now, I also want to thank you for the submission which really well covers off what you agree with, where you think we've missed something and we can go further, and very detailed responses to our information request. So thank you very much for putting in the effort and time to do that. It's very helpful.

10 Yes, I guess maybe focusing on our deficit areas first and where you think we can - because I think we're all in furious agreement about the role that family day care can play, particularly in thinner markets et cetera. Not only, but particularly in those, and we were hearing this morning from GrainGrowers, et cetera, and sort of how do you meet the needs in small population areas, et cetera, and flexible hours, et cetera, all of these things, and but at the same time we've heard - and you've put it in your submission, that family day care has been declining, and the data bears that out.

15 So understanding - and you say you want us to be stronger about arresting the decline - so a sort of understanding of the reasons for that decline and therefore what some of the solutions might be, that it's multifaceted; it goes to educators, et cetera, it goes to - - -

20 COMMISSIONER BRENNAN: And coordination units.

MS JOVANOVSKI: Yes.

25 COMMISSIONER BRENNAN: Critically.

COMMISSIONER GROPP: And coordination, support units, supporting networks, et cetera. So, yes.

30 MS JOVANOVSKI: Yes, absolutely. I'm happy to talk to that for a few minutes, of course. So I really believe the decline possibly may have started probably around about 2015, around that time, and that was around the same time that we lost the community support funding. So that was funding the service providers received from the Commonwealth to assist them delivering the family day care service, and it was based on that EFT. So it was based on 35 the number of full-time equivalent children they had, they got so much, and that sort of assisted them running their service provision, doing their visits. It went towards recruitment of their service staff.

40 That also prevented - from that time and the loss of that funding, services had to then bring in levies, so they had to introduce educator levies and family levies. So those levies was to off-weigh some of the set of actually operating and running a service being a service provider in family day care. So I guess that impacted a little bit on affordability for families there was a slight 45 increase, and also educators, because they weren't earning the full capacity that they could earn because they were paying a levy back to the service

providers. So it sort of had a little bit of a two-way disadvantage, I would say.

5 COMMISSIONER BRENNAN: Anita, just to help us contextualise that, can you just give us a very rough indication of what those levies mean, like, to educators and families? What sort of dollars are we talking about, whatever way you think of it, weekly, or yearly, or however it works?

10 MS JOVANOVSKI: So it varies from service to service how they actually do that. Some services would do it on an hourly rate. So it might be 20 cents per hour, it might be 50 cents per hour. So it goes on the hours that the child is in care. Other services would look at it like - - -

15 COMMISSIONER BRENNAN: And that might be to both the family and the educator, or?

MS JOVANOVSKI: That would be the family.

20 COMMISSIONER BRENNAN: That would be the family.

MS JOVANOVSKI: That would be the family. An educator may be paying up to, like, 10 or 15 per cent of what they were earning to help cover. It's usually done on a fortnightly basis when they're receiving their CCS. So it would be deducted at that point.

25 COMMISSIONER GROPP: And previously under the - when the community funding - support funding, what quantum was that?

30 MS JOVANOVSKI: It was very similar to what they were charging at the same time.

COMMISSIONER GROPP: So these have just replaced pretty much dollar for dollar what - - -

35 MS JOVANOVSKI: Yes, so that's what it basically was, yes. So it wasn't really to get more of a increase or into the service. It was basically to break even. So the levies came in to help them break even to cover wage costs and rent and overheads and things like that.

40 COMMISSIONER GROPP: And this was with the shift in the overall subsidy arrangements.

45 MS JOVANOVSKI: Yes. So I think it happened really because - and we had a massive increase of new providers, as we know, and a lot of them were fairly - not very reputable providers. And so I guess - we were at a Treasury level. So Treasury was saying that we need to really look at cutting back on the community support funding for family day care because it had blown out

such an astronomical amount within a fairly short period of time. So I think that's what actually happened there.

5 The rest of the sector had already lost the community support operational funding quite a few years ago, but it maintained with family day care because it really helped them stay viable, do those visits, you know, engage with their staff, and of course that helps with compliance as well. So when we did lose that funding, that's when we brought in and introduced our levies, but it really was to cover the amount that was missing.

10 COMMISSIONER STOKIE: And so your position is that the levies have then led the specific family day care services to withdraw. Is that - because our question, which is what has led to the decline? Some of it might have been the clean up of some of the less reputable and perhaps even non-existent services that were there, so in fact the decline might be just coming back to what's reasonable. But we see that continued decline in these levels of services. So obviously, yes, just interested - and I suppose related to that is, well, parents can also be charged. Maybe they can't afford to pay, et cetera, and so just that interplay between I suppose the subsidies and the end fee, I suppose, as opposed to a levy.

20 MS JOVANOVSKI: Yes, I think that's actually right. I think that was a - it's a combination of things. It most certainly was - when we had that influx of providers, we did see some longstanding services unfortunately needed to close because there was just so much oversupply in certain areas and things like that. We've also seen local councils move away because it's not really within their bricks and mortar, so we do have that issue of local council saying, 'Well, you know, the educators homes are outside of our area, because they're not within local government areas anymore,' and also it was costing them as well; they were putting in additional money to keep the service afloat.

25 So I think it's been a combination of a few things over the last few years, and I do think that's why we really welcomed your recommendation about looking at maybe some sort of funding, side funding possibly, for services, but also for looking at the hourly rate as well to support families being more affordable but also then supporting educators that they may be able to increase their wages slightly as well and that hourly rate. So it would balance and help there as well.

40 COMMISSIONER BRENNAN: We've had - - -

45 MS JOVANOVSKI: I think some of the recent decline also may be that we now have gone to educators having to have a Cert III, and before they can commence as a family day care educator they have to have completed it, where before we were able to recruit educators while they were working towards their qualification and their Cert III, and so that's having a slight

impact as well, as they can work in other service types and be working towards. In a centre-based family day care now, they have to have that qualification before they can commence.

5 So I think that's a little bit of a barrier particularly while we're in our workforce shortage at the moment. I do understand the rationale around that, but I just think during the workforce shortage it sort of has laid another barrier as well.

10 COMMISSIONER GROPP: As well as new educators coming in to - and that pipeline, which is very important, we've also heard that in family day care, educators are leaving, not maybe because they're retiring, but also compliance burdens and do you get that? Was it another jurisdiction? Do you hear that as well?

15 MS JOVANOVSKI: Yes, I do believe that some of the complexities of the regulatory system makes it quite difficult because educators are a sole worker, as we know, within their home even though they had a lot of support from their service provider. And they need to carry on all of those, and all  
20 those regulatory things, programming, planning, the compliance, the home safety checks, all of those things, on a daily basis, and as a sole worker. So I do believe that sometimes educators feel the amount that they're able to earn and compared to the workload that they have, sometimes it doesn't offset. So I do agree.

25 COMMISSIONER BRENNAN: Yes. We're certainly very interested in the decline of educators and the - and we've seen that's quite dramatic in some jurisdictions, and certainly trying to think through the reasons for that. So you're pointing to the requirement to have a Certificate III completed before  
30 you commence as a family day care educator. And I - maybe you're implicitly linking that to then the wage that the educator receives. But if not, do you have any thoughts about that connection?

35 We have mentioned, we are actually mentioning wages and family day care educators not earning a sufficient amount for their needs or aspirations or whatever. Is there more you can say about that, you know, the sort of balance between wages, support from coordination units, regulatory requirements, et cetera, just to help us really understand more about why it is that the - and also potentially the support, or otherwise, of coordination  
40 units?

MS JOVANOVSKI: Yes. I do believe educators do have quite a lot of support from their coordination units. And I think they do, a majority of them do have regular visits. And they still offer professional development  
45 training. But again, and I know one of your recommendations which we welcome again, is around professional development for the sector. Because I think, you know, the more professional development that they're able to



access, it really builds their skills up. It builds them up. It makes them feel good about what they're doing.

5 So I think it's that ongoing learning as well. And unfortunately some services have had to cut back on training and professional development because of the cost as well. So I think that would really incentivise educators. We did see that during COVID as well. Educators in family day care were taking up a lot of professional development. And because they were isolated in their own home during that time period, professional  
10 development was something that really helped them get through that time and extend their skills and knowledge, and the work that they were doing on a daily basis, and providing education and care in their home.

15 But yes, I do think it's just a combination really of all of those things for an educator. I think, you know, moving forward, and that's what we're wanting to do around and retaining and recruiting educators is, you know, and sourcing funding to offer them set-up grants to help them with some of the risk management that they may need to do in their home to make sure that, you know, it is safe for children. Because being a small business, the  
20 majority of educators are self-employed and small business owners. And they have all of those set-up costs themselves.

25 So therefore, that can be a barrier with new educators coming in. And so there's a lot of discussions, again, around looking at and advocating for set-up grants for those educators, and to support them with that initial period making sure that, you know, that their homes are very well placed to provide education and care in them.

30 COMMISSIONER BRENNAN: In another jurisdiction we heard that because of the shift to coordination units being funded by families and educators, and the resistance of, or the – resistance is the wrong word – but the fact that some educators in particular don't feel happy with levies, particularly if they're large. But in that jurisdiction there was a bit of a race to the bottom with coordination units reducing their levies, and therefore  
35 reducing the support that they could offer to educators. I know you've been stressing the positive support offered by coordination units in New South Wales but I'm interested in whether you've got any thoughts about that.

40 And secondly – well, maybe that one first.

MS JOVANOVSKI: Yes. Look, I do think there are providers out there that aren't providing a lot of support to educators. I think, you know, I think that, yes that need to be very clearly said. I think there's the majority that are. But I think there are others that aren't. And I think, you know, for those  
45 educators that are not getting those supports, because those educators that are not seeing face to face with their coordinators, that are not helping them with their planning and offering, you know, some sort of training. Yes, they do

move. They will move to another service provider. So they may initially move to a service provider because, as you said, there is no levies or they've dropped their levies.

5 But what they do find then, is that they're not getting the support that they need. And they're feeling very isolated. And when there's change to legislation, when there's change to regulations, when there's new introduction to all of those things, they're not aware of what's happening. They're not current. So they're always usually moving to another service  
10 provider where they feel even though they might be paying a levy, they are getting a much quality service, and the quality support that they need to be able to stay compliant. And they feel that they belong somewhere, so they're not isolated. So yes, I absolutely agree, that I think in some areas, some educators are very, very isolated.

15 COMMISSIONER BRENNAN: And Anita, I was also wondering what you know about the interest – I know you've said that the family day care model is effectively under threat. But are you aware of people wanting to set up new services, and whether they're successful and when they're not successful  
20 in their application, why that happens? Is that something you know about?

