



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

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**PRODUCTIVITY COMMISSION**

**EARLY CHILDHOOD EDUCATION AND CARE INQUIRY**

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

**TRANSCRIPT OF PROCEEDINGS**

**WEDNESDAY 20 MARCH 2024**

COMMISSIONER STOKIE: Good morning, everybody, and welcome to our – close to our 10th or 11th and last public hearing session for our inquiry into early childhood education and care. I'm very shortly going to call on ARACY to engage and speak, but before we do that, can I just pay my  
5 respects to the Ngunnawal people and the traditional custodians of the land in which we're meeting today and pay respects to Elders past and present from those people, extend a welcome to any other Aboriginal or Torres Strait Islanders joining us today.

10 My name is Martin Stokie. I'm one of the Commissioners responsible for our inquiry. I'm joined on my left by Lisa Gropp, fellow Commissioner, and Professor Deb Brennan on my right. So you have everybody here, along with a number of our team who will be joining online, and one of our Assistant Commissioners, Lou, and Louisa, who's helping us off to the side.

15 The purpose for today is to gather feedback on our draft report which we've put out. And we're open to discussions. We're here really to hear what people have to say. And we will be finalising our report to government around the end of June. And then there's a period of time in which the  
20 government has to consider that before they will publish our report. So we don't quite determine when that is, but we will finish our report by the end of June.

25 We'd like to conduct this in a relatively informal manner. It feels very formal, but it's an informal manner, but just to be aware that there is a transcript that's being recorded, and that's what the microphones are for. We're also broadcasting live and online. It's a public hearing, so there may be – it's open to all, other stakeholders, participants. There may be media involved, et cetera. We don't really know who will join.

30 We're not requiring anybody to take an oath, but the Productivity Commission Act does require or expect people to act truthfully, and it shouldn't be an issue for everybody that has been, but it's worth  
35 acknowledging. For any media that might be present, it's not allowed to record this session, but it is acceptable to – or people may be using social media or others to comment on the proceedings and the discussions. We aren't taking comments from the public throughout the day. There will be an opportunity at the very end, and I'll call for any public views or any other  
40 final comments from anybody else, and there's an opportunity at the end of the day to do that.

45 For those that are in the room, generally speaking we'll follow the standard evacuation procedures. If the alarms go off, we'll do as we're told, and we'll just generally head towards the door, and we hope everybody can remain safe and well. What I'll do shortly is ask you to introduce yourself, so mainly for the transcripts, to say your name and the organisation, invite you, if you wish to, to make a short presentation, or there might be very specific things that

you wanted to mention about our draft report and recommendations, things that we have included or things that we haven't included, it's entirely up to you, we're a little bit in your hands, and so hopefully a warm welcome I'll throw to yourselves, and we look forward to the discussion.

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MS DUNDAS: Fabulous. Thank you so much, Commissioners. My name's Roslyn Dundas. I'm the acting CEO of ARACY, the Australian Research Alliance for Children and Youth.

10 MS HARRIS: My name is Diana Harris. I'm the Lead of Operations for ARACY.

MS DUNDAS: We will make a short opening presentation.

15 COMMISSIONER STOKIE: Sure.

20 MS DUNDAS: And we too would like to acknowledge that we live and work on lands whose sovereignty was never ceded and acknowledge the deep connection Aboriginal and Torres Strait Islander peoples have to Country and community through Australia. We pay respect to Elders past, present and those yet to be, and acknowledging the work of the Commission in looking to cultural safety as part of the ongoing work of the ECEC sector.

25 We also acknowledge a history of displacement can have intergenerational effects contributing to adverse experiences for children and families. Responsive relationships built through dialogue and positive interactions are crucial to developing healthy brains and healthy lives. Supporting and modelling respectful dialogue in the community can promote connection and engagement to deliver improved outcomes for children and families.

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35 What fosters positive development outcomes for children and their families will foster positive outcomes for us all. We acknowledge the work of the Commission to date. It's a significant piece of work and builds on generational desires to improve the early childhood and education sector, for we know that when children prosper, so do their communities and if as a nation we can ensure a good start in life for our children, the benefits for us all will be immense.

40 Improved ECEC investment will help tackle intergenerational disadvantage and support every child to thrive from the start. A plethora of reports and research findings over the past few decades all point to this, yet despite the substantial changes made in the past towards universal early childhood education and care and steps towards consistency by the national quality framework, significant change is still required to ensure universal and equitable access is in place to support the many children and communities that are currently not thriving.

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And this includes ensuring fundamental needs beyond ECEC centres are being met, such as transport, medical services, access to information and services in a range of languages. ECEC in itself represents a complex system, but we need to recognise it interfaces with multiple other complex systems. We see that engagement in high quality ECEC is well-established to directly support long-term economic participation, reduce criminal behaviour in adulthood and is a protective factor for most social determinants of health, in addition to supporting brain development in the first 2,000 days and ongoing educational outcomes.

Importantly, the benefits of high quality ECEC can bring to life the needs of children from vulnerable families, and it is a mechanism to interrupt intergenerational disadvantage. Supporting high quality and accessible ECEC systems must be conceptualised as a well-being investment with benefits that cross generations and government portfolios.

We acknowledge the recommendations that have been outlined in the draft report and see many great pieces of work and, of course, it's always about how governments will take these forward. We think the framing within a well-being investment will help lift ECEC to the status that it needs to help all children thrive. Thank you.

COMMISSIONER STOKIE: Thank you. There is a number of recommendations that we put into our draft report, and you've made a very sort of strong case around framing around well-being. I'm just wondering, are there specific things that we've raised that either don't do that or ones that we should be having greater emphasis on? We've had a very strong focus in around trying to centre the child or at least rebalance the regulatory approach, not just around labour force participation, but very much around the child. I'm just wondering from a well-being perspective what have we missed.

MS HARRIS: Can I take that one?

MS DUNDAS: Sure.

MS HARRIS: First of all, it's a terrific piece of work. There's a lot to love, and there's a lot that we do love about it. I think it's really critical that, as you say, you've moved the conversation on from all being about labour participation to centring the needs of the child. And that's one of the really great things about high quality early education and care, you do get that triple dividend when you get it right.

You are providing jobs for people who are supporting ECEC; you're providing a mechanism for more people, mostly women, to get back into work; and of course, you are benefiting the children themselves. And the other thing that Roslyn touched on, which I think is really critical here, is that one of the reasons that high quality accessible early education and care is so

effective from a social benefit perspective is that it's the children with the highest needs who benefit the most.

5 It can really provide not just the same benefits that all children get around their development and all the things that Roslyn talked about, but good ECEC, those strong relationships in those early years can provide an incredible stabilising influence on the lives of children who might be living with adversity, and that's why we were so pleased to see this focus on benefits to the child and the focus to the child.

10 So I think that one of the things we were really pleased to see were the number of recommendations that focused around that equity of access, recognising the barriers that currently exist and making strong cases for change, and that's everything from looking at the way we fund to looking at what needs to be done to strengthen the system. As Roslyn says, it's a  
15 complicated system that interfaces with other systems.

20 The systems mapping work at the Early Years Catalyst, of which we are part, identified 10 systems which can be recognised to be part of the early childhood development overall system, of which ECEC is one, and it's some of those interfaces that prevent those barriers to access. So getting granular – let me have a look. Yes, look, the recommendations to increase the subsidy rate, to - - -

25 COMMISSIONER STOKIE: Sorry, go ahead.

COMMISSIONER BRENNAN: So sorry.

30 COMMISSIONER STOKIE: No - - -

MS HARRIS: I can get you that - - -

35 COMMISSIONER BRENNAN: I was actually wondering, and I should know, but the systems mapping that you referred to.

MS HARRIS: Yes.

40 COMMISSIONER BRENNAN: Do we have that? Have you given that to us?

MS HARRIS: I think you do, but I will certainly send it again.

