



Australian Government
Productivity Commission

PRODUCTIVITY COMMISSION

EARLY CHILDHOOD EDUCATION AND CARE INQUIRY

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

TRANSCRIPT OF PROCEEDINGS

MONDAY 4 MARCH 2024

COMMISSIONER GROPP: Good morning, everyone. Welcome to the public hearings for Productivity Commission's inquiry into Early Childhood Education and Care. I'd like to begin by acknowledging the traditional custodians of the various lands from which we're meeting today. In my case, and my fellow Commissioners, lands of the Wurundjeri people and pay my respects to elders past and present. My name is Lisa Gropp and I'm a Commissioner with the (Productivity Commission). Today I'm with my fellow Commissioners Deb Brennan, Martin Stokie, and we're leading this public inquiry.

The purpose of these hearings is to facilitate public feedback and comment on the recommendations and findings that we made in our draft report, which was released in November last year. Following the public hearings will be working to finalise the report and hand it to government by the end of June 2024.

Having considered all the evidence that been that's been presented at the hearings, submissions that we receive in relation to the draft report and further modelling and analysis undertaken for the inquiry. Participants and those who have registered their interest in the inquiry will be advised of the final reports released by the Australian Government and that release may be up to 25 parliamentary sitting days after we hand it to them.

We're very grateful for the organisations, and individuals, who have taken the time to meet with us, to prepare submissions, and to appear at these hearings. While we like to conduct all hearings in a reasonably informal manner, I remind participants that the sessions are being recorded, and a full transcript is being taken. It's for this reason, comments from observers cannot be taken, 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.

Under the Productivity Commission Act, participants are not required to take an oath, but they are required to be truthful in their remarks, and participants are also welcome to comment on the issues raised in other submissions. The transcript of today's proceedings will be made available on the Commission's website as soon as practical.

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 Commission staff, who can provide them with further information.

Participants should be aware that media representatives present may be using social media, and other internet mechanisms, to convey information online in real time, including participants' remarks.

We also advise that this hearing is being made available online in real time for members of the public to observe, and for those who are observing online, we ask that you ensure that your microphones are on mute to limit disruptions during the hearing. I don't have to familiarise you with the emergency evacuation procedures, because all of these hearings today are online, so you know what you have to do wherever you are.

Okay, that's it for the formalities. I'd now like to welcome our first presenter from the Outside School Hours Council of Australia, James Taylor. Hi, James.

5

MR TAYLOR: Hi everyone, thank you. Thank you for this, much appreciated.

10 COMMISSIONER GROPP: Now, you probably have some introductory remarks you want to make, but before you do that, could you just introduce yourself, and your organisation, for the purposes of the tape.

15 MR TAYLOR: Of course, yes. My name is James Taylor, I'm the CEO of TeamKids, and also a founding member of the Outside School Hours Council of Australia, OSHCA.

COMMISSIONER GROPP: Thanks, James. So do you have some introductory remarks you wanted to make?

20 MR TAYLOR: Yes, I'll quickly go through, and obviously any further insights, and questions, can do.

COMMISSIONER GROPP: Yes.

25 MR TAYLOR: Firstly, I'd like to express my gratitude for today, and the opportunity to discuss the vital role that OSHC plays in supporting Australian families' children's education, and contributing to our national (audio malfunction 09.06.36-9.06.07) operate over 200 services across the state, and provide highly quality care for the parents and families. For us, OSHC
30 services is a cornerstone of our national productivity. They enable tens of thousands of caregivers to participate in the workforce by providing reliable care for children, and our submissions to the Commission have outlined several challenges facing our sector, including regulatory inconsistencies, workforce and training issues, and the difficulties presented by thin markets.

35

So there's a few critical items that we'd really like to elaborate on further today, and that really focuses on, first of all, the fragmentation of the regulatory framework covering OSHC services, the lack of uniformity in regulations, especially regarding child-educator ratios, and staff qualifications,
40 which leads to some pretty significant operational inefficiencies, increased costs, high staff turnover, and these issues undermine the stability of a workforce so the quality of care we can provide.

45 As multi-jurisdictional providers, OSHCA advocates for national harmonisation. The OSHC sector encounters inherent challenges in attracting and retaining staff, often compounded by the exception of OSHC as a transient step towards other care sector roles. My myself, I started in OSCH as a – whilst I was studying teaching, and fell in love with the sector and stayed, but many, many people have to leave to, I suppose, move on to more

consistent regular hours in work. For a number of years, we've really spoken about the impacts of the lack of harmonisation and regulations when it comes to minimum workforce qualifications, and ratios, and this has really impacted our ability to attract staff and, therefore, provide care to children, obviously exacerbated over the years of COVID.

The National Quality Framework sets minimum standards and, therefore, even with different lower minimum qualifications, such as in Queensland or New South Wales compared to, say, Victoria, ACT, and WA, the quality of service delivery is not impacted, and this has been confirmed by the ACECQA assessment and rating results. While we know consistency is generally important when considering affordability, and also it's important to consider the ratios. Now, these can vary from 1 to 10, to 1 to 15, and any movement with respect to ratios has a significant impact on costs, parent fees, and ability to provide care.

So I suppose for us the major vital points are to ensure that we look at the wage increase to prevent high service costs for families, or negatively affected service viability. So in conclusion, I reach out a call for national harmonisation of OSCH regulations, including consistent ratio and qualifications, and addressing funding concerns to ensure the sustainability and quality of the OSHC sector. And we're obviously very happy to be committed to working with the Commission to support Australian families. Thank you for your time, and I look forward to answering any questions you may have.

COMMISSIONER GROPP: Thanks very much, James. I notice that you had a couple of, in your submission - thank you very for your submissions as well, which is very comprehensive - that you had another couple of other issues around the draft as well, which maybe was focus on regulation first. I mean, in terms of the states, the different requirements, qualifications, and ratios, what's driven that difference? I mean, why do some states have higher - what's their rationale for perhaps having higher ratios, is it just a bit of history, or what's (indistinct words)?

MR JAMES: Yes, definitely a bit of history. So I've been in the sector before the qualifications came in so, as I mentioned, I started here studying teaching. Way back when in 2003, the qualifications came in, I think, about 2012, and each state at that point took a different approach, Victoria made it mandatory for everybody to be studying towards. And at the time, it was seen as a real way to try and lift the quality and care of what was being provided, I suppose, ensuring consistency. But as we've seen over the years, it's not about the qualifications per se, it's about obviously what you put in in regards to, you know, ensuring you're following the National Quality Standards, and framework, it's about the training and support you put in as a provider, and in monitoring that, and we see fantastic people in New South Wales that are maybe studying sport, or even law, or anything like that, as they're going through, and are fantastic with children, but they cross the border and they're

no longer able to work with children, and that's some of the challenges we do face.

5 COMMISSIONER GROPP: Okay. When you say ACECQA, the qualities are affected, are you just looking at the ratings of services, or are you looking at the outcomes for children?

10 MR TAYLOR: Yes. I mean, the ratings do really impact on the outcomes for children, first of all. Obviously with the quality areas that we do focus on, really sets the benchmark of what we should expect as, I suppose, quality care for children and, I suppose, their education. And looking more broadly across all states, and we've worked with ACECQA on this, you do not see a major shift in working towards exceeding meeting. We have requested information to delve deeper into, I suppose, child incidents. But again, if we're looking at, 15 I suppose, OSHCA represents 30 per cent of the sector, we can see ourselves, that based on the training, the processes, we have in place, the number of incidents, or the outcomes for children, doesn't differ across any states.

20 COMMISSIONER GROPP: Yes.

MR TAYLOR: But again, I suppose at a more broad level across all services, we're unable to get that information.

25 COMMISSIONER STOKIE: James, it's not uncommon in reviews of any public policy issue that cut across jurisdictions that the issue of harmonisation comes up. One way to do that is just go to the highest standard. I assume that's not what you're meaning.

30 MR TAYLOR: No, definitely. In our submission, we've put forward a number of different things and I suppose, again looking at multi-jurisdictional providers, Victoria's one of the hardest states to find staff, and that is due to the fact of the qualification requirements. I myself have got children in care, and some days you can't get them in due to staff issues, a kinder teacher's no longer available to work, and they can't recruit or replace. So again, I think 35 it's looking more broadly at, you know, different states and what's happened there to then go, 'Well, yes, Victoria may be up here. New South Wales may have a lower standard. Now, we've put in qualified staff in there as well just to make sure that we do provide those outcomes for children, but maybe there's somewhere in the middle, like in Queensland, that really would work and provide people with the opportunity to go through. 40

COMMISSIONER GROPP: So do you think New South Wales is a bit on the low zone, because if you actually go beyond the requirements of New South Wales? 45

MR TAYLOR: Yes. Look, I suppose for us, again, it's about getting the right person. We do want to make sure that we've got somebody in there that is really, I suppose, qualified in working with children. And when I say the low side, it's really purely more in regards to the qualification requirements and

then, as a provider, you can put your own measures in place. So obviously looking at, 'Well, how do we provide the best outcome for children'. I really feel that New South Wales and Queensland have got it right in allowing that, but I think there still has to be some guidance provided where you wouldn't want, I suppose, a service with no qualified staff, and no experience, or inappropriate policies in place. So again, I think it's really down to what you put in place as a provider, and the guidance provided.

COMMISSIONER BRENNAN: So what's your approach – can you just spell it out a bit more, James - in New South Wales, for example.

MR TAYLOR: Yes.

COMMISSIONER BRENNAN: When you said you do put in people with qualifications, what's your general approach?

MR TAYLOR: Yes. Look, it's really dependent on the candidates coming through. So for us, we would look at a minimum of one person having the qualifications, and then based on the size of the service that may increase. But again, it's looking at the opportunity to bring people in that may have got an interest in working with children, or have qualifications that, you know, in other states they couldn't work with children, but in here they can in New South Wales. So that's really worthwhile, because we've got some fantastic dance teachers, for example, that work in service, and provide amazing services for children. But again, if they were to cross into Victoria, they wouldn't be able to work with children in ratio.

COMMISSIONER BRENNAN: Okay.

COMMISSIONER STOKIE: Your submission talks about the activity test, James. I'm just wondering if you want to talk a little about how you're seeing the current activity test impact on parents who are leaving to access outside school hours care?

MR TAYLOR: It's an interesting one when you're looking at, obviously, consistency across - you know, we're all in the ECEC sector, but we do see differences in long day care versus OSHC in regards to what can happen. And you'll see in the report as well, we talk about 30 hours, the multi-child discount as well, and how that's – obviously, as soon as a child becomes of school age, those items no longer apply. But in regards to the activity test, there's been a lot of work already commenced, and provided information on removing or decreasing that, how many more families will actually have support and access to services. But again, if we're going to do that, we need to have the staff that are going to be there to help support them. So for us at OSHCA, it is really important to provide the best way for families to be able to have access to care. But what we do see is those challenges; as soon as a child becomes of school age, those allowances that have been provided to the long day care sector, for example, seem to diminish or are removed.

COMMISSIONER GROPP: James, have you done any analyses to look at how the activity test does impact the demand for your services? Because, I mean, fewer hours are usually used, and children already have the school hours so, you know, I'd just be interested what the impacts are.

5

MR TAYLOR: Yes. Look, we've more relied on, I suppose, information that's been available. But I suppose, as part of our follow-up, we're happy to provide that information. In regards to the hours that are used, yes, a day may be five hours long in OSHC, 25 hours a week. But during vacation care, that can be anywhere from 50 hours to 65 hours a week, and that's where we do see a number of families that do struggle during the school holidays. Obviously, parents only get four weeks of leave, there's generally 12 weeks of school holidays every year so, I suppose, providing affordable care to families there. You may note as well that the average fee for parents is significantly less in OSHC compared to the long day care sector, and that's also considering we also have a much lower hourly cap when it comes to the child care subsidy.

10

15

COMMISSIONER GROPP: Right. Just going back to your initial discussion about regulation in Victoria. Are fees higher in Victoria because of the regulatory requirements?

20

MR TAYLOR: Yes, they can be significantly higher. We see the same in other states, which is ACT, where it has a 1 to 11 ratio. So again, you know, staff costs can be anywhere from 50 to 60 per cent, as previously supplied via the ACCC and the Productivity Commission, whereas in New South Wales, we do note lower fees there as well. That's also due to the fact that in New South Wales, there's greater control of what the rental is, or the licence fee that is payable to schools, which also contributes to the lower parent fees.

25

30

COMMISSIONER GROPP: That's something that leads on another point, because I know you've raised in your submission our recommendation that states and territories, I think we use the word, be responsible to ensure that OSHC is provided in schools. And I think that – I don't know if you've looked at the previous hearings - that similar was point was made from the OSHC sector that they didn't want the states to be responsible for providing services. But I think, sort of, our bad in language, that we weren't saying that the states would fund, and actually go out there and provide it, but have that responsibility to ensure that services were engaged, and that the Commonwealth would continue to fund, and it was more about getting perhaps more like a hint of, perhaps, the New South Wales more, sort of, a coordination role, I guess, more than anything. So have you got any further comments on – I mean, when it's explained, does that sound better than, perhaps, your initial reaction?

35

40

45

MR TAYLOR: Yes, it would do in some sense. I mean, the way that we obviously read through, and provided our submission there, was that it sounded like all governance and funding would be from a state, and then state decisions based on where that funding would go. So if that's not the case,

then that is great, you know, again, it's the providers that work across different states. It works well in each area. You know, here in Victoria, we're able to meet with the schools and really talk about why, you know, the right provider for that school, to meet with the principal, or the school council. In other
5 states, we don't get that opportunity. It can just be based off tender documentation, and then without even meeting a school or a provider, you're then given a contract.

10 You know, whilst I suppose that's great when it comes to timeframes, and ticking boxes, I think it's really important that a school – you know, you're making a decision here that has a real impact on the lives of the children in that community and, for instance, it's really important that schools are given all the information and, as providers, we're given the opportunity to address that with schools. So I think if you are looking at a state-based approach,
15 when it comes to the governance of that, I think it's important to look at what works well, and what doesn't work in that situation. I know here in Victoria, and, again, presenting the school councils, it generally takes a lot of time for school councils to go through these processes, and different, obviously, groups that are on there. So again, I think it's really important that we look at
20 a support structure that will work for the sector long term and, again, making the right decision for those children's lives.

COMMISSIONER BRENNAN: Yes. James, thank you for those comments.

25 MR TAYLOR: That's all right.

COMMISSIONER BRENNAN: You've got a number of observations about children with disability, and it would be good to spend a few minutes on that topic, and your thoughts about where we should be going in our final report.
30 You made some observations. But I particularly wanted to raise with you something that came to us in another hearing, which is about the transitions between school, and out of school hours care. We were told that, because of privacy issues, it's not possible for schools or teachers to inform out of school hour care providers about even quite major behavioural incidents that might
35 have happened during the school day. So if you've got any thoughts on that, and also on children with disability, and other vulnerabilities, it would be good to spend a few minutes there.

MR TAYLOR: Yes, more than happy to, and it's also an area I'm very
40 passionate about. You know, I've got two children myself that, I suppose, fall under that as well, and I think it's really important that we do provide the best environment for children to succeed. I would say we've got very good working relationships with our schools, and whilst we may not be able to go into the situations that may have occurred over the day, there are obviously
45 simple ways to give educators, and school teachers who are working together, to give a heads-up, and also obviously informing families in advance as well, so then arrangements can be made with parents if they need to collect earlier. The last thing we should be doing is putting children at risk in another setting if there are challenges.

COMMISSIONER BRENNAN: So are you saying, you know, for your services, that's not a huge issue?

5 MR TAYLOR: I think it's still an issue, yes, definitely. If a child became
dysregulated during the day, and needs an environment – again, think about
the difference in a classroom, 25 children, same age, you know, probably
maximum 25 children, same age, in a confined area, working in activities that
10 are probably low stimulation as well, to ensure the children the very possible
spot, and then transitioning to an OSHC space where there could be anywhere
from 30 to 100 children of all mixed ages, with different activities on offer all
the time, you know, it all becomes very hard. So again, I think working with
teachers and the school is essential to ensuring that child's well-being needs
are met, yes.

15 COMMISSIONER BRENNAN: Yes. And what I'm really getting at is
whether you find barriers to that, because some people have told us about
barriers to that transition.

20 MR TAYLOR: Yes. Look, I think probably the biggest barrier we
sometimes find is not having all the information from the parents, and
sometimes it is from the school who, again, confidentiality, you know, they're
not able to go into details, and so forth, but it's about ensuring that we're made
aware that there is further support needed for the child, and to work with those
25 families. Again, the (indistinct words) transition from school to OSHC so,
again, a whole different process, and a very different process is needed to go
through that. So it is definitely a barrier not sharing information. It's a barrier
when it comes to even trying to get the right support for the children.

30 And again, I mentioned I've got my child and, you know, we care for
thousands of children who have needs that need to be met, and that's
obviously definitely exacerbated since COVID where children have trauma
backgrounds, which is not funded, or we've seen children whose needs have
not been met through an early development stage instead of compounded and
35 progressed throughout their primary school years. There's so much more
support that is needed out there for the children. But unfortunately, again as
providers, I can quite honestly say that we would have spent over half a
million dollars in support ourselves even just trying to get funding, which is
significantly delayed, and doesn't cover the full cost of an additional educator
40 to work with children.

COMMISSIONER GROPP: Are you talking about the Inclusion Support?

45 MR TAYLOR: Yes. And I know that's under review, and a whole piece has
been put forward as well that's under ministerial review.

COMMISSIONER GROPP: Anyone want - - -

MR TAYLOR: Have I covered everything there, or is there any more points on that point?

5 COMMISSIONER STOKIE: James, I had a question, which is – I don't think
it's covered in – well, two questions, I'm not sure they're properly covered in
your submission. One relates to the facilities at outside school hours care, and
it doesn't seem to be a strong point of contention here. But when we've gone
out, we've seen, and spoken, it's kind of like a service that's provided within
10 an existing facility which may not be necessarily fit for purpose, and yet it's
not a strong position. It is fair to say that because it's not a strong position
from you, and perhaps others in the sector, that we've heard, 'No, it's perfectly
fine', they may have been in a classroom one minute, and then an outside
school hours care program the next', or am I missing something?

15 MR TAYLOR: No, I think potentially – because I agree it isn't a strong point
in our submission. However, you know, as you've raised that issue, it really
should be. Because again, the environment has such critical impact on
children's, I suppose, behaviours, and so forth, and maybe, you know, I think
for all the submissions, it's a potentially a 'There's not much we can do here'.
20 You know, schools are struggling for space. It's not like, I suppose, here in
Victoria, and other states, there's purpose built facilities, like we've seen in
New South Wales, potentially it's just a phase where, 'Look, this is what we've
got, and we accept to that'. But, you know, as raised in this forum, that
shouldn't be case, we have to provide the best facilities and support for
25 children. And I believe, yes, you're right there that it should be a stronger
focus, and looking at how we can actually support children in providing that
environment.

30 One of my services has up to 90 children a day, and it can be in a challenging
area as well, so the right environment, the right resources, is really important
for the children's well-being, and providing a safe nurturing space. It was in a
nice hall, they had breakout rooms. Now, due to maintenance it's being
removed, so we're now across three classrooms that we now get access to at
3.30 once the bell goes. So to set up an environment suitable for children,
35 you know, it's very challenging, and then to be spread across three rooms is
also very, very challenging. So I believe that it's probably a fact of that it's a
situation which no one could probably see a real strong – I went around, 'How
do we get that space?', I suppose, you know, because each school is different.

40 COMMISSIONER STOKIE: I suppose it's one of our ambitions, or hopes,
that by explicitly making the states responsible, that there's at least a forum
which these points can be raised, and talked through, but maybe they're a bit
longer term perhaps, James.

45 MR TAYLOR: Yes, we - - -

COMMISSIONER STOKIE: I was – yes, go ahead, sorry.

MR TAYLOR: No, I was going to say we probably do have around probably 40 per cent of our services, which we call them, 'standalone' where they can leave the space setup. And again, you walk in there, and it's really home away from home for those children. It's set up with the right resources, I suppose, artwork, children's information across there, which you walk in there and you feel the warmth that's there. Whereas, we call them the 'set up-pack up services', where we wheel everything in on trolleys, and set up in a short amount of space, and put boards up. It can be quite challenging to really provide that environment for children. I feel OSHC is doing an amazing job there in doing that, in setting that up. But access to those spaces, again, schools need that space right up until 3.30, and we start at 3.30, and that's sometimes the challenges we face.

COMMISSIONER GROPP: James, you've made some comments in your submission about thin markets, and we've made a number of recommendations around expansion of the CCCF, et cetera, and looking at different models, and recognising that it's not going to be one kind of model that suits all, it would have to be flexible. What do you think about our recommendations? Do they go far enough, do you have any thoughts about, particularly for your sector? Because we've heard some schools want the demand for out of school hours care, it might be three students or something, so you couldn't say that you have to have a full service for three. So what are your thoughts around that, and are there flexible models that can work in those circumstances?

MR TAYLOR: Yes, it's definitely an interesting one, because, you're right, there are obviously the recommendations before it, and each state has really tried their own different style to go there, so New South Wales, Victoria, WA, and other states, have had the grant schools to start up, and ourselves, we've had some schools that have been very, very successful for that, you know, have grown pretty rapidly, which is amazing to see that obviously there was demand there. But I do know providers that have got in a space where there should be funding for three children, and I think that that model's broken, like, trying to provide a lump sum of money for a couple of years in the hope that potentially it might go in a space where there isn't demand, or there isn't the - and we also see that point as well, they are sometimes - well, 9 times out of 10 - are probably the hardest space to get qualified staff to come in. So again, you have a service there which is not viable, you've got a service there that you can't actually provide, therefore, because if somebody's off sick, then there's no one else to step in there.

We have obviously relationships with agencies that provide, I suppose, on-demand core staff, they don't service those areas as well. So it is a model that really needs to be looked at, and, you know, we've seen other states where they provide bus pick-ups, and have then looked at trying to combine the service into one space. You know, I think with the new regulations on transport to ensure the safety of children, after some of the tragedies we've seen in Queensland, that's essential to ensure we get that right. There is a lot of risk in pick-up and drop off the children from schools were there, and

schools and OSHC providers must work in harmony there to ensure that. So I think it's trying to look at, (1) how do you get the right staff to help support that. Again, that will come down to ratios, that will come down to qualifications; (2) that is about how do you really get children, I suppose, you know, a viable service with three children without having to try and constantly just push money on there, that's not a long term solution. So again it's trying to look at, well, how do we potentially look at sites that we can bring children to, or are there other options, are there extension of teachers' hours, or something that can be done throughout that. So I think it's a really good place to look at, and see what we can do.

COMMISSIONER GROPP: And we proposed an ECEC Commission, I don't know if you've got views around that, but it was about trying to coordinate some of those issues, and perhaps become a facilitator of different options for some of these problematic areas where the mix of low demands and issues in supply, et cetera.

MR TAYLOR: Yes.

COMMISSIONER GROPP: So do you have any thoughts around that, and I know there's some issues around some – so there might be additional bureaucracy, but we sort of envisage it as trying to coordinate and plug the gaps, and other roles as well, but do you have any thoughts about that?

MR TAYLOR: Yes, I think the more that we can plug those gaps, and look at that coordination, is important. I think our key thoughts are that it is important to ensure that – I suppose, you know, when we're looking at affordability and care, it's about what are the – if the school has 100 children, and you're only getting three – you know, we've seen schools with much less, what else can we provide for those children that is going to bring children in. You know, we've seen models where in the past where there's been funding there to provide support, or something else along those lines, which attracts more children to that. You know, we know that health and well-being of children is really important throughout this time, and if children sometimes aren't in care, and the parents are working, you know, where are they? So again, I think if there's a way to coordinate schools together, again, I see location as a key factor there, looking at what is being provided for those children, and looking at the cost for families, that is probably more a long term solution than, I suppose, having somebody there with three children, you know, it's going to be hard to provide an engaging environment for those children. So I don't know if that covers your points there, but, yes - - -

COMMISSIONER GROPP: No, thank you, that's interesting. I guess it goes to your original point too about why you need to be talking with schools, et cetera.

MR TAYLOR: Yes.

COMMISSIONER GROPP: And you can't just plonk a model in and say, 'This is what we're doing', that's - - -

5 MR TAYLOR: Yes, there was a great model a number of years ago in the Active After-School care program, which gave providers funding - - -

COMMISSIONER BRENNAN: What's that, James, I didn't catch it?

10 MR TAYLOR: It's called the Active After-School care, I think it was along those lines, yes. It was a great program that provided funding to providers, and schools, to really bring in, I suppose, coaches that could come and work with children, and I think what was great in the OSHC sector was – again, as
15 providers, we provide these kind of programs, but it really just brought out a different dynamic for the children, and we saw that, you know, parents were paying for their soccer coach, or – I mean, Wheelchair Australia came out one time. Yes, it really helped engage the community around, and really, kind of, build them. I suppose a program's got to be viable long term, not just – again, going back to the point there of putting money in just to fund wages for
20 someone to look after three children, like, that's not going to be viable long term. So it's trying to look at how do we better spend, I suppose, any funds that are available, and to bring children in from the community into those schools. I think that's probably where we can get a better solution.

25 COMMISSIONER BRENNAN: James, what's your experience with parent engagement? I mean, we are talking about a service that's predominantly serving parents with paid work, and often very tired at the end of the day, and so on, but do you have some good examples of – well, firstly, how significant do you think parent engagement is, and do you have some good examples of how it can work if you think it's a good thing?

30 MR TAYLOR: Yes, definitely. I mean, if you're looking at the whole child, you know, it is really that, you know, it can be OSHC more than with their parents, and we understand that, again, working parents, it's important to have the service, but it is about the whole child. It's about ensuring that the
35 morning, the school day, or after school, then home time, is about that child, and working closely with parents is really important for that. I'd say that our educators have great relationships with children, but sometimes parents will walk-in walk-out in a split second, and that might be the only thing they see of that service.

40 COMMISSIONER BRENNAN: Yes.

45 MR TAYLOR: I think we see better outcomes for children when there is that whole child approach where parents, and schools, and providers, are working collaboratively together. I've seen great service scenarios where we get parents that come in and do that, you know, I suppose working with our educators, working with my team, and the managers that we have as well, to provide those outcomes for children. Yes, it is hard to get parent helpers to come in, you know, myself, my other daughter goes to kinder, and I'll go in

there and help out for an hour or two, but, you know, it is challenging for working parents to be able to do that. But again, I think it provides a really good approach for that whole child. But you're right, it is challenging, and I think it's something that, as providers, it's something we just have to continue to focus on, so we can engage with families on, and consistency of educators is really important for that, and that's what we sometimes do see when it comes to the qualification requirements.

5
10 COMMISSIONER BRENNAN: Yes.

MR TAYLOR: You know, we see in New South Wales, and probably in Queensland, greater retention of staff. But again, here in Victoria it's very quick for people to be very transient.

15 COMMISSIONER GROPP: That's because they go to other parts of the sector, as teachers or what, where?

MR TAYLOR: Yes, it might be the fact that, you know, the long day care model might suit them better, or obviously, teaching, moving to teaching - and again, I mentioned I started off with teaching, and that was my aim. I wanted to start, and then grow into teaching, but fell in love with the sector. So it's definitely hard. And I'd say - - -

20
25 COMMISSIONER GROPP: Most of your employees would be casual, would that be correct, or?

MR TAYLOR: Yes. Look, TeamKids, as a provider, we offer full-time contracts, which is pretty unusual for the sector. You know, we really focus on ensuring that we can get the right people into the space, and staff of a number of providers will move across because we're full-time. Due to the fluctuation of bookings, you know, I was looking this morning, Monday for us can be anywhere from maybe 10 to 20 per cent down on a Tuesday or a Thursday, Friday can be sometimes half the numbers that you'll get on a Thursday, so you need to have that casualised workforce to then jump in to help support that. Unfortunately here in Victoria, and I suppose other states as well, Tuesday and Thursday is also very key Uni day, so trying to get casual staff who can then work, who are studying towards that, on your busiest days is a real challenge.

30
35
40 COMMISSIONER GROPP: You raised the issue of wages in your submission, and the current multi-employer bargaining process, and your concerns that – because you're not part of that, that that will have ramifications. Can you talk us through what some of your perspectives are on that?

45
MR TAYLOR: Yes, definitely, and it's going to be interesting to see how it plays out, and what the next steps are, and obviously what the federal government actually does in regards to this. I mean, for us, anything that provides a higher wage for educators is essential for this sector, and as I

mentioned, we pay full-time, which means we pay above award as well, and the hours provided. But I think that, for us here in the sector, we've seen a lot of funding provided for the long day care through scholarships, through free TAFE. We had to lobby to get the OSHC qualification to be on the free
5 TAFE model, and again, we've got a situation where we can't attract workers, and the OSHC certificate in school aged care wasn't even being provided by TAFE, it was only by private companies, so we've had to lobby and get that on there as well. Obviously then you've got grants that are available for kinder teachers, and so forth, there's none of that for the OSHC space.

10 So for us, there is great concern that there's a real disparity, and I think that potentially when government - and I've seen people looking at the amount of funding that goes into the long day care versus OSHC, it's very, very different based on, as I mentioned already, fees and times. But the OSHC sector caters for 4 out of every 10 children that go into care, so we need to ensure that it's
15 given the true, I suppose, support available. And for us, if there is an increase in staff wages due to the multi-bargaining agreement going through at the moment, and that doesn't apply to the OSHC sector, we'll see greater disparity there, and we'll see a greater drain on resources, and again, it's part of our submission. The OSHC space is integral for working families. You know, we see school holidays where our bookings fly up, because, again, parents can't get care, you know, they only get four weeks of annual leave, so it's really important we have those educators available and, you know, if there is an increase in one space, and not the other space, that's really going to damage
20 the sector.