MS JOVANOVSKI: I think there's very few, well, within New South Wales obviously there's been very few new services, and actually service providers set up. And I think that's because we were dealing with our other issue from  
25 before. I think now they are starting to look at new providers coming in. There's very little incentive for new providers to come in because there's not really very much of a profit margin within it, as you can imagine. So it's usually larger organisations or larger services that may look at it and bringing on family day care into what they're already operating, and extend their  
30 services to families. But there's very, very few providers coming in.

COMMISSIONER BRENNAN: Okay. Thank you.

35 COMMISSIONER STOKIE: The only question I have on my mind, and I presume when you mean providers, you mean the family day care providers rather than the coordinators. Is that correct?

MS JOVANOVSKI: No. When I'm talking about providers, I'm actually  
40 talking about the service provider, the approved provider.

COMMISSIONER STOKIE: Okay. That's fine. My question relates to that cohort which is – is there a view around the optimal size for the provider? So  
45 yes, the family day care is the individual, per unit, self-employed. It's contained in a particular area. It kind of strikes me that there's economies of scale at that coordination level across the board which might suggest, in fact, having fewer but larger ones might be a good way to proceed. Is that happening? Is that what you observe? Or is the sector still just contracting

through a range of factors at play, the integrity of session, the focus, the levies, the – you know, et cetera. We haven't hit a steady state so to speak. But is there a view around the, sort of almost the optimal scale and size of these coordinators and these service providers?

5

MS JOVANOVSKI: Absolutely. So to be financially viable and to maintain that, we would say that you would need a minimum of around 25 educators. Yes. So it would be around about 25.

10

COMMISSIONER STOKIE: But if I said that there are some jurisdictions there that, that – there might be even a single coordinator, or there might be a range. Is that – I suppose what's best? Because that would keep the levies low for specific family day care, if you could spread that across more. Is there an optimal scale, rather than a minimum scale?

15

MS JOVANOVSKI: I think what we sort of look at when we're looking at standing educators is that, you know, a long-standing service needs one coordinator, one full time coordinator to every 25 educators. So if we go over that, we're looking at employing more staff. So you'd have to look at going to the next level of 20 or 25 to be financially viable, to pay the wages of - - -

20

COMMISSIONER STOKIE: It needs to be more up in that - - -

25

MS JOVANOVSKI: Yes, to bring on the additional staff. So you can extend, but it's at what point then, because you have to bring on additional staff to cover the ratio. So there's a ratio to carers.

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COMMISSIONER BRENNAN: Anita, one of the things you say in your submission, and this was mentioned at the beginning, you put a number of challenges to us, and you pointed out a number of areas where we perhaps haven't thought sufficiently about family day care in making general statements, for example, about the fair work case and wages. But there's another issue that I'd like to raise when we can explore that, but there is a specific issue I'd like to raise, which is that to say unless supply-side funding is restored to family day care, then family day care is likely to shrink and perhaps become unviable.

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Now, we've had a lot of discussions about supply-side funding and it can mean different things to different people. So I wonder if you could expand on what supply-side funding for family day care means to you, what it would involve?

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MS JOVANOVSKI: Well again, I think it's supporting the coordination unit in some way, to be able to do those visits and recruit new educators. Because initially with a new educator, you would want to be visiting them much more frequently, you know, making sure that they're, you know, they're providing

appropriate education and care, that they're not meeting any new challenges, their children are settling in, all of those things. So it really is looking at how we can bring on new educators in the time that's needed. It's looking at, you know, as I said before, possibly some of those start-up grants for educators.

5 So to bring an educator and help them to fund, to have all of their fire equipment and their first aid certificates, and all of those things. So it's really looking at supporting the family day care service to be able to operate at a really high quality level. Because, as we were discussing before, if we stop those things or break down, then the quality obviously will break down with the education and care within the home and the educator. And I guess, we're

10 looking at increasing quality across the level.

COMMISSIONER GROPP: I guess, too, there's the issue around the cap for – and which the ACCC recently found, sort of dealt with that, was – and also

15 for in-home care, was probably out of whack a bit. I don't know the technical term. So would you – I mean that's another way of dealing with it, I guess, if you can have a – so you could increase the subsidy effectively, so then you could – the levy could come out of that. So that would be the alternative mechanism.

20 MS JOVANOVSKI: Yes. And I guess that's what I was sort of mentioning earlier, was around that, if that cap was lifted, it would eliminate the levies going up. Therefore it would be slightly more affordable for families. And it would also allow an opportunity for educators to increase their wages as well,

25 slightly. So it definitely would assist and support.

COMMISSIONER BRENNAN: Anita, you specifically call out the need for more not-for-profit family day care. Could you say more about the difference – any differences you perceive between the for-profit and the not-for-profit

30 and why you've made that call?

MS JOVANOVSKI: I think because not-for-profit has been around for approximately about 45-50 years, so quite a very, very long time, we only had for-profit actually come into the market share about five years ago when

35 we've seen that massive increase of providers. It had generally been not-for-profit. What we're noticing over the most recent years is that the quality, and this is assessed through assessment and rating, the outcomes of assessment and rating in the not-for-profit are much, much higher and not working towards, but meeting or above. And we are seeing a huge difference. And

40 working with the regulatory body, we're also identifying where there are non-compliances. The non-compliances are higher in a for-profit service than a not-for-profit. So I believe - - -

COMMISSIONER STOKIE: Sorry, keep going. Sorry. I didn't mean to

45 speak over you.

MS JOVANOVSKI: No, you're right. So I think I truly believe that in the majority of not-for-profit there is much higher quality education and care happening in that environment. And the service provider, so the coordinators, they're not looking at making a profit at the end of the day, it's going back into resourcing those educators, putting on additional staff, you know, running professional development for them. So I think, you know, there has been a difference. And I think, you know, there is research out there to show there is a difference as well. And, of course, I'm not saying all for-profits at all, but we are seeing that and we're able to see a difference.

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COMMISSIONER GROPP: Yes. We've seen some of that research too.

COMMISSIONER STOKIE: So just for my benefit and to clarify, I presume what you're referring to is not the family day care operator in the house being a not-for-profit. I presume what you're referring to is the service provider or the coordinator being the not-for-profit. Is that correct?

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MS JOVANOVSKI: Yes. That's correct.

COMMISSIONER STOKIE: Okay. We just have to be really clear on what we mean and it gets confusing otherwise. Because I couldn't imagine a family day care provider wanting to do the service – I don't even know – the not-for-profit in-home, what it means. Because it's wages. It's income for them.

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MS JOVANOVSKI: Yes.

COMMISSIONER GROPP: They're like a contractor to those services. Is that what the legal relationship - - -

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MS JOVANOVSKI: Yes. That's correct.

COMMISSIONER BRENNAN: They're independent contractors.

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COMMISSIONER GROPP: Independent contractors, yeah.

MS JOVANOVSKI: There are a majority of educators and generally in the not-for-profit, and that are sole small business owners. So they are contractors. And then we do have, in the for-profit sector now, some as employees. So they have been employed as well. So there is a difference within family day care. So we have both. We have some employed and we have others that are self-employed and contractors.

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COMMISSIONER STOKIE: Can you talk a little bit about that? Like, how does that work? What is the difference? Is it the amount paid versus – why does that work or - - -

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5 MS JOVANOVSKI: Well, I guess, for the – yes, for the educators that are employed they would be on a wage. I'm not quite sure how they work that out, whether it's a daily rate, whether it's per child. But they would be on a wage. And so therefore they wouldn't be setting their own fee. They would get all of the entitlements as any other employee. So, you know, annual leave and long service and all of those things. And with a contractor, they set their fee within a fee schedule. Because it is the coordinator, the service provider, that is eligible and responsible for the childcare subsidy that comes through. So therefore - - -

10

COMMISSIONER STOKIE: No, please keep going. Sorry.

15 MS JOVANOVSKI: So therefore, they're the ones that need to set a fee. And because they're employed as we said, we have what we call a fee schedule. And the educators are allowed to choose a fee within that schedule. And so they actually do – can choose their own fees and, yes, they run their own business as a small business. They can claim various things back on tax and things like that.

20 COMMISSIONER STOKIE: Do the employed family day care providers deliver the service in their own home?

MS JOVANOVSKI: Yes.

25 COMMISSIONER STOKIE: They do that – right.

MS JOVANOVSKI: No. All family day care is delivered in the educator's own home. Well, when you can.

30 COMMISSIONER STOKIE: It covers presumably not just their time but their capital, their buildings, whatever. Is that correct?

MS JOVANOVSKI: Yes.

35 COMMISSIONER GROPP: Thanks Anita. We're just about out of time. But I just wanted to have a – ask you a quick question around inclusion support, because you've made a number of comments about that and how that can affect family day care operators. Do you want to sort of explain what some of those implications – some of those consequences.

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MS JOVANOVSKI: Yes. So the current inclusion support program really doesn't support or assist family day care. Family day care being a sole educator, working in your own home, if they have children with additional needs, they often want someone to come in and role model for them, support them how they can best work with that child, spend time with them, help them do plans, you know. We don't have funding for that anymore. We did have funding for that quite a few years ago. They were able to have

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somebody come in, support the educator for a period of time. You know, initially it may just be a day and then it may be a few hours every fortnight or so.

5 We also got paid additional – there was additional money also for educators if they were taking a child with additional needs. Because they often would drop – back then we had five children, and now we have four. So if it was today, they would go to three children so they would have that extra time to be able to do the extra work with that child with those needs. So there was a  
10 lot more support and opportunities for educators to feel really comfortable providing education and care. Today it's quite difficult for them. And that support is really not available.

15 COMMISSIONER GROPP: Thank you. Is there anything else you wanted to – any other issue we should take on board before we - - -

MS JOVANOVSKI: No. I think I've gone over time.

20 COMMISSIONER GROPP: It's okay.

MS JOVANOVSKI: I am sorry. But look, thank you so much for the opportunity. And yes, thank you for listening and asking me questions.

25 COMMISSIONER GROPP: Thanks, Anita.

COMMISSIONER BRENNAN: Thank you very much.

COMMISSIONER STOKIE: Thank you, Anita.

30 MS JOVANOVSKI: Bye.

COMMISSIONER GROPP: So, we'd like to welcome Lisa Bryant. Can you hear us okay, Lisa? I think you're on mute. It's the old – the curse of the mute button. I think you might still be on mute.

35 COMMISSIONER BRENNAN: I think I heard a little click.

COMMISSIONER STOKIE: Not yet.

40 COMMISSIONER GROPP: Not yet, I don't think.

COMMISSIONER BRENNAN: Maybe we can give you a hand. Hang on a minute.