MS DUNDAS: We can certainly provide it.

45 COMMISSIONER BRENNAN: If you have sent it, we've got it.

MS DUNDAS: Yes.

COMMISSIONER BRENNAN: When you said it, I thought, okay, I want to have another look at that.

5 MS HARRIS: Yes.

MS DUNDAS: Yes. So I believe you had evidence presented by Social Ventures Australia.

10 COMMISSIONER BRENNAN: Yes.

MS DUNDAS: Who were partners in that work, and they too would've spoken about this.

15 COMMISSIONER BRENNAN: Okay, got it. Okay.

MS DUNDAS: So I think, as we were about to get to, one of the important additions to look at knowing the remit that the Commission has and the directions that have been set for this investigation is the capacity to recognise the interactions of the complex systems and to help the government consider where ECEC sits in a holistic sense and not to see it as an economic driver only, but to see the benefits for children.

20 COMMISSIONER BRENNAN: Do you think we're doing that?

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MS DUNDAS: We want to put it in bold, highlighted, to ensure that the government doesn't step away from those recommendations.

30 COMMISSIONER BRENNAN: Okay.

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MS DUNDAS: Sorry, you wanted to - - -

MS HARRIS: No, no, that's quite all right. It's a complex system. And as Roslyn said at the top of this, what we recommend is not always what will be taken off.

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MS DUNDAS: Yes.

MS HARRIS: So any support that we can provide in strengthening that case. It will be.

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COMMISSIONER STOKIE: Sorry, just before you go on, Diana. Sorry, I don't mean to disrupt you, but - - -

MS HARRIS: Not at all.

5 COMMISSIONER STOKIE: - - - we agree it's a complex system and I wonder from – and maybe it's an unfair question, but an external observer looking at what we're making suggestions on, are we making it more complex with our suggestions or are we making it simpler? Or is that not an ambition, we're focusing on the child?

10 MS HARRIS: No, look, you ask a really, really good question, and it's one that we often grapple with in our systems thinking. We all know that we want to reduce duplication in systems but people don't often ask themselves that question. It's like, what should we be adding, what should we be subtracting.

15 MS DUNDAS: Certainly the discussion in the report about the activity test. So much easier if it didn't exist.

MS HARRIS: Yes.

COMMISSIONER STOKIE: Yes.

20 MS HARRIS: Something you could easily subtract.

25 MS DUNDAS: And to centre the child, why do we care what the parents are doing while that – well, we should care in a more broader sense, but we shouldn't put barriers that stop the child from being able to access the ECEC system and high quality supports in that way.

COMMISSIONER STOKIE: Yes.

30 MS DUNDAS: So it's not a question of reviewing or reforming, it's just dump it all together. That's one easy way to simplify the system.

35 COMMISSIONER BRENNAN: Yes. We certainly had quite a bit of advocacy around that and asked for people's thoughts on going beyond removal of the activity test for the first 30 hours. We're giving a lot of consideration to that and to the information that we received in response. Clearly, there'd be an issue – well, we think there'd be an issue if it were just removed like that, particularly at a time when we're trying to - - -

40 MS DUNDAS: Around the workforce and being able to meet that demand, yes.

45 COMMISSIONER BRENNAN: Yes, deal with the workforce directly, improve supply and reach out to the children who are completely missing out, so there would be a risk if something like that unfolded too quickly, that people already in the system would expand their usage and it would not move the system in the direction we're hoping. But we're certainly giving a lot of consideration to that issue.

MS HARRIS: And as I'm sure everyone else has told you about any kind of phased reduction or removal of the activity test, we have recommended that it be targeted - - -

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COMMISSIONER BRENNAN: Yes.

MS HARRIS: - - - because what's (indistinct) - - -

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COMMISSIONER BRENNAN: Indeed. Yes.

COMMISSIONER STOKIE: Yes.

MS DUNDAS: And I think there's a conversation we can have around the navigators proposal. We certainly see at the moment, there is a need, the system is complex, especially if you're trying to access ECEC and English is not your first language, you're already marginalised from the community for whatever reason, be it social, language, poverty, transport, to then add all of the complexities of how do you access the subsidy, what centre can you participate in at what times, how do you get there, how does the need to do significant paperwork still to be able to engage in the system. The navigators can help in that process, but we think there needs to be work to actually lift our gaze, and what are the reforms that we can undertake so we no longer need navigators? And again, it's a staged approach, but we don't want to be embedding a band-aid and making that a core part of an already complex system when we can start making the moves to make the system easier to access.

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COMMISSIONER BRENNAN: I think that's a really good point. How complex does the system need to be to achieve the objectives we want? And I think – I agree with you, that it does raise a real flag when a system is so complicated that parents cannot – many parents cannot access it without a navigator or some kind of personal support to help them through, that's not the case in many universal systems, so yes. Food for thought. But we certainly think it's needed at the moment.

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MS DUNDAS: Yes. And that's clear, we did some consultations prior to the federal government's Early Years Summit in February 2023 and heard from many parents and workers in the system about this need for navigators, about the complexity of even getting in the door. And one of the – and this is a big challenge for the Commission, I admit – but one of the things that could, again, be investigated, is the complexity across the federation in relation to ECEC.

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COMMISSIONER BRENNAN: Yes.



MS DUNDAS: The differences of, you know, local council engagement has a high level of ECEC service delivery in Victoria, the West Australian approach where it's actually kind of sucked up into the school system, so the National Quality Standards don't apply in the same way. The focus on the family day care changes that rolled out about a decade ago that means the way that that can be accessed is, again, different in jurisdictions.

So if families are moving, that is another barrier to, again, centring the child and maintaining the child's connection with a high quality service that helps them develop their brains, their relationships and a whole range of protective behaviours, because the transitions between jurisdictions are so complex in and of themselves. So there's the national system, and the national leaders, and then all the different ways it's rolled out at a state level.

COMMISSIONER BRENNAN: Yes. We certainly - - -

MS DUNDAS: So just reform the federation, can you do that, Commissioner?

COMMISSIONER BRENNAN: We're up to here (indistinct). But can I just quickly just say, that we – one of our recommendations, the one about providing the 100 per cent subsidy to families below \$80,000, and hopefully such families being able to use the health care card as their point of entry to the system, rather than Centrelink. That's our ambition, of course, it's up to government to consider that. But I was wondering, I had a couple of questions about navigators in current arrangements, and how extensive that need is. I mean, do we need – we're not going to have a navigator with every service, but where do we need them, and in what kinds of environments do we need them?

MS DUNDAS: You get that.

MS HARRIS: If we have a look at navigators in other systems and, of course, the best evidence for navigators tends to be in health care services. Frequently what you find is that the navigators provide – they don't actually provide the navigator service in some ways, in the ways that we conceptualise. What they actually provide is continuity of care, and it's about that thread that runs all the way through, and that's always been one of the issues with the early years system, in that you start out in health through birth and matrescence, and then frequently there's a gap until you start school at four, and ECEC is the best thing we've got in terms of a not universal service there. So navigators, I think, is actually as much about that thread all the way through, as it is about navigating a complicated system. And if you take – if you apply that lens as well, it possibly changes how you think about the navigator role.

MS DUNDAS: And through that, there's the work that's going on from the Family and Child Hubs Network, which is not ECEC specific, but it is about what are the opportunities to pull down silos and barriers that exist in those interfacing systems that are looking to support children and their families.

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So where are families naturally going to access the primary support they say they need, and what are the opportunities to expand that space and the services that are available there? And it's not just a simple co-location question, it's actually about, again, that through point of continuity of care.

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And having the responsiveness of services where families are gathering, and there are some great models. There are over 100 hubs that have already sprung up in either schools or community centres or healthcare, some out of ECE. Some great examples about how that is providing almost like a universal navigation in that there is a front door, and how families can then access supports once they go through that door is quite fluid.