COMMISSIONER STOKIE: James, do you see advantage in having greater integration with the school, the school principal, around the program that you run around holiday programs, and what would that look like if there was a
30 much greater level of engagement, and direction, or support, or expectation on state principals, and the state departments around OSHC?

MR TAYLOR: Yes, it's a good - I mean, I know how busy school principals are. They do an amazing job in what they do, you know, it's a big business
35 sometimes schools in what they have to do, and there's a lot of work needed in that with children's needs, and I think what's been great is, over time, bringing companies like TeamKids, we have industry experts across every area from our programming, from our regulations, to our staffing, to our recruitment. We're able to specialise in that, and provided a service to schools as a third party, but we don't look at it as a third party, we do look at it as a true
40 partnership, and when we do partner with a school, and when we meet regular with school principals, it's about ensuring that we meet the needs of that school, we meet the values of that school, and that's a service provider should be able to do no matter how involved or, you know, uninvolved the principal is, I think the last think we should be asking for principals is to really have to
45 invest more time into the OSHC space, I think it's important that the right provider is there to support those principals in delivering that as they would do with, I suppose, a school canteen, or anything else that's there, it's about getting the right provider who can work with that school, and ensuring you're

meeting the community needs. And that's where I think we've worked well, is working with principals to ensure we've got the right program for them as a true partnership model approach.

5 COMMISSIONER STOKIE: Sure.

MR TAYLOR: But I don't think there would be any need to - - -

COMMISSIONER STOKIE: That's our ambition.

10

MR TAYLOR: Yes.

COMMISSIONER STOKIE: We're not sure that it's consistent across Australia.

15

MR TAYLOR: Yes. Look, we've seen in other states where – you know, I can only really talk to TeamKids, we've got fantastic relationships, but I know from other providers that are a part of OSHCA, they've raised concerns in other states where it is very much a separation, it is a third party agreement, and we've heard of spaces where, you know, schools – actually, I have seen it here, I should take it back now, we've seen the schools with removed space, and it will reduce your capacity by maybe 30 bookings, you know, removing a room or something. You know, we're the ones that have to call those parents to say, 'Unfortunately, we can no longer care for your children, because we don't have enough space to provider that'.

20

25

We've also seen schools that have grown, and based on the 3.25 square metres, there's no more space in the school, so then we count as well, so again, going back to probably the facility point earlier. But then we've also seen where school principals will very quickly just remove an OSHC service because it is too much of a headache, and we've seen that in WA through other providers as well.

30

COMMISSIONER STOKIE: Yes ,thank you.

35

MR TAYLOR: That's okay.

COMMISSIONER GROPP: James, in your submission you do say that Queensland is your preferred model. Does that just go to the ratios, or about these issues around relationships with schools, and principals, is it sort of foster that better relationship, what are the critical aspects of the Queensland model that you like?

40

MR TAYLOR: Yes, definitely. Look, I think every state has its own one again, it's probably goes to the point there it's about working with the schools, and principals, but the model in Queensland, for example, is different when it comes to probably the key areas, which is, I suppose, ratios, qualifications. There's a good mix of qualified, studying towards, and unqualified staff that are coming through, there's great grants available to attract educators as well.

45

5 It's a space for traineeships, and I think a real push for that as well is it's great
to see people starting in the space, and going, 'I see something really long
term'. Yes, here in Victoria there's a six month grace period, but it's hard to
say to someone, 'Come and work for six months, and if you like it you can do
10 a traineeship', you know, really it's about trying to get people who want to do
this as a career long term, and I think that works really well, and I think too
it's probably around the way it's set up as a governing structure working with
the Queensland Procurement on how they set, you know, certain things such
as licence fees, the outgoings, and so forth, you know, what a provider should
15 then pay for a licence fee.

Whereas, you know, we've seen situations here in Victoria where school
councils were continuing to try and push for a higher licence fee due to
funding that maybe isn't there, so then, I suppose, it then becomes we're
15 seeing it as a race to the bottom. And as soon as a wage increase comes
through, that may stretch you. You know, we've seen providers that have to
walk away from services because they're no longer viable. We saw a big case
in New South Wales where a provider left 70 services as well, and I've seen it
here in Victoria many times where we've picked up schools where the
20 provider has walked away because the school's trying to push for higher
licence fees, and the provider can no longer sustain that, so I think ensuring
there's really set fees that should be charged by schools; we then see lower
parent fees, we see more investment into the service as well, and that's
something, I think, that Queensland shines through with over the other states.
25

COMMISSIONER BRENNAN: Thank you, James.

COMMISSIONER GROPP: Any other - - -

30 COMMISSIONER STOKIE: Other than, look, these challenges that you're
raising are the ones that we're specifically trying to address, and to Lisa's
point, maybe we weren't as clear in our draft report around what we want, to
take the great things that occur in outside school hours care, and it's an
excellent service, and we really want to support what's happening. But we
35 also want to integrate that with schools in a way that's consistent, and fair, and
reasonable, and give access to children and families, and so these are good
examples, it's good insight. So thank you, James.

40 COMMISSIONER BRENNAN: Thank you very much, James.

COMMISSIONER GROPP: And there is other issues that you wanted to
raise with us today.

45 MR TAYLOR: How long have we got? No, I'm joking. No, I agree, I think
OSHC sometimes really becomes the forgotten space, and I've even got
friends that didn't even realise that their child care subsidy carries over once
they get to primary school age. You know, they thought it was only
something for child care. I know we meet with some great people at DESE,
and have worked closely with them, even last year when the child care

subsidy rates changed, and every advert, every piece of information out there, has young children of not school age out there, and we said, 'Look, we need something that's about school aged children. We need something there which is going to help with that'.

5

We've lobbied as well, I suppose, when it comes to ACECQA, you know, about having the National Quality Framework, which is really OSHC focused. We can have children for 15 to 30 minutes an afternoon, or a morning, and that's it, yes, it might be a once-off. We can get a child for one day during the school holidays, and yet we're seen to have the same requirements as a long day care that has children in there consistently day after day. That has just placed a massive burden on all staff, on administration, and I think that's one of the key reasons why people leave because there is so much administration required when it comes to that, and we're constantly seeing conversations with each state authority in regards to just trying to make sure that we're focused on – these are children of school age, they've already had a full day of education, and OSHC is about a place to really learn through play, it's about connections with their peers, it's about, I suppose, our educators really working on those life skills that are going to better the children. I think that's really an area we can really focus on providing an OSHC, I suppose, framework, that's really going to cater to the needs of the children being that they are of school age. So that's probably my last point.

10

15

20

25

COMMISSIONER GROPP: Thank you very much, James. That's been really insightful.

COMMISSIONER BRENNAN: Yes.

MR TAYLOR: Not a problem, any time.

30

COMMISSIONER GROPP: Thank you.

MR TAYLOR: Thank you very much.

35

COMMISSIONER BRENNAN: Thanks very much, James.

COMMISSIONER GROPP: Bye.

MR TAYLOR: Bye.

40

COMMISSIONER GROPP: Is Travers there now?

UNKNOWN SPEAKER: He is there.

45

COMMISSIONER GROPP: I can't see him. There he is.

COMMISSIONER BRENNAN: There he is.

MR McLEOD: I'm here. I'm early, though, so if you need a break?

COMMISSIONER GROPP: Sorry?

5 MR McLEOD: I'm early, though, so apologies - - -

COMMISSIONER GROPP: No, that's all right. We're ready to go if you are?

10 MR McLEOD: Yes, sure.

COMMISSIONER GROPP: We have these formalities that we allocated 15 minutes for, but they only ever seem to take about 3 minutes at the start, so it gives us a bit of time. So thanks very much for coming along today. I'll introduce ourselves. I'm Lisa Gropp, one of the Commissioners. I'm joined 15 by Deb Brennan, and Martin Stokie, my two other fellow Commissioners.

COMMISSIONER BRENNAN: And I think we all saw you at that big forum, the CPD forum.

20 COMMISSIONER GROPP: The CPD forum, yes, the one up in Sydney.

COMMISSIONER BRENNAN: Yes.

25 MR McLEOD: Yes, that's right.

COMMISSIONER GROPP: So these hearings – you wouldn't have heard those formalities at the start. But just to let you know that these proceedings are being recorded and transcribed, and there are – I don't know exactly, because it's online at the moment, but there could be members of the public or 30 media listening and watching, so just to let you know that. What we do is we ask you to make some introductory remarks, if you want, and before doing that if you can give your name, and the organisation you're representing, for the purposes of the transcript, and then after your introductory remarks, we'll just have a conversation with you. Does that sound okay?

35 MR McLEOD: That's all fine. Thanks, Lisa.

COMMISSIONER GROPP: All right. Well, over to you.

40 MR McLEOD: So I'm Travers McLeod, Executive Director of the Brotherhood of St. Laurence, and I will make a few opening remarks if that's okay.

45 COMMISSIONER GROPP: Fantastic.

MR McLEOD: But first of all, thank you, Commissioners, for the opportunity to speak with you this morning. I'll start by acknowledging the Traditional Custodians on the land I'm joining you from, the Wurundjeri

people of the Kulin Nation, and pay my respects to Elders, past and present, and to First Nations people taking part in this inquiry.

5 I'm conscious you'll have seen the submissions from the Brotherhood of St. Laurence, and I won't summarise them.

COMMISSIONER GROPP: Thank you for that.

10 MR McLEOD: Suffice to say, we know the early years are the launch pad for life. We see the difference every day, that high quality, affordable, accessible and inclusive early childhood education and care makes to the lifetime trajectories of children, especially those experiencing poverty. And as the Commission knows, and has observed in its draft report, too many children miss out on this experience, and they are the children most likely to benefit, 15 and the opportunity we have is to craft a universal early childhood system that benefits all children and families in Australia.

20 There are five key points I wanted to stress today, Commissioners. The most important point is that if we consider universality only through the prism of early childhood education and care, we will compound rather than solve the most difficult issues. Any commission or national partnership should, in our view, be focused on the early childhood system as a whole, and guarded by the principle of proportionate universalism. Children who need additional tailored support can be found anywhere in Australia. So take, for example, 25 the public housing estates just outside the window here in Fitzroy, across the road from BSL's head office, where the average daily price in this area for ECEC is about \$134, or the children being supported by the National Disability Insurance Scheme, or missing out on the scheme in Melbourne's south east, where the average daily cost is around \$153, or the children in 30 Melton, in Melbourne's west, where the average daily cost is reportedly \$138, and the local council, according to media reports today, is winding back maternal and child health visits, and providing only four of the recommended 10 check-ups before children start school. We can find vulnerability, and children experiencing poverty and disadvantage anywhere in Australia, even 35 in wealthy areas, and we need to be conscious of that in thinking about building a stronger universal platform.

40 The other four key points I wanted to make upfront are, first of all, early childhood workers are dramatically underpaid, so unless we significantly improve career pathways, and earnings, for early childhood workers, a better universal system will be a mirage. The second is, and the draft report goes to this, quality matters just as much as participation, so it's important we support the right kind of supply to grow availability. Public or not-for-profit service provision delivers a better value proposition for children, families, and 45 governments through high quality delivery, and our view is that there's increasingly an overwhelming case for supply side funding models.

The third key point is that, in our view, the science of brain development means we must be very wary of restricting access to early learning because of

what a parent does, or earns, so we would phase out the activity test entirely. By the same token, other submissions, particularly the submission by Dr Bray and Professor Gray, explain how the proposed low income cut-off point will deter low income second earners, particularly women, from entering the workforce due to high effective marginal tax rates, and that's a point that BSL has made in other submissions.

And lastly, inclusion and equity matter enormously. Funding for the Inclusion Support Program needs to be improved, and structured, so it can meet demand over time and, importantly, must be aligned with the foundational supports proposed through the NDIS review, which there's been a very significant development since the draft report was released. They're the opening remarks, Commissioners. I'm open to questions, and discussion.

COMMISSIONER GROPP: Thank you very much, Travers. I might kick off. Your comment around supply side funding, and you talked about complex needs, et cetera. I mean, you would have seen our recommendations around expansion of CCCF funding to areas where it might be thin markets, but also areas of complex need, and where particular arrangements are required for better children's outcomes. And that funding, whether it be block funding, or it could take different forms, there's capital funding, seed funding, CCS, do you see that as going some way towards what you have in mind, or all the way, or what do you have in mind when you're talking about supply side funding?

MR McLEOD: Well, I think the first point is that some of the conditions the ACCC report lays out for supply side funding, which they observe are already a feature of particularly preschool funding, some of those preconditions have already been established. When we think about state government investment in preschool, a federal-state commitment to foundational supports, and the joint commissioning that's envisaged as part of foundational supports, the prospect of significant wage increases for early childhood workers, and different ways that that might be funded, and then the known gaps that you observe in service availability, access, thin markets, areas where there are service deficits, or so-called child care deserts, it's difficult to see how a demand side model, or the CCS, is going to be able to be amended or adjusted to satisfy the service needs in those environments, and particularly the mix of funding models we have across the early childhood system right now.

So only my view is supply side funding would inevitably become a much bigger part of the early childhood system, and that's really why I made that point upfront about the danger of looking at universality only through the prism of early childhood education and care, because it's those other funding models, whether it be disability services, maternal and child health, preschool, that have to be better intertwined with the demand side funding model we have for long day care, in particular.

COMMISSIONER STOKIE: Travers, can I ask, what's your thought about reconciling that statement with the initial point that you raised, or the

reference to local governments closing back on child maternal health nurse, so that would have been supply side funding, but they're choosing not to do it. So yet with demand side, you know, you can set up rules, et cetera, but it's not constrained. Unless it is constrained in some way, the government needs to provide the support so long as the demand is there. I don't know, there's a trade-off between the supply side funding, and you've just given an example where governments, for a whole range of reasons, choose not to supply to the extent that we need, and yet you probably, I'm judging or I'm interpreting, that you think it's a better risk than having the demand side funding. The trade-offs, I suppose, is what I'm trying to get at, and we can see examples where it works well, and perhaps where it's not working as well, and you gave one in the beginning, but I was just interested in your thoughts.

MR McLEOD: Yes, there are pernicious trade-offs. I think that question goes to the bigger question of roles and responsibilities in the system, and I commend the Centre for Policy Development submission in this respect, and that's one of the reasons why Martin suggested any early childhood education and care commission or national partnership look at the system as a whole. You know, my previous role, when we were doing the Starting Better report, there's a fiendishly complex set of roles and responsibilities around early childhood services in this country, as you would be well aware.

COMMISSIONER STOKIE: Yes.

MR McLEOD: Some with strong supply side funding, and maternal and child health visits would be one example of that.

COMMISSIONER STOKIE: Yes.

MR McLEOD: Some that are almost entirely reliant on demand side funding, and these systems interact for better or worse in local neighbourhoods. And we at BSL are part of some integrated family and child settings which have, you know, maternal and child health, supported playgroups, you know, preschool, and disability services access. Now, my view is that you can't solve one of the funding issues, within early childhood education and care, unless you pick up that bigger question of who is best to deliver, and have responsibility for those bigger service systems in the country. Now, there have been, across the submissions, some different proposals put in this respect around devolution of certain roles to state governments picking up, you know, funding responsibility for the health and allied health supports that are required for a stronger universal platform, but that's why I think there's a difficulty in approaching some of these issues in isolation. The only other point to make there is, you know, one of the biggest constraints within the system is what the demand side funding model has meant for rising costs for ECEC, and the ACCC's findings in that respect are pretty dramatic. So if nominal gross fees - - -

COMMISSIONER BRENNAN: (Indistinct words) - - -

MR McLEOD: Sorry?

COMMISSIONER BRENNAN: Sorry, Travers. I should let you finish your sentence, but I wanted to go to that issue.

5

MR McLEOD: So, as I understand it, the ACCC found that nominal gross fees in Australia for ECEC increased by 22.8 per cent in comparison to the OECD average of 6.2 per cent between 2018 and 2022. It would be interesting to compare what the drivers of the increased costs are in maternal and child health, for example, which is primarily a local government responsibility, compared to some of the cost increases we've seen in early childhood education and care settings. As a parent of a four year old, and a seven year old, you can't have one without the other, right, and those maternal and child health visits are so critical to determining what level of access and dosage you need in early learning settings as well, as you would be aware.

10
15

COMMISSIONER STOKIE: Well, I quite like the idea around a, sort of, broader partnership perspective, which takes into account not just early childhood education and care – and I think that's a critical point, I suppose, for us, there'll be a limit to how far we can go in respect of our report on that context - but I think the principle that yourselves, and others, have argued around thinking of this as an integrated system, each with their respective paths, and their respective roles, is in fact an incredibly important view.

20

COMMISSIONER GROPP: And we have talked about the need in areas for integrated services, et cetera, and that will be in certain areas of complex needs.

25

COMMISSIONER BRENNAN: Yes. Travers, I want to take you back to the point you made about children experiencing disadvantage, and indeed poverty, can be found in all parts of Australia, and you gave a local example. And I've actually been thinking about exactly the same issue, and thinking how far would our recommendations in the draft report, around 100 per cent of the hourly rate cap - take children in my suburb, for example, which is an affluent suburb with two significant pockets of public housing that the average child care price per day is about \$200 a day. So if you're thinking about – and maybe this is not exactly where the detail you're thinking is going – but I would like to explore a bit more the questions around what kinds of funding models could pick up on that. You know, if the recommendation in our draft report doesn't deal with children in all circumstances, how do we need to think about that and what sort of funding principles do we need to have in mind as we go back to our final report?

30

35

40

MR McLEOD: I mean, it's a very difficult question, right, because when I gave the example of Melbourne where the average daily cost is much higher than other areas, you know, we have a disability services office in Melbourne, and we've also done work with the University of Melbourne on tier 2, right, where supports for children with disability, and developmental delay, simply aren't catered for by so-called mainstream early childhood services. Now, one

45

5 funding model contemplated by the review is around foundational supports,
and the need to consider joint commissioning, which would be supply side
joint commissioning on foundational supports, which is designed to remedy
some of the gaps in mainstream services. We've seen some of the examples,
10 which have been pursued by state government, so around preschools, and
helping to grow inclusion and support for children with disability and
developmental needs with them. I'm conscious a number of the submissions
that looked at models that have been pursued in Canada, where there's a
degree of block funding, or cap funding, of services, but fundamentally,
15 Commissioner, if one subscribes to proportionate universalism, which is what
we do, then you can conceive of a system where there's a baseline level of
funding for a child, and a family, or for an integrated family and child centre
that picks up those variety of pools of funding for the related early childhood
services, and then a needs-based component that responds to the need within
that area.

COMMISSIONER BRENNAN: Yes.

20 COMMISSIONER GROPP: So, Travers, would that be every centre-based
day care service, or are you talking about particular special ones that would
have those integrated supports?

25 MR McLEOD: Well, one of the interesting findings, coming out of the
National Schools Reform Agreement, Expert Reference Group, the NDIS
review, and some of the work that you have done, in other early childhood
strategy discussions, have yielded over the last couple of years is this idea of
full service models. So, full service schools, integrated family and child
models. Doveton is the best known example, probably, around schools.

30 COMMISSIONER GROPP: We've been there.

35 MR McLEOD: Yes. And we have certainly found that integrated childhood
family settings, where you can co-locate key services, build trust between
service providers, work more effectively. Now, clearly that can't be the norm
in every early childhood setting, but the Commission has already put out
evidence around the locations where access is limited by available supply in
places, and I think a natural place to begin, in thinking about a different
funding model, or a better mix of demand and supply funding, is in those
40 areas of known service deficits or child care deserts, particularly where there
are jurisdictions that are investing quite significant sums into universal
preschool, and other supports.

45 COMMISSIONER GROPP: I think that notion, sort of, aligns pretty well
with our recommendations in terms of where children are missing out, and it's
not necessarily in remote locations, it may well be in urban areas where you
get pockets, but I think that it aligns with that broadly.

MR McLEOD: The only point to add to that, Commissioner, is the one on the
question from Commissioner Brennan before, that in some parts of our cities,

5 even families with 100 per cent subsidy, because of the price of access, and now if the average in Melbourne is 153, it means that there'll be some centres charging dramatically above that. And so in some of those areas, families that are experiencing vulnerability, and children that have additional needs, would need further - - -

10 COMMISSIONER GROPP: Yes, I take your point. I mean, yes, whether you make the service in those areas very low cost for everybody, even if they get much higher income, I guess that's what we're grappling with.

15 COMMISSIONER STOKIE: So partly, Travers, and not to put you on the spot, the reason we're asking lots of questions on this is because this is exercising our mind. We are deeply interested in the nuances of different approaches, and so I have some further questions, if that's okay. You know that we have, currently at least, a series of programs like the Inclusion Support, which is, in essence, supply side funding, it goes directly to the provider, but specific to an individual. We've identified in this review it's not enough, it's very hard to get, it takes too long, a whole series of things. And then to perhaps Lisa and Deb's point, we also have a program of additional child care subsidy, which goes to a higher level, even above, say the, our recommendation of the 20 100 per cent rate cap, and my sense, or my question – so you can have the supply side funding, but the other element is, have we got the estimates right? So even in Deb's, sort of, example of in her suburb, if it's \$200 a day, and there are some families that would be excluded if you just have 100 per cent of the rate cap, because that would be well below \$200, the current rate cap, that is, and even if you had the current arrangements for additional child care subsidy, they'd still be below that, so they would be excluded. So you'd have the affluent suburb catering for the affluent parents, and children, and those who are living in that same suburb, but through a whole range of other factors, 25 wouldn't be able to afford. Now, is that just a question of, 'Well, we need to actually cater for that?' And so, then things like Inclusion Support needs to be more flexible, needs to be more targeted, needs to have more resources, and easy to get to, and more quicker, or additional child care subsidy needs to be acknowledging the context in which a child is located. So even your example 30 – and I presume you're down near, sort of, Hoddle Street, and you're looking over at the Collingwood commission houses, I suspect, but I don't know - - -

MR McLEOD: Fitzroy.

40 COMMISSIONER BRENNAN: Fitzroy.

COMMISSIONER STOKIE: Fitzroy, okay.

45 MR McLEOD: Brunswick Street. Corner of Brunswick and Gertrude.

COMMISSIONER STOKIE: Okay, regardless. You know, the suburb is a relatively affluent area, and yet there will be pockets of disadvantage, and lower socio-economic capacity. So my question is, is it better to do it through supply side funding across the board, for argument's sake, in Deb's example,

that would mean either we fund everybody at \$200 a day in that suburb versus others, and so it would be very expensive across the board, or do you just target those individuals to the extent that they genuinely need targeting to actually allow them to participate?

5

MR McLEOD: Well, I guess a short answer to that question is, I suspect it would need to be both, depending on the area, and I'd be very happy, Commissioner - - -

10 COMMISSIONER STOKIE: A fair point.

MR McLEOD: I'd be very happy to speak to our disability services team, and our children youth and inclusion team, and come back to you with more specific recommendations on that. I mean, in our submission to the draft
15 report, we welcome the draft finding around the Inclusion Support Program. One thing we have observed is that – and this goes to the question of support for early childhood workers, both career trajectories and wages – is that often there is so much going on within a centre that the time and the space to make sure that the Inclusion Support Program is properly drawn upon, and used, is a
20 question of bandwidth, not just availability of funding, although we take your point, and agree with it, that increased funding for the Inclusion Support Program needs to be part of a stronger universal platform, one big question – and the reason why I said it's probably both, is due to what the NDIS Review have said about foundational supports, and the fact that that is the one
25 significant reform that's already been agreed off the back of that review with National Cabinet decision, and the agreement of joint funding for foundational supports. Now, it's unclear to us – and we have some innovations going on within our disability services at the moment around early childhood support and intervention – how the foundational supports approach, which is to grow
30 support within early childhood settings and schools, is going to interact with the Inclusion Support Program, and we suspect that's where different funding models will absolutely need to be considered, as your question kind of goes to, but I can come back to you on that if that would be helpful.

35 COMMISSIONER STOKIE: Well, if you wish to, that would be great. And I think – well, I'm speaking for my colleagues here, so maybe that's not appropriate – but I certainly tend to agree the NDIS Review hadn't been made public when we put out our draft report, and we were very keen to see that, and how that relates. And what I'm hearing is a level of support across all
40 services to provide and lift the capacity to provide the foundational support needed, regardless of location, that's quite consistent with our philosophy, I think.

45 COMMISSIONER GROPP: Yes, or that one income as well, or income - - -

COMMISSIONER STOKIE: Well, it's not income dependent.

COMMISSIONER GROPP: It's not income dependent.

COMMISSIONER STOKIE: It's child specific.

COMMISSIONER GROPP: So I think we'd agree that would - - -

5 COMMISSIONER STOKIE: We've tried to centre the child.

COMMISSIONER GROPP: What it is exactly, it's what we're grappling with too, what form of that actual division of service takes. We don't - - -

10 COMMISSIONER STOKIE: It would be almost as a right rather than apply on a per child basis that takes 6 to 12 months to – that goes on in the ISP.

COMMISSIONER BRENNAN: I suppose it's a question of workforce too, that the capacity - - -

15

COMMISSIONER GROPP: Yes.

COMMISSIONER STOKIE: Yes.

20 COMMISSIONER GROPP: Training, and - - -

COMMISSIONER BRENNAN: The capacity of work's there.

25 COMMISSIONER STOKIE: Yes, all these things are interrelated, as you rightly point out, Travers.

COMMISSIONER BRENNAN: Yes. Travers, another issue that I notice came through in your post-draft submission, and it really resonates with me with my knowledge of the Brotherhood, because you do have such a long
30 history of working very closely. I think it would be one of the organisations that pioneered the concept of working 'with' rather than 'for' people experiencing vulnerability and disadvantage. And you argue that funding should enable community-led co-design, and I don't think you used the term in this particular submission, but to me what comes through is your focus on
35 strengths of communities as well as the often repeated mantras around vulnerability and disadvantage. So I'd just like to hear a little bit more about why you think it is so important to have that principle of co-design, and that is that should only be in those communities, should it go wider, any thoughts you've got about that issue, because I think it's a really important one.

40

MR McLEOD: Well, thank you, Commissioner Brennan. I mean, yes, that's sacrosanct for BSL, and really at the heart of the capabilities approach, which comes from Amartya Sen, Martha Nussbaum, and I've only been at BSL for less than two years, but I'm very conscious that the organisation has been
45 heavily interested in a stronger platform for children, and families, and the importance of co-design as part of that for a number of decades. In fact, the library has pooled together all of the archivable material on the various submissions BSL has made around a universal early childhood platform, so it's very much déjà vu. I mean, I think it goes to the points about

proportionate universalism, and the way that you involve communities in the proportionate part of it, and what I said before about really avoiding being straight-jacketed by ECEC, and thinking about what a better system can look like at the community level, because communities don't look at early
5 childhood services through the prism of one service. They look at the home learning environment, supported playgroups, early learning, preschool, maternal and child health, what's available around inclusion and disability support, and those pathways into school, and the porousness of the boundaries between those services is something that communities grapple with every day,
10 and often can assist in co-design within an environment about how they are best to be navigated.

We see it especially in our work in the Home Interaction Program for Parents and Youngsters, the HIPPY program, which is all about the home learning
15 environment. It's in 100 sites around Australia. The first site was in Fitzroy in 1998. It's just been extended for five years, and works for three and four year olds. Now, part of that program is to build the confidence of a home learning environment, or parents as first teachers, but also the confidence of parents, many of whom are from cultural and linguistically diverse
20 backgrounds, to navigate or inform an early learning system, and understand the supports that are available to them. And many of the tutors, within the HIPPY program, go on to be early childhood educators and help the early childhood services within that community look more like the communities they serve, and so their direct career path flows from the HIPPY tutor
25 program, and there's a big longitudinal study that's been done both for tutors, and for children.

COMMISSIONER BRENNAN: I wasn't aware of that Travers. And there is research on that. I was going to ask you did you update it, you've got actual
30 research including data?

MR McLEOD: I can send that through to the Commission, yes, I think a 2020/2021 longitudinal study, and it informed the five year extension, and the transition of the curriculum from four and five year olds to three and four year
35 olds, so it was more compatible with preschool settings.

COMMISSIONER BRENNAN: Thank you. Well, we're certainly very interested in pathways into the ECEC workforce, and particularly ones that would strengthen the connection between the profile of community and the
40 early childhood workforce, so that would be great.

COMMISSIONER STOKIE: Travers, I had two questions. The second one, which is around supporting the not-for-profit to be a bigger presence, and I know that's part of your thing, but we can come to that one, so I'm just
45 flagging you can get your mind thinking about that. But the first one relates to the activity test, and one of the recommendations you have in here which is phase it out in its entirety, and we put that as a question, we're perhaps a little bit agnostic, there's some trade-offs, et cetera, but we're interested in people's views. And then you've acknowledged the point that we raised which is, well,

in fact, and you use the word 'phase', which is, well, at what point? And you've made a suggestion which I'm wondering if you just want to talk a little more about, which is, 'Well, at least if you're going to phase it out', or keep it in part perhaps is what a phase out means, keep in part for a period of time,
5 'don't have it on those who are in the lowest 80,000 income families'. And so I'm just wondering if you wanted to talk a little bit about that, and motivation, and thoughts.

10 MR McLEOD: So thank you. I mean, I should say I'm a member of the Economic Inclusion Advisory Committee, which made similar recommendations about the abolition of the activity test before last year's federal budget, and probably a known quantity on this, to some extent, because of that. I think we come back to the fundamental principle that in no
15 other universal service, whether it be a school, or access to a GP, or to a hospital, do you deny children access because of what their parent does, or what their parents earns. And we saw through COVID, when the activity test was rolled-out, and Goodstart provided evidence about this, just with the loss of that stigma, the growth in attendance and participation for children from disadvantaged backgrounds. My view is that it's very path dependent in the
20 way that we design these systems and funding models around them, and the activity test is just from a bygone era where early childhood education and care was seen more as child care, rather than provision of early learning. And had we known then what we now know about the science of brain
25 development, we would not have an activity test as part of it. I understand completely the difficulties of unwinding the system, which I understand there would need to be a phased approach, but I just don't see it as a part of the system of the future, particularly when, in the Commission's own draft report, there will be funding cut-offs and caps for the level of subsidy that a family
30 receives, and whether it's three days, or four, or five, and the cost of administering the activity test are themselves costs that can be avoided if we take the view that this is a universal entitlement.