45 COMMISSIONER GROPP: Hang on. Maybe we've – no.

Interesting. Maybe not so interesting. Lisa, maybe could you hop out and hop back in again.

5 COMMISSIONER GROPP: I have to hop.

As the head of the table you may do as you wish.

COMMISSIONER BRENNAN: There she is. No. How is that? Hello?

10 COMMISSIONER GROPP: Hello? Oh dear.

COMMISSIONER BRENNAN: Okay. We still don't – I don't have an option to unmute you, which is a bit unusual.

15 COMMISSIONER STOKIE: Do you have an option, Lisa, to unmute yourself on your computer on the screen?

20 COMMISSIONER GROPP: Sometimes it's a – I'm sure Lisa does. I imagine Lisa does plenty of Zooms.

COMMISSIONER STOKIE: So you obviously can hear us. But we can't hear you yet.

25 COMMISSIONER GROPP: It may be something in your microphone settings.

COMMISSIONER BRENNAN: What does it say besides Lisa's name down there? Does it say she's muted on the screen?

30 COMMISSIONER GROPP: Yes. I think so. I think it's - - -

COMMISSIONER STOKIE: Yes. It says guest, and then in parenthesis the microphone with a slash.

35 COMMISSIONER GROPP: Having another go?

COMMISSIONER STOKIE: Yes.

40 COMMISSIONER GROPP: It's unfortunate for her.

COMMISSIONER STOKIE: We just verify – we do have other online public hearings.

45 COMMISSIONER BRENNAN: This afternoon we've got – I see - - -

COMMISSIONER GROPP: We can put other sessions, if that suits her.



COMMISSIONER STOKIE: We can potentially ask Lisa to come and join us.

I expect it's just an issue with her microphone.

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COMMISSIONER GROPP: It must be one of hers.

COMMISSIONER STOKIE: Yes, may not be able to resolve it now. That's my point. So we could - - -

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COMMISSIONER GROPP: Give it one more go. One more go and then we can offer - - -

COMMISSIONER STOKIE: In Sydney or - - -

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COMMISSIONER GROPP: Where is she? Do we know where she is?

COMMISSIONER BRENNAN: Sydney.

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COMMISSIONER GROPP: I think that looks better.

MS BRYANT: Can you hear me now?

COMMISSIONER GROPP: Yes. That's it. Well done.

25

MS BRYANT: I've got no idea what happened there. So apologies.

COMMISSIONER GROPP: You never do know what it is, then it's fixed. So that's the main thing. Welcome. I didn't welcome you.

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MS BRYANT: Thank you.

COMMISSIONER GROPP: I'll just introduce the three of us. I'm Lisa Gropp. I'm joined by, on my right, Deb Brennan and on my left, Martin Stokie.

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COMMISSIONER STOKIE: Good afternoon.

COMMISSIONER GROPP: We're the three Commissioners for this inquiry. So I just wanted to remind you before we – when I ask you to introduce yourself, et cetera, but just to remind you that this is being transcribed. And the transcript will be made public on our website. And we also have people joining online so that you're live to the world at the moment. Something like that. But yes, look I'll just hand over to you to introduce yourself, and your company, if you'd like to make a few opening remarks. Thank you for your submission as well. Thank you. That's very helpful.

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MS BRYANT: Thank you very much. And thank you for your report and the dedication that I'm sure all of you put in to doing it. My name is Lisa Bryant. And I'm an independent advocate in the education and care space. So I don't have a company. I would like to do some introductory remarks.  
5 First of all I'd like to acknowledge that I'm coming from the lands of the Darkinjung people who have been educating and caring for children on this land for many, many thousands of years.

10 I was surprised to read a Milton Freedman quote in a book written by esteemed professor of early education, Peter Moss. But it's a quote worthy of inclusion and repeating here. He said,

15 *Only at crisis, actual or perceived, produces real change. When that crisis occurs, the actions that are taken depend upon the ideas that are laying around. That, I believe, is our basic function to develop alternatives to existing policies, to keep them alive and available until the politically impossible becomes the politically inevitable.*

20 And I have, through my work as an advocate for early education and care, being trying to talk about alternative policy ideas for many years now. And I urge the Productivity Commission to do the same. Because the early education and care sector is undergoing that sort of crisis now.

25 Why do I use this term 'crisis'? The problems are clearly itemised in your draft report. Children and families missing out on education and care because of market failure or failed policies such as the activity test, a system which, despite huge investments of government funding, is no longer affordable for families. And a system facing a workforce crisis where we no  
30 longer have enough educators and early childhood teachers.

35 And an increasingly horrendous system where the states and territories and the Australian government's roles intersect and intertwine, creating incredible complexity for families and for the sector. And a not-for-profit sector that's shrinking while multinational, private equity companies and publicly listed corporations extract more and more returns for their investors from educating and caring for our children.

40 These are the bases of the crisis, but there are other crises happening, those that are caused by the things outlined in the report. These crises are known, but perhaps not enunciated so clearly in the report. There is the crisis for early educators and teachers for our services and directors and owners of small centres, and for our management committees and boards.

45 Increasingly, those of us that work with these people are seeing the human cost of failed government policies and an education and care system that's no longer fit for purpose. The leaders who hope or pray that they'll have enough

well staff to meet ratios the next day. The directors overburdened with ever-changing funding systems and rules; the educators going without holidays or turning up sick to enable rooms to stay open; to be rewarded with pay levels below that they would earn in much less stressful jobs outside the sector.

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These people are my heroes. And my heroes are in crisis. And another crisis that's not mentioned in the report, the crisis whereby we are delivering to some children the most wonderful education and care with really skilled pedagogy and beautiful services delivered by highly skilled educators and teachers, and yet simultaneously, other children are getting care where costs have been cut to the bone, where children's safety is increasingly in jeopardy, where their food needs are barely met, where their care is being delivered by casual teachers and educators, young educators who come in and out of the system really rapidly.

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Often, these sorts of services are run by corporations and private equity firms intent only on making money for their shareholders and investors. The commission's draft report has not, in my humble opinion, gone far enough in suggesting the alternative policies we need to fix those crises. I was hoping I would have seen in the draft report a move to supply-based funding, a move to a system unified, not a separate preschool system run by the states with federal money and a childcare system managed by the Australia government.

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I was hoping I would see a move to a system where children's education and care wasn't used to make profits for shareholders and investors. And at the very least I was hoping to see a recommendation to abolish the, unfair to children, activity test rather than another play around the edges of it. I urge the Productivity Commission to strengthen its recommendations in these areas, because the time is right. We need big thinking alternatives to our existing policies because these crises have made what once seemed politically impossible, now politically inevitable.

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Thank you.

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COMMISSIONER GROPP: Thanks, Lisa. You raise some pretty big issues there. I know my fellow Commissioners have questions. But yes, I mean, when you characterise it as not-for-profit, so you would not have – sorry for-profit, you would not have for-profit providers at all. That would be your ambition, I guess.

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MS BRYANT: Look, I think we've kind of passed the place where we can do that. As Kate Ellis said a few years ago, we can't unscramble the egg. But I think there's a difference between one small ma and pa company who have one service which they have been running for years and plough all their energy and excitement into that service and a chain of 200 run by a private equity firm or a corporate provider. And I always try and talk more about those corporate firms and the private equity owned firms, than the stand-

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alone services that are theoretically for profit that those owners may not, in fact, take much profit from them.

5 COMMISSIONER BRENNAN: Lisa, you're – I was just chatting to Martin Lee. I think you are the first – I'm pretty sure you're the first independent  
advocate who's participated in the inquiry. And in the inquiry process we  
have to take account of the information – largely the information that comes  
to us when we do research and research ourselves. But we're very mindful of  
10 our – the consultations, the representations, the submissions and so on.  
We've actually had very little representation around the issues that you raise.  
I have been very, very surprised. Including around market concentration.  
There doesn't seem to be a lot of interest in the fact that one per cent of  
proprietors own 35 per cent of the services.

15 But this – I mean you probably are the only person who's going to come  
along and talk about these issues. And I noticed that in your submission you  
raised what's actually happened with Guardian and Affinity which has not  
been specifically discussed in our Inquiry. So, although it's in your  
submission I'd like to give you an opportunity to say on the record and for  
20 one or two people who might be listening, what has happened and what your  
concerns about that are.

MS BRYANT: Sure. Well, essentially, Guardian and Affinity may or may  
not be up for sale. They seem to put their companies for sale now as much as  
25 when it looks good market-wise and when they don't. But both of those  
companies may shortly be for sale for over a billion dollars. And that's a lot  
of money – yes? Affinity - the private investors that owned Affinity bought  
Affinity in 2021 for \$650 million. So already that company's valued – you  
know – a bit over two years later as a billion dollars.

30 Guardian was bought in 2016 for \$440 million and it's now – you know –  
being touted for sale again for around the one billion part – mark. Whether  
or not they'll get the one billion remains to be seen. But people do like  
education and care in Australia as an investment thing because it's  
35 underwritten by government funding. And there was actually an article in the  
Atlantic today about American – in America – people being wary of private  
investment – in private equity investment in education and care for exactly  
the same sorts of reasons that I'm worried about it.

40 COMMISSIONER BRENNAN: We've actually had more expressions of  
anxiety about private equity in the United States and the United Kingdom  
than we have in Australia – to my knowledge.

45 MS BRYANT: Yes. Well, one of the reasons for that is people in this sector  
are exhausted. You know? Nobody is paying for my time to do this research  
on private equity. No one's paying for me to be here today. You know?  
There's a lot of people that work in this sector that are more exhausted than

5 they have ever been. So I don't think we have got people in roles that can raise this kind of thing with organisations like the Commission when the time is right. Luckily I am like – a bit like a dog with the bone. And G8 made \$37,000,000.00 last year. All of this money is being made on the back of the Commonwealth's investment into education and care.

10 But let's look at what scared me more than anything is what happens when a private equity firm buys up a bunch of childcare centres, like say Affinity? Now, Affinity's history I could sit down and talk about that for ages but essentially it was a company that – you know – a few years ago it was doing not that well. Someone saw it as a company that they could buy up, cut costs, increase profits and then sell it for more money. And how do you cut costs in this sector? If you look at the ACCC Report you will see things that's through things like cutting wages.

15 So what do they do? They're getting trainees. They're getting – they cut ratios to the bone. All of those things that keep children safe they have to cut because the biggest cost in education and care is wages. You know? So they have to cut that and so the – and food costs et cetera – but mostly wages. So  
20 the children in those services are just being used as vehicles to fatten this company up for resale.