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And that could be another approach, but within that, it sounds simple in some ways but there needs to be the resourcing to support, not just co-location, and the physical environment, but the capacity, again, of the workforce to be able to take on those clients, share and have a common understanding of how those families can be supported.

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COMMISSIONER BRENNAN: Okay.

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MS HARRIS: When you drill down to pretty much any of those navigator roles, what makes a hub work, it's all relational. And, (indistinct). It's about whoever is holding that relationship with that family, how they then do the warm handover to whatever they need next. And that is, unfortunately, you know, it's how human beings work, it's not how jobs work. And it's very rare that you get a job that gives you the time and the space to forge those relationships, not just with your families but also with the other players in the system, so you know who to hand them to.

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COMMISSIONER STOKIE: So working within the current system, we have a federation, we have tiers of government that have independent constitutions it's very, very hard to change at the best of times. So working within that, where does that role sit in your mind?

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MS HARRIS: The navigator or the hub role?

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COMMISSIONER STOKIE: Yes. Because we need to make pretty specific – like - - -

MS HARRIS: - - - foundations (Indistinct.)

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COMMISSIONER STOKIE: We say things like, well, we should have a navigator, well, what do you mean? Who? Who employs them, who funds

them, where do they sit, what roles do they have, what powers do they have? That's the nature – I don't disagree with you, we actually think that there are some very good examples of where that works. They're not sitting in ECEC for starters, as far as I can see - - -

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COMMISSIONER BRENNAN: They are in some really good – they are actually.

MS HARRIS: Yes, (indistinct).

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COMMISSIONER STOKIE: For larger providers, they might be. But not at an individual - - -

COMMISSIONER BRENNAN: No. Even - - -

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COMMISSIONER STOKIE: - - - centre level. You think, Deb?

MS HARRIS: I can think of one.

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COMMISSIONER BRENNAN: I can think of Sydney Day Nurseries in Sydney doing that brilliantly. (Indistinct).

COMMISSIONER STOKIE: But is that the role that we want to see within each service is, perhaps, my question and - - -

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COMMISSIONER BRENNAN: Well, that's – no, I don't think you can have it within each service. That's really my question.

MS DUNDAS: Yes.

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COMMISSIONER BRENNAN: You know, is it a - - -

MS HARRIS: Yes.

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MS DUNDAS: And it's the – hubs and navigators need to be responsive to where the community is going, and so it depends. And that's why – and yes, understanding the complexities that you're trying to grapple with. Putting at the front the centring of the child and the understanding of wellbeing to shake up the government responses that say, 'Well, we've got a health bucket, we've got an education bucket, we've got a family services bucket.'

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COMMISSIONER STOKIE: Yes.

MS DUNDAS: We can't keep trying to carve up children to see which bucket they fit in.

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COMMISSIONER STOKIE: Sure.

MS DUNDAS: We need those buckets to come together.

5 COMMISSIONER STOKIE: So we've made recommendations in – around a  
National Partnership Agreement, particularly as it relates to ECEC, it could  
extend to a whole range of other elements, particularly that joined-up nature  
of the hubs, or the interconnection between, say, a child and family learning  
centre as it relates into as a feeder process into an early childhood education  
and care service, or relationships into maternal health nursing, et cetera. But  
10 some of those are at a state level, and some of those are at a federal level, and  
that's partly why we're saying the Commonwealth and the states, and the  
territories need to come together. Would you be in agreement with that  
view?

15 MS HARRIS: Yes. And local - - -

COMMISSIONER STOKIE: Okay.

20 MS HARRIS: - - - local governments tend to get forgotten in these  
conversations - - -

COMMISSIONER STOKIE: Fine.

25 MS HARRIS: - - - I'm going to go back a step, and I'm going to get granular.

COMMISSIONER STOKIE: Sorry. I did distract you. I apologise.

30 MS HARRIS: No. No. I'm answering your question, Martin, because I am a  
pragmatist and I know that sometimes it's really small steps. So I know that  
this is in your mountains of evidence. But I want to draw you back to the  
Goodstart program that operates in South Australia which is focused on  
children in early education and care who are either in or about to brush up  
against the child protection system.

35 Now that is a really good example of a dedicated resource, they take the  
educator who has the best relationship with that child, and they pull them out,  
and they say, 'Right, you are focused on this kid and this family and we can  
give you extra training and extra support, extra reflective support and  
mentoring. And you're going to have that role of holding those relationships.'  
40 And what happens in practice is that those educators become a navigator and  
they build relationships with the social workers, they build relationships with  
the family, they start to understand what's going on because it comes, again,  
from centring the child.

45 There's a lovely case study which, again, I'm sure you'll have but I'll find for  
you, about the educators noticing that a particular child in this situation –  
there was one day of the week where he fell off. He'd be fine the rest of the

week, and he'd come in and he'd be completely ratty. And they eventually worked out that that was the day after he was supposed to see his non-custodial parent - - -

5 COMMISSIONER BRENNAN: Yes. That's right. Yes.

MS HARRIS: - - - and it never went well. And so it was understanding what was going on for that child and putting those supports in place.

10 MS DUNDAS: So certainly, the recommendation around a Commission is certainly something that I think can help provide the lift that we're talking about. Especially, if it can take on a system stewardship role and look to improve coordination and accountability across all these levels of government. And to be honest, for the government to do that, it would need to be different. It would not just replicate other Commissions that have been  
15 established and the roles that are seen in other systems. We do need to do something radical and different here to meet the complexities of the system but to actually drive government to think conceptually different, all governments to think conceptually different and place children at the centre.  
20 It's not something that they've done before, so it would be radical in some ways.

COMMISSIONER BRENNAN: And something that quite a few seem to have an appetite for though - - -

25 MS DUNDAS: Yes.

COMMISSIONER BRENNAN: - - - at the moment. (Indistinct).

30 MS DUNDAS: Because we know what we've been doing hasn't given us the outcomes we need.

COMMISSIONER GROPP: (Indistinct). Just on that, last week we had a flying visit to Perth, and we had hearings where Julia Gillard, former Prime  
35 Minister, and former South Australian Royal Commissioner, and she said – she raised the issue of, say, having a target but related to also reducing developmental delay or vulnerability, across the board in children. Something – clarify what the objective is, and I guess. If we're going to have an ECEC Commission, we would have that sort of objective. Do you think  
40 something like that would help, sort of, shift – and then everything to achieve that, that would be the overarching goal, and then you have a Commission – governments would have to agree on their roles and responsibilities and agree to that objective. Do you think something like that would be helpful if your objective is to childhood wellbeing?

45 MS HARRIS: You put your finger on one of the really tricky parts of systems change, which is how do we measure it? Now we're all working

towards better outcomes for children. The instruments that we have to measure those are necessarily sometimes blunt.

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COMMISSIONER GROPP: She was referring to the, like, census - - -

MS DUNDAS: Yes. The AEDC.

10 MS HARRIS: The AEDC, yes. And look, it's the best thing we've got for that, and I think that it's probably an excellent place to start. I think that there are plenty of people whose thinking on what a Commission and that systems stewardship role could be, plenty of people whose thinking on that is more advanced than mine. But I think it needs to have that overarching north star of outcomes for children but recognising that systems change is a long game, and it is a game of – frequently we don't know what we're doing, all we can do is try and then look around and see what's happened.

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COMMISSIONER GROPP: Step backwards.

20 MS HARRIS: So it's about understanding where the touch points are, where the bottlenecks, where the unintended consequences are, having that really flexible and adaptive approach. And with that – and look, we're thinking of getting better on how we do that, and we can recognise that we're – when we're moving towards our north star of better outcomes for kids, which can be conceptualised as improved AEDC results. And you also put your finger on an important part of that which is what's the part of individual players or actors in the system, what do they contribute?