35 COMMISSIONER STOKIE: Yes. Okay. It's useful to know, and it's an interesting suggestion as one of the things we're trying to avoid is the removal, and then effectively the crowding out of those who are least able to afford to come now, and those children would benefit the most. And your suggestion is one where, 'Well, actually, we're not going to do that for that cohort, at least for a period of time under your recommendation'. So I just wanted to explore that a bit. I wanted to come back – and I don't know how much more time we
40 have – five minutes or so – just around you have a commentary in here about supporting the growth of the not-for-profit provision in the sector, and we can see some real benefits of the not-for-profit sector that have delivered for many, many years, and the history, et cetera, and quality ratings, and the like, but we also acknowledge, and can see, that they haven't really grown. And so
45 I'm just interested in what do you mean by supporting it, how do you see that working, is that going to be something that, does the sector actually wish to grow, what's your perspective in this space? And I say that because, at least at the moment, the not-for-profit sector is facing the same incentives that the for-profit sector faces, there's no discrimination in that sense. But maybe there's

something structural, or something inherent in the system, or the establishment, or operation, that perhaps I'm not seeing, but what do you mean?

5 MR McLEOD: So I should declare, BSL was a syndicate member of
Goodstart, and as one of the creators of Goodstart, so I should just declare
that, given the question. Look, I think the evidence shows that the social
return on investment for public or for purpose provision is greater, and quality
10 deliver publicly or by a not-for-profit provider. I think because of the
constraints being faced by all providers, it's been difficult with those
commitments for provision to grow dramatically in not-for-profit settings.
The reason, I suppose, why personally I believe not-for-profit or public
15 provision needs to be a much greater part of the early childhood system, is
simply because of the extent of market failure under the existing system, and
the extent of areas where there are significant service deficits, or service
deserts.

20 Now, you will be more than aware of in certain jurisdictions, that has meant
state governments have become providers themselves, and have made
significant investment into preschool. The way you can contemplate a future
of that service setting, and the stewardship of those early childhood locations,
and understand them through a mix of public and not-for-profit provision,
25 supported playgroups, disability services, maternal and child health, early
learning, there are lots of examples, particularly in schools, where you see that
combination of a public and not-for-profit provision where you need a more
of an integrated service approach. I find it difficult to understand how a
growth of for-profit provision is going to suit some of the aspirations of a
30 universal platform in the way that the Commission has outlined; that's just a
reality. I think that, you know, I am troubled by some of the media reports
around the for-profits in early childhood settings, the speculation on properties
for early childhood services. You only have to drive in Melbourne to see the
signage around guaranteed investment returns, and the sorts of speculation
35 that's happening on property that would be appropriate for early childhood
service provision, and I don't think we approach the schools, or hospitals, or
other universal services, with that same mindset.

COMMISSIONER STOKIE: Okay.

40 COMMISSIONER BRENNAN: Thank you.

COMMISSIONER GROPP: Thanks, Travers. I mean, I notice your
commentary around a national partnership agreement, and you've put forward
different possible models for doing that. I mean, is there any preference, or
45 are you just outlining different ways of approaching it?

MR McLEOD: Well, this is where I think, again, we have to just be really
careful about path dependency. So this year we'll be negotiating the new
National Schools Reform Agreement, and we've been a member of the

Ministerial Reference Group for that agreement, and the expert review. The biggest predictor of school performance is looking at the child when they begin school. And we've got a preschool reform funding agreement, which is looking at the preschool services, and the outcomes measures for preschool. I think it's time that we think about a broader national partnership agreement that picks up that trajectory from early years right through to school.

That's why I just suggest there needs to be a serious discussion about a more comprehensive national partnership agreement, and for the reasons I expressed earlier, I don't think that will be resolved by just having a commission or a national partnership agreement that is focused on early childhood education and care, because it doesn't get into the difficult funding model conversations that are necessary with state and territory governments, nor the question about roles and responsibilities, and who is best placed to fund, who is best placed to supervise quality and outcomes, and who is best placed to deliver and to steward the best mix of services at the community and local level.

COMMISSIONER BRENNAN: It's an important perspective, thanks, Travers. We've had some similar representations, I think, from Social Ventures Australia recently, basically cautioning us not to put too hard a boundary around ECEC, so that's a valuable contribution to the discussion, thank you.

MR McLEOD: And I appreciate there's a constraint within the terms of reference. I worry it will compound some of the issues if that is the restriction of a commission or a national partnership agreement, or it's just ECEC, and not early childhood more broadly.

COMMISSIONER STOKIE: It doesn't stop us from recognising this broader point that you're talking about, Travers, which is the interconnection, children don't just appear into a preschool, or appear into an ECEC, they are part of a community, they're part of families, they enjoy and participate in health services, and in broader activities in broader services, and the ECEC sector itself is a part of a continuum of a schooling and education program of early years development, so it's not beyond us to - - -

COMMISSIONER BRENNAN: Yes, as our terms of reference do mention the early years strategy, for example.

COMMISSIONER STOKIE: It's not beyond us to comment on some of these points.

COMMISSIONER BRENNAN: Yes.

COMMISSIONER STOKIE: And the other hope that we would have, and I'm perhaps speaking out of turn here, which is what we recommend, or the suite of options for government, is that they can actually fit within a broader

context of thoughts that are, you know, rather than silos, but there's enough interconnection or capacity to interconnect that's there.

5 MR McLEOD: Precisely, and I suppose the current national partnership agreement, the preschool one, and the national schools one, they don't recognise that continuum in a way that marries up with reality. If we just think about what certain independent schools are doing within their school gates, everything from the early years right up to high care full service provision, if we think about what the NDIS Review, and the Schools Reform Agreement, who observed about what needs to change within the early childhood system, that's why I think there's a danger in, again, straight-jacketing ourselves with national partnership agreements, or commission terms of reference that don't match the early childhood system that children and parents need, particularly children that we see who are experiencing poverty and disadvantage.

COMMISSIONER STOKIE: Thank you, Travers.

20 COMMISSIONER BRENNAN: Thank you.

COMMISSIONER GROPP: Thank you, Travers. Have you got anything else that you wanted to raise with us before we - - -

25 MR McLEOD: No, I'm conscious you've got a full schedule. I will come back to you, if it's useful, on those questions around the Inclusion Support Program, and also those longitudinal studies for HIPPI, and very happy to answer any additional questions if that will be useful to the Commission, but thank you.

30 COMMISSIONER GROPP: Great, thank you.

COMMISSIONER BRENNAN: Thanks, Travers.

35 MR McLEOD: Thank you.

COMMISSIONER GROPP: Thanks, Travers.

MR McLEOD: Take care.

40 COMMISSIONER GROPP: You too. We'll have a short break until 10.45, if that's all right. I know our next participants are there, but if you don't mind just holding for 10 minutes, and we'll be back to you.

(Short adjournment.)

45 COMMISSIONER GROPP: Okay. Thanks, everyone. We'll now resume. Hello. Can you hear us, and see us?

MR MONDO: We sure can. Good morning.

COMMISSIONER GROPP: Good morning. Hi. You know us, but just for –
Lisa Gropp, Deborah Brennan, Martin Stokie, the three Commissioners.
Hello. I should remind you that this is being transcribed, and the transcript
5 will be made available on our website when it's done. I should also let you
know that there may be observers online, and also there could be media.
Because we're all online at the moment, I don't have any line of sight of who
the observers are, but just to remind you of that. But I'll throw to you, and if
10 you could just introduce yourselves, and where you're from, for the purposes
of the transcript, and then make some opening remarks, and then we'll have a
chat.

MR MONDO: No worries. Thanks, Lisa, good morning. Good morning,
15 Deb. Good morning, Martin. So Paul Mondo, President of the Australian
Childcare Alliance, joined by Nesha Hutchinson, Vice President of the
Australian Childcare Alliance, and it's a privilege to have the opportunity to
participate today.

20 I'd like to start by acknowledging the Traditional Custodians on the lands that
we meet, the Wurundjeri people of the Kulin Nation, and Nesha is joining us
from Gadigal land, and acknowledge Elders past, present, and emerging, as
well as any First Nations people participating in these hearings.

25 As the national peak body for the Australian early childhood education and
care sector, ACA represents more than 3000 provider members who employ
more than 75,000 educators, and care for more than 360,000 families
throughout Australia. Our vision is a future where every child in Australia
has access to high quality, affordable, and sustainable, early learning
30 environments. I'd like to emphasise that I attend these hearings with great
pride of the success of our sector in supporting children and families. Whilst
this, and other inquiries, are aimed at identifying further opportunities for
growth, this growth starts with a strong base led by our providers, service
leaders, and educators. It must not be forgotten that our sector has been in a
35 constant state of change for 12 long years, with clearly more to come. So
therefore, as we navigate this change, it is important that it is implemented in
such a way that it does not create unintended consequences for those
providers, service leaders, and educators, who are at the coalface every day.

40 We commend the Productivity Commission for its identification of key areas
of need, particularly in terms of increased funding, and investment, by the
Australian government as outlined in the draft recommendations, and request
for additional information. While these draft recommendations offer potential
improvements across the sector, certain key area require immediate attention
45 as priority reforms before subsequent reforms can be pursued. Put simply, the
ECEC sector needs prioritised reforms to address workforce issues through a
funded wage increase, enhance affordability by eliminating the activity test,
and simplifying the funding system for families, and strengthening the support
for providers and educators to enhance the inclusion of children. The sector

faces pressing workforce challenges with a current shortage in excess of 10,000 educators, which is nothing short of a crisis.

5 These issues were highlighted by the Productivity Commission inquiry
recommendations in 2014, and are reiterated in the current report's
recommendations. A decade later, with no significant action by previous
governments, urgent action is required with wage increases identified as
10 crucial to immediately addressing workforce issues. Improved conditions for
educators translate to better outcomes for children, and increase accessibility
to high quality care and education services for families. Whilst wage
increases are an imperative, families cannot bear the cost. Government
funding is critical to ensure that ECEC remains affordable for all families.
15 Meanwhile, ECEC providers across the country are struggling to meet the
demand for places, and the regulatory requirements for educator to child
ratios.

Whilst there is an overall workforce shortage across the nation, without care
for their children, parents cannot return to the workforce, so ECEC plays a
20 crucial role in boosting the economy. We know that affordability directly
impacts a family's access to care, high quality or otherwise. For some
families who experience high levels of financial vulnerability, they face even
greater barriers to accessing or affording ECEC because of the activity test.
The National Quality Framework has the underpinning objective that all
25 children have access to high quality ECEC that meets their individual needs.
To deliver these families and children, ECEC providers and their educators
rely on receiving adequate funding to ensure children from diverse
background with different abilities can be supported.

30 The current Inclusion Support Program, as identified so well in the draft
report, requires significant changes to be more equitable, and better cater for
the needs of children with additional needs, and their families. ACA would
like to see policy reforms that maintain and expand on the many strengths of
our current system, whilst enhancing opportunities for growth. We want to
35 see reforms which are easy to implement, cost effective, and bring about
significantly better outcomes for children, families, and the economy. The
Australian Childcare Alliance's commitment is to give every Australian child
the best start to life, and we welcome more questions with regard to our
submission. So I'm happy to take it from you guys as to how you want to
40 approach the rest of the hearing, I suppose.

COMMISSIONER BRENNAN: Good, I'll throw some questions at you, and
have a bit of a discussion on a few points. Thank you very much for your
incredibly comprehensive submission, and responding to every
45 recommendation, and finding, and information request, and it's very clearly
laid out, so that's really helpful.

MR MONDO: Thank you.

COMMISSIONER GROPP: I mean, it's good to see that for a lot of them you're supportive, but there are some issues of points of difference, and maybe start there, because you have made some about our proposals on more supply side funding, and thin markets, and you had some commentary around that.
5 So is it essentially that you want the for-profit sector as part of – I mean, what's your concern around that?

MR MONDO: Look, we acknowledge there are thin markets in Australia, that's really clear, the data says so, and I think that one of the great changes in
10 my time in this space has been that our sector is really seen as one at the moment. And I actually think that as we navigate what policy choices are available to address some of the challenges in thin markets, we need to look at how we can make sure that every part of the sector, should they choose to, can participate. Now, it's not really a complex position to say often there are thin
15 markets where there are viability concerns out there, and there are ways of trying to address that that we proposed, obviously, and I think that it is different for every location, but ultimately sometimes it's a capital issue, sometimes it's an ongoing viability issue, and often it's a workforce issue. And actually, unless there are policy frameworks that can address either one
20 or all three of those challenges, as necessary across the country, we're not going to identify and actually enhance availability, and accessibility, in those thin markets there, and so I think that there's a heap of data out there that the government already has, to use as a framework, for which elements of additional support it could provide to providers, whoever they may be, to
25 address some of those thin markets that exist out there. And, you know, I think that we look at this in a number of ways, you know, there is the thin market discussion, and then there is obviously, as identified quite clearly in the ACCC report, markets of oversupply in very significant parts of metropolitan Australia as well. And actually, what do we do to make sure that
30 – you know, because currently – I mean, I think one of the big challenges we see at the moment is the government has very little visibility on where services are being established in this current system, and - - -

MS HUTCHINSON: I think we lost you for a second there, Paul.
35

COMMISSIONER GROPP: He's frozen.

MR MONDO: (Indistinct words), okay, (indistinct words).

40 MS HUTCHINSON: We lost you for a second there, Paul, you were staring up into space.

MR MONDO: Am I back, sorry?

45 COMMISSIONER GROPP: Can you start – you just got to the point (indistinct word) - - -

MS HUTCHINSON: The government's lost visibility.

COMMISSIONER GROPP: - - - visibility, if you can start from there.

5 MR MONDO: Okay, yes. So I think one structural problem we have in our system at the moment is the federal government only knows when a service is going to operate once the provider applies for child care subsidy funding. That is a problem for a whole range of reasons, because that's really right at the end of the process. And - - -

10 COMMISSIONER STOKIE: So do you think, Paul - - -

COMMISSIONER GROPP: I think you call for planning some – is that right?

15 MR MONDO: Well, before we do this - - -

MS HUTCHINSON: If I can jump in here while Paul's fading in and out for a bit. If I can jump in.

20 MR MONDO: Sure.

25 MS HUTCHINSON: You look at case studies, for example, in Goulburn, just outside of Canberra, where families can't find care, but there are 774 near places available from people who have built services with no planning control, but there are no staff to open those services, and the staff in existing services are being spread thin, so there are families who are desperate for care, there are providers who have built services, but without adequate planning, it's in an area of oversupply, which means that families are missing out in the end. You've got that on one end of the scale, and at the other end you've got towns where you can't get investment, because - - -

30 COMMISSIONER STOKIE: Can we just explore that it a bit, Nesha.

MS HUTCHINSON: Yes.

35 COMMISSIONER STOKIE: What are you saying, are you saying that we shouldn't have built those services for the facilities, which would cater for the families who need it, because the problem that you're identifying, and we're also identifying, and think it's the number one thing we must address, but first and foremost, is in fact the ECEC workforce, but you are saying a planning authority would say, or a planning capacity would say, 'No, don't build it'?

45 MS HUTCHINSON: In the past, there have been levers and models put into place in the past, some of them only for a couple of years, some of them have worked longer where, for example, you know, local councils, technically if you're meeting all the rules and regs, you can't stop them from building a child care centre, but there was a model under the Howard government that said, 'Well, you can't get', it was CCB at the time, or whatever it was called at the time, 'You can't get that until you can prove a demonstrated need in your area. So you're allowed to have a child care centre, you can operate it, so long as

you're meeting all the rules and regs, but we won't be giving government subsidies, because there isn't a demonstrated need in your area'. And it's very difficult, I understand, for the federal government to be using those levers to be able to say - - -

5

COMMISSIONER STOKIE: Again, taking your example, the parents clearly have the need in that area - - -

MS HUTCHINSON: Absolutely.

10

COMMISSIONER STOKIE: - - - the services have come in, so are you saying that there needs to be an additional requirement that you must be able to guarantee that you can provide the service, is that what you're saying, and if we did do that, do you think we should extend that rule to every existing provider who currently has shut down rooms because they can't get enough staff? I'm not quite sure where - - -

15

MS HUTCHINSON: Where the line is?

20

COMMISSIONER STOKIE: - - - you're going.

COMMISSIONER GROPP: (Indistinct words) when somebody attends.

25

MS HUTCHINSON: Yes. And I think it's very difficult to go retroactively. But I think there is, particularly when we're looking at how do we get providers into thin markets, how do we stop oversupply in areas where it's going to affect existing services, and then again I understand that there's issue around, well, if they're running at poor quality, and this is a high quality provider from years past that can prove their experience, where do you draw the line? And I don't have an answer for that. But I do think, again, back to – and every point that you made, and I think it's come through, again, like Paul said, very strongly in the ACCC, as well as the PC investigations, is nothing can work while we've got such a workforce issue.

30

35

COMMISSIONER STOKIE: Yes.

40

MS HUTCHINSON: Anything else that we put into place is, you know, moot, because without staff, let alone high quality dedicated enthusiastic staff, we can't deliver anything, and that's the biggest thing. But then when we're looking at thin markets, how do you entice people to get in there, and that's where you look at supply side funding, capital funding, looking at how you keep viable workforce, and when you're asking, 'Should it be for-profit/not-for-profit?' Honestly, from what I've seen about people going into thin markets, community-based or not-for-profit, the sector itself, are becoming a lot savvier about investing in areas where they're not going to be able to be financially viable, and they're being asked to report on all of this. So which provider it is, they're going to need support to be able to stay in that market, and to operate effectively. I mean, going back to oversupply, studies have shown – and it's not just us, it's CELA, it's community organisations as well -

45

that fees go up, quality goes down, when you're in areas of oversupply, and yet we're stuck with these thin markets, and the leave it up to the market model isn't necessarily working for early childhood education in getting the care into the areas we want, and it's certainly not working when it's giving us the workforce we need to support the services in whatever shape or form.

MR MONDO: I suppose the one thing I'd want to say is it's clear that one size does not fit all, and so we need to look at a model with incentivisation where thin markets exist. The government can identify where those thin markets exist, it can put policy structures in place to fund the various things it needs to fund at that particular point in time. And capital is one part of that problem, or one part of that solution hopefully, but we know that we need to bring back to workforce, and there needs to be programs for place-based workforce solutions, and we're not migrating workforce from one location in Australia to the other. I'm probably taking myself back to a time, and I think it comes back to one of my original points, the government or regulators have no line of sight on where a service is being built unless it's looking at development approval across the country, and the time that it actually gets a line of sight on that is literally right at the end of the build process there.

Way back before the National Quality Framework, I'm a Victorian provider, and in Victoria there was a process called an 'approval in principle', which meant that to actually apply for your DA, you needed to get an approval in principle from the regulator or licencing authority before (indistinct words). Now, often that served two purposes. It served the purposes that the regulator knew where services were coming online, and the regulator could actually influence the design of the building to make sure that it was compliant in line with whatever the regulation said at that particular point in time. It seems a pretty logical thing, because there are a whole lot of buildings at the moment to get built, and there are problems identified at licencing, which is at the end of the build there. The other thing I would add to that process, that we used to do way back before 2012, was that actually to receive government funding, those services should be applying at the beginning of that process, because we know it's a two year process thereafter generally for a service to open. But if the government knew that 200 places were coming in in a particular - - -

COMMISSIONER GROPP: We've lost you again.

MR MONDO: Two years out (indistinct words) communities, and actually build towards a sustainable sector. So some visibility around what's happening I think is really critical.

COMMISSIONER STOKIE: I think we got the general gist of it, Paul, but you were cutting in and out. Can I ask a question around thin markets. And my question is around, if government needs to provide more support in order to encourage the investment into those thin markets, can you explain to me why you think, and maybe you don't, but why you think the for-profit sector should be part of that? And the reason I preface that is that clearly the for-profit, and we've just had this conversation, the for-profit sector has not been

constrained in any way. They have taken the incentives that are there, and they've invested, and they're the only ones that have grown, in fact, to be fair to the for-profit sector, but they haven't grown in the thin markets, and we can see that into areas. So clearly, more government money, because it's not
5 parents, it's more government money needs to come in.

I'm struggling with a, 'Well, why would you want to put more government money in to provide the service and also reward a profit motive?', like a return on a capital, which is beyond what a not-for-profit might have, and partly
10 because it's not a market, it's a thin market, it's not working like a normal market would, so why would we want to apply normal market conditions, and open that up to all and sundry to provide?' So it's kind of a question I have in my mind, and have been mulling over for a little while. I don't have a strong view, I'm interested in what your – well, I do have a strong view, but I'm
15 interested in what your views are.

COMMISSIONER GROPP: Yes, if it's taxpayer capital, (indistinct words) return on capital.

20 MR MONDO: Yes. I mean, I can - - -

COMMISSIONER STOKIE: Paying it to someone else, basically. So the thin markets - - -

25 MS HUTCHINSON: Can I jump in here. As someone who is technically in the for-profit sector, I haven't made a profit in quite a long time now, and, you know, I'm tapping into the money my mother left me, but there are – and 85 per cent of providers own one centre or less of approved providers, they're not your global shareholder people, quite often they're mums and dads, their
30 fools like me who are invested in their community, and who won't give up, and are committed to work through all of this. I can't see why, if you're looking at setting up and funding areas in thin markets, you wouldn't take it out to tender, and make it open to both for-profit and not-for-profit. Because in an area where there aren't not-for-profit people who are prepared to invest,
35 or who can't do it in a sustainable way, then, you know, having a look at the for-profit, and sector, and seeing what benefit that could bring to the community based on the investment that the government would give, and considering each and every application on its own merits, so that essentially what you're doing in the end is getting the early childhood education services,
40 and the support to families and to the children, even if the not-for-profit sector aren't prepared to step up.

COMMISSIONER STOKIE: So you're suggesting, like, a competition for the market, even though there isn't a market there, but a competition for the
45 service delivery in a particular area, would you extend that further and give the not-for-profits a first right of refusal?

MS HUTCHINSON: I would open it up for the government to say, 'Right, we're prepared to stump up this much money. Who's up? Who's in? What's the story? What do you want to do?

5 COMMISSIONER STOKIE: You'd pre-determine the amount?

MS HUTCHINSON: Look, I can't answer this, I'm not an economist. I'm the one going broke here.

10 COMMISSIONER STOKIE: We're asking – and I don't mean to be difficult (indistinct words).

MS HUTCHINSON: No, no, I appreciate that.

15 COMMISSIONER STOKIE: We're asking, because this is a really important aspect of the direction in which the report is going, and we are looking to provide and ensure a universal service, that requires addressing the deserts, it requires addressing those communities who are excluded, it requires
20 addressing the parents and the children who aren't able to access. And as you can see, we've got a whole lot of recommendations from activity test to subsidies, to thin market, supply side, I mean, you've actively been engaged, I'm just interested in how – the practical element.

25 MS HUTCHINSON: Yes, and I also see it as an issue around things like when you're looking at mining towns, and you've got very large mining conglomerates who are creating a town around their profit. Part of what should be included, you know, they have to build roads, they have to do this, they have to look after the community in a lot of ways, providing child care for staff for their workers should be a part of that as well. That should be a
30 part of their investment in community.

MR MONDO: I suppose I'd - - -

35 MS HUTCHINSON: Sorry, Paul.

MR MONDO: I suppose I'd say, you know, if there is an application process, the best provider available should be considered there. Now, that best provider available may be a not-for-profit, may be a for-profit, that's a decision of whoever is charged with receiving government grants there. So
40 I'm not sure – you know, I think that naturally, because they are less viable markets who are more likely to find a not-for-profit provider find its way into this space, but you just don't know, and I don't know that we need to put limitations around it when there is a tender process in place that somebody would be the arbiter of that decision as to who they think is best served to fill
45 that space.

COMMISSIONER STOKIE: Sure. Okay.

COMMISSIONER BRENNAN: Thanks, Paul and Nesha. I had a question that kind of extended from Martin's, and it's about our recommendations around quality providers expanding, and it's a recommendation that you say you partially support, and you say you wouldn't like to see communities
5 unserved because of that restriction, and you also say that it would be unfair if a provider were knocked out because of a rating assessment process that could be used out of date. So I guess they're two separate issues, but particularly the second issue about the outdated rating and assessments, we're very aware of that issue. Have you got suggestions about how the quality of a provider
10 could be gauged and judged other than through that?

MS HUTCHINSON: Why don't you ask us an easy question, Deb?

MR MONDO: I'd be - - -
15

MS HUTCHINSON: We've lost Paul again.

COMMISSIONER STOKIE: Yes. Sorry, Paul, your internet is particularly troublesome.
20

MR MONDO: Sorry, I really apologise for my dodgy internet connection today.

COMMISSIONER GROPP: Would it be worth maybe turning the camera off maybe, would that - - -
25

MR MONDO: I'm going to turn my camera off, and see if that makes it a big easier. And hopefully that works a little bit better. All right.

COMMISSIONER BRENNAN: So far so good.
30

COMMISSIONER GROPP: So far so good, yes, we can hear you.

MR MONDO: Okay. Look, quality is critical for children, and for our sector more broadly, and I think that we need to make sure that we have the right quality assurance and assessment system to work that is fit for purpose for our sector. Clearly, we've expressed a view that it needs to be done more regularly, than it currently is, for it to be part there. Because ultimately, we want children to be in high quality services for as long as possible. Now, I
35 think there are two different approaches here. You know, we have compliance, and we have quality, and I think they're slightly different things for us to consider. And so how can we make sure – I mean, I think that all good regulators undertake regular compliance visits, and I think that's a really important part of assessing whether a provider is delivering on the quality
40 outcomes it needs to deliver on. But is the big question, and a structural change that needs to be considered as part of that.
45

MS HUTCHINSON: I think we also identified - and Paul and I have a very long and positive relationship with ACECQA, and also with the various

jurisdictions across the country – when we can see inconsistencies between jurisdictions, but also within jurisdictions in terms of quality rating, it's difficult then to back that up when we say we want high quality providers. And like you're saying, Deb, 'Well, how do we identify them? How do we get it happening more often? What do we do about that?', and no one's denying that there needs to be a measure of quality, it's just difficult to defend the current measure of quality when we can see so many problems with it.

And we've identified over the years what changes quality, and it's obviously changes in providers, but also changes in directors, significant changes in staff, and things like that, that would post a red flag, and various jurisdictions kind of have those red flags, jump up and then go, 'Well, you've changed directors, and that significantly impacts quality' or 'You've changed providers, and that significantly impacts quality', and they do a reassessment. And I guess that there is always the option, as you know, that if someone's not happy with their quality rating, that they can come back for a reassessment six months later. So there's a lot to be fixed around that, but certainly when you're looking at subsidising thin markets, and things like that, it has to be somebody who's proven to be able to deliver quality for children.

COMMISSIONER STOKIE: We've made a number of recommendations about providing additional resources to support the regulators to actually work with service providers, Nesha, to do those ratings in a more regular and timely fashion. I presume that that's something you are comfortable, and support, do you think that's going to help address some of these timing issues that you're talking about?

MS HUTCHINSON: I think so, I think - - -

MR MONDO: Look, I think that - - -

MS HUTCHINSON: Go ahead, Paul.

MR MONDO: Look, it is clear that it is an expensive system to administer, the current assessment and rating process there, for our regulators, and funding is a huge part of that. And obviously there are discussions around, and your recommendation around, a new national partnership agreement might address that, but replaces something that lapsed a number of years ago now. And I think that – well, there's two parts to this. I think that funding is important to make sure it's right, and as part of our cycle of improvement around the structures in our sector, again making sure that we review and understand that the process we have at the moment is the most fit for purpose process that's possible to deliver the assessment of quality.

MS HUTCHINSON: I think there's also, Martin, as you pointed out, everything comes back to workforce, that you can have all the policies, procedures, and the pretty buildings, and everything set up in place, but it's the quality of the educators, and the educators actually being there, and the relationships they're building with children that is going to be able to deliver

high quality care. With all good intentions, without a great workforce, it doesn't matter.

5 COMMISSIONER STOKIE: We 100 per cent agree with that, Nesha. I think that's why we've made some of our recommendations. Now, can I take you back to a point that Paul raised, but it's related to this issue about the workforce. So you talk about wages, and that parents can't afford to pay more, and so therefore it needs to come from government. And one of the things that we hear, at least in discussions in government, there's a challenge
10 around, 'Well, okay, if government's going to pay more for wages, how do we ensure that fees don't go up as a result?', and there's a conflation of a whole series of things across the services, inflation, and operations, and so forth, and wages are very important, but only a part of – in fact, the majority, but only a part of the cost. Are you thinking that, at least to demonstrate for parents, that
15 any further input from government towards wages needs to cap fees, is that the direction of change from your perspective?

MR MONDO: Look, I'll take that one on. I think that the ACCC identified very clearly the structural changes, which increased the costs across our sector
20 over the last four or five years. I think the data's quite profound. We had a 28 per cent increase in wage operating costs that led to a 20 per cent increase in fees, and when you consider that payroll takes up just under 70 per cent of revenue, that's quite understandable as the output there. As you would have read in our submissions, we commissioned Dandolo to undertake some
25 research in model, the impact of a funded wage rise, and potentially the best way of administering that, and it was determined quite clearly that that's via a direct wage subsidy, effectively supply side funding in some form or another. To your point, clearly there must be government policy that ensures that if that happens there, that there has to be some consideration around what
30 providers can do in relation to fees. Now, the devil, of course, is - - -

COMMISSIONER GROPP: Can I just stop you there?