25 COMMISSIONER STOKIE: You've mentioned the ACCC Report that that's not the conclusion that they reach. They reach a conclusion along the lines of there doesn't appear to be excessive profits on average being made in this sector. That may be a point in time. That may be their view. You've obviously – did you want to comment on that? How have you seen the - - -

30 MS BRYANT: I couldn't – I think they're absolutely right. Any of us that have ever done a budget or tried to run an education and care centre will tell you that there is no profits to be made in a centre in this sector. And there isn't excessive profiteering in this sector but it's really easy for someone to make \$400 billion in a few years out of pretending that it's a profitable sector.

35 COMMISSIONER STOKIE: Right.

40 COMMISSIONER GROPP: And these – and you're – the work that you're looking at these companies I guess that we have a quality framework but you say that within that even if they might be meeting. I don't know whether you've looked at whether they're - - -

45 MS BRYANT: Yes. If you look at – I haven't got it front of me – but if you look at the latest ACECQA snapshot – no, I have got the figures in front of me. It may not be up to date at the minute but community managed services – not for profit services – 37 per cent of them are exceedingly in QS. For profit services only 13 per cent are. So you will hear these companies talking

about meeting or exceeding and saying, 'We're doing just as well.' But when you look at the exceeding category and the working towards category the exceeding category is dominated by not for profits. The working towards is dominated by for profits.

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COMMISSIONER STOKIE: So we've observed this as well. And, in fact, when you look at that over time that exceeding number is declining. The question that we have, instead – and I'm interested in your views in this respect – is the level of services that are meeting is actually growing. We're actually improving across the board. So are we trying to say that the National Quality Framework and meeting isn't good enough? In an ideal world we would love everybody to be exceptional or exceeding or – you know – continuous improvement but is the quality framework itself not right? If more and more of the services are, at least, coming up to and approaching meeting the expectations of standard, even if as a consequence of a range of questions you might have a view as to why this is happening. The level that are going above and beyond that doesn't seem to be growing as, or in fact, potentially is reducing relative to the total number. What's your thoughts?

MS BRYANT: Look, I have some thoughts and I noticed the other day that 90 per cent of services are meeting or exceeding.

COMMISSIONER STOKIE: Yes.

MS BRYANT: You know that horrifies me because I don't think that 90 per cent of services are that good.

COMMISSIONER STOKIE: Right.

MS BRYANT: You know? There's a lot less that aren't. I think once we started continually talking about the gulf between the for profit and the not for profit sector in the MQS stats about four or five years ago I think they started that the corporates, et cetera, started to really focus on increasing their capacity – like, you know in passing assessment rating. And they put a lot of teams into going around to their people to make sure that they'd said the right things and did the right things. And so I thought - - -

COMMISSIONER STOKIE: Is that a bad thing though? That they're focusing on investing in quality? Or are you suggesting that the quality isn't right? Or they're lip service, I'm not sure.

COMMISSIONER GROPP: Yes, they're focused on passing the test and so that the assessors aren't doing their job. Is that what you're saying?

MS BRYANT: No. I'm not saying the assessors aren't doing the job. On the day – you know – they look fine. You know, Eddy Groves used to ship resources into each centre before it went through accreditation in the old

ABC learning days. I don't think that they're doing that kind of thing but they're certainly – I just don't think that you can possibly supply high quality for more than a day or two when the assessors are there if 90 per cent of your staff have only been there for three days. I listed to a woman talking  
5 yesterday to you early in the morning about I think it was Sanctuary Early Learning about how hard it was to get really well skilled educators into the services.

We have services where most of them are trainees. We have services where  
10 – you know – they've got exemptions from teachers. And so these young trainees are being asked to do things like open up the centre by themselves with no one else there. You know? We have services where you have a ratio of four children to one baby – four babies to one educator. But when that was set up years ago nobody thought it would be four babies to one educator  
15 in one room by themselves. And that's what some of these services now have.

We see – I haunt the Facebook groups of educators quite a lot – and you will see these young educators saying, 'I just can't do it anymore. I had four  
20 babies all day yesterday. I was relieved from lunch. One of the babies wouldn't let me put her down without crying. I was holding that baby all day and trying to do nappy changes for the others with one hand.' You know? That's the sort of crises that you hear in – you know – where educators are talking because they're working for services that are trying to keep their  
25 wages will down as much as possible.

COMMISSIONER GROPP: So, Lisa, what would you like to see us – you know – what sort of – what's your solution here if it's not – you said you don't – you know – they're for profit. You won't be able to – you know –  
30 that that horse has bolted.

MS BRYANT: Well, I think there's a difference between having for profit and having private equity owned or corporate-owned child care. It wouldn't be hard for – to have the regulations saying that those people could no longer  
35 be players in the market. Whether it meant privatising. You know, getting a Good Start or something to take over those services that are fair priced to the owners. You know? If those two companies that I spoke about are being sold for a billion each that's not much of the government spend on education and care to nationalise those services. But I don't seriously expect that to  
40 happen. You know? I know that governments – no matter what crises they're not going to go that far.

So what I would like to see is a move to supply based funding so that we're not running this crazy CCS system with more and more and more and more  
45 and more rules – you know – which takes up so much of our educators and our directors' times trying to do it followed with a state based system where the Federal Government gives the state government money to run pre-schools

and then in some states, like New South Wales they come up with a different model of funding preschools every year. And so directors have to go round and learning the new model for this year, and trying to make it work for their community, despite the fact they've been a preschool in that community for  
5 50 years and have been running quite successfully, meeting that community's needs.

I'd rather see a supply-based funding system. Because if you were funding – say, let's just take long day care services. There's nine and a half thousand  
10 of them I think at the moment. If you funded those administratively how much easier is it than funding and you win parents? You know? It just makes sense. It's the way we fund our school system for God's sake. Why don't we do it the same for children under school age? There should be no difference.

15 And as soon as you do that you have a lever to demand quality. If you are funding the service you can say, 'You have to spend 70 per cent, 80 per cent of your income on wages.' Instantly wages go up. Instantly we have more staff working at each service. If you don't have – if you're funding parents  
20 you have no lever over the services other than this vague stick of 'We're going to make you put up a sign saying that you're meeting, rather than exceeding.' Or 'not yet or working towards'. It's not a very strong lever for the government to make sure that every child gets quality education and care. Whereas supply based funding would be. Is that - - -

25 COMMISSIONER GROPP: No, no, no - - -

COMMISSIONER BRENNAN: We've got some recommendations around supply based funding. You've probably seen, Lisa, into thin markets and  
30 disadvantaged communities. Potentially if – well, we've yet to see what kind of – we haven't nominated that they be providers of a particular type, only that it be supply side funding.

35 But potentially there'd be lessons for government to learn through that direct supply side funding and working in those communities that potentially - - -

MS BRYANT: But they would – and they would say that they already do that. Like the CCCF had the - - -

40 COMMISSIONER BRENNAN: They would.

MS BRYANT: - - -process for thing – like - - -

45 COMMISSIONER BRENNAN: They would. But if we said that that is far from adequate we have called that out.

COMMISSIONER STOKIE: Yes, the scale is very low.



COMMISSIONER BRENNAN: And we've said if – you know – if access – if we're talking universal access there has to be a much more significant stream of supply side funding that - - -

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MS BRYANT: And it also needs to be easier for community-based services to – not for profit services to become providers or to add additional services. I just worked with a service – not for profit provider client who was trying to set up two new services. And – oh, my God – it is such a bureaucratic process to set up a service and get the approval under family assistance legislation and under the education and care laws and regulations. That – you know – you go to an average community of low supply and say, 'Hey, here's a bunch of money for you to set up a new not for profit childcare service.' They're not going to be able to do that. You know, it's incredible. One of the things I'd spoke about in my submission was about PMCs – the persons of management and control.

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COMMISSIONER BRENNAN: Yes.

MS BRYANT: And for a number of years persons of management and control on a community-based community award – well, your executive. You know? Your president, your chair, your treasurer, your secretary. Now it's everyone on the board in many states and territories and I think even under family assistance legislation. And that means that all of those people have to have working with children checks. They've got to provide their license. They've got to provide their wedding – I don't know what that document is called – yes – you know they've got to provide all of this. So organisations are going to people and saying, 'Will you be on the committee of our not for profit childcare service? And we just need you to work for us for about 10 hours just to give us the documents that the government demands every single year.'

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And a lot of those services like preschools have a new committee every year. So they're constantly trying to gather together documentation.

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COMMISSIONER BRENNAN: You're unique in some aspects of your advocacy talking to us, Lisa. But in that I have to say we've had other representations around what it takes to be – to expand in the not for profit sector and some of the supports that potentially other organisations have suggested might need to be put around not for profit providers in order to allow that to happen. So it's important to hear that from you but just wanted to tell you that there are others also, giving us helpful information on that information request that we put out.

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MS BRYANT: Deb, could I just talk a minute about preschools and State based funding? And Federal funding? One of the things – a group that's very dear to my heart are the 800 community based preschools in New South

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5 Wales. These are the ones that have been running for 40 years or so. They were set up under the Whitlam era, and the other day in New South Wales we had a wonderful announcement that the state government was going to fund a hundred preschools. I have preschools now being set up by the state government that are next door to community based services in areas where there isn't more need. So the community based services will go.

10 I have preschools that are saying, 'We know there's nothing in the next suburb over but there's two new ones in this area where there's already one within a public school.' And the long day care services are saying, 'We're not going to be able to survive because now with free preschool – you know – from the state government they're going to take all of our older children.'

15 I have never seen in any other area I've worked outside of education and care such a terrible carving of responsibilities between the state government and the Federal Government. If the state government can't even get it right in their own sorts of services then imagine how bad it is between the Feds and the state government. And a lot of the time you're just caught between the two. You know? You're just – services are going – 'I'm not sure if I need to be applying to the Federal Government for this or for the state government. I don't know where to return this paperwork. I don't know – you know – how to do it.'

25 Or families are running around going, 'I can get free preschool in New South Wales. So I am going to send my child to 15 hours of free preschool in New South Wales and then I'll get three days of CCS and they'll go to long day care for three days a week.' But no – they're children. We don't do the same with older children. We have the Federal Government running it all. It's time for a government to say – you know – 'We need to do it all.' We either need to fund the states which I don't particularly like, because New South Wales isn't a great state in education and care. It would be okay for Victoria I think. Or we need to take everything under the Federal Government because there is no difference in quality or in what they're doing in a preschool and a long day care centre.