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30 MS DUNDAS: And I'll just make a note to that, as Diana said, we think we're all working for the benefits of children, but what the systems mapping report tells us is that's not actually true. We are quite comfortable as a community of letting things go that don't have good outcomes for children. And that's why we talk about the systems relationships and recognising the role ECEC can have as a great disrupter, but it is up against a whole range of systems that do not centre children and are not working for better outcomes.

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40 So the role of a Commission in helping to challenge and call for that actual deepening of centring children, and that's why we're stressing this, we see the words in the report, we see that the Commission has heard all of this evidence and is taking it forward, but so much of that is based on what is outlined in the systems mapping report as an iceberg. And we say the good things, but actually, when we turn around to delivery, we reinforce the system's failures.

45 So that's why we talk about the Commission being radical, the proposed Commission for ECEC being radical, because it will have to put, not just governments, but communities to go, well, actually if you want to centre

children, then we need to change our approaches in a whole range of different things.

5 MS HARRIS: And you think that - - -

MS DUNDAS: A big remit.

10 COMMISSIONER STOKIE: Well, can we just delve into that a little bit? We're not proposing that ECEC participation is mandatory. Our main focus is about ensuring that there is affordable, accessible, available services - - -

MS DUNDAS: High quality.

15 COMMISSIONER STOKIE: - - - but then. And high quality, sorry, I beg your pardon.

COMMISSIONER BRENNAN: Absolutely.

20 COMMISSIONER STOKIE: Exactly what I was saying. But yes. And therefore there's still a degree of choice and families - - -

MS DUNDAS: Yes. Of course.

25 COMMISSIONER STOKIE: We don't want them to be constrained choices or unduly constrained choices, et cetera. But what I'm hearing when you're talking about this sort of radical change, the below the water iceberg, et cetera, it feels that your ambition or desire, particularly for some, would be much more directed than we're, perhaps, going. And I just - - -

30 MS DUNDAS: Absolutely.

COMMISSIONER STOKIE: - - - I was just trying to understand - - -

35 MS DUNDAS: Sorry - - -

COMMISSIONER STOKIE: - - - am I misunderstanding you, or mishearing you?

40 MS DUNDAS: I think it's about seeing ECEC as a component of an early childhood development system - - -

COMMISSIONER STOKIE: Yes.

45 MS DUNDAS: - - - so an ECD system. And the recognition that if, as a community, as a society, we are centring children, it might mean that then more children attend ECEC settings, but we also have a community that is actually valuing engagement. And it might not be that they attend ECEC, but

their access to parenting supports has increased because community understanding of the benefit of parenting supports has increased.

5 MS HARRIS: If you have a look at the ACCC's work on pricing, that makes it very clear that elements of our current system are working just fine, they are working exactly as they are intended to do, and they are making profit for some people. What they're not doing is centring children. So that's the kind of thing that we're talking about. Every system works, but it works not necessarily for the things that you think – that you wanted it to work for.  
10 And that's what Ros means when she talks about the Commissioner – the Commission would have to take that radical approach - - -

COMMISSIONER STOKIE: Sure.

15 MS HARRIS: - - - in centring children. We do see that there's an appetite for that, and you've really surfaced that very well in this report. And when we look globally at some of the comparative countries, when you look at Canada, Ireland, the UK doing it slightly differently, but there's that move away from demand-side subsidies to supply-side subsidies and direct price  
20 controls rather than indirect price controls because the way we've been doing it isn't working for everybody, and it's about that equity lens.

COMMISSIONER BRENNAN: Can I ask you a question about the comment you made about not-for-profits and their success at making profits?  
25 But - - -

MS HARRIS: Some. Not all.

30 COMMISSIONER BRENNAN: No. Not at all.

MS HARRIS: Tough business. I wouldn't do it.

35 COMMISSIONER BRENNAN: But when we look at the quality data, and I'll leave aside the question of who is exceeding the quality rating, just leave aside that, look at who is meeting it. Most services now are meeting the National Quality Standard including most for-profits. There are definitely a group of for-profits that are not, and there's a few – handful of not-for-profits. But most are meeting. So I'm interested – when you say they're not  
40 delivering for children, is there more you can say about that to help me, or to help us understand what you mean?

MS DUNDAS: Well, I think we need to recognise that it's not a level playing field to start with. So the National Quality Standards look to provide a base, but in some communities more is needed.  
45

COMMISSIONER BRENNAN: Right. Okay.



MS DUNDAS: And if we're centring children, we'd recognise that and recognise that it can't – what's the – universal but not uniform, I think is a phrase that's come up any number of times.

5 COMMISSIONER BRENNAN: So do you think that notion of proportionate universalism or whatever, somehow needs to be embedded in the quality standards, or is it – yes?

10 MS DUNDAS: Yes. It's something that needs to be explored. We know that you've heard the significant evidence from Professor Karen Thorpe around the quality standards say one thing in relation to nutrition - - -

COMMISSIONER BRENNAN: Yes.

15 MS DUNDAS: - - - and how that is being delivered.

COMMISSIONER BRENNAN: Yes.

20 MS DUNDAS: It isn't - - -

COMMISSIONER BRENNAN: We have indeed.

25 MS DUNDAS: - - - centring children. So that's one example of where we need to think differently and have a kind of universal proportionalism community-responsive approach that can roll out targeted subsidies to improve not just the delivery of the standard, but addressing the things that are meeting that standard, doesn't look the same in those communities.

30 MS HARRIS: It's not just about quality standards, I mean, you know, you've got a whole big chunk in here about thin markets and the fact that the current system means that it is, simply, uneconomical for providers to operate in those thin markets and those places.

35 COMMISSIONER BRENNAN: Yes.

MS HARRIS: So that's sort of what I'm talking about in terms of recognising - - -

40 COMMISSIONER BRENNAN: Children missing out entirely.

MS HARRIS: Exactly.

45 COMMISSIONER GROPP: We have the Inclusion Support Program which is, you know, we've made recommendations around that to expand it to make it easier to access. But that, in part, it doesn't go fully to – you know, it's there to address where children have additional needs. But what kind of

system – do you think it's a matter of expanding or changing that approach, or was it a new approach (indistinct) – needs-based funding?

5 MS DUNDAS: I, certainly, I think with the ISP, it pulls over around workforce shortages.

COMMISSIONER GROPP: That would happen whatever, you know - - -

10 MS DUNDAS: Yes. Exactly.

COMMISSIONER GROPP: - - - resources are, whatever the program is, the resource constraints (indistinct) - - -

15 MS DUNDAS: So it is about, in terms of funding in – increased funding to meet social demand and need, but recognising, what does that – how does that bring in the workforce? How does that skill up the community that is there to be able to respond to those needs? Certainly, I think there's some lessons we need to take from the NDIS in relation to that that we can't just say, 'Well, here family, here's some money.'

20 COMMISSIONER GROPP: Go find a provider.

25 MS DUNDAS: Yes. When there are no providers, when there are no additional services, when there are no particular needs in that community.

30 MS HARRIS: Deb, you asked before, you said, you know, 'The system is working for most kids.' But I think part of the reason why it's currently working is because workers, our educators, are sacrificing to make that happen, and that's not sustainable. So, yes, I mean - - -

COMMISSIONER BRENNAN: Yes.

35 MS HARRIS: - - - That's one of the things that – I'm doing the thing that I was told to do by one of my colleagues here. That's one of the things we would really love to see you guys do, is explicitly call for more investment in the workforce, increase pay and conditions as a mechanism.

COMMISSIONER BRENNAN: Yes.

40 COMMISSIONER STOKIE: Yes. We've had quite a lot of representation in that. And we'd like to think we've actually acknowledged the importance and the primacy of the workforce. We probably – we stopped short partly because of what was happening with the Fair Work Commission and processes that we didn't wish to, almost, usurp their role. But maybe we need  
45 to be a bit more explicit in our final report in this, in the directional change that we think is needed. Because without the workforce and a happy

workforce, all the things that you're talking about, all the things that we've been talking about, we can't do, which – it won't happen.