35 MR MONDO: Yes.

COMMISSIONER GROPP: But you also don't support our recommendation around monitoring of fees and out-of-pocket expenses, but wouldn't that be part of that agreement, if you like?

40 MR MONDO: Look, I think we've been really clear. I mean, we look at not supporting monitoring of fees. I mean, I think that, as the ACCC pointed out, there's no evidence of excessive price gouging, and so on, there, and actually, you know, like anything, conceptually is one thing, what does that do from an administrative perspective from provider to provider, particularly small
45 providers and small business owners out there from a time perspective? I think that we would then consider ultimately that, as we look at funding a wage rise, that there is an accountability for that wage rise, that that accountability ensures that whatever funding is received is expended to fund wages and additional wages directly. But there's a very clear question as to

what then that – you know, if there is to be a decision to support a funded wage rise, and if it is to take the form of a direct wage subsidy, the very important question is, 'What does that include?'

5 And when we think about that, you know, we have wages, the hourly rate as it increases, from there we have a range of on-costs. We have a range of on-costs that differ, so we have superannuation, which is consistent, but we have Workcover expenses that are very distinctly different from one jurisdiction to another, which obviously increase when wages increase; we have some
10 services who pay payroll tax, and some who don't, and so that increase in wages drives up all of those on-costs, as I'm sure you're aware, and then we need to think about, 'Well, if it's not funded by government', which is a decision for government to make, 'What does that do in terms of recuperating some of those expenses?', because they're not insignificant. And I would take
15 the point, for example, that if we end up with a wage rise for some services who don't pay payroll tax at the moment, it would push them into a payroll tax bracket outside of that. So there are a whole range of considerations around funding a wage rise, which would then influence the decision around fee restraint, and where that sits.

20 COMMISSIONER GROPP: Sorry, I was just going to go back to my prices monitoring. Wouldn't greater transparency perhaps help? Could that be seen as a positive for the sector, and sort of trying to explain all these implications of different cost increases?

25 MR MONDO: Look - - -

COMMISSIONER GROPP: I take your point about administrative burden, but there might be some way of doing it, you know, in a light touch way.

30 MR MONDO: We've always proposed, in a direct wage subsidy, that there would be an accountability and integrity measure to ensure that money's expended correctly there. And I think that if it was directed via funding agreement that way, it should deliver that accountability.

35 COMMISSIONER BRENNAN: Thanks, Paul. But just on the big picture issue of monitoring fees. Do you think that it really is realistic that the taxpayer funds, \$13b for ECEC, subsidy settings allow up to 100 subsidy of the hourly rate cap, and yet there's no monitoring of prices. Is that really the
40 position that you're putting?

MR MONDO: Look, I understand your concern, and I think that it's not without reason to consider an approach. I mean, I think it comes down to what that system looks like, what is it, how is that done, how is that achieved,
45 what's the objective behind it, and so I think it's as much what are we actually talking about in practice, as it is conceptually a concern. I think that, you know, really we're very comfortable - - -

MS HUTCHINSON: And Deb, I think we've said that your proposal of market stewardship, when it's, like you said, when you're spending taxpayer money, the idea of strong market stewardship isn't about idea, it will address things like thin markets, and oversupply, and, as Paul said, being accountable for funding, particularly when it's to be directed at wage rises, and things, is great, but what would be the unintended consequences of making that more complex than it needs to be, and what are you trying to stop? Because I know that running a service in metropolitan Sydney costs more and/or less than running a service in Wollongong, and so putting a hard cap on fees and saying, 'You can't charge above this', means that some services will become unviable.

COMMISSIONER BRENNAN: No, but this is not about putting a hard cap. My question was about monitoring.

MS HUTCHINSON: Yes.

COMMISSIONER BRENNAN: Okay.

MR MONDO: And as I said, I think it comes down to the detail of what is the monitoring system, what is the compliance process. I mean, the impact of any monitoring system will be different from one provider to the other just because of the sheer diversity of our sector, depending on what it is.

COMMISSIONER STOKIE: And this will exercise our mind, Paul, because Deb's right, as government's increase the amount of support all the way up to 100 per cent of the rate cap, and we're actually suggesting reviewing the rate cap so that it has a bit more meaning, rather than historical point in time, there's a party in this, which you haven't mentioned, which is parents. So parents would have an expectation, in at least the way it's potentially couched, or referred to, that government's actually supporting this. And we saw it with Cheaper Child Care, which is that the government increased its contributions, and then fees rose, almost at exactly the same time, conflating a whole series of things. The subsidy with inflation adjusted outcomes with wages rises, as you rightly point out, it's very hard for parents to appreciate where it all fits, and without a level - - -

MS HUTCHINSON: Where that it's going.

COMMISSIONER STOKIE: Yes. And so to Lisa's point, which is perhaps a level of disclosure, and to Deb's point, perhaps a level of integrity or accountability measures, and we've yet to form a view, but you could probably hear that, I think collectively amongst the three of us, and we've said it in our report, which is the more government is contributing to this, the higher the expectation from government about either the accountability, the quality, you know, the expectations rise. And so - - -

MR MONDO: Look, for us, I think it's really important, and it's been identified in a number of submissions to the ACCC, our system is an

expensive system to administer. And so I'm not opposed to the concept that actually understanding the true expense in administering the system is of great interest to people, and would add a level of accountability there, but it clearly is an expensive system to administer, and that is being now supported by the
5 ACCC, amongst other bodies that exist out there. So government expenditure will grow in this sector, because we want to ensure that we have a system that delivers high quality early childhood education and care. Is there a cross to die on about accountability and monitoring, not for us at this particular point in time.

10

COMMISSIONER STOKIE: Yes.

COMMISSIONER GROPP: You go.

15

COMMISSIONER BRENNAN: Yes, I want to ask about preschool.

COMMISSIONER GROPP: I was going to ask about preschool.

20

COMMISSIONER BRENNAN: Okay, you go then.

25

COMMISSIONER GROPP: Because one of the issues we're grappling with is this coming together of standalone preschool and centre-based day care, that there's fixed hours, you know, 600 hours a week in preschool, maybe going up in some jurisdictions, but not terribly convenient for a lot of parents. So we've proposed wraparound care for preschool, but you've strongly come out and said you don't like that. So I guess just getting your view around that, because we see this as one way of perhaps merging the two models to some degree.

30

MR MONDO: I mean, I think the preschool delivery system in Australia, as you guys know, is really diverse from one jurisdiction to another. And I think our commentary in there was that there are some locations where it might be feasible, like particularly rural and remote communities where wraparound care is pretty integral there. I think why we'd rather flag that as a concern for
35 us was around what does that do to impact the delivery of the traditional long day care service out there, because does that then create an environment where we have families move from long day services into standalone preschools. And the challenge of course then, is that when we start to consider – and you can look at this in a range of jurisdictions where there are different preschool delivery models – but we know that when you have less children over three participating in the service, there is an ongoing impact on the capacity of the service to remain viable there, and therefore there's a high proportion of children under three at that service under the current funding regime, that is particularly problematic because clearly ratios are significantly different from over three to under three there. And so I think the lens that we
40 took to approach that was really, you know, I'm in Victoria, for example, we have a good blended system where we have integrated preschool delivery in long day care services, as well as community preschools and kindergartens there, it works particularly well, and I'm pretty confident to say that it is a

45

system that supports that outcome particularly well. I mean, others may disagree with that view, but that's the view that I'd like to rest here.

5 MS HUTCHINSON: Can I jump in there for a second, Paul.

MR MONDO: Yes.

10 MS HUTCHINSON: I'm fascinated, given nowadays with funding you can provide sessional care, and given that we have to provide an early childhood teacher-based preschool program according to the early years learning framework, why you wouldn't just extend that to be long day care with the option of shorter sessional care?

15 COMMISSIONER GROPP: So within the standalone preschool sector, you mean?

20 MS HUTCHINSON: Within that environment, why wouldn't you expand it to be long day care with the option of a shorter day? I mean, I offer that at my centre for families who don't need a full day, and it's offered as a shorter day at a cheaper price.

25 COMMISSIONER BRENNAN: I guess it's just a range of models around Australia, and we haven't particularly wanted to say to any particular sessional preschool, 'You shouldn't be a sessional preschool', but at the same time we're aware that many families and parents do need the additional hours. So we think that the extension of CCS to those standalone services is kind of a reasonable accommodation that will really add to supply, and make parents' lives a lot easier as well. Obviously there has been a coming together – if you think of the two big service types, I know there's many more, but as a
30 preschool and long day care, a long day care has moved much more into the preschool space that long day care offers preschool now, and that's just the reality, and I think preschools offering slightly longer hours is most likely going to be part of the reality in the future.

35 COMMISSIONER GROPP: And also, I mean, it depends what happens with a number of those standalone preschools, how many are provided as well, that it didn't change much, and it probably wouldn't have. It might be more convenient for parents, and more a continuous streamline for some children, but I guess that's an empirical matter about how much would it affect –
40 because (indistinct words) after expanding their standalone preschool that much.

45 MS HUTCHINSON: Yes, and I think that Paul's point is essentially taking away the three and four year olds from long day care, if they're moving into that area, will make fees to two year olds skyrocket, and doing that kind of modelling, and making sure that you understand that unintended consequence is important.

COMMISSIONER GROPP: I appreciate that point about the costs, but at the moment there's, I mean, there would be cross-subsidisation, but if you take away the bit that's doing the subsidisation, well, it's going to have an impact.

5 MS HUTCHINSON: Yes.

MR MONDO: And I suspect it's going to be uniquely different from one jurisdiction to another, and one location within that jurisdiction to another, and hence our qualification to say that there are circumstances where it is
10 entirely appropriate to do that as well, but that modelling piece is really critical, and that's the lens that we take, some concern around just a general acceptance that is the right path without other considerations coming into effect.

15 COMMISSIONER BRENNAN: And we do appreciate the insights that you bring to us as people actually providing services, and providing them in a range of jurisdictions too, so (indistinct words).

COMMISSIONER STOKIE: It's a very detailed proposal, we thank you. We
20 may need to come back to you on some of the very specific points, which we really didn't get to today. We stayed at a very high level of some of the macro things, partly because if we can't actually solve those issues, then the minutia won't really be as relevant. But we're pretty much out of time now, unless there was something specifically you wanted to raise that you haven't raised?

25 MR MONDO: No, look, I think we'd welcome the opportunity to dive deeper into anything at any stage, so please don't hesitate us, and we'd be more than happy to engage (indistinct words).

30 COMMISSIONER STOKIE: Thank you very much.

COMMISSIONER BRENNAN: Thank you.

COMMISSIONER GROPP: Thanks, guys.

35 MR MONDO: No worries, thank you.

MS HUTCHINSON: Thank you.

40 COMMISSIONER GROPP: I think I saw Michael there?

MR ABELA: Yes. Hi, everyone.

COMMISSIONER GROPP: Michael, you can hear us and see us?

45 MR ABELA: I sure can.

COMMISSIONER GROPP: Great.

MR ABELA: Hopefully you can hear me?

COMMISSIONER GROPP: Yes, loud and clear, that's great. So just to reintroduce us. I'm Lisa Gropp, Deb Brennan.

5

COMMISSIONER BRENNAN: Hi, Michael.

COMMISSIONER GROPP: And Martin Stokie, the three Commissioners. And just to remind, I don't know how long you've been watching, but these proceedings are being transcribed, and the transcript will be made publicly available on our website, and there also could be public observers, and there could also be media watching these proceedings as well, so just to let you know that.

10

MR ABELA: Great.

15

COMMISSIONER GROPP: So we usually just handover to you. If you could state your name, and organisation, for the purposes of the transcript, and then just start off with some opening remarks, and then, as you saw, we just have a bit of conversation to and fro.

20

MR ABELA: Awesome. Thank you so much for the opportunity. So as some of you know, I'm the CEO and founder of TheirCare, which is an OSHC provider with about 400 services, and I'm also a member of the Outside School Hours Council of Australia, so thanks for the opportunity to appear today, and I am pleased to be available to provide some insights into the way that the outside school hours care sector supports children, families, and our national productivity. My business is a family owned business, care and partnership is at the heart of how we deliver exceptional outcomes to children and families, and schools, and I'm sure that's the focus of the Productivity Commission interface hearings.

25

30

There are some things, however, that need to be considered critically, and I want to speak to some of those. The current landscape of OSHC presents significant challenge for certain demographics, particularly children and young people in rural and remote communities, and those with complex needs. Whilst we commend the Commission's draft recommendations, we believe further action is necessary to ensure equitable access, sustainable practices, and a truly inclusive environment. Children, young people, and their families, living in rural and remote communities, and those with complex needs, especially those attending schools in specialist settings, are too often prohibited from accessing OSHC that is convenient, appropriate, and meets their specific needs. My organisation services both mainstream markets, but also has a significant presence in both rural and remote communities, and services specialist schools, and as a result we feel uniquely positioned to discuss the challenges of providing quality services to these thin markets.

35

40

45

Firstly, in rural and remote communities. Children and young people often struggle to access convenient and appropriate OSHC due to the commercial

impediments for providers to enter these markets. The key issues are the increased cost to service and support remote locations, challenges of investing in building a stable employee base, and a child care subsidy system that is designed around higher attendance services, and does not provide a commercial return that would result in a viable outcome in rural and remote settings. There are state-based programs that have assistance rural and remote settings, such as the Victorian government establishment grants, and the New South Wales group of school fundings. However, both programs are of limited timeframes, so the investment in communities and families will be lost if there's not a way to extend this support either through state or federal funding. And in fact, by the end of this year, there are hundreds of services that are at risk if this funding is not extended.

Moving on to care for children with complex needs and disability. To effectively support children and young people with complex needs within an OSHC service, it's crucial to recognise that a significantly higher cost is associated with delivering safe and appropriate care. These children often require a ratio far in excess of a mainstream service, often at a one educator to two children level, leading to a 400 to 1000 per cent increase in staffing costs alone, not to mention the additional resources necessary for their care. Again, we have examples of solutions that have been demonstrated to work for communities such as the High Intensity Program in Victoria that was recently extended to 20 schools with another 10 to come in later years. But again, this only represents a small number of the total specialist schools, and children with complex needs in the country.

In order to work towards a more inclusive equitable and sustainable OSHC sector, to bring this gap we propose permanent funding to establish a stable funding mechanism to address the unique cost structures associated with these vulnerable groups, harmonisation of regulatory frameworks and funding streams, and inclusive policy reform to foster a collaborative policy development. In addition, as a member of OSHCA, I also want to note the need for national consistency, and our opposition to state and territory managing, funding, and regulation, through a national partnership agreement, the importance of avoiding a two tier system, and we call on the Commission for explicit guidance on maintaining the viability and affordability of services amid potential significant pay increases, that I note were just discussed. Whilst we support wage increases, this needs to be across the whole sector, rather than just part of the sector. And we also strongly recommend the extension of any subsidy changes, for families with children aged zero to five years, be extended into the primary school years. This would ensure all children have access to 30 hours of subsidised care, and ensuring that all families feel well supported to access care that they need during the early years of their children's life, and when they support school.

And I just wanted to finish off my opening with giving two direct examples of the way that appropriate funding can have an impact on productivity, and people's lives, and these are very personal examples that we have seen as a provider in providing services to specialist schools, as well as to rural

5 communities. So the first one is a specialist school that we provide care, and I recently had a parent approach me at a community function to share her family's journeys. Obviously, I'll keep the names out of this to protect the privacy of the individuals. The family member was in desperate need for care for her child who was a late teen, who had developmental delays, had behaviour challenges, and was non-verbal. She explained to me that she often felt that she was not providing enough attention to her other two children, who are in a mainstream setting, and was not able to work, and was constantly feeling tired.

10 As a result of having access to the after school care that we provided, which was funded through the Victorian government's High Intensity Program, her life had totally changed. She had three extra hours a day for her family, and herself, and that enabled her to take a casual job, which was the first time in over a decade, and probably of greater substance, prior to having access to care she was considering giving up her children or self-harm. The return on investment in productivity and social inclusion from these programs has been backed by independent research by the Victorian government, and we really do need to do more for this vulnerable cohort. An example of where we've made a change in rural communities is we operate a program at a remote school in remote Victoria, and the school only has eight children in the entire school.

25 COMMISSIONER GROPP: Sorry, just hang on a sec, Michael.

MR ABELA: That's all right.

COMMISSIONER GROPP: Somebody's got their mic on, I think.

30 MR ABELA: Yes, I think we're okay now.

COMMISSIONER GROPP: Okay then.

35 MR ABELA: So at this school, that only has eight children attending the entire school, we regularly get six or seven children attending after school program through, again, a program funded by the Victorian government, which is the establishment grants. The impact that we have had on that community is both meaningful not only at the school level, but at the community level, and without the additional support, we could not run a viable service at that school. So I open it up to questions. We're very passionate about the impact that we're able to have in these vulnerable communities, and I'm also obviously happy to discuss the broader OSHC issues as well.

45 COMMISSIONER GROPP: Thanks very much, Michael.

COMMISSIONER BRENNAN: We could probably give you some quick wins, I think, Michael. I think Lisa will probably do that.

5 COMMISSIONER GROPP: Can I just remind people who are observing, please keep your microphones off, we're hearing some conversations from time to time, thank you. And thank you for that. Can I just start where you finished in terms of these additional needs, complex needs cases, and you talked about various Victorian government programs, and you would have seen that we've proposed additional supports for not just thin markets, but areas of complex need, which will be Commonwealth funding.

10 MR ABELA: Yes.

COMMISSIONER GROPP: Are we in the right direction, or do you think we need to take it further, or what's your view on what we've proposed in that regard?

15 MR ABELA: No, we're very encouraged that there was a discussion about support, and I'm assuming that would be in some type of block funding.

20 COMMISSIONER GROPP: Well, it could be block funding, it could be establishment grants, it could be necessary ongoing operational funding, we weren't saying it had to be one thing or the other.

25 MR ABELA: Yes, so we're very supportive. Let me give you the two bits of funding that are happening at state level, and I'll let you know where they work and where the challenges are. So under the High Intensity Program, which was a Victorian government initiative that was trialled starting in – well, five years ago the trial started, and based on the success of that trial, it's been extended to 20 schools, of which TheirCare is providing 16 of those schools, so we're speaking with a level of expertise. These are very, very challenging services to provide. So even with additional funding, there's often not a lot of commercial or not-for-profit providers that are willing to be involved because of the sheer complexity. The complex needs of the children, the difficulties in hiring staff, and even with the subsidies, it's still not incredibly profitable. Frankly, from our perspective, as long as we break even, I'm happy to deal with the results because there's no one else delivering these outcomes.

35
40 But what we're funded for, as part of the Victorian program, is the cost of staffing, which is by far and away the most significant cost. When you're providing staffing for one educator to two children, and you're servicing 20 to 30 children in a service, that's a very large cohort of cost right there. In addition to that, you do need significant costs around training, and support of the children. So for example, the children often have specific medication needs, and feeding needs, and standard training, whether it be in disability or in child care, it doesn't cover the training requirements, so there is a wrap-around additional training that is needed for these services. And then the standard resources that you would normally use in OSHC, or in child care, are totally inappropriate for this market because of the complex needs of the children. So there's - - -

COMMISSIONER GROPP: So Inclusion Support Program doesn't - - -

5 MR ABELA: No, so there's additional funding required for that. So the
current High Intensity Program does cover the funding for all of those areas,
which means that at least there's no commercial risk. As I said, we don't make
a lot of money but there's no commercial loss risk in providing that service,
and the impact that we're having on families, I've got to say, is incredibly
touching. I'm brought to tears regularly by the stories we heard from families
10 that were literally at that wits-end, but now have the ability for just even
respite care, but beyond that, being able to get into the workforce for the first
time in decades since their children were born, and being able to take on other
study activities. So it does require an investment.

15 The federal government currently has the CCCF, but the challenge with the
CCCF, it's defined in such narrow terms that either for special school
environments, or rural settings, OSHC is often excluded. So I can give you
examples where – so one of the things that CCCF look at is alternative
sources for care. So if there is any alternative sources within a proximate
region that fit under the child care banner, that is defined as a potential
20 alternative, then CCCF isn't awarded to provide additional support to those
thin markets. Now, the reality is that doesn't make sense, because if you're
looking at a specialist school, and the alternative care provider is 7 or
8 kilometres away, how is that child reasonably going to get from their school
at 3.30 to the location 7 kilometres up the road, like, there is just no way to
25 make that happen in a safe away. So whilst notionally there is something
within a proximate area, it's not a practical solution for the families or for their
children, particularly given the needs of the children and the supervision that
would be required just to get them there.

30 Similarly within rural settings, we've personally – and I know this has been
the experience with a lot of OSHC providers – have applied at various stages
for CCCF funding for remote services, and we've had rejections based on the
fact that there is an alternative service within 15 kilometres, that alternative
service might be a long day care, which is providing a service to children zero
35 to five years, totally inappropriate for school aged children, and, again, if a
child is booked in for before school at 7 o'clock, how are they going to get
from that location to their school when there's transport not included. So there
does need to be, when we're looking at funding thin markets, solutions for
long day care, and OSHC need to be considered separately for there to be an
40 impact for that local community.

COMMISSIONER BRENNAN: Thank you.

45 COMMISSIONER STOKIE: Indeed. And this is a sort of insight that
perhaps we haven't heard in other feedback, and as you can tell from our
report, we're very keen to hear and think about ways to support the universal
service across the board, not just for preschool, but for outside school hours
care. And I think where Deb was going, and perhaps Lisa would have gone
too, is that you made a comment which we've heard from a number of people

5 who represent the outside school hours care sector and services, and it's probably upon us, rather than yourselves, which is that we're not suggesting that the funding or the responsibility, beyond where we are today, moves to the states, but more so that there is a level of engagement – we want the state governments, particularly the schools, and the school systems, the principals to be much more actively engaged in a uniform way around outside school hours care.

10 We see some really great examples in some jurisdictions, and then in others there's almost a hands-off level of, 'That's not our responsibility. My job ended at the end of the school day, not involved in their lives outside of school term', and we know that parents and children need, at least many of them need, a broader – and so we wanted to bring that in. So we weren't suggesting that the funding – well, it would increase, but not change, so it wouldn't be determined by the states, et cetera, but we see some positive engagement of the outside school hours care working cooperatively and positively with these schools, and vice versa, in almost the best examples from around Australia, and making that uniform across Australia, rather than the other way around. And I think we need to be more clear in our descriptions of what we mean, because I think the sectors have interpreted it as either we don't care about outside school hours care, which is not true, it should just be a state issue, the states can manage it if they can, and they can fund it if they can, which we mean that it would be a significant retrograde step, and we don't want to see that at all.

25 MR ABELA: I really appreciate the additional explanation around that, and I appreciate the colour that you're trying to provide. If I could just add a little bit of caution to that, though, with some experience. And COVID is a very good example of the challenges that we had with a regulatory environment where we have notionally national regulations, and ACECQA, and we have national funding through the child care subsidy, but the local quality and regulation happens at a state-based level, and the states either interpret, or add additional regulations on top. So as a national provider, we're operating with very, very different sets of regulations in reality, even at the most simple level at basic ratios where we have Western Australia, which has the most constrained labour market of anywhere in the country at the moment, and we have the tightest ratios of 1 to 13 for a standard mainstream service, whereas we've got 1 to 15 through most of the rest of the country following some breakouts. The difference of that 1 to 13 versus 1 to 15 would open up the market significantly in Western Australia, and take away many of the constraints, because often you're finding constraints at the margins. But the states have a strong voice in this respect, and what we're trying to avoid is we definitely want to, and I think we've said in previous submissions, that we would like the regulations to reflect the fact that we're operating in schools, and that we have children that have obviously greater sense of agency versus a child that is zero to five years in a long day care setting. So definitely from that perspective, we appreciate that we want to have our regulations more suited around the school setting, it's how we do that without necessarily handing the reigns down to a local level, and finding that we're having to re-

regulate our behaviour across every single school as we're doing this, because that would obviously be a very difficult thing from a cost and regulatory perspective.

5 COMMISSIONER BRENNAN: Okay.

COMMISSIONER STOKIE: Your examples are exactly the sort of thing that we're wanting to perhaps take the best of what's happening around Australia, and avoid the worst of it.

10

MR ABELA: Yes.

COMMISSIONER STOKIE: And so the examples where there will be counter of individual school, or principal, or a specific state doing something which you look at and you say, 'Well, I'm not sure that that's in the best interests of the children, or the families, and there isn't good evidence, particularly when we can see that it's not the same in other areas, and so that's our ambition to have – and partly bringing the national partnership agreement, or getting the states and the Commonwealth to come together to flesh some of these points out, perhaps also with an early childhood education and care commission, to have a specific focus in and around outside school hours care so there's a champion on these things.

15

20

25

COMMISSIONER BRENNAN: Thanks, can I - - -

COMMISSIONER STOKIE: Sorry, I beg your pardon.

30

COMMISSIONER BRENNAN: No, not at all. I just wanted to check. So, Michael, I just want to be really clear about your position. So whereas I read your commentary today about opposing out of school hours care funding and regulation being managed by state and territories, et cetera, I read that as opposing something you thought we were suggesting. But in fact, am I right in saying you're actually saying you don't like what's happening now?

35

40

MR ABELA: Well, the problem is we're kind of stuck right in the middle of we have everything. We have strong states, and strong federal, and we often find ourselves with two masters, and with the worst outcomes from them both. So I think it's pretty well recognised that when the national regulations were created, that OSHC was, to some extent, an afterthought when it was agreed that we'd also be funded through the same kind of mechanism. And you only have to read the national law to see that it is very, very focused around younger children.

45

COMMISSIONER BRENNAN: Yes.

MR ABELA: So the regulatory obligation as an OSHC provider that we have around some of the learning outcomes, and observations, and reporting requirements, make a lot of sense for children zero to five, make less sense when the child is a 12 year old and is in primary school.

COMMISSIONER BRENNAN: Right.

5 MR ABELA: And we give lots of examples in these forums where a child
can be at school during lunch time, and there'll be one teacher supervising
120 children during the lunch break, and then we move into an after school
setting where we've got one educator supervising no more than 15 children,
and we suddenly have regulations that are more akin to looking after five year
olds or four year olds. So an example I was bringing up is a tennis ball that
10 gets hit over the fence at lunch time, a child will jump the fence, and a teacher
will say to that child, 'Hey, next time you want to jump the fence, ask
permission', and that's the end of it. If that happens at 3.45 during after school
care in exactly the same scenario, that's a reportable offence, and we get
investigated for potentially providing unsafe child practices.

15 So none of that provides an environment that is encouraging people to enter
the workforce, it's not providing an engaging service to children, so I think
there is a deeper discussion around what OSHC is there for, and the
regulations that are appropriate for the setting as opposed to what we've
20 inherited from long day care. So that's something that we're very keen about.
So our concern with the framing, and I think it's been covered off
appropriately, but the concern we had around the framing of having a state-
based approach was the rush for more regulations, and the battle for who has
the harshest regulations, because that sometimes can be the case, you know,
25 sometimes the states want to go one further, and we want unification to the
best practice, and the best practice always isn't harsher regulations within our
setting.

30 COMMISSIONER BRENNAN: What is the best practice, because I notice
that although you did call for harmonisation, I don't think you gave us an easy
answer there.

35 MR ABELA: Yes. So I'm Victorian, so I'm saying this without any bias, I
think New South Wales and Queensland have the best regulations.

COMMISSIONER BRENNAN: Okay, thank you.

40 COMMISSIONER GROPP: Would you see benefit – sorry, Deb, I'm – you
go.

COMMISSIONER BRENNAN: Stick with that, and then I want to come
back to CCS.

45 COMMISSIONER GROPP: Well, I was going to go to we proposed an
ECEC Commission, and I guess that would be a way of elevating – like,
because we've also asked about whether is it just about the guidance in the
NQF, but you're kind of saying it's a bigger issue than that, is that right?

MR ABELA: I think so. I think we go to the efforts of creating the NQF, and then it's been implemented and regulated differently in every state. So I'm supportive of having a commissioner, I think that would be a good place to try to remedy some of these inconsistencies. So - - -

5

COMMISSIONER GROPP: And do analysis on how things work as well, so it's evidence-based.

MR ABELA: Absolutely, and to be able to, for example, you know, we've tried to raise this issue in jurisdictions where we have different ratios, and we don't get any feedback. Having someone independent as a commissioner to review, to have a look at the safety outcomes, to have a look at the assessment and rating results, and to show that we're getting equal results in jurisdictions that have different ratios, and have someone be able to rule or at least provide that voice, we're very much encouraged.

10
15

COMMISSIONER GROPP: Thank you.

COMMISSIONER BRENNAN: Thank you. I appreciate very much your nuance responses, and the thinking that you've put into these issues, didn't give you an easy win on that regs question, I hope we can on the CCS though. Because you're encouraging us to extend our changes to out of school hours care, but it is our intention that the changes around the activity test, and subsidies, would be extended in the out of school hours care area.

20
25

MR ABELA: Great.

COMMISSIONER BRENNAN: I think we didn't make that sufficiently clear. We've revisited the draft report, and we can see how readily people could have misinterpreted that, so I just wanted to reassure you about that.

30

MR ABELA: That is great reassurance, I appreciate that, thank you.

COMMISSIONER STOKIE: It's really extending the principle, Michael, which is a child at four, for argument's sake, is, at least under our recommendation, is being subsidised 100 per cent of the rate cap, and then they go to primary school, and their parents wish to avail outside of school hours care, and it suddenly disappears. It's like, 'Well, what happened?', and so we – yes, Deb's absolutely right, that's an oversight on our part. In the haste of getting things out, we missed that, and it wasn't meant to be thinking of outside school hours care as the afterthought, and my colleagues will attest, it's certainly not been the case in our discussions.