35 COMMISSIONER BRENNAN: It would be another point for the scope of it but anyway - - -

40 COMMISSIONER STOKIE: I suppose our response, Lisa, and you've received it in our report is that we're seeing that the Federal Government and the states and territories, in our view, need to come together and work through some of these parts – voids – particularly as part of a new National Partnership Agreement. I take your point. We're identifying the same issue and concern. There are challenges in one of the jurisdictions taking over the responsibilities of the others because one, it would require the seating of that authority and responsibility from the state and the Feds and that may not necessarily come.

And, secondly, then the accountability and how it all fits together. And not just in preschool or at early childhood education care but as it interlinks with other things. Like maternal health nursing and child services and play groups and community. And so there's a whole series of things. So our response, as I could read your body language, is maybe it's not going to work. But our response is to at least try once again to have everybody come to the table and reach an agreement which is positive so that you wouldn't get, for instance, the unilateral policy decision that sort of has you aghast where somebody sets up next to somebody else when, in fact, in another contiguous area there isn't enough services.

So, i.e. come together and try and get good public policy outcome. That's our position at the moment. We don't disagree and partly we're trying to solve the same challenge that you're raising. Perhaps our draft report. I don't think it's naïve but maybe it is naïve. That which is we have an ambition that the tiers of government can come together and work together positively in aid to get to a better outcome of the problem that you have just articulated. And it's not particular to New South Wales. This is happening in various jurisdictions at different levels for different elements. And that's one of the reasons why we're suggesting setting up a Commission to help sort of see and be a champion of some of these areas of concern but also to work with the jurisdictions to make positive change.

MS BRYANT: Yes. Look, I can see why you've recommended that. But I can also see that I don't necessarily think it will - - -

COMMISSIONER STOKIE: We understand.

COMMISSIONER BRENNAN: We've been around the circle a few times.

MS BRYANT: Yes. Remember I talked about alternative policies?

COMMISSIONER GROPP: Yes. No, thank you. Well, unless is there anything else you wanted to raise with us?

MS BRYANT: Professional development. Don't allow that to sit between the states and Feds. Recommend the Feds do it please.

COMMISSIONER STOKIE: Okay.

COMMISSIONER GROPP: Okay.

MS BRYANT: Thank you very much for your time.

COMMISSIONER GROPP: Thank you very much for your time and your submission.

MS BRYANT: Thank you. Bye.

5 COMMISSIONER GROPP: Bye. Thanks everyone. We'll just have a short break now for afternoon tea. We'll be back at 2.00 o'clock.

**SHORT ADJOURNMENT [1.55 PM]**

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**RESUMED [2.00 PM]**

15 COMMISSIONER GROPP: Hi Tina.

MS HOLTOM: Hello.

COMMISSIONER GROPP: Hi. Nice to see you again.

20 COMMISSIONER BRENNAN: Good to see you. We're remembering those great shirts now.

25 MS HOLTOM: Beautiful, aren't they? We're very proud of our shirts, thank you.

COMMISSIONER BRENNAN: They are, yes.

30 COMMISSIONER GROPP: Well, thank you for joining us today. I'll just - just to kick off, I'll remind you who we are so and for people who are listening in, I'm Lisa Gropp. I've got Deb Brennan on my right and Martin Stokie on my left. The three Commissioners for the Inquiry.

35 COMMISSIONER STOKIE: Good afternoon, Tina. Can you see us okay, or is it - - -

MS HOLTOM: Sure can.

COMMISSIONER STOKIE: Okay.

40 COMMISSIONER BRENNAN: We're not at the end of a tunnel?

COMMISSIONER STOKIE: Or there's no - - -

45 MS HOLTOM: No, no, no. All good.

COMMISSIONER STOKIE: I think - okay.

COMMISSIONER GROPP: Okay.

COMMISSIONER STOKIE: There we go.

5 MS HOLTOM: No, I can see you perfectly.

COMMISSIONER BRENNAN: Thank you.

10 COMMISSIONER GROPP: I'll hand over to you to introduce yourself for the purpose of the transcript and just talk about your organisation and what you want to talk to us - you know, make a short statement. But I just remind you though that this is being transcribed and the transcript will be put on our website in a few days, and we may well - I think we do have some observers online, so you're live to the world, just to let you - a reminder of that.

15 MS HOLTOM: Thank you for the reminder, yes.

COMMISSIONER GROPP: Okay, over to you, Tina.

20 MS HOLTOM: Lovely. Thank you. And I do have a short opening statement, but happy to discuss. So I would first like to acknowledge that I'm joining from the land of the Whadjuk people in Western Australia, and I pay my respects to Elders past, present, and emerging.

25 So today I'm here joining you as the CEO of Child Australia. We operate largely throughout Western Australia and the Northern Territory, and we do have clients engaged in professional learning across the country. However, throughout our conversation today, I will frequently draw upon the collective insights of my esteemed colleagues. Together we submitted the collaborative  
30 response to the Productivity Commission's draft report labelled Submission 250: The WA Non-For-Profit Consortium.

35 Every day in every corner of Australia, early childhood education and care services are shaping the future, moulding young minds, and empowering families to step boldly into economic participation, yet we find ourselves at a crossroads. For too long, our ECEC landscape has been a patchwork of intentions and outcomes: rich in potential but hampered by division.

40 We have witnessed the dance between several systems marked by conflicting objectives and jurisdictional complexities. Our families, the heartbeats of our communities, navigate this fragmented territory seeking not just services, but often lifelines for their child's development. Every child is a promise, yet systemic inefficiencies continue to cast shadows on these bright beginnings.

45 The current fragmented system is a little like pouring water into a leaky bucket. Significant investments are being made, but they are simply undermined by systemic inefficiencies. As a sector, this limits our ability to

enhance outcomes, particularly for children who are vulnerable and disadvantaged. So today we are at a crossroads.

5 Through this Productivity Commission Inquiry, we have the greatest opportunity to reshape our approach to ECEC in Australia. We can build a system that harnesses the strength of great providers, a system that truly serves the needs of all children and family types, irrespective of postcode or socioeconomic background.

10 We all know there is strong evidence about the transformative impact of supporting a child in their early years, and while there is a government focus on ensuring an ECE system that improves productivity, I think it's important that we don't lose sight of the fact that today we are laying the foundations for thriving communities in years to come.

15 At risk of speaking about children as though they are widgets in a great productivity wheel, I will read an excerpt of a report released by Australia Institute in March '22: The Economic Benefits of High-Quality Universal Early Child Education. And you may be familiar with it, but I will read it to  
20 make my statement.

*This review of both the level and composition of Australia's fiscal support for ECEC services, and the macroeconomics(sic) of that spending, suggests several clear policy recommendations.*

25 *First, it is obvious that Australia's level of fiscal support for ECEC - is among the lowest in the industrial world - needs to be quickly and substantially increased. Australia's recovery from COVID will be considerably enhanced if Australia increases its public support for  
30 ECEC services: first to at least match the average of other industrial countries (implying additional spending of around \$5 billion per year), and then in the longer term to emulate the world-leading performance of the Nordic countries.*

35 *Secondly, the composition of ECEC funding should be adjusted in order to obtain a fairer and more efficient mix of public and private funding sources. Ultimately, ECEC services should be essentially  
40 free for parents - in the same way that public schooling is meant to be free. As the total envelope of ECEC funding is expanded, therefore, parent fees should be radically reduced, and the share of total funding sourced from government increased.*

45 *A third obvious recommendation is that the focus of future ECEC expansion must be placed on public and not-for-profit providers. They provide more jobs, more economic benefits, and demonstrated quality advantages compared to private for-profit ECEC providers. ECEC is not a 'child minding' service: it is meant to constitute a*

5 *critical stage in children’s education and social development. And Australia’s children should not be seen as a ‘profit centre.’ This early care and education must be delivered with attention firmly focused on providing the best care possible. That means not diverting resources to profit margins, and not creating financial incentives for providers to cut corners and sacrifice quality and safety.*

10 The report then goes on to provide suggested transition arrangements with a view to universal access for ECEC. One of the critical factors being a focus on a 25 per cent wage subsidy for ECEC professionals, something which we view as an absolute must if we want to see real change in this sector.

15 With the ACCC report released only weeks ago telling us that we effectively have a system in a state of market failure, the future will need to look very different if we want to see improved outcomes. We can continue to tinker around the edges and plug some of the holes in the leaky bucket, or we can take bold, decisive action to overhaul a complex, fragmented system, and while we’re often told that these things take time to achieve, I actually think that COVID showed us otherwise. At the core of any transformation lies a  
20 fundamental shift in mindsets, and this pivotal moment demands that our government leaders rethink how we think about ECEC.

25 So let’s consider this: Why does our government prioritise formal education in schools? Is it to enhance productivity, or is it because we genuinely believe that the provision of education is in the best interests of the child? So why is it that we treat the early years differently when research shows us that a child’s early years are in fact the most critical? We readily acknowledge the value of formal schooling in shaping future outcomes, but we fail to  
30 extend the same level of recognition to ECEC. This disparity in perception perpetuates the notion that early childhood education and care is simply less than or just a means to an end.

35 A change in perspective within government echoes a profound societal recognition of the pivotal role of ECEC. Prioritising ECEC sends a resounding message about our commitment to the flourishing development of children, and this stance also cultivates a nurturing environment for families and communities acknowledging their role in shaping the future generation.

40 For what it’s worth, my interpretation of our current systems is that governments believe that a child’s future is important, but only after they turn four or five. Prior to that, the child is just really a bit of a nuisance preventing mum or dad from being actively engaged in the workforce, or maybe they’re just tiny little incubators designed to improve our economic  
45 growth at some point.

5 It really is time to challenge the status quo and reflect on government and societal views towards early childhood. Let's not just settle for adjustments to outdated systems. I really hope that the outcomes from this inquiry brings transformative, bold reforms, that pave the way for a future where every child has the opportunity to thrive. Thank you.

COMMISSIONER GROPP: Thanks, Tina.

10 COMMISSIONER BRENNAN: Thank you, Tina.

COMMISSIONER GROPP: There's lots of bold - a lot of ambition and a lot of interesting points there. So yes, look, in terms of the - you said about transformational change, so what - and we've put out some recommendations around 100 per cent of the capped subsidy for bottom-third income earners. We've talked about at least partial removal of the activity test, et cetera. We've been targeting - really trying to bring in the children who aren't accessing ECEC at the moment to give them an opportunity through not only on affordability, but through better access to services through targeting areas - so-called childcare deserts, et cetera.