5 MS DUNDAS: We strongly support the Commission being bold in that space.

10 MS HARRIS: The other thing about workforce, and you touched on this a little while ago, Ros, is that there are models out there that are successfully integrating families into workforces, Children's Ground is one of them, and that also goes to cultural safety.

COMMISSIONER STOKIE: Yes.

15 MS HARRIS: That one is a terrific example - - -

COMMISSIONER STOKIE: Yes.

20 MS HARRIS: - - - because it recognises for the families they work with, and I have (indistinct) - - -

COMMISSIONER STOKIE: We spoke with them.

MS HARRIS: Yes. Absolutely.

25 COMMISSIONER STOKIE: They were struggling with financing, you know, at the time as well. Which is - - -

MS HARRIS: Well, yes, exactly. But - - -

30 COMMISSIONER STOKIE: - - - which is a shame.

MS HARRIS: - - - it's a pathway into work. SNAICC's early years program, they do the same.

35 MS DUNDAS: THRYVE.

MS HARRIS: THRYVE.

MS DUNDAS: Yes.

40 MS HARRIS: Yes.

COMMISSIONER BRENNAN: Yes.

45 MS HARRIS: Again, pathways into work for women through training up in ECEC in a culturally safe way. There's some really good examples - - -

5 COMMISSIONER BRENNAN: And I do think that the role of parents in the ECEC system is underdone at the moment, and we're hearing quite a bit about this. The significance of not just positioning educators as the sole experts in the development of children but finding a place for parents to be part of that, and to be engaged.

COMMISSIONER STOKIE: I was just going to add to that. There was – we've actually commissioned - - -

10 COMMISSIONER BRENNAN: Yes.

COMMISSIONER STOKIE: - - - some independent work, which we're not doing ourselves, but by experts to hear the voice of the child.

15 MS HARRIS: (Indistinct.)

20 COMMISSIONER STOKIE: So the academics have been out, engaging with both naught to five-year-olds, and the outside school hours care. So we have two separate processes, and one of the themes that come through, particularly in the naught to five, is the absolutely critical importance in the child's life of their parent. You know, some of the happiest days they have in ECEC are when their parent, or their grandparent, or their uncle, or aunty comes into the centre and participates. And I think it's something we might need to reflect on, which is it's not – you could argue it's in the National  
25 Quality Framework standards about relationships, et cetera. But it's maybe not as explicit as what the children have indicated from their perspective. If we're going to centre the child, we should listen to the child - - -

30 MS HARRIS: And I think - - -

COMMISSIONER STOKIE: - - - at least to an extent.

35 MS HARRIS: Yes. Absolutely. Because that's one of the unintended consequences that we talked about before, about using workforce participation to bash down this door and get ECEC onto the national agenda in this way, because that's about right, drop your kids, go to work, off you go.

40 COMMISSIONER STOKIE: So how do you respond then when we hear the contrary which is, well, we must have quality, we can't have people in the centres who are working who don't have the qualifications, et cetera?

45 MS DUNDAS: I think that's understanding what quality looks like, and how we recognise that. Certainly, there's a need for ensuring that people working in ECEC centres are not doing harm, and I'm not saying that, you know – but how that is managed. How the workforce is supported to be seen as professional and through that high quality. But then how the community engages in that space and what are mechanisms and ways that that can be

done. Because the – as Diana was saying, the relationships that exist are not just educator to child and then child to parent. The relationship between educator and parent can improve, again, the outcomes for the child in the centre and outside of the centre.

5

And one way that we would certainly encourage this whole of community lift around the understanding of ECEC is by looking at the brain science and the way that brains are built in these early years, the rapid growth that is already happening, but the opportunity for responsive caregiving, both within a centre and without of a centre needs to be highlighted and understood. And, Martin, as you potentially looked at before, we're not pushing everybody to be in an ECEC, but we are pushing everyone in the community to step into their role in supporting children to thrive. Everybody has a place in supporting children to thrive. And we want a workforce that is recognised and celebrated and valued for that, and we want parents and the community more broadly to see themselves as part of that.

10  
15

MS HARRIS: It's not in the mountain of evidence but I'm going to give it to you, ARACY has a decades' worth of research on parent engagement and education and the benefits of it so - yes.

20

COMMISSIONER STOKIE: Does the quality framework need to reflect that better than it is now?

25

MS HARRIS: I'm going to take that one on notice.

MS DUNDAS: We didn't review all of the standards on our way here this morning.

30

COMMISSIONER BRENNAN: But I would really appreciate that too, just having a bit of a look at that. It's not a big research project.

MS DUNDAS: No, it's all sitting on our website, very easy to get you some resources.

35

MS HARRIS: And again, I'm going to pull it back, Martin. I'm going to go granular.

COMMISSIONER STOKIE: Sure.

40

MS HARRIS: One thing you could do is make sure that there's pay parity for teachers working in ECEC. Because why would you choose to work in ECEC when you could make so much more money in kindergarten?

45

MS DUNDAS: And that certainly came through in our consultations at the – 12 months ago. I'm just going to find one of the quotes from somebody who

– yes, there's a gap in pay between degree-qualified ECEC teachers and degree-qualified primary school teachers; over \$30,000 for the first year.

5 COMMISSIONER BRENNAN: There's also the gap, yes, between different settings; preschools versus long day care settings, teachers delivering a preschool program.

10 COMMISSIONER STOKIE: Is there a phasing or a timeframe that you think – is that instantly or is that over a period of time or what?

MS HARRIS: If you started with the teachers, that would send a really important message and, compared to some of the other changes that need to happen for the workforce, relatively cheaper.

15 COMMISSIONER STOKIE: We have probably only about another three to five minutes or so. Are there other points that you wanted to raise with us that we haven't had a chance to talk about? As you can tell, we're on our tenth or eleventh day. We can talk about this forever.

20 MS HARRIS: We could talk about it all the time.

25 COMMISSIONER GROPP: Actually, can I just about – because you've got a point about the Early Years Education Program from particularly the Parkville Institute and you call for their national rollout or at least – because I guess we've proposed, as you'd know, sort of supply-side approaches in thin markets or areas or complex need, and I guess these children would fit into the complex needs. But I guess that's not necessarily place-based, it relates to the - that program relates to the characteristics of the child from a child protection relationship.

30 So I guess what do you see as the barriers now to – leaving aside that that program is – they're still doing replication trials, I understand, in a different state to collect more evidence about the efficacy of the program even though the original RCT outcome looked very promising. So, yes, I guess how – and  
35 also I guess our proposal for an ECEC Commission to look at research and what works would play a role in that. But it is a targeted program that children rather than sort of – it's within ECEC, but it's somewhat different.

40 MS HARRIS: Absolutely.

COMMISSIONER GROPP: And I'd just be interested to sort of get your perspectives on that.

45 MS HARRIS: So, for me, that one goes to the point that Roslyn made at the top of this which is this is an investment that crosses portfolios and it crosses generations, and it needs to be bigger than education or labour participation, all of those kind of things. And this is a really good example of where you

5 start to get some of these crossovers, because investment in those kind of programs and programs for making sure that kids with disabilities can have inclusive early education and care, those kind of things, start to really cross those portfolios, and you're seeing the benefits in places other than where the investment goes. Does that make sense?

10 But again, if we take the child's right to inclusion as our starting point, then it needs to be done. That's when you get into all the obvious barriers which go directly to particularly the thin markets because it is much, much easier for a large centre in a metro area to access the kinds of additional training and support and the things that make it possible for that child to participate in an inclusive and equal way than, for example, a tiny local playgroup.