35
40

COMMISSIONER GROPP: No, it has not.

45

MR ABELA: No, again, I appreciate that colour, and that is a bit of a relief. And it's amazing when these things come out. We've actually had parents call us up and say, 'Does this mean we won't get it?', so there are people watching it, and ultimately we're all here for the same reason, which is for children and

families, and I know I've heard you speak it at various forums, and that's been the focus of the Productivity Commission, and I can see that coming through in your messagings, which is great.

5 COMMISSIONER STOKIE: Yes. (Indistinct words)?

COMMISSIONER BRENNAN: No, for me it's a really valuable conversation.

10 COMMISSIONER GROPP: I think it has been valuable.

COMMISSIONER STOKIE: Can I just ask out of curiosity, are you a for-profit or a not-for-profit, Michael, is TheirCare - - -

15 MR ABELA: It sometimes doesn't feel like we're full for-profit, but we are full for-profit.

COMMISSIONER STOKIE: Right.

20 COMMISSIONER GROPP: That's the intention.

MR ABELA: Yes.

25 COMMISSIONER STOKIE: Yet you operate in more challenging markets, you're providing services to higher needs, and certainly higher cost children, and can I maybe just ask, you know, where is that coming from, is that just they're the markets you're in, and that's what you need to provide, or is that an explicit decision, or?

30 MR ABELA: It was an explicit decision. There are a couple of reasons. I can say this with a level of embarrassment today, that when I started the business six years ago, I didn't even know there was such a thing as a specialist school, or a specialist environment, because I've got three kids that go to mainstream schools, and unless you've got direct contact, it's not
35 something you're necessarily picking up. And the Victorian government put out the tender for the first High Intensity Program, and my intention then was nothing else other than to see whether we could extend ourselves as an organisation. I often believe that if you do the hard things, then the easy things become a little bit easier. And we were lucky enough to be chosen,
40 because we didn't take it lightly, we really investigated, and looked at what we could do. And by saying that that's changed my view on life would not be a drastic overstatement. As I said, I genuinely have had so many experiences where I've come back to the office in tears just seeing the ability for us to change people's lives. I feel a little blessed, without wanting to put a halo on
45 my head, or anything else ridiculous like that, but I'm lucky enough to run a successful business that makes our profits out of mainstream schools, and as long as we can do a bit better than break even in specialist, then I'm happy to do that. So that was just a decision we made thinking that, you know, frankly, it is building up a capability that I think we can apply to our mainstream

experience, because behaviours are a challenge at all schools, so I think that's building up experience. But we've got a cohort of parents that would otherwise not receive service, and I feel pretty lucky that we can deliver it to them.

5

COMMISSIONER STOKIE: Thanks, Michael.

MR ABELA: We just need a mechanism to be able to fund our costs. Because I think out of the 25 schools that we're currently operating in the specialist settings, about half of them break even, and the other half I'm subsidising.

10

COMMISSIONER STOKIE: Yes.

MR ABELA: And I don't have as big pockets as the government.

15

COMMISSIONER BRENNAN: Yes.

COMMISSIONER STOKIE: Okay. Thank you, Michael.

20

COMMISSIONER BRENNAN: Thank you very much.

COMMISSIONER STOKIE: It's very, very helpful.

MR ABELA: Thank you for your time, and also the additional insight. We're really pleased to be given a voice in this process, so thank you.

25

COMMISSIONER BRENNAN: Thanks, Michael.

COMMISSIONER GROPP: Thank you for your contributing.

30

MR ABELA: Thanks, everyone.

COMMISSIONER GROPP: Okay, see you.

35

MR ABELA: Thank you. Bye bye.

COMMISSIONER GROPP: We're going to break now for lunch, and we'll resume at 1 pm. And just to remind people who are watching, that there will be an opportunity at the end of the day if anybody wants to make a short statement, just to remind you of that. We'll be back at 1.

40

LUNCHEON ADJOURNMENT

UPON RESUMING AT 1.00 PM:

45

COMMISSIONER GROPP: Hello, everybody. We're now resuming after a lunch break, and I welcome Virginia and - - -

COMMISSIONER BRENNAN: Alannah, is it? No?

COMMISSIONER GROPP: Alannah.

5 MS BATHO: Yes, that's right.

COMMISSIONER GROPP: Is that the right pronunciation?

10 MS BATHO: It's Alannah, it rhymes with Anna.

COMMISSIONER GROPP: Alannah, okay. And Virginia, hi.

MS TAPSCOTT: Hi.

15 COMMISSIONER GROPP: Hi. I don't know if you were watching previous
sessions, but I'll just introduce myself, I'm Lisa Gropp. I'm joined by Deb
Brennan, and Martin Stokie, we're the three Commissioners on the ECEC
inquiry. And I remind you that these sessions are being transcribed, and the
transcript will be up on our website as soon as it's done, in a few days or so.
20 And I'd also remind you that there can be members of the public observing
these proceedings, I can't tell you who's online, I don't have any line of sight,
and there could be members of the media as well, I'm not aware, but just so
you're aware of that. The sessions usually just run, I'll handover to you, and if
you could introduce yourselves, and who you're representing, if you're
25 representing any organisation, and that's for the benefit of the transcript. And
then make an opening, and then we usually follow by us having a bit of an
informal conversation. That sounds okay?

30 MS BATHO: Yes.

COMMISSIONER GROPP: So I'll handover to you.

35 MS BATHO: Thank you, that all sounds great. My name is Alannah Batho,
and I'm joined by Virginia Tapscott. So we are both directors of an
organisation called Parents Work Collective. We're a not-for-profit
organisation that really advocates for more support for parents to engage in
their unpaid care work, and to have the choice to care for their children, if
that's what they'd like to do. I'll give a very brief, sort of, opening statement
which really just summarises the key points that we sent through, and the
40 submission we sent through. I guess the main focus of our submission, and
what we'd like to talk about today, is on supplementary paper one, which
deals with children's outcomes, and the findings that flow from that in the
report.

45 We were very impressed with that paper overall, we'd just like to say. It was
really extensive research, and the person or persons that pulled that together
clearly put in a lot of effort and time. It had very considerable depth and
breadth of the research review, yes, we were very impressed. I guess our
concern with respect to that paper was around there was no real distinction

between children aged zero to three on the one hand, and children aged three to five on the other. There was obviously a section, there were several paragraphs, which talked about the fact that a lot of the research focuses on that older group of children, and much less research is on the younger children, but that section was fairly brief. And overall the paper was mostly making summarising statements about the evidence-base, with respect to ECEC programs generally, without really drawing a distinction between when those apply to older children, and when they apply to the babies and toddlers under three. And for us, I think just looking at the research that exists, and being aware of other, kind of, views from psychologists, and just having a general awareness of the developmental needs, and stages of children, across that zero to five cohort, it seemed to us that it would be really helpful to have much more distinction between babies and toddlers on one hand, and older children on the other. And I think using that sort of umbrella term of ECEC, we need to talk about children in that whole range, it can be a bit confusing and sometimes it's perhaps a little bit unclear that a lot of that research might apply to a four or five year old child when they're in a preschool setting, and it doesn't necessarily apply to, say, a 6 month old baby in a long day care setting. So we'd really like to see much more clarity, I think, around that issue.

I guess the other thing is we'd like to see a little bit more analysis, if it's possible, in that research paper of some of the issues that are really relevant to the babies and toddlers. For example, the impacts of attending extensive hours of day care on breastfeeding rates and outcomes, and the impact of infectious illnesses that children can contract, you know, quite significantly when they're in their transition into day care, and they're little babies and toddlers. So we'd like to see in the paper a bit more discussion of those sorts of issues, and ideally, yes, a bit more nuance when making the summarising statements about the benefits, and potentially the negatives, of ECEC programs when we're looking at the different age ranges.

We had a few other sort of issues in our submission, but that's really the main thrust of it, and I think that's what we'd ideally like to discuss today. Virginia, did you want to add anything else to that summary?

MS TAPSCOTT: Yes, the only other point that I was going to make, Alannah, which is in our summarising points as well, is the point about also just making reference to when studies are pertaining to lower socio-economic groups, and looking at the cohorts, because I think that's a massive stumbling block when we're trying to understand what the benefits of early education are, and when we're looking at the study that has a cohort that is limited to a lower socio-economic group, or where the benefits have been confined to more disadvantaged children, that is made clear each and every time a study like that is referenced.

COMMISSIONER GROPP: Okay, thank you. I was going to raise that issue of disadvantaged children, and I think we're acutely aware that these results are, you know, it's about the comparator group, and what's the control, I guess,

and we are aware of that, so we take your point about being absolutely clear about what the results are applying to. A couple of others submissions made a somewhat similar point about, you know, the - - -

5 MS BATHO: Yes.

COMMISSIONER GROPP: I mean, it's a very comprehensive – yes, the staff member who did it took that task very seriously, and going through many, many studies.

10

COMMISSIONER BRENNAN: And I think as much as anything – sorry, to cut across you, Lisa.

COMMISSIONER GROPP: No, that's all right.

15

COMMISSIONER BRENNAN: But firstly, thanks, Alannah, and Virginia, very much for being here, and for your submission, and for the perspective that you bring to the inquiry, which is really important. And I think just to add to Lisa's point there - and thank you for that comments about the paper, because, yes, one staff member in particular did put enormous time, and effort, and thought, into the paper. I think one of the purposes of the paper in a way is to point to the limitations of the evidence-base, and in a way I think that's what you're picking up on, although I know that's not all that you're saying, because you're also saying that we should be really careful to make sure that we have specified accurately to whom which groups or cohorts the findings refer to, and which they don't, so I think those are very well made points. But the fact that we do have such a significant formal early childhood education and care program in Australia, without a particularly robust evidence base, is something that we're trying to bring forward in our report, and in a number of the recommendations that we've made throughout our draft, particularly around data evidence, and potentially the establishment of an ECEC Commission, building strong evidence for this country, and for our settings and realities, is something that we're really keen to do. So your observations certainly feed into that.

20

25

30

35

COMMISSIONER GROPP: I understand from your submission that you have some concerns around very young children in ECEC settings. Do you want to take us through some of – you talk about parental leave, et cetera, and you mention mothers who are breastfeeding, and whether ECEC can have impacts on that, what are your thoughts around that, do you have any policy proposals or insights around that?

40

MS BATHO: Do you want to go, Virginia?

45 MS TAPSCOTT: You go. I'm all right.

MS BATHO: Well, I mean, yes, we have lots of thoughts, and policy ideas around that. I think we've sort of summarised probably mostly in the supplementary submission that we made with our talking points about our

concerns around babies and young toddlers in day care, and I guess it's sort of reflected in the paper as well, because the paper does talk about how the evidence is much more mixed for that age group - - -

5 COMMISSIONER GROPP: You mean our paper?

MS BATHO: Your paper, yes.

COMMISSIONER GROPP: Okay, thank you.

10

MS BATHO: And that there is much less evidence, which makes sense to me because, you know, obviously it's very hard to measure these programs in general over the long term, but also particularly for a 6 month old baby, or a 12 month old baby, or children who can't communicate, and they don't have verbal language, so it would be very hard to measure impacts I imagine, so it makes it really tricky. But in addition, there does seem to be more negative evidence, I suppose, of programs for young babies and toddlers compared to the older children. The older children, it seems to be relatively robust evidence base, and on the whole I think there are some pretty clearly documented positive outcomes over the long term. But for the babies and toddlers, it's much less clear, and potentially there are some negative impacts. Whether that's short term and long term, I think it remains unclear. But for that reason, I guess we are concerned about this really quite strong and broad push in the mainstream media, and with government policy, et cetera, to really increase the participation of small children in long day care and child care from a very young age.

15

20

25

30

35

40

What we would love to see, in terms of a policy shift, would be extra support for parents in those really early months, and maybe the first year or two, so that parents have much more ability to care for their own children while they're really small, if they want to do so, because I think at the moment what we're seeing a lot of, and what our community is talking to us about, is that they have no economic option but to return to paid work even when they don't want to, and even when their preference would be to care for their own children while they're small, they can't afford it. And a lot of the policy that we're seeing being pushed by government is focused on day care and child care, which is fabulous and very important, but we think it can't be the whole solution because it doesn't give real and genuine choice to people who maybe don't want to choose that option when their kids are really little.

45

So we'd love to see more paid parental leave, perhaps an expansion of the child care subsidy schemes so that parents are directly funded, so that they can choose to use that money either to send their kids to day care, or to support themselves to stay out of the paid workforce longer so that they can look after their own children. And I think lots of consideration for things like amendments to the tax scheme, and things, where single income families, because one parent is doing the unpaid care work could be given more tax concessions, you know, families could be supported in way like that. So, yes, I guess they're the sorts of things that we're talking about, and hearing about,

from our community, and I might throw to Virginia as well to supplement, so there's lot of other thoughts to add.

5 MS TAPSCOTT: I mean, even from the paper that you guys put together, my
impression remains that potentially the benefits are difficult to establish for
that under three age group, because they're just not quite there. And,
you know, I've looked at a lot of research papers throughout creating our
organisation, and there might not be that huge negative impact, but we're
10 looking at things like really high turnovers in the early education staff, we're
looking at things like parents not really having any idea of how much is too
much, and what's a fair amount of time to put very young babies and children,
and parents are doing their very, very best, in often extremely different
situations, but they're sort of getting their information from the day care
centres themselves, who will often give recommendations on how much
15 attendance is good, which is a conflict of interest, and then the next best thing
is the government, and the government's policy is sort of, 'Well, as much day
care as you can get really', and we're just wanting to have some real
transparency in what we do and don't know. And I guess the risks of having
really small children in situations where their primary caregivers are changing
20 often throughout the day in the split shift situation, you know, changing
frequently in settings where – you know, we've made great leaps in our
quality control, but in settings where sometimes the centres aren't assessed in
a timely manner, and children can come and go with that centre never having
been assessed. I mean, I know that you guys are across all of this stuff, and I
25 know that I'm sort of repeating what you already know, but specifically for
that under three age group, yes, there just seems to be quite a push without
much consideration of what could be the negatives, and parents have a right to
know this.

30 COMMISSIONER STOKIE: So is that the core thing that you want,
Virginia, because my sense is, in listening to you, I'm hearing, and we think
this is the case, but I'm putting words in your mouth here, which is we've been
as balanced as we can with the literature without trying to unduly promote one
aspect or another, and the literature isn't as definitive as perhaps everybody
35 would like, and it certainly doesn't give that nuance of, 'Well, what's', and we
talk about it's an unfortunate term, but dosage, but, 'What's the right level of
participation of intensity, and at what age, and in what circumstances, and for
how many. You rightly point out the relationship between the child, and
whoever is their caregiver, and in the main it's their parents, and in an ECEC
40 setting, that will be the educator or the teacher, and that is primacy of that.
Are you saying that we need to have more around promoting what does that
choice look like, and what should inform that, or are you suggesting that our
literature review is deficient, or we've not got the right nuance in how we've
couched it?

45 MS TAPSCOTT: I felt that it was an extremely good literature review. There
were a few studies missing, which I can pass on to you, whether they didn't
meet the criteria that the staff member who did the review was holding the
papers against, I'm not sure. I mean, I guess we just want the draft outcomes,

5 the draft findings, to match up a little more closely with what I think anybody who reasonably has a look at that literature review would, for some reason, come away with, is it's difficult to establish benefits for children under three, and where does that leave us in terms of what productivity gains we're going to achieve by increasing the attendance of children in that age group in early childhood education settings. I mean, I thought that it was fair. Go, Alannah.

10 MS BATHO: I was just going to say I think that's right. When we looked at draft finding 1.1, I think it was, after reading the paper, those two things seemed in a bit of conflict. I think draft finding 1.1 was something like research shows that early childhood education and care can benefit children, and that didn't seem to capture the nuance of the paper, which was in some circumstances it can, obviously it depends on the socio-economic - - -

15 COMMISSIONER GROPP: There's a lot riding on the word 'can' probably.

MS TAPSCOTT: Yes, (indistinct words) that word.

20 COMMISSIONER GROPP: I was going to ask - - -

COMMISSIONER STOKIE: It's hard putting it into one sentence.

25 COMMISSIONER GROPP: I know, that's the thing, 'can' or 'cannot'. But I guess bringing it back to our recommendations, and we've made a recommendation for the removal of the activity test, so essentially at least three days' entitlement, and make it more affordable for particularly low income families, and that's for children zero to five. So you would be concerned about that, because it would make more – well, assuming that there is provision, it would make it more accessible for certainly one pretty large cohort of children - - -

30 COMMISSIONER BRENNAN: Can I just add to that before Alannah and Virginia respond. I just wanted to add, one of the complexities for us is we've got terms of reference that we're responding to, and the issue of paid parental leave, for example, paid and unpaid parental leave, that you raised in your note, and submission, is it's really, really an important issue, and a number of people have brought to this inquiry the issue of where paid parental leave, how extensive it should be, where it might meet up with an entitlement to ECEC, and that is a very difficult question for us, because paid parental leave is not within the scope of our inquiry. I mean, I'm personally very, very much in tune with what you're saying about Australia ideally having a more expanded paid parental leave system. We are very low in terms of OECD comparisons where governments actually should land on that, it's an issue for debate, but it is technically outside our scope. I mean, whether we'll say something about it in the end, I'm not 100 per cent sure, but actually firm recommendations around paid parental leave probably are beyond our scope unfortunately.

MS TAPSCOTT: And that's – sorry.

COMMISSIONER STOKIE: Go ahead, Alannah, please.

5 MS TAPSCOTT: And we need the horse before the cart. Like, people need
options. If you're going to start, I guess, giving people guidelines or raising
awareness of the potential negative impacts of early and extensive child care
attendance, I guess what people, and what a lot of people, tell us is people
need to have an option before we go – you know, making people feel really
worried about these issues, and that's not what we want, and we know that
10 early education settings are really important, and they're here to stay
obviously, and they're really an important part of parents' support networks,
and so we want them to be the absolute best they can be, but in these settings
where universal child care in these regions around the world where universal
child care is in place, they're in systems that are largely not-for-profit, and in
15 systems where, as you say, they have much longer paid parental leave periods.
So it's, and I think you guys are across this, it's translating that to our setting,
and what does that mean for us. And I wouldn't be saying, you know, don't
give people the three days of child care, I'd be saying I think it's only fair to be
fully transparent with people about how different ages respond to these
20 settings, and, you know, when you also do that. Like, I think it's transparency,
they're doing their very best with the information at hand, but the information
at hand hasn't been very good, you know, your paper is one of the first places
I've seen this laid out so well.

25 COMMISSIONER BRENNAN: So, Virginia and Alannah, as I'm listening to
you, one thing I'm thinking about is, yes, I'm pretty sure you'd be well aware
that there's also an early years strategy being developed by government, and I
think a pretty clear commitment to put additional supports around families,
and parents. So we can probably think of a multitude of ways of slicing the
30 pie, but one would be to think about the period where parents are supported to
be with their infant children, and you've raised that issue about paid/non-paid
parental leave, that's at one end, and then there's the sort of formal
systematised early childhood education and care, which is very much the
focus of our inquiry, and then there's a whole middle ground around supports
35 for parenting, and more informal kinds of things like supported playgroups,
for example, parenting programs, parent information, information about child
development, and so on. But that third group, which is sort of in the middle,
is definitely around the edges of our inquiry, and today, and many other days,
we've had discussions with people about where the boundaries of ECEC are
40 realistically.

So I think that while paid parental leave is not formally part of our inquiry,
that sort of middle area is definitely on the edges, and we did make a number
of statements definitely about the importance of integrated services for
45 particular communities, and maybe that should be for all communities, which
I think is more the ambition of the early years strategy, actually, not just to
target that to people in disadvantaged circumstances. So I think we're trying
to have as much awareness as we can of these complexities, and the

relationships between different systems, but we may well be able to do better in our final report.

5 COMMISSIONER STOKIE: I'd probably agree with Deb in a slightly
different way, or another way to put it, which is at no point have we said
participation in early childhood education and care be compulsory. So lots of
people have said to us, 'It should be like schools, and should be funded like
schools', but there is a distinction between children's participation in school,
10 which is a mandatory or an expected mandatory obligation, as opposed to
ECEC, or early childhood education and care, and what I'm hearing from
yourselves are, 'Well, in fact', and we would agree with this, 'parents should
have choices. It's a choice for participation. At the moment that choice is
inhibited, at least for participation in early childhood education and care,
15 because the services aren't available. It's too expensive in certain areas, and
some of the regulatory rules say the activity test are precluding some people
from going'.

But you're going a bit further and saying, 'Well, in fact, it might be an explicit
20 choice to choose an alternative way to raise children, i.e. the parents, and stay
at home, et cetera', and we don't have any concern with that at all. I go back
to perhaps Deb's point around, 'Well, what have we been asked to do, and
perhaps the best we can do is highlight that some of those other research
areas, being the early years strategy or, more broadly, that those policy
prescriptions, that you're interested in, would actually be complementary to
25 the core principle of choice, real choice, not constrained choices, because
that's a criticism that's raised, 'Well, it's not really a choice if I'm forced to go
back' or 'It's not a choice if I can only go to that one there, which isn't high
quality' or, you know, 'They're not real choices, they're constrained in many
ways', and I think we were intending to at least acknowledge and flag these.
30 There's just a limit to how far we can go on some of these points, as in the
alternative policy. We don't disagree with anything you've said, and - - -

COMMISSIONER GROPP: I mean, hopefully you got it from our report that
we put a great focus on centring the child in this, which was it's not just about
35 the sector, it's not just about workforce participation, that's important, but
shouldn't be the sole aim, so that's why we're interested in what you're saying.
And we've also proposed an ECEC Commission, which I think Deb referred
to, and one of the things we think that Commission could, you know, guide is
a research agenda about what sort of impacts on children of different models,
40 and quality. You mentioned the quality, Virginia, had improved, but
presumably you see there are areas still requiring improvement, so I'd be
interested to get your perspective on that as well.

MS BATHO: Just before we move to that, perhaps I just wanted to comment
45 on those thoughts, because I think that's really great to hear, and, you know,
the emphasis on that middle ground that you referred to, Deb, about the things
that you can potentially touch on is great to hear, and I think all of that is
really helpful. And I think, as we've sort of said, I guess the other thing that I
think we would see as helpful is, yes, just be really clear in the language, and

perhaps it even does need to be a slightly separate recommendation for maybe even babies under one, or babies under two, compared to two to five, or what that distinction might be, because I think the Productivity Commission, yes, we're very aware of your terms of reference, and I think it's even more
5 prescriptive than just look at ECEC, it's about how can you make ECEC universal essentially, like, that's a big focus, and so it's a very kind of narrow scope in many ways.

10 But the Productivity Commission does have a lot of credibility, obviously, and authority, and the statements that come out of this review, and the report, will be very influential, I think, in just kind of adding to the rhetoric, and to government policy moving forward. And if the overall idea that comes out of this report is ECEC is great for all kids from zero to five, and all kids should
15 be in ECEC for 30 hours a week, which is the kind of take away that you get when you're looking at it in a broad way. That will be very powerful in adding to the already existing very strong cultural push towards very young children being in day care for long periods of time, and so I think there's an opportunity for the Productivity Commission in being quite nuanced, and not scaring parents, or saying things that are not balanced. But in being nuanced,
20 perhaps pulling apart ECEC into long day care, and early childhood education, to change the debate a little bit, and to add a little bit more thoughtfulness almost into the debate, and into the cultural conversations that are happening.

25 Because I think what I see at the moment is the report, you know, as it's currently drafted, is that all of that nuance in that research paper is going to be lost, that's not going to be picked up, and it really will just be, you know, 'It's great. All kids should be in day care', and I think it might be a bit of a disservice, because I think, reading it now, the take aways are, 'It's beneficial
30 for your baby to go to day care. And in fact, you're almost irresponsible if you don't send your baby to day care. You're putting it at a disadvantage'. I think, you know, it might be sort of strong language, but I think that's almost kind of where the broader overall message lands as it stands, and I don't think that was the intention from what you've said today.

35 MS TAPSCOTT: Sorry, if I could follow on from Alannah too. I mean, the thing that always mystifies me a bit about these conversations where we are trying to improve early years, and the early childhood system for our children, is this strange reluctance to really drill down on what is it that causes, that is
40 the quality issue, and you guys did try and drill down on what is it about the delivery that causes quality issues, and it's really difficult, but it's also uncomfortable, deeply uncomfortable, especially for parents who have no choice but to use it, and use it as a preference, because they believe that that's the best thing.

45 And to talk about where child care settings may not be developmentally appropriate, is deeply uncomfortable, but so necessary to making the system better. Like, we can't improve the parts that are going to be doing children a disservice unless we talk about it, and I think we are having that conversation.

But as Alannah's saying, it's just equally important to be looking at the parts of the research that are a bit of red flags, and when you're making something universal, it's meaning that we're expanding this service. So if we have current issues at the current prevalence of use, and the current delivery, and however many children we're delivering this service to, expanding it is going to exacerbate some of the issues that we have. So, yes, I think that's going to be a stumbling block for us in Australia where we don't have a long established public or not-for-profit system, you know, changing the fundamentals of our delivery to make it able to be expanded quite drastically. I mean, in answer to your point about what was our quality concern just prior to Alannah responding to your points, yes, that was my feeling on the quality issues.

COMMISSIONER GROPP: Because in our supplementary paper when it goes to, you know, looking at overall impact, then trying to break it down about what's driving it, it gets even a bit more uncertain about what are the factors that actually – and we have the Quality Framework, and there is ongoing research, and monitoring, of children's outcomes, and that's something we're certainly very strongly in favour of ongoing research agenda, data sharing, longitudinal monitoring of children, sort of, trying to figure out which bits of it are important, and what works. Can I ask you, you mentioned overseas models, is there any model overseas that you think, sort of, gets it about right, or bits of models from overseas that – you know, you mentioned obviously longer paid parental leave.

MS BATHO: Well, I know the Nordic regions get thrown around a lot, but they do so because they are good systems, and that's why they come up so often. I think they're, last time I checked, a 90 per cent public not-for-profit delivery. They are, in those regions, increasing their for-profit delivery models because they are also experiencing an increase in demand for these services, and for-profits have shown that they are extremely good at meeting increased demand, and meeting it really quickly. But they have caps on the amount of for-profit, and you probably know all this, and - - -

COMMISSIONER BRENNAN: (Indistinct words.)

MS TAPSCOTT: Yes, and they have transition programs in place, so when children are starting day care from one year old, they can come in and it's a staggered transition into day care, sort of in the same way that we would for school children. Just going back to – so, yes, I - - -

COMMISSIONER BRENNAN: It's a really nice point, actually, Virginia, which we've not heard a lot about, the way in which those countries do fund parents to have paid time to settle their children into early childhood settings, and that's an example of something that's an absolute bridge between my, sort of, middle level that I was speaking about, and the formal systems that are our focus, so it's a great example to have raised.

MS BATHO: And perhaps on that point as well, I don't know what's in the current qualifications for educators, but perhaps there could be an emphasis on, you know, like attachment theory for educators, so really upskilling educators in terms of, 'This is how you could bridge the gap when children are transitioning from parents into day care', and helping to ease that separation anxiety for children that are coming into it for the first time; that would be a new focus.

COMMISSIONER BRENNAN: Yes. We do have a concern about the content of training programs for educators, and indeed for teachers, and we've put a call for information about whether the content of that training is appropriate, and appropriate for the contemporary world, and for the challenges that so many families bring to ECEC settings, so that is definitely a live consideration for us. And we've heard from some groups in some, but not all, teacher education programs, the focus is more on older children rather than on children before school age, and perhaps even less on infants, so those are really important considerations for us. Very good for you to mention it, thank you.

MS TAPSCOTT: Sorry. Just going back to the recommendation for three days a week. I have a four year old who does the preschool program, it's two days a week from 9 till 4, at the latest, and that's been great, excellent for her, but that's also really pushed her, and I just can't help but think, I mean, beyond that we're benefitting parents by allowing them to work longer hours, but just drawing that distinction of where does the benefit end for the child, and where does it begin by enabling us to work longer hours, and to make more money, I think sometimes that line gets blurred too. And I know that we've talked a lot about nuances, but I just wonder if those younger kids - and we see increasing rates of school refusal - I'm just wondering if those younger kids, who are non-verbal, may be experiencing that overwhelm, and that feeling of it's too much, but just can't verbalise that, and indicate that to us.

COMMISSIONER BRENNAN: Yes. We do have some wonderful researchers in Australia who are actually looking very closely at babies, and toddlers, and developing methodologies to try and understand the experiences of pre-verbal children in ECEC.

MS TAPSCOTT: Yes.

COMMISSIONER BRENNAN: But more generally, I was going to say, I guess our position is that we are putting a certain amount of trust in parents to make the best decision they can for their families. You know, I have children, and they've been very young a long time ago, I know what you mean about seeing them very tired at the end of a day or two in a formal setting. But I guess our perspective is we have to trust parents that - if parents are making decisions about working longer hours, they're doing it for their own reasons, and the reasons that they believe best meet the needs of their families, but I was going to ask you, because one thing I wondered do you think about in your group, is the issue of more gender equality in caring, and earning, and do

you have ideas around making it easier for fathers to share in the care, particularly given that it's pretty evident that more women are going to take their place in the labour force?

5 MS BATHO: Yes, we do have lots of thoughts about that as well. And I
guess, coming back to the paid parental leave again, you would have heard
this, you know, paid parental leave for dads, a meaningful period is obviously
really important, and I think there's quite sound research from other
10 jurisdictions that shows that dads that do engage in a meaningful period of
paid parental leave, do take up more of a caring responsibility, so that's really
critical, and we think that really needs to be on the agenda in a more, like,
substantive way, not the current amendment to the paid parent leave scheme
where it's still the same bucket of leave, and now parents have to split it up
(indistinct words) way, something more targeted, and more expansive as well.
15 And also I think this is one that can be driven by business as well, it doesn't
have to just be government policies here, but businesses obviously having
flexible workplaces.