20 Have you any reaction to those proposals, and do they go some way towards your ambition, or do you think that they're not in the right direction at all? I mean, what are your - - -

25 MS HOLTOM: Yes, sure. No, and definitely we agree with the recommendations that are in the report, but we're hoping that they go a bit further. And some of the mechanisms in which are there - so for example, if we look at the activity test which should hopefully increase the amount of children entering into the ECEC space, also goes hand in hand with access, and then we know that access is problematic particularly in the regions or where we do have those childcare deserts.

35 And how do we do that when we have such a huge mix of an open market sector where it is? You know, private providers, non-for-profit providers, community-driven - and obviously from that stems that, well, where does ECEC rightfully belong when we look at what is in the best interest of the child? We've certainly seen that what we currently have doesn't work. We've got metropolitan areas that are completely flooded with services in some areas. Some which are completely undersupplied. So they're all great recommendations, but I think it's the speed in which they're going - if they are all assumed - it's the speed at which they are rolled out.

40 And obviously pivotal to all of this is the fact that we've got a workforce that's in a dire condition. So there's lots of different things that need to happen, but I think that the speed at which it needs to move is probably going to be the most critical element. And as I mentioned, we keep being told that these things take time, but I don't know if time is really on our hands.



COMMISSIONER GROPP: Yes. I mean, obviously, it will be up to government to adopt what our recommendations or not or come up with something else. But leaving that aside, I guess nonetheless, even within what we're proposing, I think we would caution against acting so hastily that you create - have unintended consequences. I mean, having a workforce doesn't mean you have to - you can move simultaneously on some fronts, but I think you would have to have - be fairly careful.

10 And this is something we'll be working on for our final about some sequencing and pathways and timing so that to make sure that you have checkpoints that you don't create further problems. Having a workforce, for example, and providing access, sending the right signals to people that, "We want you to come. We want you to bring your children, et cetera, through enhanced affordability." But how quickly do you think - if, say, if our recommendations were to be adopted, how quickly do you think they could be put in place?

MS HOLTOM: Yes, I think there are some immediate mechanisms or levers that could be put in place fairly quickly that would support almost instantly. So, for example, when I look at the Western Australia market, if we want to look at it as the ECEC market in WA, we have services opening at quite a rapid rate and in already oversupplied areas. Naturally, that's kind of pulling on a very tight pool of educators within the space which puts huge pressure on other areas in which there is complete need.

So pausing new childcare developments, for want of a better word, if that's the way that the sector looks at it - but pausing on new developments in already adequately supplied areas or oversupplied areas, I think is an immediate lever that we could pull, and that's probably something that's probably more appropriate across several of the states and territories. And really allow us to work with the educator pool that we currently have, strengthen and develop that further before we really start to look at additional development in where we're already overpopulated with them, and really look at those areas that are completely undersupplied as areas of focus if there is genuine interest from investors to go to those places.

COMMISSIONER BRENNAN: So essentially, Tina, one of the things you're pointing out, I think, is your problematising the notion of ECEC as a market of private providers and non-profit providers.

MS HOLTOM: Yes.

COMMISSIONER BRENNAN: But what is the incentive for providers to set up in oversupplied areas? Why are they doing that? Do you know?

MS HOLTOM: Quite frankly, it's a very lucrative market, and just to give you an understanding - - -

5 COMMISSIONER BRENNAN: Even when they're oversupplied.

MS HOLTOM: Yes. Yes. It's - I think COVID certainly highlighted childcare as being a sector that would still withstand the test of a pandemic or an emergency situation. It was finally noticed as a core enabler for every other industry type. So what we've created is essentially a business model for an investor that comes in and says, "Well, this is one that can withstand the test of time." And so we've actually seen valuations increase exponentially just within the last 12 to 18 months in doing a scan of what's going on just within the Western Australia space. So it's definitely a safe investment for private investors to look into.

15 COMMISSIONER STOKIE: To take Deb's point a little bit further, the investments are only underpinned by the number of children who are enrolled. If it's over serviced - as in there's more places than there are children, then an additional player coming or a player who's already there and expanding, it doesn't quite make a lot of sense. I think that's what Deb's asking.

25 What are you seeing? What's the incentive for somebody to come and - you know, they're putting very large sums of money in, and your reflection is, well, it's an already adequately served area, why don't they go somewhere else? And we can come back to that because we think some of our recommendations go to addressing aspects of this, but I'd be interested in your view on that. But so I just - again, I'm like Deb; I don't quite understand - it's either not adequately served, and therefore they can come - - -

30 COMMISSIONER BRENNAN: Or, it's due with real estate valuations.

35 MS HOLTOM: Yes, sure.

COMMISSIONER GROPP: But that has to relate to the - - -

40 COMMISSIONER STOKIE: But it ultimately has to come back to enrolments. Is if they can't get the children, well there you go.

COMMISSIONER BRENNAN: Well, I wonder. I wonder, because it didn't under ABC learning. It was inflated real estate valuations and continual on selling.

45 MS HOLTOM: Yes, sure.

COMMISSIONER GROPP: But then it hits a wall.

COMMISSIONER BRENNAN: Yes.

COMMISSIONER STOKIE: Yes. Well - - -

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MS HOLTOM: So essentially - - -

COMMISSIONER STOKIE: That's what we're trying to understand - yes, what's actually happening.

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MS HOLTOM: Yes, sure. So essentially - if I can just give you an example in the suburb in which I live, which is Southern River in Western Australia - we went from having three services three years ago, and now there's 18. And I don't think we've necessarily had an explosion of children in that space. It's been quite steady kind of population growth. Nothing to sort of warrant that, but and what we obviously noticed is what the - with obviously the centres would have had 100 per cent full, with waitlists, and then obviously the new ones come online and that then tempers out a little bit. And now all the services are probably hovering - if you would look at it, if we were to do a ring around - in about the 60 to 70 per cent utilisation levels. So it tapers off.

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Essentially you've got the point where you've got a lot of the private providers who can bring a centre on fairly quickly - so that then goes through the motions fairly quickly. Non-for-profit is a little bit longer to bring a centre online because there's boards and different governance models. So something that may have looked good 18 months ago will take a non-for-profit probably 18 months to two years, whereas a private provider can probably bring one on within the space of 12 months depending on the construction and trades, et cetera.

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So timing usually has an element to do with that in terms of what I see as a really good opportunity to put a service over here today may not really be best fit in 18 months' time. Population growth depending on how that goes as well plays a huge factor. But the reality is that I can put a service in next door to another centre, and if I'm shiny and new and I've got the bells and whistles and I'm promising families everything under the sun about what I'm going to give to your child, it's enough to sway, and people will do it purely because it's there.

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You know, you go shopping and you might go shopping for a black T-shirt and you're amongst other black T-shirts . You will look at them all before you actually select the one you've got. You're not just going to go and look for just a black T-shirt when you're confronted with opportunities. So if the opportunity presents, people will go, and that's just fact.

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So it's not necessarily that we're drawing a new population into that area. It's we're literally taking them from the other services that were probably full already. So it is more of a shopping around sort of type concept. Which is fine if that's what parents want to do, but there are metropolitan areas in particular that are completely oversupplied to the point of thinking of it like a 7-11 pop up model; they're literally on every street corner. So I think it's more those areas that we're speaking about; not the ones that are just bordering on the adequately supplied.

10 COMMISSIONER BRENNAN: Tina, I apologise. We have a little bit - or I had a little bit of a scramble finding your submission, so I'm not across all the recommendations you've put or reflections you have on our draft report, so are there some key ones - we're particularly interested in that today, what you think of our draft recommendations and where we've got it wrong or  
15 what you like in it, so are there things you would like to take us to from our draft?

MS HOLTOM: Yes, I think in terms of from an affordability perspective, in terms of the consortium that we worked with, we definitely supported the removal of the activity test which we thought was wonderful to see if that can go. We do think that there's an opportunity to conduct or to ask Treasury to conduct an economic analysis, and perhaps it's already been done, in terms of assessing feasibility and implications of transitioning to a universal system much sooner than what is probably on the horizon for, and evaluating,  
20 obviously, the long-term impacts, cost-effectiveness, distributional effects, what does it actually do, and is it really achievable?

COMMISSIONER GROPP: So when you say universal system, you mean free for everybody, or what do you have in mind?

30 MS HOLTOM: Yes. Universal being free, or very low cost. I think there was talks of sort of, you know, \$10 a day or something like minimum.

COMMISSIONER GROPP: Well, we have done some modelling, and we're going to be doing further modelling, so that would be sort of within - we'll be looking at different options, absolutely.

MS HOLTOM: Yes. Yes, yes. And within sort of what timeframe would that be looking at, because otherwise we will continue to have the same sort of continued issues that we already do.

COMMISSIONER GROPP: And your concern about provision of service as in, you know, higher income areas, do you have a - if it were free for every - you know, how would you ensure that services were provided in lower income areas, for example? Because, I mean, I guess one of the - as the subsidy CCS has gone up, including for higher - you know, not the very high-end, but in recent changes, for example, to the CCS, the Cheaper Childcare

Act, there's been an increase in subsidies for most families, and that's probably - that would have triggered - I think that probably has triggered expansion of supply in some areas, particularly where people can also pay - afford to pay above the cap.

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What sort of model would you envision that there would be no opportunity to pay above sort of extras, or something everybody to have the same service? Just what sort of model do you envisage?

10 MS HOLTOM: Yes, I think it's obvious that something needs to be done around supply-side, or particularly for those areas that we know that it's not going to be something that somebody finds as a suitable investment, as such, to put a service in purely to address what's needed. In terms of families that can afford to pay more, I think that there would be the ethical question of just  
15 they can afford to pay more, should they? You know, like, is that what the system in which we envisage?

COMMISSIONER GROPP: You do in schools - - -

20 MS HOLTOM: Is that really ultimately necessary? Yes. Yes.

COMMISSIONER GROPP: It's allowed in schools.

MS HOLTOM: And it's a choice. You know, it's a family choice, yes, and  
25 schools are completely publicly funded. We've seen that, and that's now across the country as well.

COMMISSIONER GROPP: Public as well as private.

30 MS HOLTOM: And then there's obviously the systems of the private - yes - private systems and obviously the independent school systems as well. So, and again, family choice, if that's a choice that families do have, but the reality is that there probably won't be many parts of Australia where schooling is not accessible at all.

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COMMISSIONER BRENNAN: And you're just - you're drawing an analogy. You're saying just as we have a public school system, we should have a public ECEC system to give effect to these sorts of aspirations.

40 MS HOLTOM: Absolutely. And it would just be a case of if it's family choice that I choose to pay a fee, and I'm happy to pay for a boutique arrangement that's going to promise X, Y, and Z for my child, then that would be a choice that the family makes, but the reality is that that's not the way it's working at the moment, and I would beg to differ that there's  
45 services out there that are charging exorbitant fees that are actually providing a much more superior educational opportunity to that child, as opposed to

one where's not that same fee model in place. So essentially from a parent perspective, what are we really paying for?