15 COMMISSIONER GROPP: Thanks. But this program is targeted – it brings together children with similar issues, similar challenges. It's not within the universal ECEC, that's my understanding of how it works. It is a very targeted program with select children. And I just want to get your perspective on whether - - -

20 COMMISSIONER BRENNAN: They call it the kind of intensive care, don't they?

25 COMMISSIONER GROPP: Yes. So it's not happening, like, with one child in an ECEC centre, it's children of similar ilk.

30 MS HARRIS: Yes. And, look, I'm going to probably direct you to some of the folk who have a deeper knowledge of that. Because, you know, I'm a generalist, but if you talk to some of the folk at CYDA, for instance, then you'll find that generally there tends to be a bit of a split between people who think that inclusion in universal services is the way to go mainstream, and people who think that actually it's better off to have programs or services or groups that are designed for specific cohorts. And there's pluses and minuses to both of those. And we saw this last year with the examination of kids with disability in schools, you know, that groups are going to be split on this very topic.

35 COMMISSIONER GROPP: Yes.

40 MS HARRIS: So I think you probably need to ask the experts there.

COMMISSIONER GROPP: It's one for ongoing evaluation and - - -

MS HARRIS: Yes.

45 COMMISSIONER STOKIE: Can I thank you for coming in today and your comments. Personally, I'm quite taken with the idea of the north star; I think it helps without breaking the whole constitution and federation, et cetera. But

it helps direct all parties to head in the right direction, and that's probably a significant improvement on where we are now.

5 COMMISSIONER BRENNAN: Fits with Julia Gillard's comment too, doesn't it? She talked about a galvanising vision.

COMMISSIONER STOKIE: Exactly, yes.

10 MS HARRIS: We need a galvanising vision document.

COMMISSIONER STOKIE: And there might be different versions of that vision, and I know that Minderoo and (indistinct) had a more positive view rather than a deficit sort of view around the AEDC, et cetera. But thank you for today.

15 MS HARRIS: Thank you.

MS DUNDAS: Thank you very much.

20 COMMISSIONER STOKIE: We have our next person online. So, very much appreciate you taking the time to come in, for your submissions and your engagement throughout the whole process. So, thank you, and we look forward to the additional information that we're going to receive.

25 MS DUNDAS: We will share that with you. And thank you very much. We're just excited, you know, that this conversation is happening after decades of the need for it. And not to place too much expectation on the work of the Commission, but we are thrilled that this work is happening and look forward to great outcomes.

30 MS HARRIS: Thank you so much.

COMMISSIONER STOKIE: Excellent. Thank you. I appreciate it. I think we have Dr Mary Welsh online. I'm not sure if – was before, and hopefully she's still there. There she is.

DR WELSH: I am here, yes. I hope you can see me. I'm joining you from overseas. Yes, thank you.

40 COMMISSIONER STOKIE: Just before you start, Mary – and I don't know if you heard earlier on, but just for your benefit, there is a transcript that's being taken for today, so just be mindful of that. And also it is a public hearing and, like yourself, people are able to join, and I can't necessarily tell from the screen that I'm looking at who's online. And for the record, before  
45 you start if you could just state your name and the organisation, and then we're a little bit in your hands. We have around half an hour or so, and if you



want to make an opening introduction or comment, we're happy to do that, and then we're happy to have a broader discussion.

5 DR WELSH: Thank you. I'm Mary Welsh, I'm participating on behalf of the National Foundation for Australian Women, and it's good to be able to participate in this inquiry. The NFAW is dedicated to promoting the interests and protecting the interests of Australian women in many spheres; intellectual, cultural, political, social, economic, legal, industrial, and domestic spheres. We are independent of party politics, and we work in  
10 partnership with other women's organisations, in particular the Equal Rights Alliance. In our advocacy work we acknowledge the traditional owners and custodians of Country throughout Australia, and we pay our respects to their Elders past and present.

15 And I know I did submit an opening statement, but I'll probably just draw on some key points in that statement, so excuse me if I just refer to the notes from time to time. So we were very pleased to see the Productivity Commission's focus on – the strong focus on quality early childhood education and care and child outcomes. This was a key difference from the  
20 earlier Productivity Commission inquiry in 2014/15 which had more of a focus on employment. So this, I think, rights the balance better.

As nearly 92 per cent of the workforce are a female workforce in early  
25 childhood education and care, we strongly advocate for workforce issues to be addressed as a priority, and this is to ensure the viability of ECEC and provide better job security, pay and conditions for ECEC educators. So we do support recommendations 3.1 to 3.7 in the report. We feel that the Fair Work Commission and collective bargaining processes may not adequately address pay issues and workforce shortages in the longer term, so we think  
30 that all governments need to plan and support pay increases, potentially through a wage supplement for educators and/or increases to the hourly rate cap. I think that without this support we aren't going to see the pay rises. And we do note that also the ECEC workforce is in a slightly competitive situation with the aged care workforce, and you would be aware of the Fair  
35 Work Commission recent decision in relation to aged care workforce.

We feel that the National Children's Education and Care Workforce Strategy – that is the 2022 to 2031 strategy – needs to properly address recruitment and retention of ECEC educators and early childhood teachers. So we  
40 strongly support the trialling of new pathways for Aboriginal and Torres Strait Islander people to obtain ECEC qualifications - that's recommendation 3.5 - and promoting the professional development of ECEC educators – that's recommendation 3.6 and 3.7. We were pleased to see in the last budget an amount of \$72-73 million put towards training and development issues, but  
45 that was after quite a long period where no money was allocated to that. We also obviously advocate for affordable and accessible ECEC, so we do support the proposal that all children should be entitled to access to 30 hours

of ECEC – that's at least three days per week – or 72 hours per fortnight. So we note that this underpins options 1 to 3 of the model to childcare subsidy options.

5 Obviously, option 1 – sorry, option 2 – would be more manageable for the Australian Government to implement in the short term, but we would like to see them moving to, say, option 3: 90 per cent subsidy for three days of ECEC for all families. And this could be a longer-term goal for government to work towards. After all, quality, affordable childcare and early childhood  
10 education is essential to our economic prosperity and human capital development.

In our submission we asked whether the lowest family income threshold should be raised. I think it's currently 80 per cent – sorry, \$80,000 a year.  
15 We wondered should it be raised to \$90,000 or even \$100,000. We feel that the Department of Education's regular monitoring of changes in fees and family's out of pocket ECEC costs should feed in more to the review of the hourly rate cap. And we need to have a system which ensures that the hourly rate cap continues to reflect ECEC operating costs and changes in the cost of  
20 provision. And, of course, we've seen all these increases to the cost of living in the last few years and since the last Commission's report.

We also support a higher hourly rate cap for non-standard hours to support shift workers and families who work non-standard hours. We also think that  
25 the session of care needs further consideration. I don't think this was addressed to any great extent in this inquiry report, and it wasn't in the last inquiry report to any great extent. This inquiry noted that families are only using about 60 per cent of the hours of care for which they are charged. And I'm not too sure of many other services where you would be paying for so  
30 much and using as little as that.

From what I understand, the session of care is still basically 10 to 12 hours per day, but there are some services which, since the Child Care Package was introduced in 2018, they kind of tweaked the session of care, but it didn't  
35 always result in families having much cheaper childcare. So we think that the session of care has been a sort of sacrosanct issue, and maybe it needs 'cracking open' a bit, and we need to look at different sorts of sessions - - -

40 COMMISSIONER STOKIE: Sorry, could you just say that again, Mary? Which bit is sacrosanct?

DR WELSH: -Well the session of care has remained pretty much the same even since the last reforms in 2018. There have been a few changes in that services have started offering some different, shorter sessions of care, but  
45 they have offered it at a higher rate – a higher cost, basically.

COMMISSIONER STOKIE: Mary, sorry, I beg your pardon. You cut out a little bit there. Could I apologise and just ask you to go back a couple of moments. You said something was sacrosanct and I didn't quite hear it, then it froze and then you came back.