20 The four day working week trials that are happening internationally, and
starting to happen here, I think are really important in terms of the impacts
that businesses can have on family friendly workplaces. Because we're quite
strong on the fact that for gender equality, it can't just be about focusing on
women. I think we've really got to shift now into looking at the dads, and the
25 partners, and that's going to be the way that we can shift the dial there, and
pulling the policy levers with respect to partners. Because really, I think that's
the only way, you know, a certain amount of caring responsibilities that have
to be done, and we've got to get the dads to take up more of that, like, there is
some equation of women can't be doing all of the paid work, and all the caring
responsibilities.

30 COMMISSIONER BRENNAN: And I think some of the research evidence
shows us that, particularly with younger generations, young men would like to
share more in the care, but a lot of structures and policies make that really
difficult.

35 MS TAPSCOTT: Absolutely.

MS BATHO: I think too, the other thing that drives some of that, and
something that we're quite passionate about, is the value that is ascribed to
40 that unpaid care work. Because it really is, in lots of, sort, of rhetoric that you
hear now, it is really not seen as important, and I think that feeds into,
you know, child care educators not receiving high salaries, and being low paid
workers, the value of care work is not seen as important, and that is the case
for unpaid care work done by parents as well. And so we think if there was a
45 real wholesale, sort of, shift into parents understanding how critical that
unpaid care work is, dads and mums, and it was more highly valued by
society, that would actually be an important change as well to encourage dads
to take on more of the care work.

MS TAPSCOTT: Yes, we can't base gender equality purely on all parents who are working age, being engaged in the labour force full-time, because that obviously leaves not very much time for unpaid care work. It has to be based on the equal division of both paid and unpaid labour, but what we're seeing is, because we have the option of child care, it's actually further entrenching patterns where everybody just goes to paid work, rather than valuing that unpaid contribution. But that's just my take on the gender equality side of things. But certainly, it will be critical going forward to improving gender equality, and making sure that it's the best system that it can be, is really important to us as well.

COMMISSIONER BRENNAN: Yes, thank you.

COMMISSIONER GROPP: Thank you both for your insights. It's been very helpful and interesting, and provoking. So is there anything you wanted to mention that you haven't mentioned?

MS TAPSCOTT: Sorry, just on the Vermeer cortisol studies, meta-analysis, is there a reason that wasn't included in the literature review? I can (indistinct words).

COMMISSIONER GROPP: We'll have to take that one on notice, I'm afraid, and get back to you.

MS TAPSCOTT: Thanks, that would be good.

COMMISSIONER STOKIE: You mentioned, Virginia, you had some studies that we hadn't sighted.

MS BATHO: Yes.

COMMISSIONER STOKIE: We'd be very pleased to receive those.

MS BATHO: Thanks.

COMMISSIONER STOKIE: It may be that we did look at them and, for a range of reasons, we decided that they weren't there. We tried to basically focus on those that had the most as best possible rigorous background, et cetera, and I don't know about the particular studies you're referring to, so we'd love to see them.

COMMISSIONER GROPP: Yes, that would be great.

MS BATHO: Thank you.

COMMISSIONER GROPP: Thank you both.

MS TAPSCOTT: Thanks for your time.

COMMISSIONER GROPP: Thank you for your time, and for your contribution.

5 COMMISSIONER BRENNAN: Thank you. We appreciate your engagement, thank you.

MS BATHO: Thanks.

10 COMMISSIONER BRENNAN: And I think our next discussion is actually going to be about valuing the ECEC workforce, so you're very welcome to ...

COMMISSIONER GROPP: You're welcome to stay on, and listen.

15 MS BATHO: Thank you.

COMMISSIONER BRENNAN: We appreciate everyone's busy.

20 COMMISSIONER GROPP: I think we've got all our speakers here for the next session. So I don't know how long you've been watching, and listening, but just a reminder that – well, I'll introduce myself, firstly, Lisa Gropp, Deb Brennan, Martin Stokie, we're the three Commissioners on this inquiry. And just a reminder that this is being recorded and transcribed, and the transcript will be on our website in a few days' time, and also there may be members of the public, and members of the media, observing and listening, and the media could be reporting, but I can't tell you if there's anybody there, because I haven't got any line of sight, so I don't know who's out there, but just so you know that there might be somebody out there. But just relax it's fine.

30 COMMISSIONER BRENNAN: And know that every word's being transcribed.

35 COMMISSIONER GROPP: Yes, every word. So thank you for coming along. So if you could introduce yourselves, and where you're from, just for purposes of the transcript, and then have some opening remarks, and then we'll just have an informal conversation.

40 MS HENDERSON: Thank you for introductions, and thank you for the invitation. I'm Linda Henderson, and I am a senior lecturer at Monash University in the early childhood stream, and also belonging to our faculty research group, which is around the early childhood education workforce.

COMMISSIONER GROPP: Thank you.

45 COMMISSIONER BRENNAN: Thanks, Linda.

MS BABAEFF: Thank you for having us along today. I'm Robyn Babaeff, also with Monash University, and the related early childhood professional workforce, FRG. And something I really enjoy doing is professional

development with teachers, and educators, in the EC field, so I get to hear quite a lot of comments firsthand. Thanks.

5 MS QUINONES: Thank you. My name is Gloria Quinones, and I'm also an Associate Professor here at the Faculty of Education at Monash, and I most apply to the psycho-theory search group on workforce with Linda, and Robyn, and it was really interesting to hear Alannah and Virginia, because I do research with infants and toddlers as well, so everything was innate, and very interested, like Linda and Robyn, with working with early childhood
10 educators, and their well-being, so thank you for having us today.

COMMISSIONER BRENNAN: Thank you. And, Gloria, I've just got to say, I have read your name so many times, and now I know how to pronounce it because I've heard you say it, so that's very helpful.
15

MS QUINONES: Well, in Spanish it's Gloria Quinones, but in English it's Gloria Quinones, so it's okay, you can say it.

COMMISSIONER BRENNAN: That's good, thank you.
20

COMMISSIONER GROPP: Now, does somebody, or each of you, want to make some opening remarks?

MS HENDERSON: I was just going to open up. So I've kind of just written something, so I hope that's okay if I just read it, is that all right?
25

COMMISSIONER GROPP: Sure, go for it.

MS HENDERSON: I wasn't quite sure how formal it will be.
30

COMMISSIONER BRENNAN: No, it's good having some prepared sometimes.

COMMISSIONER GROPP: That will trigger questions from us.
35

COMMISSIONER STOKIE: You can be as formal or informal as you like, but, please, go ahead if you've prepared some material.

MS HENDERSON: Okay. So thank you for the opportunity to come here, and present our concerns for the early childhood education and care workforce. We do this because we care for the workforce. As researchers, and teachers, we deeply care about the workforce. I've invested my whole academic career in working, and researching, with the early childhood workforce, and this has really gone back since 2008, and it's a story that hasn't
40 really changed. I began looking at the early childhood divide between early childhood school, where I had early childhood teachers back in 2008 telling me that their school colleagues didn't consider them to be real teachers, and I
45 still hear that story today.

We heard, during COVID, our politicians refer to this workforce as 'child care' and the workers as being 'child carers', providing an essential service of frontline workers. And these so-called child carers are, in fact, qualified early childhood educators, and early childhood teachers. They are not child carers, just caring for young children to fulfil government policy agendas around workforce participation numbers. You cannot actually educate without caring, therefore, you cannot divide education and care into two separate things. Rather, you must care in order to educate, and in order to educate you must care, but we do not hear of school teachers being referred to as 'child carers'. And so here lies the heart of our submission: this workforce is suffering, it is under-recognised for its professionalism, and there remains ongoing disparities between school, and early childhood, in terms of workforce conditions. This is a workforce that has extremely high rates of stress, and burnout, post COVID. It was always a workforce under stress pre-COVID, but the demands that were placed on it, and COVID has brought this out into the light for all to see.

So if we go back into 2009, the workforce was positioned as a key policy strategy for lifting quality under the NQF. And so, as you would know as the Productivity Commission, in 2012, the Australian government early years workforce strategy, and the 2011 report from the then Productivity Commission into early childhood development workforce, presented a visionary text in relation to children, and in relation to early childhood achieving the nation's best interests stating that, 'By 2020, all children will have the best start in life to create a better future for themselves, and for the nation'.

And so if we just go back and think about that strategy, it was a strategy that has brought change for the better, and we can't deny that, but it's a strategy that has had very real material consequences for the workforce, and particularly the policy mandated position of the educational leader, who has been positioned as the key person to achieve this policy strategy. And so whilst the numbers that are generated around this notion of quality, and it might paint a picture of more centres now achieving a rating of meeting the NQF, these numbers don't tell the stories that sit behind them. And as I've argued in a paper recently with my colleagues, Professor Joce Nuttall and Professor Elizabeth Wood, around policy rhetorics and responsabilisation of this person called the educational leader, it relies on making responsible this one person for achieving this policy strategy. It's a very typical neo-liberal strategy. The policy that positions that person as responsible for the policy, educational leaders are the ones doing this work of the lifting quality for governments to promote quality. But more often than not, this so-called quality, and the numbers that promote it to not tell the truth, we have educational leaders working under conditions that their school teacher counterparts would refuse to do this work.

The simple policy text, which is actually in the form of regulation 118, which I'm sure you all know, states that, 'The Approved Provider will allocate a suitably qualified and experienced educator, co-ordinator or other individual

as an educational leader at the service to lead the development and implementation of educational programs'. However, that simple regulation, which is really the job description of this person, has had various policy implementation documents produced over the years until 2018, where we saw
5 118 page document, that was a resource for the educational leader, that actually outlined everything that they need to do as the early childhood educational leader. So a simple one statement, one sentence, policy in regulation 118 has become a massive document.

10 And in the ARC project, that I did with Joce Nuttall, because Joce Nuttall re-interviewed educational leaders, and it was around the time that this document was released, and time and time again we heard educational leaders telling us, 'That's it. I've had enough. I'm leaving this profession', they told us the
15 complexity of working in conditions that not only include a mix of qualifications, but also high regulatory burdens, lack of support, and both terms of remuneration, as well as respect for the role, and also the mixed market issues in those who are working in the for-profit centres, which we've just been listening to a few people talking about that, who are often working under agreements where they were being underpaid and overworked.

20 I've been personally told too many times by educational leaders that they are leaving the profession. Yet, you can't blame them, because when there is little recognition for them as a profession, and despite all the policy reform that is going on in this sector, the issues with the workforce remain the elephant in the room, as I say, and I say the elephant is blowing its trumpet rather loudly,
25 and I want somebody to listen to him. It is time to listen to know that the heart of this system is the workforce, because without a healthy workforce, you will not have healthy children. And its heart is currently not in a good state, it is needed urgent critical care that goes beyond just offering such things as mental health seminars, or resiliency training to educators, that just
30 place the responsibility on them when the system is actually causing the stress, so the system actually needs fixing. And so I guess that is the heart of our submissions today, is to talk about how we can actually support our workforce by looking at system wide change, so I'll hand it over to you - - -

35 COMMISSIONER GROPP: Or we can just ask some questions now. Thank you for that, because I think we certainly agree that without the workforce, we can recommend what we like, but nothing is going to happen without the workforce, and we've made a number of recommendations. I mean, we've
40 noted that there is the multi-employer bargaining process going on, I mean, I'd be interested to get your perspectives on that – is that just going to be, sort of, playing catch up rather than moving ahead, but also then we made a number of recommendations around pathways, qualifications, around professional development, mentoring, supports, et cetera, and indirectly, sort of,
45 recognition through registration, so that educators can get some recognition at least. But if we could just get your perspectives on the multi-employer bargaining process, and our recommendations, in particular, and what have we missed? What have we got right, and what have we missed, in that space?

MS HENDERSON: Robyn, do you want to - I don't want to hog the scene.

MS BABAEFF: No, all good. Well, bringing the voice from the networks, and the professional development modules, and courses that I've been
5 involved in, I mean, there just seems to be so much inconsistency in the working conditions between the EEEA, and the VECTEA awards, even though their employees are bringing them in on those, it's at what point they're being positioned. There doesn't seem to be consistency centred on their actual qualifications, and experience, it seems to be employer suited.

10 I'm on a social platform that's a professional network as well, and the consistency coming from many, there seems to be quite some fear in coming forward to the employer and expressing unhappiness, and there seems to be quite some conflict happening, and I'm obviously not speaking of all
15 workplaces, but when it does come forward, it seems that there's quite an unhealthy environment coming forward in many situations, which, in one way, this comes back to what the agreements are asking, and how they're being interpreted. Aspects such as due to the staff shortages that are happening, and ensuring that ratios are upheld, it seems to be quite
20 problematic as well. People are finding themselves in positions where they're taking on extra hours, particularly in long day care, and they don't feel that they're compensated or valued for the extra work they're putting in in that way; burnout, high level, which in turn is attrition, and it's been expressed quite frequently that where is the consistency for children when staff are
25 feeling burnt out, and looking for the right working place, and if it was more – I mean, I can appreciate, and as can they, the different cohorts of children, different contexts, are going to require different things. But there needs to be something at the core that drives consistency in the conditions for the educators, and for the teachers, and that comes into the educational leaders in
30 the hours of contact/non-contact time with the expected roles that are required.

35 Having actually feeling very spoilt now being around, I'm giving away my age, in the eighties, where we were 50 hours contact, 50 hours non-contact, and that was us working with, at that time, 50 children, two groups, and it did feel very balanced to have those achievable in terms of just to give an array of the tasks that come into the non-contact. I mean, quality improvement is such a big push today, but without the time, and not being multi-tasked with children, I mean, when quality care in the moment through interactions, being
40 responsive, observing and identifying children's needs, it can't be done alongside other tasks. And so many times I've heard teachers say, particularly with long day care, 'While the children are doing this, that's when I'll try and do that and/or', so if we're talking quality 100 per cent, it's being split, so it's not at its highest level.

45 I mean, aspects like we're talking the quality improvement, all the planning, all the mentoring, that needs to happen within the team, and across the teams, that bringing the parent, for instance, moving forward, all of this, which should be focus time reflections, can't happen in a moment if they're going to

be deep, authentic, and think to consider the many attributes where there was challenges that could be in place to being worked through, you know, hit the floor and running, well, tick the box, is what it will become if it can't be focused. I mean, in itself, that preparing to have a thought, an idea, about
5 developing even a simple learning experience for children, they're preparing for it not to be something that's slap down, and around, or repetitive, but to bring in the new, that non-contact time can lift the quality of what the experience is before, during, and after.

10 Applications for school readiness funding, all of that can be overwhelming in itself. And if it's to be truly reasonable, it's not just from a budget perspective, but what's available, really resourcing, researching, to make meaningful decisions based on what is contextually relevant to the teacher, the cohort, and the service of children. We're talking as well, quality partnerships, and that
15 isn't about meeting and greeting parents, and giving them some simple statements about their children. If we're talking partnership, we need to build those relationships with parents, and I really don't see how it can wholly and solely be done with the meet and greet, and the farewell, at the end of the day. Being able to find time, and I'll give an example, there were some teachers I
20 was once working with as a community of practice, and they have many families of refugee background, and they wanted them to be a part in the centre, for the parents to feel at ease, and they really wanted to understand and know.

25 They took time out, some of them their own time, to build authentic relationships, and in the words of a couple of them, they said they were blown away in finding out the stories of these families, and how much it helped them to understand developing real supportive sense of belonging strategies to be a part in the centre. Examples were given that, due to the families' situations of
30 their country's (indistinct words), the parents had never gone to school, let alone kinder. They had been homebound throughout their childhood. They said, 'I had no idea of this', and they said that changed their whole view of, and it was many families that this was related to, how they saw the parent-child relationships, how they saw the parent views, and how much more they
35 wanted to bring to support parents, understanding through what they had experienced, and that all took time outside of contact time with the children, and came back to pedagogy.

40 COMMISSIONER BRENNAN: Yes.

MS BABAEFF: I could keep going, but I won't.

45 COMMISSIONER BRENNAN: No, it's really important, Robyn. And as I'm listening to you I'm asking myself, 'Do the solutions lie in the working conditions of educators and teachers in the National Quality Standard, and what's expected of providers in their engagement with the community around their service?', and I'm taking it you're all involved in the preparation of early childhood teachers, is that right, and you might have some observations about teacher preparation courses more broadly, because we've certainly had some

questions raised with us about that. So I'm really interested in where you think some of the solutions might lie and, as Lisa said, what we might have missed, like, specific things we might have missed.

5 MS BABAEFF: Look, in terms of the value of non-contact time, I believe, in Finland, first up in terms of qualifications, a master's degree is what's valued, and wages are remunerated accordingly with the qualifications. So that value of the training, the education, of teachers, it needs to be at a higher level of appreciation for what needs to be shared in them, what needs to be shared for
10 the qualification, but the value of that qualification. I mean, it still isn't seen as, the conditions for early childhood teachers, equal to those in primary and secondary, and yet we teach across all, and the qualification is certainly not lesser in anyway, so it shouldn't be penalised.

15 COMMISSIONER BRENNAN: The qualification that you're teaching, are you preparing students for nought to 12, nought to 8?

MS BABAEFF: Nought to 12.

20 COMMISSIONER BRENNAN: Nought to 12. Is that a good spread of ages? Do you think that serves the ECEC well, or your students well? But we're really interested in this, because we've heard that, you know, one perspective is that that's too broader range, firstly, because there's not enough space in the curriculum for – I'll just focus on nought to eights, because I'm sure primary
25 school teachers might have their own view – but some people tell us there's not enough space in a nought to 12 curriculum for the depth of knowledge, particularly around child development, and the education of children, but also around the complexity of the families that these graduate teachers are going to meet when they graduate, and enter the workforce, so those sorts of questions
30 are really important to us, and we value your perspective on those.

MS HENDERSON: I think one of the issues that you're getting at there is that you're dealing with two very different complex systems. So you're dealing with higher education, which in itself is a complex system, and then you're
35 dealing with the early childhood sector, and when you look at courses that are birth to 12 years of age, then you're also dealing with the school sector. And so to begin with, in the higher education sector in Australia, there's actually not a lot of early childhood specialist lecturers, so what would happen in a birth to 12, you know, an EC prime/B Ed, you'll have a range of different
40 lecturers teaching in those courses, and some of them will be primary trained only, and only have experience in primary, yet they're teaching in units that have requirements to actually teach that early childhood content as well as primary content.

45 And so what happens, of course, is that the primary gets the focus, yes, and so you've got those complexities as well. You have our students going out on placements, and they will experience primary placements, and early childhood placements, and they come back and they can tell you the difference in

quality, or experiences, in terms of their experience as a student in that setting, varies greatly - - -

5 COMMISSIONER BRENNAN: Do you – sorry, Linda, I've just got a question at that time, and I wanted to ask you this question about whether you track students at all in the sense that do you know when students come to your program, whether they are aspiring to work in early childhood or primary, or is too early, and what happens to them when they do go into the workforce?

10 MS HENDERSON: Like, we don't have specific data on that, but you can just anecdotal data, as you work with students across the four years, if they're B Ed, you can see the shift that their preference becomes primary, just because they see that they have far more support if they go into a primary setting. They'll have a mentor, they'll have time to prepare, all those sorts of things, and they're going, 'I'm going to work in primary', most of them are saying, 'I'm going to work in primary'. It is the minority who have decided that they're going to target early childhood as their first place of work.

20 COMMISSIONER BRENNAN: And I think, Linda, very early on you called out the for-profits, and experiences in the for-profits. Could you say more about that, and what your knowledge or experience is about difference?

25 MS HENDERSON: Look, we have - and Robyn and Gloria could probably also attest to this, and our placement team could also attest to it - we have multiple stories of bad practices happening in for-profit centres, you know, where we basically wipe them off our list in terms of future sending students there. But it's not only that, not only is there bad practice and dangerous practices that get reported when students come back to us, but also things like putting students down. So we also have our Masters of teaching as well, and they'll go into their early childhood placement, and they'll be told, you know, 'Why are you bothering to a Master's, it's just child care?' or they're being mentored by someone who's a Diploma, and they're doing a Master's, you know, so there's this ad hoc in terms of even the mentoring is not there. Because of workforce shortages, we often can't always get a Bachelor or higher to be their mentor as well, so there's all these problems in even trying to capture those who we qualify into the workforce, particularly those who have the early childhood primary degrees.

40 MS QUINONES: Can I just add, I think one important - being someone that has a second language, I think we also have a lot students, international students and also cultural diverse educators, and families, and in terms of what we were discussing, quality and time, that takes a bit of time out of the non-contact hours. Like, early childhood is a very complex field just because of apart from us trying to really advocate for early childhood, even in higher education where we have a program that is early childhood and primary, you know, I teach infants and toddlers, and I really explain how important, and specialised, and sophisticated, the work that these educators, and even they have one to zero diploma, I say to the students, 'It's quite specialised what they do, they have a lot of experience'. So I think that is something really

important to value the experience that educators are doing, even so that they
burnout already, you know, their well-being, they try to do as much as they
can, the centre where they work, if it's private, if it's not-for-profit, like, there
are so many complexities within that, but I was just thinking of the question,
5 and I'm mixing a lot of ideas here, but I think one of the things, in terms of
emotional burnout, well-being, complexity of being an early childhood
educator and teacher, is the time management, and the time management in
terms of quality of interactions and relationships, but also in terms of spending
10 time with families, spending time with children, planning, and I think these
are workforce demands, or being a teacher, the demands that they have, that a
primary school teacher, or a secondary teacher, gets more acknowledged, like
Robyn and Linda is saying.

15 So there are so many – you know, when COVID started, these educators were
telling us in our research that they had to advocate for their work, because
they were seeing a lot of these differences in terms of who I am being an early
childhood educator, and the work that I do with infants and toddlers with zero
to three, or three to five, and I think that needs to be acknowledged more, the
20 teachers, and the work that they have. And the place where they work, if it's a
non-profit, or private, what kind of support systems for planning, for well-
being, for spending time with families is, and adding to that complexity is that
CALD, Culturally and Linguistically Diverse, community of educators, and
families, and Robyn talked about refugee families. So we need to spend more
25 time listening to what they're telling us these educators, and directors, and the
leaders of what is needed, I guess. So I think that's bringing everything
together what Linda and Robyn are saying here.

30 COMMISSIONER BRENNAN: Do we have your paper on educational
leaders, Linda, have you included that?

MS HENDERSON: I haven't, but I can send it to you if you want?

35 COMMISSIONER GROPP: Yes, you've given us some good references on
your submission as well, so that's – is it listed in the references?

MS HENDERSON: I can't recall off memory.

40 COMMISSIONER BRENNAN: It might be ten years from what you
(indistinct words).

MS QUINONES: You have (indistinct words), Linda.

45 COMMISSIONER GROPP: 'Leadership for quality improvement', is that it?
That's 2018, that's an older one.

COMMISSIONER BRENNAN: Anyway, we'll make sure we have it.

COMMISSIONER GROPP: Yes.

COMMISSIONER BRENNAN: Well, the role of the educational leader is really important, we'd like to understand more about it.

5 MS HENDERSON: Yes, and it is really important, that's the thing. In the
paper, as we argued, you know, as a policy strategy, they have positioned this
person as the key sole responsible person to achieve their policy ambitions,
and that places so much responsibility on this one person, and we know that if
10 the person doesn't have a system around them that is actually functioning, and
working, and manageable, then – well, obviously burnout is inevitable. And
it's not only that, it's that leadership is still fairly new to early childhood,
you know, it's a role that came in with the NQF, and prior to that there was
management, and there's been so much push, or there's been so much taking
15 of leadership research, and methods, and methodologies, and models, from
school leadership, and this was our argument in our ARC that I did with
Professor Nuttall, was that school leadership doesn't translate into early
childhood, because early childhood is such a different system, it is so much
more different to schools.

20 And so often you see our educational leaders, to begin with, they're often just
tapped on the shoulder and asked to take up the role, and they're making the
role up as they go because they haven't really got a model, and it's a little bit
like we've got research, and characteristics, of leadership, et cetera, but we
know that correlation and causation don't actually match from a research
25 perspective, you know. So we can go, yes, there's lots of educational leaders
who have these characteristics, but we don't actually still know what's lifting
quality, and that's been one of the key arguments in our ARC, which is why
we have worked at developing a model specific to early childhood, and it is
based on a systems model as opposed to individual characteristics of
30 leadership. Because that actually is what's burning them out, when they take
on these models that you require them to be everything and everything for
everybody. So, yes, I could speak a long time about that.

COMMISSIONER GROPP: I mean, you'll be aware that we've proposed an
ECEC Commission, I mean, it wouldn't do the research, but the things you
35 were talking about, what are the aspects of provision, and deliver outcomes,
what works, et cetera, so it's sort of an overarching view of – what was that?
Sorry, somebody's come in without their mic off, I think – and, sort of, driving
a research agenda, if you like. So do you see some benefit in that, in
collecting data, data sharing?

40

MS HENDERSON: Absolutely, totally, yes.

COMMISSIONER GROPP: Because it is, in a lot of respects, it's a nascent
kind of industry, isn't it, or sector, and its wording as you go, as you say,
45 there's changes and people don't realise what the impacts would be.

MS HENDERSON: Yes, and I think people forget that it is still – you know,
in 2009, it's not actually all that long ago, and so it's kind of been a bit of
constantly tripping over each other, you know, we have some policy

5 implemented, and we kind of catch up, and it's just constant. And we actually need to just take a step back and go, 'What's actually going on?', you know, first of all, 'What is actually going to really drive quality improvement?' I mean, that's really a basic question, which is where we were trying to answer that question. And not even getting into the debate of what is quality, you know, so there's another whole debate about that. You know, it's kind of let's listen to, as I said, the elephant in the room who's crying at the moment.

10 COMMISSIONER GROPP: Unless you've got anything else you wanted to add, we might – I think we're out of questions, so is there anything else you wanted to comment on, or point us to, you're all good?

MS BABAEFF: Can I - - -

15 COMMISSIONER GROPP: Sorry, yes. Sure, Robyn.

20 MS BABAEFF: Something else I was hearing in the field was inconsistency in accreditation. A quick example, within the community of practice, one of the state teachers was saying they had not yet achieved (indistinct words), and the other had exceeding, and they were really surprised at each other's – they knew each other's work well, so that consistency for how accreditation is being benchmarked at points seems to be a concern too.

25 COMMISSIONER GROPP: We hear this a lot across jurisdictions, but even within jurisdictions.

MS BABAEFF: (Indistinct words.)

30 COMMISSIONER GROPP: (Indistinct words), yes. I'm not sure what the solution is but, yes, we're acutely aware of that as an issue, so we're looking at a few different things to - - -

35 COMMISSIONER BRENNAN: Thank you so much. I mean, we've heard from a number of academics, but not so many who are directly involved in educating educators.

COMMISSIONER GROPP: I think you're the first group.

40 COMMISSIONER BRENNAN: Yes, we had Marianne Fenech, and that group, but people involved in a program together, you're the first.

COMMISSIONER GROPP: Yes.

45 COMMISSIONER BRENNAN: So thank you very much, we appreciate that.

COMMISSIONER GROPP: Thank you for your contribution, and your submission. And, yes, if we could have that reference so that we - - -

MS HENDERSON: Where will I just - - -

COMMISSIONER GROPP: Have you got somebody's – Miriam, or - have you got somebody's name, anybody on the team?

5 MS HENDERSON: I've got Peter.

COMMISSIONER GROPP: Peter's fine. Peter will do. Great.

MS HENDERSON: Yes. Okay, cool.

10

COMMISSIONER GROPP: Thank you.

COMMISSIONER BRENNAN: Thank you very much.

15 MS HENDERSON: Thank you.

MS BABAEFF: Thank you.

MS QUINONES: Thank you.

20

COMMISSIONER GROPP: We'll take a short break now till 2.30, yes, I think 2.30.

COMMISSIONER BRENNAN: 2.30, yes. That's good, yes.

25

COMMISSIONER GROPP: That's all right? And then we'll be back with our last two participants for the day. Okay, thank you.

(Short adjournment.)

30

COMMISSIONER GROPP: Hello? No? Hello?

COMMISSIONER BRENNAN: There she is.

35 COMMISSIONER GROPP: Hi, Sharon.

PROF GOLDFELD: I'm here. You know how you go on early, and then you realised your computer's not working, and you restart it, but it doesn't want to start.

40

COMMISSIONER GROPP: Yes.

COMMISSIONER BRENNAN: Yes.

45 PROF GOLDFELD: You know that particular trick.

COMMISSIONER GROPP: It wants to do an update just at the wrong time.

PROF GOLDFELD: It wanted to do a whole update, and so now I'm on my phone, my notes are in the Cloud, so I've just got to try and retrieve them, and it's just like, okay, that's what sort of day we're going to have today. So apologies.

5

COMMISSIONER GROPP: Well, thank you for coming to the hearings. You know who we are, but just for the people who might be watching, I'm Lisa Gropp with Deb Brennan, and Martin Stokie, the three Commissioners. And, Sharon, you're probably aware that the hearing's being transcribed, and the transcript will be up on our website, and there may also be members of the public observing online. I haven't got any line of sight if there any members of the public here. And there may be members of the media watching as well, and reporting, but just for your information. We keep these pretty informal, but if you could – I'll handover to you to introduce yourself, and your organisation, for the purposes of the transcript, and then if you have some opening remarks, and then we'll just have a chat.

10

15

PROF GOLDFELD: That would be fantastic. I just want to start by acknowledging the Traditional Owners of the land that I'm on, which is the Bunorong people of the Kulin Nation, and pay my respects to Elders, past, present, and emerging, and any First Nations people here with us today. Second of all, to thank the Commission for their time in allowing us to present, and I'll introduce myself as well. So my name's Sharon Goldfeld, I'm a paediatrician, a developmental paediatrician, and a public health researcher. I have a number of roles, but one of them is to be director of the Centre for Community Child Health, both at the Royal Children's Hospital of Melbourne, and at the Murdoch Children's Research Institute, so the centre sits over both, and I'm head of population of health at the Murdoch Children's Research Institute. I imagine that there's not very many paediatricians that are presenting to you in this Commission.