5 COMMISSIONER STOKIE: To further to Deb's point around our recommendation, do you have a view on our desire to effectively fund at 100 per cent the cost for low-income families? So for the bottom 30 per cent of income families, 100 per cent of the rate cap, adjusting the rate cap so effectively that would be free for within reason as much services as they wish to avail themselves. Is that going to go - how - - -

10 MS HOLTOM: Absolutely. 100 - yes, absolutely. We totally agree with that. The concern around that is access, and I'll explain why, is that in the areas where access is limited, so in metropolitan areas, or in regions to where access is limited, making it free or making it no cost to the family doesn't mean that I can put my child there. And the reality is that we have children and families that come to some of our centres - because we tend to be in  
15 lower socioeconomic areas - where they have been refused access in other more affluent areas because perhaps that's going to be an issue further down the track. Perhaps that child is going to need behavioural support, or further  
20 support that that centre is not prepared to provide. And that's the reality of what we're faced with quite frequently.

COMMISSIONER STOKIE: And that's quite concerning as an anecdote.

25 MS HOLTOM: It is. It is.

COMMISSIONER STOKIE: One of the things we have observed and maybe we're not clear enough in our draft report is that the sequencing of reform is going to be absolutely critical. We acknowledge the challenges  
30 around the workforce and the need to appropriately recognise and reward, attract more educators and teachers into the sector, but again, that's not going to happen overnight. We acknowledge that there aren't sufficient available services across Australia. Leaving aside the sort of well-serviced areas and the concern that that attracts, but again, that's not going to be built overnight,  
35 staffed overnight, developed overnight.

And so there's a kind of a lead time both of sequencing of the changes which we think the workforce is probably first and foremost the focus on those families who aren't coming, who aren't - who are excluded whether it be  
40 because of affordability, availability, or the access arrangements. These are the things that are probably top of mind, and what I'm hearing from you - correct me if I'm wrong - is you're asking us to be a bit more visionary beyond that change that would be coming from our recommendations. Is that a fair position?

45 MS HOLTOM: Yes, I think that the - - -

COMMISSIONER STOKIE: And I don't want to put words in your mouth.

5 MS HOLTOM: Yes, no, and that's a very good analysis of where I'm at, and I think that the changes that you're suggesting in the recommendations can actually probably be adopted and implemented more at speed than what we're really thinking. To think of in the - - -

10 COMMISSIONER STOKIE: What do you think that is? What does that speed mean to you?

MS HOLTOM: Sure. Just to give you an example, I think that where we've got a lot of disconnect is the fact that from a jurisdictional perspective, there are complexities. Western Australia has to be probably one of the most complex areas of them all. But just if we were to look at the workforce for an example, and I look at the workforce strategy that we have (indistinct) and I sit on the stakeholder reference group in supporting that, a 10-year strategy is just not going to cut it.

20 And perhaps when we first started that work, three, four years ago, you know, pre-pandemic time, it was purposeful. But at this point it's not, and we really don't have that time on side to say, well, let's wait for X to occur. We're really sort of bleeding people and not attracting people into a sector. Who wants to work for a sector in crisis? And there are great examples of really good work being done, but we just need it scaled. And there are a lot of really good models of workforce development being done that can be scaled, but we need that to be picked up on and rolled out fairly quickly.

25 So definitely developing the workforce can be done at speed a lot quicker than what we're probably thinking. And I do wonder - the question that I would have is if we push pause on new metropolitan developments, where would that investment go? Like, would people be enticed to look at other areas if there were incentives or some sort of supply-side funding?

30 I think we would actually see that, mostly because I do know that a lot of the private equity corporates and newly listed stock-exchange organisations, they've got targets that they need to reach, and so how is that even doable if the opportunity doesn't present?

35 COMMISSIONER BRENNAN: But will they be the right kind of providers for the areas that we're particularly concerned about? You know, can we just move those - - -

MS HOLTOM: Likely not, because it's a forced investment.

45 COMMISSIONER BRENNAN: I'm just thinking, you know, if we - to use your evocative phrase - if we press pause, however, on what metropolitan developments and some of these operators move to the regions, would this be

- is this what we want? Because I know you've expressed to us when we met and in submissions a big focus on quality, inclusion, and so on, which I think also relates to your ideas and ideals about supply-side funding.

5 MS HOLTOM: Yes, yes. I think there's a way of harnessing investment to  
better suit this sector, and I don't see it necessarily as being that we want  
corporates or private equity firms to be approved provided themselves as  
such, but perhaps it's in development of capital. Like, is it the capital  
10 infrastructure that we're looking at? Like, what is it and where do they play a  
really good role if - you know, I don't know whether or not we're expecting  
governments to be in a position to be able to do all of the doing when it  
comes to capital infrastructure, but perhaps there is a place for private equity  
firms to have a role in infrastructure, and suitable lease agreements that go  
with that. I'm certainly not saying they don't have a place, but I do think that  
15 there's more of a targeted approach that we could be looking at.

COMMISSIONER BRENNAN: If we could talk a bit about inclusion issues,  
Tina, because I recall from our visit that this is quite a focus of your  
organisation, and there's a lot up in the air at the moment around the ISP, but  
20 also around the NDIS review, and the implications that that potentially could  
have for the ECEC sector. If it's not an unfair question, has your  
organisation started to think about things like the NDIS review and where its  
recommendations might be leading for our sector, particularly if more  
children - if the idea was to reduce the number of children going on to the  
25 NDIS, and increase access to ECEC services - make them more inclusive,  
and so on?

MS HOLTOM: Yes. It's actually quite interesting, Deb, because for some  
reason I always saw ISP being absolved and perhaps it all becoming sort of  
30 under the NDIS model, just having the one model. So it is really interesting  
as to how it's all being framed up. But we see that, certainly through our  
organisation, it's not really working. That in some cases the ISP is working  
well, and it's supporting the child and the educators as best possible, and in  
some cases it's impossible to even get anybody out for three to four weeks on  
35 end, possibly even more than that.

So I wouldn't say that it's necessarily working in its current shape, but it'll be  
very interesting to see what the - I know that there's recommendations  
obviously there to improve, and what that might look like moving forward.  
40 But it does need to be - we obviously need more people in that space in terms  
of having additional people working in the ISP, but also ensuring that  
additional educators, or the educators are actually upskilled to be able to take  
over from what's required in supporting that child beyond the initial ISP  
work.  
45



COMMISSIONER BRENNAN: Yes, and that goes to the whole question of pre-service training too, doesn't it, both for educators and for early childhood teachers.

5 MS HOLTOM: Yes. And at the moment we've got the situation where most educators are saying, 'Please just don't give us anything else to do.' Because they're sort of already quite stretched with what they've got going on at the moment in their roles, plus inadequate staffing levels or the sorts of things that you would expect that there's going to be some respite. So it does make  
10 it very difficult to then go and allocate staff to add on to their existing duties.

COMMISSIONER BRENNAN: Okay.

MS HOLTOM: Yes.

15 COMMISSIONER STOKIE: And we've heard that from other people as well, Tina, and I think there's a level of consternation in the sector around, well, what will this mean? It's yet to properly be defined as far as the NDIS review outcomes. Yes, the review has obviously been released, but it's now  
20 at the stage of people trying to operationalise that, and what does it mean.

We are thinking about it in terms of the inclusion support, and additional support for the sector, because perhaps like your anecdote earlier of a family coming to a service and then them being turned away for whatever reason, it is quite - it's not consistent with the ambition of the policy goals that's  
25 certainly in our terms of reference, and perhaps the type of sector that I think we all would aspire and would want to see that children are turned away who may have additional needs or requirements and then that becomes a question, well, how is that appropriately resourced? Who are the right people to do  
30 that? As you rightly point out, for a sector that's already quite stretched, and we think - again, coming back to the workforce - is a priority area we have to address that. But there are expectations for more from this sector.

MS HOLTOM: Yes. Yes. And I think, you know, if we think of the  
35 integrated service delivery models with all of the wrap around supports that can be put in place around an ECEC service, it kind of makes sense that we really look at how many services do we have available? There probably - you know, I'm assuming that there's asset mapping done in different regions and territories, but an integrated service delivery model doesn't necessarily  
40 mean that we need to add people; it just means that we need to integrate and do better together.

So I think the resources are probably there; it's just a matter of how do we get - whether it's the same building - you know, I've always sort of thought of  
45 ECECs at the core, and it's always very much a non-stigmatised core, but as a parent if around an early learning centre are all of the supports that I need for my child, it's a destigmatised way of accessing and all in the same place.

5 I don't have to go to all separate different places. At the moment, we've got a lot of fragmented ways in which we support children more broadly under a sort of child development spectrum. To really looking at how do we actually incorporate that child development or integrated service delivery model to just do better with what we currently have and add where we need.

10 COMMISSIONER STOKIE: Can I ask a slightly different question, Tina? And WA has a unique perspective which is that it's such an incredibly large geographically and dispersed population. Are there specific things that you've recommended to us how to provide novel ways or different systems for providing services into remote regional areas or regional communities, cities, et cetera? At the moment, we're trying not to have a one-size fits all, but there is an aspect of a coordinated response. But whether that works in very large-scale dispersed populations like WA.

15 MS HOLTOM: Yes. In the collaborative submission that we've provided, there is an element where we speak a little bit about the construction training fund from WA, and not to align ECEC with construction, but it is more around the levy process and how organisations that are operating within that space provide X amount that goes towards a levy model, and then those funds are then in turn used to support construction workforce or construction investments, professional development, et cetera, to develop their workforce.

20 I think that there are some analogies with doing that in looking at how we actually look at capital infrastructure. The biggest thing we have across this state - purely because we're so geographically dispersed - is that we're going to need capital if that's going to be a way in which we want to support regions in particular that don't have access to high-quality ECEC.

25 We do have - the biggest kind of component of resources and corporate organisations over here, they do have the incredible philanthropic funding over in Western Australia. We do have that as a huge win over every other state and territory if we want to look at it that way, and they are putting in - these corporates are putting in some really good money. But again, it's a fragmented kind of fractured approach, and if there was more coordinated way of doing that, I think that we would probably resolve some of the capital infrastructure issues that we've currently got.

30 There's great money being poured into the ECEC sector over here, but it is fragmented in terms of the way in which all of the orgs are going about doing it. That perhaps a coordinated way might see things pan out quite differently.