5

DR WELSH: Right. Yes, sure.

COMMISSIONER STOKIE: So if you wanted to just take a slight - - -

10 DR WELSH: So because I'm actually participating from overseas, the internet may not be so good.

COMMISSIONER STOKIE: No, I understand. No, it's actually been pretty good so far.

15

DR WELSH: Thank you.

COMMISSIONER STOKIE: It was just that one bit.

20 DR WELSH: Good. That's great.

COMMISSIONER STOKIE: And it seemed quite important so I wanted to get it right.

25 DR WELSH: We think the session of care needs further consideration. It has been a sort of sacrosanct thing that it's a 10 to 12-hour session of care. We understand that there have been some changes since the Child Care Package was introduced, but these were basically initiated by providers themselves to offer slightly different sessions of care, but often it didn't really  
30 result in families having a much lower cost of childcare.

If I can go to an example, we think that care, especially for the two years before school, what we would call the preschool or kindergarten years, they could be configured around a six-hour session, and then before and after  
35 school care could be added on via a booking system. And this might suit families who have both school-aged kids and then kids who are still in childcare or preschool and they just want to have a shorter day. The alternative is that families end up paying for very long hours of care that they're not using. I think that maybe the way the session of care is configured  
40 needs further consideration.

We also think that Family Assistance Law needs to be amended with regards to eligibility of preschools and kindergarten for subsidised ECEC, in particular for before and after preschool. This will help meet the needs of  
45 working families and reduce the impact of patchwork care arrangements, you know, for children who are in preschool or kindergarten for before and after school care. I should note that preschool five days per week is the norm in

many countries for children from age 3, with shorter hours of attendance per week – sorry, shorter hours of attendance per day. So I think that is something that could be thought about in terms of, say, five days a week, six hours per day.

5

Just moving to the issue of accessibility and persistently thin markets. We do support the expansion of the Community Child Care Fund and/or other models of funding to ensure the availability of ECEC in regional, remote, and very remote areas of Australia. We also think that the Inclusion Support Program needs further review to better support children with additional needs. We note that the ISP was evaluated as part of the Australian Institute of Family Studies evaluation of the Child Care Package, and I'm not sure how much attention has been given to that.

10

15

Just in terms of the mixed market model that we have in Australia with for-profit, not-for-profit, community, and government providers, if that system is here to stay, we think that the Australian Government, state and territory and local governments need to better coordinate planning, monitoring and regulation of the sector. So, for example, through the review of a provider and service approval processes – for example, the ACECQA submission talked about the Joined-up Approvals project – we would welcome that sort of thing. We think that there could be better coordination around building approvals, allocation of real estate, leases, and rental regulation. The cost of rent for childcare may have been given more attention in the ACCC report, but this is a really significant cost.

20

25

And we feel that a better way to monitor demand for ECEC needs to be developed as the listing of vacancies is not really a reliable indication of supply, let alone demand. ECEC occupancy rates should be monitored because, from my understanding, occupancy rates really feed into the viability of a service. So before you go and approve more services in an area, if the government or if state and territory regulatory bodies and the federal government in their joint approval processes could look at occupancy rates from existing services in the area, I think that would be a good idea.

30

35

We also feel that the complexity of navigating the ECEC system and funding needs to be improved. We did note a lot of interesting comments from ACECQA in their submission, and we note that there has been work on the Starting Blocks website and the childcare calculator. But we feel that the interaction between families' understanding of their activity, their total income, their work patterns, and their ECEC preferences is very complex for families to manage, let alone finding accessible and affordable childcare. But we do note that reducing complexity for families doesn't mean necessarily having a 'one size fits all' funding system.

40

45

I think that we would be very interested – just in summary, we would be very interested to know how the Australian Government will bring together the

Commission's final report with the ACCC report. I don't know if that's something that you have any thoughts on, but we would be interested to know more about that. I think those are basically my comments which are in full in the opening statement I provided.

5

COMMISSIONER STOKIE: Thank you very much, Mary. There's lots of that – we got I think close to 100 per cent of that without the technological glitch. On the last point I think, well, we'll have to prepare our final report and then bring the ACCC's report and then the government will have to respond, so we'll wait and see how that pans out. I had a couple of questions, but before I sort of launch in I might sort of look to my colleagues to see whether they wanted to take the lead or have specific questions. If not, I'll come back and ask mine.

10

COMMISSIONER BRENNAN: Hello, Mary, it's Deb Brennan here. I was interested in your comment about where we've set the upper limit for the 100 per cent subsidy and your view that that should be extended. Have you got anything more behind that? Anything specific behind that or is it just a sense that that may not be adequate?

20

DR WELSH: I think it's probably the cost of living increases in recent years. And I know that with the 2018 Child Care Package the lowest threshold was lower than that but, as I understand it, it increases each year by a little bit. I'm just thinking that, you know, a lot has changed in five years and, you know, families are struggling. So I think that's the basic point.

25

COMMISSIONER GROPP: Mary, we did have an information request because if we increase the subsidy for families on incomes up to 80,000, the taper rates from 80,000 would have to adjust; there wouldn't be a cliff at 80,000. And, for example, we haven't – and that's why we're asking for feedback. But at the moment I think for every additional \$5000 of income the subsidy rate goes down by one percentage point. So I don't know whether you would think that it's something like that. Would that cover your concern or you just think that – or whatever threshold would have to be indexed over time?

30

35

DR WELSH: Yes, I think maybe it's around the indexing issues. I think we do support the smoother taper, so I think that's a good thing. We haven't done any technical modelling around this, but it's just a sense that cost of living increases have hurt families quite deeply, as you know. And there are various reports - the HILDA report, for example, although there's kind of an 18-month lag on the data in HILDA so it might not reflect the current situation - but we know from the HILDA report that low-income families are just spending a huge proportion still of their income on care and schooling. So I think these are important things to address. And we strongly support the focus on low-income families in the report.

40

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COMMISSIONER GROPP: You make a comment in your submission and in your opening remarks about if the mixed market model is here to stay. Do I take it from that that you'd prefer not to have a mixed market model, or is that - - -

5

DR WELSH: Listen, I think we're too far down the track to change. There have been many debates over the years about where quality provision is. For example, in relation to preschool or kindergarten in the government system - you know, was the quality as good in what we would normally call centre-based childcare where you'd have a preschool program? But I think we should get past all of those debates. I think the National Quality Framework has been a great thing, and I think just we need to work to strengthen that, and largely that is through supporting educators.

10

15 COMMISSIONER GROPP: Thank you.

DR WELSH: But, yes, probably there's not a lot more to say on that.

COMMISSIONER GROPP: Thank you.

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COMMISSIONER STOKIE: Mary, I had a question and, first of all, let me just do an apology. I should have introduced ourselves; Martin Stokie, Lisa Gropp, and Deborah Brennan, the Commissioners responsible. That was remiss of me, and I apologise. So you've been talking to some people, but it's hopefully clear. I had a question around the sessions and the comment that parents are paying for things that they're not using, which is - we've found in the administrative data, that yes, parents on average or children on average are coming for around six hours. And services are open from either 10 or 12 hours, and that is being paid for. And the challenge that I want to sort of explore with you is that, well, the 10 hours is providing flexibility for parents, so it's not the same six hours that people are coming for instance. They might come in the morning, or they might come in the afternoon, et cetera. And so the trade-off between not paying - or paying only for what you use, is that the rate would need to go up significantly in order to cover the cost. At the moment, it's being smoothed over many hours.

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And so I just wondered, your thoughts is that paying for what you use might lead to lower costs when, in fact, it's not immediately clear to me that that's, in fact, the case, it might be the opposite. And so I just wondered if you wanted to expand a little bit on your thoughts about paying for what you use and still providing flexibility. Or are you suggesting that we move to almost like the preschool/schools model, and preschools are changing, but schools model, which is very fixed hours on very fixed days?