20

25

30

COMMISSIONER STOKIE: No.

COMMISSIONER BRENNAN: I think there's only one.

35

COMMISSIONER STOKIE: We've had some health network, but don't think they were paediatricians, so.

COMMISSIONER BRENNAN: I think you're it, Sharon. A big weight on your shoulders.

40

PROF GOLDFELD: Yes, I speak for all paediatricians. You know, I think it's a really important moment in time, isn't it, when we holistically think about children. So just a little bit about the Centre, because I think it's important, I know we don't have much time, but just to let you know the centre's focus is on prevention, and addressing inequities, and we've given ourselves a bit of a hurry up by our mission being addressing inequities within a generation. So we do have this sense of urgency. And, of course, you'll know a lot about the Murdoch Children's Research Institute, it's the third top

45

research institute for children in the world, and the Royal Children's Hospital, as I'm sure you know, is one of the leading hospitals in Australia.

5 I think what's really important about me coming to you today, is starting with
the end in mind. And what we know right now is by the time children start
school, there are clear inequitable differences in their development that
actually track through school, and high school, and then into their adult
outcomes, and then translate into the sorts of things that you saw in the
10 intergenerational report where we've got this, kind of, tsunami of chronic
disease coming our way. And so no pressure, but, as the Commission, really
you have this opportunity now to make a difference to those children. And
we'll talk a little bit later about where ECEC sits in the ecology of making a
difference to children, but I will say that I think the Commission's greatest
contribution to mankind, I think, will be making a difference to those children.

15 I'll also say that I'm bringing to you a number of perspectives that I think will
be quite useful. I bring to you the perspective of a child development lens,
particularly through a clinical view, I bring to you a public health lens around
child development, and I bring to you a system lens around child
20 development, and you can see they're all converging around child
development, as I said, it's because we already know the children's
development, so inequitably, (rather than unequally, of course it's unequally
distributed because that's genetics, but it's inequitably distributed), and that
means these are preventable differences.

25 And today I'll be sharing with you, and reflecting on two submissions, the
submission from the Restacking the Odds, which is really about what's a data
driven approach to driving equitable systems when you put data in the hands
of frontline stewards around quantity, quality, and participation. And the
30 other is about the National Child and Family Hubs Network, which is how do
you bring together all of the convergence of activity in this space around hubs,
which is this kind of integrated approach to delivering services for young
children, how do you bring those together to actually enact something quite
different across the system.

35 So I'm going to talk to four points today, and then I'll stop, because I'm sure
you've got a number of questions. The first point which I've shared with you,
which is what is it going to take to address inequitable developmental
outcomes for Australian children, and what's the role of stacking, what do you
40 put actually around these, in particular ECEC, and what's the role of
integration, because even with the best of intentions, ECEC alone will be
necessary, but not sufficient, to address inequitable outcomes.

45 The second is that equitable ECEC cannot be delivered without data at all
levels of decision-making, and that's right from the frontline stewardship all
the way up to what you might need as a Commission, and as a Commission
then, what are the sorts of accountability metrics you might need to actually
know that the system is driving equitably, knowing that to date universal
preschool has not delivered on equitable outcomes, and universality alone

actually increases inequalities. And, of course, if you have the appetite for it, if you really want to know whether you're making a systemic change, then set up the right experimental models, think about randomising roll-out, dare I say it, and using platforms such as Generation V in Victoria, which follows that cohort to know whether we've made a difference.

The third point is that quality is key to equity. So even if we have a plethora of ECECs sprouting out all over the entire country, what we know is if it's not delivered with quality, particular to those who most need it, then there is going to be inequitable outcomes. And two bits for this is, number one, from our research, standards 1, 4, and 5 seem to make the most difference, and it could be, kind of, a low hanging fruit to privilege those. And the second point, which I think is one that's going to challenge all of us, is that children who live in disadvantage don't live in disadvantaged areas necessarily. So only about 40 per cent of children who are disadvantaged live in the most disadvantaged areas, so anything that wants to target disadvantaged children needs to think both locally and nationally.

And the final point is, it's all very well to fund services, but what we know is, and we've colloquially called it 'the glue', the bits that make a system work are currently not being funded. And if we don't think about the glue, we're actually just going to keep funding services that will struggle to deliver on the aspirations, and the recommendations of the Commission. So, Commissioners, I might end there, and be very open to talking ad nauseum for another 30 minutes, or answering some of your questions, which you'd prefer.

COMMISSIONER GROPP: Thank you for that, Sharon. That's fantastic. I was going to ask about the "glue". I mean, we've been asked to look at ECEC, and so therefore there's always this focus, but we have to be careful not to be, sort of, siloed, if you like, about what's – you know, a particular certain service, but we're trying to look more broadly, and we realise that there is other services, there is other inputs here that are critical, and we have mentioned some of these. We've talked a bit about integrated services, et cetera, but where would you like us to go there in terms of what is critical, and the sort of funding mechanisms, or the sorts of programs that would assist?

PROF GOLDFELD: And I guess in the end, it's going to be about the way you set up. I mean, the funding, and the carrots, I guess, around the funding. But if I can give you an example. I can give you two examples. One is from the Cairns & Gordonvale Early Years Centres where they've actually wrapped health and ECEC together in one service, and then worked out how to partner with Aboriginal and Torres Strait Islander organisations. So there they've physically brought health, and education, and ECEC, together, particularly maternal child health, and allied health. And, of course, this will be a particularly interesting model when we're thinking about the NDIS reforms, and the foundational supports, because it turns out it's all the same children. And I think this is the opportunity for whatever you decide on the

Commission, which I think should be an ECD Commission, by the way, not an ECEC Commission, but we can talk about that later.

5 COMMISSIONER BRENNAN: Yes, let's flag that because I think that's a really important issue, it's come up a couple of times, so we'll park it for the minute.

10 PROF GOLDFELD: Yes. And the other is Yappera, which is an actual Aboriginal and Torres Strait Islander early years' service, that, again, wraps all sorts of different things in only the way, of course, that Aboriginal services can do, because they're already miles ahead of us, where they've brought maternal and child health, speech therapy, immunisations, kind of all together with ECEC, so that it's kind of a one-stop shop, and of course there are many other examples like that. You can't fund one of those everywhere, that's just not realistic, and so then, again, you get to this idea of, 'Where do you find high quality? What mechanisms do you have that are funding mechanisms?', and if I can just riff through a minute – and, please, just feel free to cut me off – I can imagine a world where you've got mechanisms that allow low income families to attend ECEC anywhere, and that's what you've already started to do by subsidising child care around the (\$)80,000, and, of course, if you remove the activity test, that will free it up for even more low income families. So, if you like, that's your national leverage point.

25 But there are actually around over 400 hubs already, if not more, across Australia. So there already is a national footprint where you could already start to think about what is the role of ECEC with these other services to actually come together – which mostly the states are funding these things, so it's not like these things aren't already being funded, but what's not being funding is this glue, which you've asked me about, and in the work we've been doing, this is really about these poor things, like, 'Have you co-designed them?', 'How do you do quality improvement?', 'How do you change practice?', these below-the-line issues that people ignore, 'How do you have data systems in the hands of those who need it?', 'How do you have navigators, or people who are welcoming people, who actually connect the whole system up?' So that's the sort of glue stuff that really never gets funded, but we know that you can't run integrated services without it, otherwise all you're doing is chucking some services together, and crossing fingers. So if you imagine there might be an opportunity to say, 'Well' – and I don't know the answer completely for this, 'What would it take to fund the glue in 400 or 30 40 600 existing hubs, let alone the ones that are missing, where you might bring ECEC more purposefully into those hubs?' and it might be health, education, social care, legal, and create both virtual and actual one-stop shops for families, and - - -

45 COMMISSIONER STOKIE: Sharon, can I - - -

PROF GOLDFELD: And that's not a minimal footprint, that's big. Sorry, yes, I'll stop.

5 COMMISSIONER STOKIE: Well, can I ask, or it's an extension, which is
that lots of existing services, and facilities, not all of them are co-located, I
had thought, or interpreted, when you're talking about the glue, which is
maybe this becomes the capacity for existing services to interconnect, and
interoperate, even if they're not physically connected and located, but in fact
10 you need to have capacity, which is the glue, it's really what you're talking
about; time, resources, people, to help make the connection. So for
argument's sake, if a family comes into a family and child learning centre, to a
playgroup, and they have a connection into the early childhood education and
care service, then it becomes the conduit in. Similarly across to a maternal
15 health service, or to some other community playgroup, or whatever the service
might be, but they don't physically have to be together. Although that's
perhaps the real gold, sort of, solution if we can. So in some respects, we're
dealing with existing services that are in certain areas you can't physically get.
Am I correct in assuming that that's what you mean by an aspect of the glue,
20 which is if everybody's so busy just doing their day to day job, they can't
possibly connect back into the maternal health nurse, or they can't possibly
connect into the playgroup, or they can't possibly connected into community
services, or disability, or health, or whatever it happens to be, am I correct in
that's what you're saying?

PROF GOLDFELD: Yes, and kind of.

25 COMMISSIONER STOKIE: Well, it's better than yes and no.

PROF GOLDFELD: Well, the reason why I'm saying 'kind of', is to me it's an
'and' not an 'or'. So I think the glue needed to run co-located services is
exactly about capacity. The glue needed to connect to the system is just a
related, kind of, capacity. So if you can imagine, I think hubs are a mini
30 version of place-based initiatives, but what sits around that is actually place-
based initiatives, and they definitely need to connect. And what we're finding
from Restacking the Odds is that that's exactly what those services need to do.
They need to be working together, particularly ECEC, on what's the
denominator here, who are all the kids we're trying to service, what's the
35 numerator in terms of where are all these kids going, and what's the actual
learning collaborative that we might need to set up that works out how we're
all working together and then, yes, how does that connect up to the actual and
virtual ways that we connect up to the services.

40 And I think things like navigators have been thrown around. I'm probably less
wedded to whether they're a navigator or what that kind of looks like. Some
way of connecting whether that's virtual or actual, I think is to be tested, and
we should be probably a little more agnostic about it. So that's why I'm
saying 'yes' and 'kind of'. Yes, it's about connecting up the services for
45 families, but I wouldn't take my eye off what's needed to actually get those co-
located ones. So to me, they're 'ands', and I know no none ever likes to hear
'and', but I think this is the reality of where we're at if we really want to shift
the system.

COMMISSIONER STOKIE: Yes.

COMMISSIONER BRENNAN: So – I'm sorry, keep going.

5 COMMISSIONER STOKIE: I was just going to say, I suppose I'm thinking
of, sort of, a pragmatic initial step, I suppose, which is that given that there's
so many services that aren't actually necessarily in a hub already, and in order
to do what you're talking about, you need the cooperation between all the
10 states, territories, and the federal government, and that's not easy at the best of
times. Trying to have initial steps towards, at the very least, and you can call
it a navigator or just additional resources, or, you know, open-ended
interoperability if being able to share data, have insight, connect, time and
resources, I suppose I was going with, almost, what could you do. I don't
15 think there's any disagreement with what you're saying, which is the
importance of the suite of services that are needed for families, and certainly
some children need a hell of a lot more than others, but it's just trying to find a
way to how can you improve that with, at least, the ECEC's component or
contribution in that in the short term, whilst we encourage and support the
20 federal government, and the state and territories, to come together in a more
coordinated manner.

PROF GOLDFELD: And that's kind of, if you like, with Restacking that's
exactly what we've been doing. So we've been working with Gowrie, that has
25 a number of different centres, about how it can improve what it's doing. So
we've been, again, putting data into the hands of frontline stewards about how
it makes itself have more equitable access. We've been working with Bourke
and District children centres, and that's really interesting about what happens
when you put data in the hands of frontline stewards. So they've worked out
30 that actually if you change the bus route, you get kids – bus timetables, so not
bus route, you'd actually have kids stay there longer, and then they've used all
that data to start mounting a, kind of, proposal on what it would take to
actually turn them into a proper centre. So we've worked with kind of
different – and then in Gladstone, what's really interesting, so they're an SPSP
35 site, what's happened there is we've just been able to out where the actual
services are, what are the quality of them, and what's the distribution of
population, and that's to your point, if they're disparate services, then what do
they need to connect up, this is exactly what you're talking about, and what
we've been driving at, not just to connect up for the purpose of connecting up,
40 but actually connected up to look at, 'Are you a learning collaborative?', 'Are
you actually improving what you're doing?', 'Do you actually know what your
data's telling you?', and, 'Do you know who isn't coming to all of these
services?' So you're absolutely right, there is a pragmatic to saying, I guess,
there, but that's important too, and I think there's, to your point, pros and cons
45 to each, and actually there's probably pros and cons in terms of which are
more low hanging in which areas, because that's what you're basically saying,
'Is there some low hanging practical fruit here that we could actually' – so
where the hubs exist, kind of, is to me a bit low hanging fruit. Where they
don't exist, let's not leave it as a big desert, but think about what the

interesting, kind of, approaches might be to connected ECEC up both with itself and with other aspects of the system.

COMMISSIONER STOKIE: Sure.

5

COMMISSIONER BRENNAN: Thanks, Sharon. When I hear about the glue, I've got two images in my mind. One is about connecting services together, or connecting people who enter a service to other services, so coming to the ECEC service, and you get connected with the speech therapist, and the immunisation clinic, and so on, but the other that I think about a lot is the bit that gets the family and child into the service, any service really to begin with, where they can be connected. And I'm thinking about this, particularly in the context of our recommendations around funding, supply not just in unserved or thin markets, but unserved and underserved areas, and obviously our remit is about early childhood education and care, but I think we're all thinking a lot about, 'Well, what is the boundary around early childhood education and care?', 'What is the thing that might be established in those communities,' and, 'What sort of conditions, supports, goals, accountabilities, might be needed to make sure that we're not wasting money, and just throwing money at something without putting something sufficient around it to make it real and meaningful for those communities?' So that question around the boundaries of ECEC is one that I'd be really interested in your thoughts on.

PROF GOLDFELD: Yes, thank you for that question. It's an interesting word to use, which is 'boundaries'. One of the opportunities with universal, or universal-like, services with ECEC is the kind of non-stigmatising front door that they present, and this goes to your point about "how do you get families in?". Families tend to come through front doors that are welcoming, that make them feel like they're welcome, and they're going to get something out of it, and we went out and asked some families what they think a quality service is, and they didn't come back with, you know, 'Well they practiced evidence-based practice', and yadda yadda. You know, they said, 'People were nice and welcomed us'.

COMMISSIONER BRENNAN: Yes.

PROF GOLDFELD: And we really underestimate the power of that, and to me that would be a pity, wouldn't it, if – and I think this is your point, Deborah – that if we just plonk ECEC, even in thin markets because we have to meet a need, and don't capitalise on what's actually needed for that community, that would seem like a wasted opportunity, and I would agree. And what that might look like will, of course, require co-design because that's becoming clear that what it looks like in Bourke, might be very different to what it looks like in Orange, which might be very different to what it looks like in another town – all the towns of Australia have just gone straight out of my head, of course. So I think the co-design elements are really important, but the parameters of that co-design, is I think what you're referring to, which is how can it actually be used as a leverage point to address the needs of those families, and can I say not everything has to be actual.

5 So, yes, it's quite clear that early childhood education and care is not a virtual
service. However, the things that wrap around it may well be, and let's be
innovative in that space, particularly allied health support, employment
support, there's a lot that can wrap around that makes it an integrated hybrid,
10 kind of, centre that's still welcoming, you know, families might still come and
hang out a bit. So I think if we put too tighter boundaries around it, which is I
think is your point, then I think that's a huge opportunity lost, and I don't think
it's very 21st century forward looking in terms of what the families of
15 Australia actually need, and I suspect it will stop where states and territories
can invest, because if it's just kind of standalone, there's less appetite for that,
if it's, 'Oh, how do we repurpose what we've already got?'. And if I think
about, we're doing some work out in the Wimmera, what are the opportunities
there for virtual, and we're doing something called 'Strengthening Care for
20 Children', which is how do you actually uplift the whole community about
what children need, you can't put a paediatrician everywhere, what's the
virtual opportunities here, and what's the opportunities to strengthen the other
parts of the universal health care system, to deliver some of the things that
GPs might normally deliver, but there's not enough of them. So if we're not
25 thinking like that, then we've just got a lost opportunity, which is I think what
you're alluding to.

COMMISSIONER BRENNAN: Thanks, Sharon, yes.

25 COMMISSIONER STOKIE: I was interested in your comment earlier,
Sharon, which is around – let me look at what I wrote down – 40 per cent of
disadvantaged live in disadvantaged areas, hence a lot more live in non-
disadvantaged areas. Do you think we've got the balance right in our
recommendations then to try and target those children coming from
30 disadvantaged backgrounds, because that's a very strong focus, hopefully,
that's coming through, we'd like to think so, but I'm testing that, is that true in
your view, because we're targeting from fee supports, 100 per cent of the
activity test, from a desire to support the creation of new services. But in your
view, is that targeting at the right level, is it the right type of targeting, how
35 have you interpreted our draft recommendations, or draft areas, that we're
focused on?

PROF GOLDFELD: Yes, and I think, you know, it's exactly what I was
saying, like, what are your national levers, and what are your local levers. So
40 my view is experimentation, and thinking about how this works in thin
markets, et cetera, is where you might target more disadvantaged areas, and
of course there are still a lot of disadvantaged areas across Australia, and
unfortunately some of our rural and remote areas have very small numbers of
children, and that's a real challenge about do you get these services from that
45 point of view.

COMMISSIONER STOKIE: Yes.

PROF GOLDFELD: So I think that's a challenge. I think there has to be a national lever. I think where you set the subsidy is always a challenge. So, for example, we did some work during COVID where we asked families – it was taking the pulse of the nation, and it was actually a survey that went out every fortnight, and we were able to actually look at what's happening for families with children under the age of five, and what was happening during the entire time, this is during, sort of, mid-2020 right through to 2022, is we had about 66 per cent of families, so not 26, 66 per cent of families were either not making ends meet, or just making ends meet, and then the rest were doing okay.

Now, this a survey that comes with all the biases, et cetera, but it didn't actually move much, which was really interesting. It didn't even move much when people were given more money, and I think this is probably a pre-pandemic phenomenon that we just happened to be measuring, because it just didn't change the whole time through the pandemic. And I'll bet London to a brick it's pretty much the same now because, of course, the middle class is really being hit. Sixty-six per cent of families just making ends meet means, particularly for young children, we know the entire family income drops when they have children, particularly with women leaving the workforce, so you've got the whole population of income going down around then, and it doesn't go back up again, I think, until the last child is three or four years of age. So I think were you set, and at the moment I know you set it at the 80,000 mark, but I think there just has to be some thought about how that kind of works, and what you think disadvantage is.

We did some work, which we can share with you, which is now publicly available for the Department of Education, looking at the levels of disadvantage when you're taking the full, kind of, gambit of what you mean by disadvantage, and it won't surprise you to know that the numbers are much bigger than the numbers that we normally refer to, and we were referring to the very disadvantaged. So my only question to you is, (indistinct words) - - -

COMMISSIONER STOKIE: That suggests a higher threshold, Sharon, or?

PROF GOLDFELD: That's what I'm suggesting, a higher threshold.

COMMISSIONER STOKIE: Do you have a view on what that is? What does your other work highlight in terms of broader disadvantaged measures?

PROF GOLDFELD: It depends what you want to deliver on. So the highest level, I think it's a family with 150 of the family income is the highest level of the family tax benefit B, I think it is. So that's (indistinct words), but - - -

COMMISSIONER BRENNAN: Yes. But that's interesting, because some of our other submissions have taken us to the question of single parent families compared with partnered families.

PROF GOLDFELD: Correct, so you'd need to look at that.

COMMISSIONER BRENNAN: Yes, okay.

5 PROF GOLDFELD: You're talking to the wrong person to get right into the
detail there in terms of what that cut-off should be. But as I said, it depends
who you're trying to capture in there, and whether you're trying to capture the
most disadvantaged families, because that's a pretty low benchmark, or
whether you're saying that, you know - - -

10 COMMISSIONER STOKIE: At the moment, I suppose, we're very much
trying to capture those families who aren't accessing and drawing on early
childhood education and care. We can see that the cost matter is important,
even if it's heavily subsidised, so even a small fee is prohibitive, and so we
15 picked a number, which was around the health care card, sort of, as an
estimate, and we're also trying to have those that are on, I suppose, welfare or
other sorts of income support from government that might be unemployed, or
a single parent, or otherwise, so that they're not disadvantaged as well.

20 COMMISSIONER GROPP: But we'll have to adjust the taper rates as well
for what we're proposing, so there will be, sort of, knock-on benefits for
families higher up the income scale, and that's something we've asked about,
but - - -

25 PROF GOLDFELD: I did wonder about the health care thing, whether
anyone from a health care card would just be eligible, because it picks up the
kids with disability, chronic illness, you know, there's a number of (indistinct
words) - - -

30 COMMISSIONER GROPP: Well, that's what we envisaged. That would be,
sort of, entry to waive that, because (indistinct words) - - -

COMMISSIONER STOKIE: Because we wanted to be very easy, that you
didn't have to do anything else. You didn't have to, you know, supply tax
35 returns, or others.

PROF GOLDFELD: Yes, that's a brilliant idea.

40 COMMISSIONER STOKIE: Like, if you've got a card, it's automatic. Even
though the threshold isn't quite at the same - - -

COMMISSIONER GROPP: It's a bit lower.

45 COMMISSIONER STOKIE: Yes, I think it's 72,000, or something like that.

COMMISSIONER BRENNAN: So then we've still got that issue of children
experiencing disadvantage, but living in more advantaged communities. And
again, it might be taking away from your area of expertise, because I think
that goes really to design of funding systems, and whether you have a system

that looks at the characteristics of the child, rather than taking a more, you know, generalised approach to family income, or whatever.

PROF GOLDFELD: Yes.

5

COMMISSIONER STOKIE: I have a question, which is to your area of experience, but if you wanted to make a comment before I ask, Sharon, I think you were about to.

10

PROF GOLDFELD: I was just going to reiterate the importance of a national lever. You are, in fact, one of the few national levers that we have for children, so the ability to fund into the child, and therefore into the family, you know, there's not really any other levers of substance for families, and in some ways, by subsidising child care, of course, putting more money into the homes of these families, you know, that is a very important national lever, and I guess where you set it, et cetera, is for a debate. But that's why I'm thinking, you know, if there's a national way of making sure that disadvantaged children, at the very least, get access, my view is that it should be a bit higher than it is at the moment, and how that works ongoingly, and where the money comes from, and how you phase it, you know smarter people than me will be able to talk to that, but I'd really like to see that complemented by a reasonable footprint of local innovation where we're able to say, 'But let's see what ECEC might look like going forward into the 21st century, and not do it in 10 areas, and feel good about ourselves, but to do it in 600 areas', and then go, 'Okay, now what does this look like?'

15

20

25

COMMISSIONER STOKIE: I'm keen on hearing your views around an early childhood development commission, but before we get there, we had some earlier conversations today around, I suppose, the level of intensity, or level of early childhood education and care by age, and some of the focus around, you know, should we have a different approach to nought to threes versus three to fives, and what about when we go from nought to one, you know, and as an early childhood development expert, I'm just wondering, we've got some pretty high level generic, sort of, you know, nought to five all in the one, you know, but clearly development needs changes, children aged from birth all the way through, I'm just wondering if you had a perspective on our recommendations as it relates to early childhood and, I suppose, the different age cohorts that we should be taking into account.

30

35

40

PROF GOLDFELD: I do have a perspective on that, funnily enough. I can't - - -

COMMISSIONER STOKIE: But will it be (indistinct words).

45

PROF GOLDFELD: I'd like to go where the evidence goes. So the evidence is stronger for a universal, kind of, offering in the three and four year olds, with an equity angle, so that's universal, but not uniform. That's absolutely strongest for three and four year olds. There is a benefit from a child attending, that's what I mean by universal, that there is a benefit conferred

from exposure to this, you know, intervention, inverted commas. So that is strongest for three and four. It is the strongest for high quality for those families who are experiencing some level of adversity. That is where the evidence is strongest. It makes sense, although the evidence is mixed for two
5 years olds, but particularly for those who are experiencing adversity, and would be benefitting from exposure to high quality ECEC, with a double-barrelled benefit of those families having more income by actually being able to go out and work. Under that, it's much more about what works for families, and ensuring that for those families who are needing use of early childhood
10 education and care, that it is of the highest quality because the equity stuff still is really important.

There's a lot of mixed results about whether kids should be in ECEC, or in the home, and of course it depends on the home, and then you just get into these,
15 kind of, nuanced conversations, and it gets much murkier the younger you get. It doesn't take away from the importance of quality at all levels, it's quite clear that quality makes a difference; it doesn't take away from the equity angle, which is children who are living in adversity, or where family environments are struggling, that there's a high quality environment that's an alternative,
20 that's a good, but that's getting into nuance, right, and you obviously want to make sure those families, where those families exist, that they can access, that they can use it for multiple purposes, both for the child's benefit and, obviously, for the parental benefit as well. So that's my view, it does get more nuanced the younger - - -

25 COMMISSIONER STOKIE: Well, that's very consistent with our outcomes paper. I just wonder more broadly, though, whether you think have we got the balance right in our recommendations to capture that nuance, I suppose.

30 PROF GOLDFELD: I'm trying to look up the recommendation while I'm talking to you.

COMMISSIONER GROPP: Well, I guess we're trying to target the children, who aren't accessing at the moment, who would come from more
35 disadvantaged cohorts.

PROF GOLDFELD: Right.

40 COMMISSIONER GROPP: And that's from nought to four to fives.

PROF GOLDFELD: Yes.

COMMISSIONER BRENNAN: And we talk about an entitlement up to
45 30 hours from birth, effectively, but obviously not talking about any compulsion, or requirement, or anything like that, but trying to take account of the realities of - - -

COMMISSIONER GROPP: Making that a real option for families who aren't, kind of, accessing at the moment, and that's – well, we think the

response will mainly come from that cohort. Particularly children who aren't in the system now, we've done that preliminary modelling which suggests it would be on that, sort of, extensive margin, both the parents accessing work, and for children accessing care, ECEC for the first time.

5

PROF GOLDFELD: Yes, I mean, there's lots of nuance even in the 30 hours, because three 10 hours days is not the same as five/six hour days in terms of exposure for these kids. So, you know, I don't want to add nuance, because I think it's always problematic when you do, but I guess (indistinct words) - - -

10

COMMISSIONER GROPP: Well, it's often children - - -

PROF GOLDFELD: It's my job to add nuance, and your job to take it away, but yes.

15

COMMISSIONER GROPP: But often children attend for – well, they're not attending for 10 hours, they're there for six or seven, it seems to be the kind of median, you know. I mean, some might, but even it's – you know, and that's always you have to buy a 10 hour day, but it's not used usually.

20

PROF GOLDFELD: But actually, for a number of these kids, they would be better off with more days. I mean, that's - - -

COMMISSIONER GROPP: More regular, like, five/six hour days, or something like that.

25

PROF GOLDFELD: Yes. But of course, five days of crap is not any good either.

30

COMMISSIONER GROPP: Yes.

PROF GOLDFELD: And again, I'm not trying to complicate this, but I guess it is complicated, that how do you, as the Commission, put access and quality together, and participation obviously, participation and quality into the same bucket. Because what we've had, by the way – so, you know, we've had a giant experiment in many states where we've had at least 15 hours of free preschool, free, 15 hours.

35

COMMISSIONER BRENNAN: Yes.

40

PROF GOLDFELD: It hasn't closed the equity gap.

COMMISSIONER BRENNAN: Yes.

45

PROF GOLDFELD: Quality is variable, participation is variable.

COMMISSIONER BRENNAN: Very variable, yes.

5 PROF GOLDFELD: And it's free. So just opening up the free floodgates, without thinking about the other bits of the system, you're just going to unintentionally increase inequalities. And so I think that's the importance of ensuring, while you're taking away one of the gateways, that you don't inadvertently create perverse incentives, or even worse, increase inequalities while you're at it.

10 COMMISSIONER STOKIE: Yes, I agree, it's an important insight for us to reflect on. Did you want to comment a little bit about the early childhood development Commission?

COMMISSIONER GROPP: You've got naming rights.

15 COMMISSIONER STOKIE: Yes, ECD.

20 PROF GOLDFELD: So, you know, everything's about moments in time, isn't it, really. So here you are recommending the potential of a Commission, there's two things with that. An ECEC commission, to me, seems awfully narrow. We've, kind of, got ACECQA that's had all the regulatory, sort of, responsibility. I'm not sure what just an ECEC Commission would add over that. But we've got this moment in time where you've got the government putting forward an early years strategy, you've got a Productivity Commission that's looking at what does the Commission look like going forward, and you've got a point in time where we can say, 'Where is the accountability metrics for the young children of Australia?', 'Where does the accountability leave us?', and 'What would that look like'? Now, there is an ECD Commission, and I think it's in Cuba/Jamaica, one of those, and it - - -

30 COMMISSIONER STOKIE: I'm not sure we want it benchmarked to Cuba.

35 PROF GOLDFELD: I'm sure you better go and look at those, right. So they've got an ECD Commission, but it actually sits in the Department of Education, which I think is problematic. You could have an ECD Commission that sits completely separate to government, but that doesn't work if government can ignore it. You could have an ECD Commission of Cabinet, where Cabinet has to listen to what the ECD Commission has to say. But underneath all of that, I think, my personal view, and the view of what I'm seeing, is that an ECEC Commission would be a massive lost opportunity to not be able to do – we've just spent the whole 45 minutes talking about what are the boundaries around ECEC, and we should remove them, and if we have an ECEC Commission, that would necessarily drive us back into those boundaries where the accountability metrics will be the usual suspects, and we'll be stuck back where we were, which I think is very 20th century. So my view is, an ECD Commission with teeth, and we all know that that's 45 challenging, but with accountability metrics, of which there are few, but they are deliverable, and measurable, would be an extraordinary opportunity for this country. And of course, you need the right data to be able to do that. Everything from what you collect at the frontline, right through to how that aggregates up to the sort of metrics you need, which is, 'Is there enough of it?'