35 COMMISSIONER GROPP: One thing we didn't recommend is an ECEC Commission which would perhaps be - part of its remit would be to look at areas within markets where there was need, and then sort of what would meet those needs. And there may not be as - you know, one-size-fits-all was Martin's initial question. You know, but working out what was needed and

then you could - and it could be part - it could be government money, it could be taxpayer money, or it could be philanthropic money, it could be a mix of things. But just sort of to identify needs and what sort of services would meet them. Do you have any - - -

5

MS HOLTOM: Yes, absolutely. Yes. The establishment of the ECEC commission was actually probably the only recommendation where, as a group in this consortium, there was actually quite a divide initially over what does this mean? We've already got a ACECQA. We've already got X. So it really was - if we look at it on face value and we're saying there does need to be stewardship somewhere and a governing body somewhere - a single governing body - and at the moment we do see discrepancies within each of the state and territory - whether you want to look at it from the regulators' perspective, whether we look at it from how things are done, how things are rolled out, it is kind of different from each state and territory.

15

So I suppose there's that trepidation from sector leaders to say, 'Well, what's this going to mean? Just another way of complicating things further.' Whereas after conversation, we all agreed that actually it's probably a good opportunity to get it right from the start if there was an ECEC Commission that does have that role and is more firm in what the expectations are from each of the state and territories. There would have to be some pretty tight parameters to make sure that there is a unified approach with a slightly nuanced implementation in each of the state and territories.

20

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COMMISSIONER BRENNAN: Yes, perhaps coordination is a concept that we've explored a bit because we don't think it's realistic to be talking about uniformity either, and we don't think there's any point in instantly alienating all the jurisdictions, or - - -

30

COMMISSIONER GROPP: (Indistinct) bodies sort of saying, you know, you'll do this. That's not going to work.

35

MS HOLTOM: Yes.

COMMISSIONER GROPP: It has to be sort of organic from the ground up almost.

40

MS HOLTOM: Absolutely, yes. And we did suggest in there that we do hope that that includes sector and so that the sector-driven responses. Because ultimately, that's where it's operationalised. So if it's doable from a sector perspective and there's buy-in there, in supporting the ECEC Commission with some of those (indistinct) established with the strategies from that, then there was definitely unity in that.

45

COMMISSIONER GROPP: Tina, we've got a couple few more minutes left. If that's okay with you.

MS HOLTOM: Yes, sure.

5 COMMISSIONER GROPP: I just want to go on to workforce issues. I  
mean, leaving aside the Fair Work Commission, the multi-employer  
bargaining process, but in terms of we made a number of recommendations  
around pathways for recognition of prior learning, more flexible ways of  
training, perhaps people in situ rather than requiring them to travel to where  
10 the RTO or whatever is. Did you have any views on that? On some of those  
recommendations, whether they would be helpful or whether - - -

COMMISSIONER BRENNAN: Are we on the right track?

15 COMMISSIONER GROPP: - - - in the right direction?

MS HOLTOM: Yes. Most definitely everything around professional  
development was very welcome in terms of making sure that there is a well-  
structured professional development program for the workforce, and again, I  
did hear my colleague earlier, Lisa Bryant, speaking. It is something that we  
20 would certainly suggest that it's the Feds that need to push that out, not the  
states and territories, because we just see so many different ways in which  
that's addressed in each of the state and territories.

25 But I think workforce is going to be the most difficult part, and for a couple  
of reasons. There's a huge disconnect between what we're looking for in  
educators and the realities of the job, and, you know, 17-, 18-year-olds - I  
have an almost 19-year-old son who's 19 tomorrow, and the realities of what  
their expectations are of workforce and what the job actually requires, it's  
almost polar opposites. So if we're going to continue to focus on engaging  
30 young people into our workforce, then we're really going to have to  
understand what their needs are a hell of a lot better than what we are at the  
moment, and I just don't think that we've got it right. And then if we are  
going to look at 25 per cent wage increases - - -

35 COMMISSIONER BRENNAN: Can you just spell that out a bit - - -

MS HOLTOM: Sure.

40 COMMISSIONER BRENNAN: Can you say a little bit more about that sort  
of mismatch between expectations and reality and where we could bring  
them closer together? Because my understanding is part of that mismatch is  
people, particularly young people, do not and cannot anticipate the  
complexity of family lives that they're going to engage with in their work in  
ECEC. Come in with a vision about little children and their desire to be with  
45 and educate and care for little children, but actually the job is so much more  
complicated than that. And there's not a lot - well, maybe there are things we  
could do about that in terms of how we support and scaffold (indistinct).

MS HOLTOM: Yes, sure. It's actually funny, Deb, because I presented to a group of almost 1000 senior executives of an organisation, and I really wanted to paint the picture of what is actually at the core of the workforce issue, and so I gave all of the responsibilities of an educator up on the screen, and then I showed that it's about \$56-, \$57,000 a year, and I asked the room how many people have got children under the age of five and most of the room put their hand up.

And I said, 'Right, and now I'm going to give you 10 of them. And imagine you're 18, and off you go, all day, every day, for five days a week. It's hard work.' And most did not know - and we're talking about senior executives who earn really good money and extremely professionalistic people. Most did not know that you needed to have a qualification or that the role included things like around child development. There are some really complex things that an educator needs to know to support children.

So having young people come in who have completed a Certificate III, that's probably tick one. You know, that's only very, very entry level. The commitment to continuing professional development has to be ongoing, and the services need to be adequately funded to ensure that that educator can be released from their role to effectively take on-board that work, and they have to be committed to continued learning. So we're talking about a role that's really not for the faint-hearted. We're talking a role that requires resilience and strength and an ability to persevere, a stickiness, as such, to be able to stick with it and see it through.

So having an employer, or having an approved provider that really is going to nurture that, and that's obviously - you know, we're seeing great gains with continuing professional development - formal continuing development, formal mentoring on a fortnightly basis, regular, ongoing. It has saved many an educator walking out of the job when it gets too hard. And the reality is that it is an extremely demanding role that does need continued and ongoing support.

COMMISSIONER BRENNAN: Did you say you put up a list of 57 responsibilities or 50-something?

MS HOLTOM: No, no, no. No, no, no. I put up the list of the educator, like, a day in the life of educator roles and responsibilities, and then I put up the \$57,000 per annum which is roughly what the average salary.

COMMISSIONER BRENNAN: I see. I see. I see. I'd like to see the list of the roles and responsibilities, actually.

MS HOLTOM: Yes. Yes.

COMMISSIONER BRENNAN: For perspective . That'd be really interesting to see.

5 MS HOLTOM: Happy to share it with you, yes. It was a bit of a one of those, you know, you couldn't hear a pin drop type moments.

COMMISSIONER BRENNAN: Yes. Yes. Yes.

10 COMMISSIONER GROPP: Well, thank you, Tina. That's been really insightful.

MS HOLTOM: Thank you.

15 COMMISSIONER GROPP: And is there anything else you wanted to - anything we haven't raised?

20 MS HOLTOM: No, I think one thing that I did hear earlier - and I know that we haven't got any time to get into it - one thing I did hear earlier when Lisa was on was around the ACCC saying that one of the outcomes was there was not huge profit margins in this sector in the ECEC sector, and I kind of find that odd, and I don't know how that was arrived at that conclusion, but I trust their judgement, but you know, perhaps that's something that we need to really - well, ACCC is done and dusted now, but in terms of really looking into how that was reached, because I find that very difficult to swallow, especially when we do know that there are private providers with selections of luxury cars and extensive property portfolios. So I really don't know how that final assumption was reached.

30 COMMISSIONER BRENNAN: Well, they said they couldn't find it. Said they could find it.

MS HOLTOM: Yes. Yes.

35 COMMISSIONER BRENNAN: (Indistinct) not there.

40 MS HOLTOM: And perhaps it's hidden in salaries and - if it's hidden in salaries and investments, I get that, but I really do believe that - I'm happy to go on record that I don't agree with that at all. And the other thing is also as a group in the consortium, we certainly commend the Productivity Commission on the work that's been done so far. There are some incredible recommendations in there. The engagement process, the consultation process was fantastic, and so we sincerely thank you all.

45 COMMISSIONER BRENNAN: Thanks.

COMMISSIONER GROPP: Thank you, and thanks for your contribution to that process. It's been - - -

COMMISSIONER BRENNAN: Yes, absolutely.

5 COMMISSIONER STOKIE: Indeed. Our work is only as good as the input that we're getting, and the insights that people have, including yourself, Tina. So thank you for once again coming and talking with us and for the various materials.

10 MS HOLTOM: Thank you. Yes.

COMMISSIONER GROPP: And the joint consortium's submissions as well, thank you.

15 COMMISSIONER STOKIE: Yes. Indeed.

COMMISSIONER BRENNAN: Yes, many thanks.

COMMISSIONER GROPP: Many thanks. Okay.

20 MS HOLTOM: Thank you. All the best with the rest of it. Thank you.

COMMISSIONER GROPP: Thanks, Tina. Bye.

25 Our next participant hasn't arrived yet.

COMMISSIONER GROPP: Sylvana?

30 COMMISSIONER STOKIE: Sylvana. So maybe we can have a five-minute break?

COMMISSIONER GROPP: (Indistinct) five-minute break.

COMMISSIONER STOKIE: 10-minute?

35 COMMISSIONER BRENNAN: 10-minute break would be (indistinct).

COMMISSIONER GROPP: 3 o'clock. 3 o'clock. Yes. Thank you

40 **SHORT ADJOURNMENT** **[2.51 PM]**

**RESUMED** **[3.02 PM]**

45 COMMISSIONER GROPP: Thank you, everyone. We've come back from our break but unfortunately our final scheduled speaker hasn't arrived for the

5 day, so I'm sorry if you were waiting and came back again, but we'll  
conclude the scheduled public hearings for today, but before I formally close  
proceedings, is there anyone who wants to appear today before the  
Commission? If so, can you - I don't know, how do they indicate whether  
they - - -

Put their hands up.

10 COMMISSIONER GROPP: Put their hand up. Yes, that's the old-fashioned  
way.

COMMISSIONER GROPP: Electronically.

15 COMMISSIONER STOKIE: Yes.

COMMISSIONER GROPP: We can't see you, so it'll have to be an  
electronic hand. I'll remind you that this won't be the last opportunity; we  
make that opportunity available each day. So if you want to do it another  
day, you can. Nobody? Okay. All right. I'll adjourn today's proceedings.  
20 Thank you.

UNIDENTIFIED SPEAKER: Thanks, Lisa.

25 COMMISSIONER STOKIE: Thank you.

COMMISSIONER BRENNAN: Thanks, Lisa.

30 **MATTER ADJOURNED**

**[3.03 PM]**