'Is it any good', and, 'Are children coming?', that's the triple bottom line of ECEC in the context of ECD.

5 COMMISSIONER BRENNAN: Sharon, you bring so many ideas.

PROF GOLDFELD: I know.

COMMISSIONER GROPP: I suppose - - -

10 COMMISSIONER BRENNAN: Well - - -

COMMISSIONER GROPP: No, you go, Deb.

15 COMMISSIONER BRENNAN: I wanted to ask about your recommendation around continuous improvement, and the comments that you made about workforce issues, and members of the ECD workforce, having appropriate time to engage with children and families in the ways that are better required, and I know that's one of your big points in what you've brought to us today, so I wanted just to give you an opportunity to expand on that.

20 PROF GOLDFELD: Yes. I've been increasingly interested in the way systems, that are not human systems, but are business systems, apply their thinking to what is a very clear bottom line, which is money. And yet, I think human capital is probably the most important thing we're generating now.
25 And of course, if we're going to generate human capital through the systems that we're already funding, we want to make sure those systems are the best they can possibly be. And so that's why we've been thinking about – this is the “glue” thing as well, by the way - because to generate the sorts of ideas about continuous improvement, what's really needed is enough time for
30 people to be able to do it, but also a really massive data capability uplift at the frontline, which is, 'What's happening in my service?', in terms of who's coming, who's not coming, is it any good, 'What am I going to work on that's going to make a difference', and, 'What am I going to work on tomorrow that's going to make a difference, not three years down the track, but tomorrow?',
35 and, 'How do I know that difference is improvement?' And that's the way businesses work, right, they don't wait three years to find out if they've got some good data. They know their data every day, and they're working on their systems all the time, and I think this is extraordinary, like, this is the bit of the glue that I think is so important, which is how do you ensure that the
40 stewards at the frontline, and the managers at the next level, have the time, and capability, and data, and data systems, including visualisation, to both know how they're doing, and then how they connect with others to know how they're doing to actually drive improvement.

45 And this is what we've done on hospitals, right. I know – it seems weird that I'm bringing up hospitals – but in hospitals we were killing people, and then we worked out we probably shouldn't do that. And so quality improvement came in because we were killing people, and we needed to know why we were killing people, you know, leaving instruments inside people, or taking off

their left arm, where we would take off their right arm, and instead of giving them 20 mg, we gave them 200 mg, you know, all those sorts of things. And really, it's the same thing we're saying here. We've got this massive opportunity with ECEC, and what are we going to do to actually do the uplift.
5 And to me, that's where continuous improvement is so important, that's why the work we're doing with Restacking is important, and that's why the National Hubs Network is important, because it's trying to bring together all of that work. But, you know, if we don't take these things seriously, if we don't take these bits of the system seriously, then we're just putting things out
10 there as business as usual, and that's just led to incredible inequities.

COMMISSIONER GROPP: Thank you, Sharon.

15 PROF GOLDFELD: Did you hear all that? Sorry, as always, my phone (indistinct words) - - -

COMMISSIONER GROPP: Yes.

20 COMMISSIONER STOKIE: Yes.

COMMISSIONER GROPP: No, we just - - -

25 PROF GOLDFELD: The phone's ringing and, you know, the whole thing's, you know, anyway I think it's worked okay on the phone.

COMMISSIONER GROPP: So I was just going raise – I mean, you've mentioned randomised controlled trials, you know, the prospects of that. And actually, Anne Kennedy's just jumped onto the screen, I notice, so it was – I don't know if that was – anyway, I mean, it's interesting because obviously we
30 have what the Parkville Institute has done, but you mentioned a couple of times, so what do you see as the prospects for that? For more of those sorts of trials?

35 PROF GOLDFELD: Yes, so - - -

COMMISSIONER GROPP: (Indistinct words) that Australia hasn't been really good at doing RCTs.

40 PROF GOLDFELD: No, and it's very interesting. So there's two ways of doing them, and that's why GenV is such an interesting opportunity for you guys. Because there's two ways. So what Parkville did in the RCT was quite small, actually, it was just one centre, and randomised, for children to when they – and it was a phased approach, essentially, and that's what allowed them to do an RCT. But you can do this really cool design called 'stepped-wedge',
45 or maybe I'm just showing my nerdiness, but I think it's a really cool design. Because what you would say in general, 'We're going to phase something in', because everything has to get phased in. It's very unusual to go, you know, 'Bang, here it all is done up', and you can phase that in in a randomised way, and it allows for quality improvement. So you might say, 'We're going to

target 50 child care centres, but we're going to randomly bring them in at 10 at a time', or you could bring in 50 at time if you wanted to get very excited about the whole world, but the stepped-wedge design is everybody's in it from the beginning, which is the beauty of GenV, because everybody's already in it, and then you go, 'Okay, phase one', you randomise them, then the second phase, but everybody's getting it, you're just randomising the roll-out. And the beauty of that is you get attributable results, and this is the challenge that we've got, everything ends up in associations, and, you know, you can pick holes in it. And I think if we're going to do this kind of massive policy change in Australia, man we'd want to know that kids are better off from an attributable point of view, and allow us to innovate and improve as we go along, because it ain't going to be a blue box that you just give to everybody, that's just going to be very challenging. So imagine if you can layer your financial money policy with what you're actually doing on the ground, look for cumulative benefit, look at whatever else is going on, that's the research agenda you could lay out, that would be world first.

COMMISSIONER BRENNAN: You've mentioned GenV a couple of times. What about LSAC, do we need another round?

PROF GOLDFELD: Well, I think GenV should be able to deliver on all of that. So LSAC is tiny, you know, in some ways, 5000 kids per round. GenV is already up to nearly 55,000 kids.

COMMISSIONER BRENNAN: Right.

PROF GOLDFELD: And so you're talking about the ability to do a lot of that place-based work, as well as the individual work. LSAC is great for following up families, but we're setting this up as both observational, and interventional, so you can actually do trials off it. So, for example, we're talking to some of the not-for-profit organisations about whether or not it could be used as a platform for randomising some of their various centres, et cetera, for doing things differently.

COMMISSIONER BRENNAN: Why are you talking to the not-for-profits, and not the for-profits?

PROF GOLDFELD: Because it depends who comes and talks to us, I guess.

COMMISSIONER BRENNAN: Okay, thank you.

PROF GOLDFELD: It's just they've come and spoken to us. But actually, the aim is to be able to link all of the child care data, if we can, into GenV so we can look at where all children go. Because of course, right here right now, that's very hard to do.

COMMISSIONER BRENNAN: Yes. Fantastic, Sharon.

COMMISSIONER GROPP: Is there anything you wanted to raise with us, Sharon? (Indistinct words) submission.

5 PROF GOLDFELD: Well, I guess the first thing is to thank you, and for your time, and for allowing me to go a little bit over, so thank you for that.

COMMISSIONER GROPP: That's fine.

10 PROF GOLDFELD: And the second is, I'm happy to come in and talk again, et cetera. It's a really extraordinary moment in time, and you can see the people who are online, there's a lot of interest. And, you know, no one's going to get it right the first time, because that's almost impossible. So I'll leave you with something I've been working, which is this idea of radical pragmatism. It's a term that really talks about the need to be radically pragmatic, and it comes out of how you respond in a crisis, which is exactly what we did during COVID, right. So we housed the homeless, and went to Telehealth in two weeks, and created a vaccine in 12 months, and I think we need that sort of approach to this, this kind of radical pragmatism of getting on with things.

20 But the other part of it is an experimental mindset. The idea of, 'Let's be prepared to experiment, and test, and not be held back'. So I kind of really like it, because it gives us the urgency of what's needed, as if we had a crisis, because I think we do have a human capital crisis, and then what's the experimental mindset we need to that we're not constricted by having to think about everything into the future all at once.

25 COMMISSIONER GROPP: Thank you, Sharon. Are they terms you've developed yourself in your work, or are they joined from somewhere, or?

30 PROF GOLDFELD: Well, Deborah, I thought that you'd made up the term had terms, but made up the term radical pragmatism until I found it in the literature, in a journal called the 'Democracy Journal', so I'm happy to share that with you if that's - - -

35 COMMISSIONER BRENNAN: All right. Thank you so much, Sharon.

COMMISSIONER GROPP: Thank you, Sharon.

40 PROF GOLDFELD: Thank you so much. See you later, everybody.

COMMISSIONER GROPP: Bye. Now, we've just got our last scheduled session for the day with Jenny Davidson.

45 COMMISSIONER BRENNAN: Yes.

COMMISSIONER GROPP: But before I go to Jenny, I just want to remind anybody who's listening in, that after this session I will invite people if they wanted to make a short statement at the end of the day. Hi, Jenny. Thank you for joining us.

MS DAVIDSON: Hello, thank you for having me.

5 COMMISSIONER GROPP: I don't know how long you've been watching, but I'll just introduce myself. I'm Lisa Gropp, and I'm joined by Deb Brennan, and Martin Stokie, the three Commissioners.

COMMISSIONER STOKIE: Good afternoon, Jenny.

10 COMMISSIONER GROPP: I also remind you that these sessions are being recorded and transcribed, and the transcript will be on our website as soon as possible. Also, there are observers from the public, and there could be media observing the proceedings as well, so just so you're aware of that. But if I just handover to you, and if you could introduce yourself, and where you're from, 15 for the purposes of the transcript, and then make some opening remarks, and then we'll have a chat.

MS DAVIDSON: Thank you very much. I'm Jenny Davidson. I'm CEO of the Council of Single Mothers and their Children, and I am coming to you 20 today from unceded Wurundjeri lands in Melbourne. Thank you for the opportunity to present to you today. Council of Single Mothers and their Children has been supporting single mother families for 55 years. The specialist lens that I'm seeking to provide you with, is the needs and challenges that arise in families where the care of preschool aged children is 25 undertaken largely, or fully, by a single mother, or is shared across two households.

Single mothers make up 13 per cent of Australian families, so nationally that's 30 678,000 families with dependants. So that is children under 15, and it also includes children 15 to 24, so I haven't got the breakdown for you on preschool aged children, unfortunately, but it would be about 13 per cent of those families too, I suspect. These mothers are very diverse; so all ages, background, cultures, and educational levels, living with various health and well-being challenges. What's true of all single mothers, is that they're 35 determined to provide a good life to their kids, and a bright future for their children, and for themselves. Another commonality is that female headed households are the poorest family structure in Australia, with 37 per cent of single mother families living under the poverty line, and many more in financial hardship.

40 We undertook a national survey of single mothers in 2020, with our report out last November, and it had over 1100 respondents, with the largest of its kind in Australia. And it's notable that 87 per cent of respondents were concerned about their long term financial well-being across all levels of education, and 45 employment, and that's with 78 per cent of those respondents in paid employment, so that is a similar percent to women in Australia in general. What is pivotal to their financial well-being is access to child care. Another significant factor, in both the independent evidence, and in our survey, is that at least 60 per cent of single mothers have lived experience of family

violence. This, in turn, means that far too many preschool aged children have been exposed to violence, either past, and often continuing even after separation in some form, and also to the stresses involved in the complexities their mothers are facing as they seek to rebuild their family's life.

5

The benefits for children engaging in early childhood education are heightened for families grappling with disadvantages such as poverty, isolation from community or family networks, recovery from family violence, and families in which the other, or the child, or both, are living with a disability, which are significant factors for many single mother families. Council of Single Mothers and their Children's position is that the federal government activity test, that determines the level of subsidised care, must be removed. Free, or heavily subsidised, child care would be beneficial for all children, perhaps most for children facing disadvantage, and I'm sure you've heard that plenty of times.

10

15

Council of Single Mothers and their Children notes also the essential role of child care in enabling women to work. Single mothers carry a disproportionate care responsibility for their children, with our national survey showing that single mothers have their children, on average, 12 out of 14 days in a fortnight, regardless of the age of their youngest child. Some mothers choose not to work while they have preschool aged children. However, many are working to support their families, and many are working to top-up the low level of parenting payment single, which remains below the poverty line, or they're studying to enable a better future for themselves, and their children.

20

25

The issue of child care affordability is raised frequently with our frontline staff, who have over 3000 contacts annually with single mothers. And the HILDA data showed that in 2016, 52 per cent of single parent households with children aged under four were using child care. By 2018, that share had dropped to 35 per cent, and the same trend wasn't observed among couple parents. So we have some data there around the fact that having a sole income, you know, it's very difficult if you are on government benefits, you are in that 38 per cent living in poverty, so you need to work if you want a better daily reality, and long term future for yourself, and your children, and then there are so many barriers to work, the cost of child care being a very important one.

30

35

There are also issues around access. So some locations, single mothers are confronted with a waiting list of up to a year, and in some rural and remote locations, mothers have got no service availability, having to drive half an hour each way to child care, and so forth. Delay and lack of suitable and affordable facilities only serves to compound the poverty, and the isolation, of these families.

40

45

I'd just like to finish with the actions that we believe can improve the current system, and outcome for single mother families. And they are to remove the activity test, to investigate and repair the wide disparity of costs of child care across Australia, to provide additional subsidies for single parents to offset the

costs, to establish priority access for single mothers to child care, and before
and after school care, and to establish more child care that's outside standard
business hours. So that's beneficial, for example, for single mothers who want
to undertake shiftwork, which can be very difficult with preschool aged
5 children, which is almost impossible if you don't have some sort of out of
hours care. And given that the care economy is the burgeoning area of paid
employment that is suitable for families, the other one being infrastructure,
which is not family friendly, then care work, which is often shift care, is one
of the entry level jobs that's available to women, and there isn't child care that
10 goes with it. You know, we could also consider re-establishing in-home child
care, particularly for families where a parent is a shift worker, or the child has
a disability. Thank you.

COMMISSIONER GROPP: Thank you very much. You've raised a lot of
15 issues there, and I guess I was interested with some of the data you showed
about the big drop-off, but I'll leave that for the moment. But we've proposed,
like, a subsidy of 100 per cent of the cap for families, including single parents
earning up to \$80,000. Do you think that – I mean, we're doing some more
work to look at exactly who's in that cohort, but I guess my prior would be
20 that that would include a lot of single parent families, what are your reactions
to that proposal, that draft recommendation?

MS DAVIDSON: Look, that's an excellent start. As a country, we need to
25 move forward with this, and obviously the gold star is places like
Scandinavia, and we're not going to get there in one step. So that would be
excellent progress. I do have data, and I don't seem to have it on my desk
right now, about the average income. Oh, here we are. So the average
income is around \$60,000 for single mother families, so going up to 80,000 is
30 a really good start.

COMMISSIONER STOKIE: Jenny - - -

MS DAVIDSON: And – sorry, go ahead.

35 COMMISSIONER STOKIE: I was just going to ask, sorry, Jenny, you've got
some data there, I'm just going you a really nerdy question, but do you have
the full distribution there as well, like, what does it go up to, because what
you've given us is the average?

40 MS DAVIDSON: Yes. I will just pull it up in front of me, because - - -

COMMISSIONER STOKIE: (Indistinct words.)

45 MS DAVIDSON: No, no, that's okay. It's a really good question, and, sorry,
I should have it in front of me.

COMMISSIONER BRENNAN: This survey data, that you're looking at,
Jenny, is it - - -

MS DAVIDSON: Yes. Look, it's our national survey, it's the second one we've done, and it is a significant – look, it's still only 1100 families, but it is a significant amount. It's the most significant data that we have.

5 COMMISSIONER STOKIE: It's okay, we can look that up ourselves. I was just interested in a perspective, because – well, the average only just captures the average, there'll be many above as there will be below, and - - -

10 COMMISSIONER GROPP: It's not the median, though, it's the - - -

MS DAVIDSON: Yes. Well, I do have it here, so I can tell you. You know, the majority of below is 60k, but there is 3 per cent that are over 160,000, who have responded to our survey, so of course the bias is that they responded to our survey. But we do find that – so 61 per cent were on an income of 60,000 or less.

15 COMMISSIONER STOKIE: Okay.

MS DAVIDSON: Yes.

20 COMMISSIONER GROPP: Thank you. And – sorry, I lost my - - -

COMMISSIONER STOKIE: (Indistinct words) thinking.

25 COMMISSIONER GROPP: I was just about something, and it went out of my head.

COMMISSIONER STOKIE: You mentioned earlier, Jenny, around the activity test. And we have a recommendation that, at the very least, we should
30 remove the activity test for 3 days, or 30 hours. We've also got a question in our draft report saying, 'Well, what about the other 2 days, you know, the fourth and fifth day?' From a single mother's, or a single parent's, perspective, what is your view around there, and what are you seeing from single mothers around the activity test, how restrictive and prohibitive is it for single
35 mothers?

COMMISSIONER GROPP: This is what I was going to ask, because you mentioned that drop-off, and I wondered whether that was around the timing of the - - -

40 MS DAVIDSON: I think before then.

COMMISSIONER GROPP: I don't know, I think it might have (indistinct words).

45 MS DAVIDSON: Look, was the activity test was introduced in July 2018 at the same time as the time of the compliance framework?

COMMISSIONER GROPP: Yes.

MS DAVIDSON: Yes. So there isn't an interest, and there may be correlation there, and HILDA, you know, does get a big data bank, and so they don't always drill down further into the findings, they aren't always able to. We need to lower barriers. When people aren't meeting their activity test, then they're maybe not engaged with their community in a lot of ways, and you need to lower barriers, and remove anything that could feel like a judgement to get families to go and engage. If a woman isn't currently engaged in anything that is defined as an activity, and is at home with a small child, then even just going to a child care for a drop-off, and pick up, is going to reduce that woman's social isolation, and we know that for children it's better.

A lot of women, they may have multiple children, may have multiple complexities in their lives, and when we're talking about low income single mothers, you're already grappling with just trying to afford nappies, and the extra time it takes to go and find things that are more affordable, or possibly not having transportation, and are living in a community that, you know, don't have a car, there aren't many buses, these are very complex lives. And the best thing that we can do is help families move out of poverty, and to move beyond the limitations of a social security system, is to reduce barriers, to engage with our society in any way.

COMMISSIONER STOKIE: Do you see it currently as, like, in your survey, did the mothers respond that this was a factor in accessing early childhood education and care, or how were they seeing the activity test?

MS DAVIDSON: Yes, the biggest factor we hear is the challenge of getting places in child care.

COMMISSIONER STOKIE: So it's the availability.

MS DAVIDSON: The availability is the biggest challenge. But the activity test is another stigma, I think, and it's also an artificial barrier. I mean, there's no downside to a child to go into child care, regardless of what the mother is up to. But you can bet that the single mothers are the most time poor cohort. If a single mother isn't working, and relying on our social security net when you have preschool aged children, is as it should be. You know, staying home with your children shouldn't be a privilege just to people that have a second income earner. That is the exact reason why we have a social security net, and it doesn't equate to welfare dependence. But you can bet that those women, without a woman a small child in tow, they will be out doing things, like, getting supermarket shopping done, or doing things with other children, or doing things that help them prepare themselves for when they're ready to engage in employment.

COMMISSIONER STOKIE: Yes, indeed. Another question, I'm on a bit on a bit of a roll. You spoke about non-standard hours, and having flexibility for mothers, particularly around shift working, and I just wanted to explore that a

bit. And you almost gave the answer, which is, 'Well, perhaps bring back, or make more available, in-home care', because, for instance, if you're working shift work late on a Friday night, I'd imagine it's not a highly desirable thing for a parent to drop their only child to a quiet and unattended ECEC centre, where that child is the only person there, and that's assuming we would run it in that sense. So I think your version around in-home care is probably answering my own question, which is how would you envisage delivering, or supplying, what's needed in terms of non-standard hours, because it's not as easy – it seems an easy answer, but then you think about the practical reality is that it doesn't necessarily easily fit, I suppose.

MS DAVIDSON: And you are absolutely right, it is an interesting question. And, you know, I find it interesting too that, for instance, if you go into an outer suburb, you're going to find a lot more child care centres that have something akin to tradie hours where they're open at six.

COMMISSIONER STOKIE: Right.

MS DAVIDSON: And in the inner city they mainly open at 7.30.

COMMISSIONER STOKIE: Yes.

MS DAVIDSON: So because, you know, there's a lot of people who – say, there is a family breakup, and they're a nurse, and they suddenly find that they cannot do their paid work, so they can't do shifts with small children, unless you have your own parents, unless the grandparents are able to be involved, or the co-parent is really supportive, women find that they just simply have to change career. And there are other women who can't get entry level jobs in things like hospitality, because it starts at 7, and you can't get into trades. There's so much employment in infrastructure, but if a job starts at 7, a lot of single mothers can't do that.

COMMISSIONER STOKIE: Yes, okay.

MS DAVIDSON: So the question is, how to make it work? I guess longer day care would be one way. So, for instance - - -

COMMISSIONER GROPP: Family day care?

MS DAVIDSON: Well, longer hour care, by which I mean care centres. Like, if shift work starts at 6 am, then that's easier than trying to do overnight. So, yes, longer hours may be in some child care centres, you know, so something that reflects the needs of the community. But also, in-home care is really for overnight shifts, yes, I agree. In-home is ideal, and there are women for whom, for instance, they could work overnight on a weekend in a residential care role, or something that's remunerated in a much higher hourly rate, so they can work less hours, and still support their family if they can find a way to leave their children. And in-home care was a lot worse, you know, I

don't know how long ago it was, but it used to be much more viable, and now it's almost gone.

5 COMMISSIONER BRENNAN: Do you - sorry.

MS DAVIDSON: Yes.

10 COMMISSIONER BRENNAN: When you talk about in-home care, so back to Lisa's question, I mean, is that also family day care, like, in the home of - - -

MS DAVIDSON: Family day care would be one way. I believe somebody actually used to come into your home, and stay with your children.

15 COMMISSIONER GROPP: Yes, there's still an in-home care program, but it's very small.

20 MS DAVIDSON: Yes, it's really limited, and the cost of in-home care has gone up.

COMMISSIONER GROPP: Yes, it's very - - -

MS DAVIDSON: So (indistinct words) with a small budget.

25 COMMISSIONER GROPP: Yes. So it's been squeezed, I think. But there's also family day care, which is in somebody else's home.

30 MS DAVIDSON: Obviously, yes. And, yes, you're right. I mean, leaving a child into a child care centre, and thinking that they're just going to go to sleep is a big ask for children. So family day care is a good model.

COMMISSIONER GROPP: Do you know, many of your, you know, from your survey, how many should use family day care, do you - - -

35 MS DAVIDSON: I don't think we collect data on the type of child care.

COMMISSIONER GROPP: Yes, okay.

40 COMMISSIONER BRENNAN: So probably you've already answered my next question, but I was going to ask about out of school hours care, and how significant that is for your community.

45 MS DAVIDSON: It comes down to a very fine line between being able to afford to work or not. So after school hour care is essential, and I myself, I'm a single mother, as everyone in the organisation has lived experience, and without after school hour care, I mean, it's very hard to find school hour jobs. Essentially, if you can't afford after school hour care, or you can't get a place, but it's mostly around you need to be able to afford it. So it needs to end up

being, you know, there needs to be a return on your investment in what you can earn, because school hours jobs are almost non-existent really.

COMMISSIONER BRENNAN: Okay.

5

MS DAVIDSON: Yes, and we would like to see children of single mothers prioritised in after school hour care, so they're sure to get the places. But it's one of the costs of working.

10 COMMISSIONER BRENNAN: Yes.

COMMISSIONER STOKIE: It has been fantastic, Jenny, I think we're nearly almost out of time, but was there anything else that you wanted to raise with us? Was there anything specific about our recommendations in our draft report that you saw that leapt out of you of, 'No, please', or 'Please do' or 'Please don't'?

15

MS DAVIDSON: Well, I'm interested to know – so if child care was to be 100 per cent subsidised for families under 80,000, what is your recommendation for the next income bracket?

20

COMMISSIONER GROPP: That's a good question. We had an information request about that, 'Well, it would have to be taper rate even if, you know, that were the case. You can't just go from 80,000, and all of a sudden it drops off. You know, you earn 80,001, you know, you'd lose 10 per cent, so it would have to have a phase out, and that's something that we've asked for people's thoughts about, and we'll be thinking about it, as we're obviously thinking about it ourselves. So if you did earn \$80,001, you'd be getting very close to the 100 per cent – very, very close - - -

25

30

COMMISSIONER STOKIE: Yes, 99.9 and - - -

COMMISSIONER GROPP: And it would have ramifications increasing the subsidy rate over the range, essentially.

35

COMMISSIONER BRENNAN: And that's one of the questions that we're focused on as we move towards our final report. And, yes, as Lisa said, when we put out our draft report, and we put these information requests, one of them is about, what we call the taper, but what happens after the 80,000 income cut-off. So, yes, we're working on it, but we're open to any input as well.

40

COMMISSIONER GROPP: Yes. So (indistinct words) - - -

MS DAVIDSON: Because the reality is that 80,000, you know, if you're paying for rental housing, and you're paying for child care, then there isn't a lot of change. Your children are probably still not able to do extracurricular activities, you may still be going to food banks, skipping meals, you know, the rent goes up. So it is a very fine line for families. As I said, in our

45

national survey, 87 per cent were concerned about their long term financial well-being. So, you know, we have a lot of families where someone who's working, there's one income, someone's working, there's child support that may or may not be received. Just because there's supposed child support
5 being paid, doesn't mean families are receiving it. So something like reducing the costs of child care, could make a significant difference to the lives of families with that 80,000 income too. You know 80, it's still pretty tight out there. And I guess there needs to be a revision as the cost of living keeps going up.

10

COMMISSIONER BRENNAN: Yes.

COMMISSIONER GROPP: Yes. Well, we've also pointed out the need, under the CCF, a cap would have to be adjusted to reflect what's going on, the
15 costs, et cetera, so yes.

MS DAVIDSON: Yes. So one other aside issue, I'll be quick, is shared care. What happens to women whom they only have their children every second week, and how do you hold a child care place; you pay for it. So that's an
20 interesting challenge. And I don't know how widespread it is, how often families are so far apart, but there are certain complexities to shared care that I just didn't even go into, because it's less common for preschool age and, you know, it's really tricky.

25 COMMISSIONER GROPP: I can't say we've - - -

COMMISSIONER STOKIE: We haven't come across that, but you're raising a very important point. But even going back to shift work, how do you keep connection to a service if you're not on the same consistent days.

30

MS DAVIDSON: Well, that's right.

COMMISSIONER STOKIE: So some services are very flexible, in that sense, but not all, and the shared care equally, you'd need – well, probably it's
35 not always going to be the case, but you'd hope that there's some level of cooperation and positive engagement around the shared caring, and it's not always going to be the case, and a commitment to the child's well-being in what that is. But you rightly point out the complexities of each individual family's relationships can't easily be captured in simple blanket rules, that
40 some flexibility is potentially needed.

MS DAVIDSON: Yes. And essentially, we want to remove as many barriers as possible, both to children having the social engagement, but to women working, because the correlation between relying on the social security net,
45 and living in poverty, are well-established

COMMISSIONER STOKIE: Yes. The downside, though, as you probably appreciate, Jenny, is that the people who fit into those categories tend to get marginalised and squeezed out. So if they can't take up the consistent days,

then because we have a lot of demand, and not enough services, right at the moment, the place goes to the person, or the family, who can actually take that up, and so not only does, in your case, the mother, not only misses out on the days where they don't have shared custody, but of the days when they do, and they would like to use, and they can't. So the cohort that you're representing are one of the ones that we are deeply focused around, because we can see that, in generality, they're the ones, and the children are the ones who aren't coming to early childhood education and care, and so we're trying to think through the policies that are going to, as you say, remove the barriers. We may not be able to remove every single of them, because some of them will extend beyond early childhood education and care, they'll go family units, other arrangements, and other challenges, but we're going to try and do as best we can, I think, is our general ambition. I'm getting nods from the colleagues.

5
10
15 COMMISSIONER GROPP: So thank you for raising those issues.

MS DAVIDSON: Yes, I will send through to Peter Bon, a link to our national survey findings, you may find it helpful.

20 COMMISSIONER STOKIE: Thank you.

MS DAVIDSON: Please let me know if there's anything I can do to provide you with other specialist information. I mean, the real quandary is number of places, and you need to both keep the cost down, and you need to entice more carers into the sector.

25 COMMISSIONER STOKIE: Yes.

MS DAVIDSON: So that is a tricky challenge for you all. Thank you for your considerations, and I'm very pleased to have spoken to you today.

30 COMMISSIONER GROPP: Thank you for coming, Jenny.

COMMISSIONER STOKIE: Thank you.

35

COMMISSIONER GROPP: That's been great.

COMMISSIONER BRENNAN: Yes, thank you so much.

40 COMMISSIONER GROPP: And thanks for giving up your time. Thank you. Okay. That concludes the schedule of public hearings today, but as indicated earlier, before we formally close proceedings, is there anyone else who want to appear today, and make a brief statement? Given we're online, I guess raise your hand, or do something or other. I hope somebody's monitoring, so we don't cut them off. No?

45

UNKNOWN SPEAKER: No.

COMMISSIONER GROPP: Okay. So I can now adjourn today's proceedings, and we'll resume hearings tomorrow morning. Thank you.

COMMISSIONER BRENNAN: Thank you both.

5

COMMISSIONER STOKIE: Thank you.

MATTER ADJOURNED