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45 DR WELSH: Yes. I think it's around the latter issue of having, certainly, for the two years before school, I think having regular attendance across the week would be beneficial. And we do know from the AEDC, and from

various studies using AEDC data, that children attending very long hours of care is not necessarily a good thing in terms of outcomes. So, you know, shorter sessions per day is, in principle, a good thing.

5 How it has evolved in terms of the cost, and the changes that have happened since the Child Care Package was introduced in 2018. That's pretty much happened through the initiative of various providers and services changing their fee structure, as I understand it. And it's not been, really, at the initiative of government to say, 'Well, you could structure it differently.'

10 Government – even back with the last Productivity Commission report, the session of care just remained as it was, it wasn't tinkered with. And again, we've got the same basic session of care, and yet families are paying for a lot that they're not using.

15 So, I think there are systems, there are childcare services that do have a booking system before and after what is basically the school daycare, but within, say, a preschool program. And certainly, there are some systems where some services, I understand, where, let's say holiday care would be on a booking system. So you wouldn't be locked into 48 weeks a year – paying

20 for 48 weeks a year, you might be paying for less than that.

So I think this sort of flexibility for parents would make quite a difference in what they pay. And the thing that's a bit unclear to me is for naught to three-year-olds, would that model work for them? But certainly, for the three to

25 five-year-olds, the ones who are in those two years before school, many of whom will be doing their preschool or kindergarten through a centre-based daycare because that is the trend. That maybe a different sort of set of sessions across the week would be good. And certainly, I think the flexibility for parents in terms of paying a bit more for what they use and not for all

30 these hours that they don't use, I think that would be helpful for families.

COMMISSIONER STOKIE: Yes. Well, I suppose it's exercising our mind. And the trade-off is between whether parents are using it or not, it's available and so it needs to be paid for. And if they're using it at exactly the same time

35 for six hours, and six hours is sitting idle, well that might be one thing, but if it's spread over the course of a day, it's tailoring to the flexibility of the parent's needs. And that's a question we need to think about, which is what's efficient? What's working well? And I don't know that we've formed a view yet, but I appreciate your point. We're pretty much at time, Mary, and we're

40 conscious that you're overseas. I think Deb wanted to have a final comment.

COMMISSIONER BRENNAN: Yes.

COMMISSIONER STOKIE: And then if there was anything final for

45 yourself, you're welcome to comment.

COMMISSIONER BRENNAN: Thanks very much, Martin. I'm actually seeing the indulgence of my fellow Commissioners for this comment, Mary. But in the context of this inquiry, I'd like to put on record, an  
5 acknowledgement of the work of one of the founders of your organisation, mainly Marie Coleman. Her name is not known by many people anymore in early childhood education and care, but she was the first Director of the Office of Child Care, she was the first woman to head a statutory authority, and she was responsible for the Coleman report, I think it would be 50 years ago this year, that first challenged the division between preschool and  
10 childcare and tried to bring families and communities into the discussion. We're still grappling with some of these, but I would – all of them – but I would actually like Marie to know that her legacy is not forgotten, and her name is not forgotten in discussions of early childhood education and care.

15 DR WELSH: Yes. Thank you. I'm sure Marie will appreciate that. She's still a very active member of the NFAW.

COMMISSIONER BRENNAN: Thank you.

20 COMMISSIONER STOKIE: Was there any final comment, Mary, that you wanted to make before we had a short break?

DR WELSH: Just a quick comment that what I said in relation to greater coordination and planning of the ECEC system. We're not absolutely sure  
25 that the Commission could achieve that. But I think the jury is out on that issue, and it will be interesting to see what comes out of the government's consideration.

We think that ACECQA does an excellent job, but they definitely need to be  
30 supported more by all jurisdictions to do the work that they do. So we do agree that in a federal system such as we have, we do need more coordination and planning across Australian Government, state and territory and local government.

35 COMMISSIONER STOKIE: Thank you very much, Mary. We certainly don't see the Commission as overlapping with ACECQA and we're, like yourselves, very supportive of the great work that they do do. And maybe there's, you know, a streamlining of those concepts of ACECQA and the Commission for our thinking. But thank you very much for joining us today  
40 and hopefully we haven't – time zones are working for you, I'm not sure where you are but we very much appreciate you taking the time to come along today and for the input.

45 DR WELSH: Thank you very much. That's great.



COMMISSIONER STOKIE: Appreciate it. We might adjourn for, say, 10 minutes until 10.45, at which we'll be joined by Early Childhood Australia, and we'll continue then. Thank you.

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**SHORT ADJOURNMENT**

**[10.33 AM]**

**RESUMED**

**[10.48 AM]**

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COMMISSIONER STOKIE: So welcome back, everybody. Shortly to be joined by Early Childhood Australia. And I'll ask for your – well, for your – we have spoken about it – but for your information, there's a transcript being taken for today. There may well be – it's a public hearing – so there may well be people joining us, media or otherwise, other participants, interested parties. And for your benefit, we did introduce ourselves before, but I'm Martin Stokie, I'm one of the commissioners responsible for our inquiry into early childhood education and care. I'm joined on my left by Lisa Gropp, and on my right by Professor Deb Brennan. And we'll throw to yourselves. You're welcome to give an introductory comment or we can just go into the specific questions or comments that you wanted to make. For the transcript, could you just mention – state your name and the organisation, and we'll go from there.

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MS PAGE: Thank you very much. So I'm Sam Page, CEO of Early Childhood Australia and I'm joined by Dr Sarah Wight who is our Education Policy and Research Executive. I would like to start with an acknowledgement of the Ngunnawal and Ngambri people, the traditional custodians of the region and pay my respect to Elders past and present. ECA recognises that they have nurtured children for generations on this land, and have a continuing connection to land, culture and community that we honour and respect.

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As the peak early childhood advocacy organisation acting in the interests of young children, their families and the early childhood field, ECA is very grateful for this opportunity to speak to our submission and contribute to this important inquiry. We're committed to affordable, high quality, universal early childhood education and care, wherever children live and regardless of their household income. A universal system that provides children with an entitlement and ensures the services that are provided are high quality, has the greatest potential to reduce inequity and provide every young child with a strong foundation for lifelong learning and wellbeing. And sorry my voice is going to play up because of this silly cough, but I'm not infectious. ECA supports a universal system, which is uncompromising in quality and has a commitment to every child. We're well aware though of how challenging

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that can be in Australia with such a diversity of community contexts in which services need to be provided.

5 Fundamentally, we believe that there needs to be enshrined in legislation, an entitlement to early childhood education and care, from the end of paid parental leave through to the transition to school. We understand that families may choose not to take that up, that entitlement, but from the time that children turn three, we should be strongly encouraging access to quality preschool programs.

10 To deliver on this, we will need flexibility in service models, and we need to build the workforce across all communities where children live. In terms of some of some of the specific recommendations, in our submission, we have consistently argued that the Child Care Subsidy activity test presents an unnecessary barrier to early childhood education and care. It should be  
15 scrapped or at least modified to allow families at least three days a week of access to subsidised early childhood education and care. We don't believe children's entitlement should be dependent on the activities of their parents and carers, or fluctuations in local employment markets.

20 We've also argued that the activity test is back to front, that families need to have children settled in early childhood education and care settings, in order to return to work, or in order to work, particularly in the more difficult end of the labour market where casual work and short-term contract work is the only  
25 option available.

In advice we have provided to government on a number of occasions, ECA and the Murdoch Children's Research Centre have demonstrated that removing the first two steps of the activity test CCS24 and CCS36 would  
30 potentially benefit 80,000 families, with the majority of those families being low-income households including many sole parents. So we have argued for that for a long time, and continue to do that.

35 We do think that the Child Care Subsidy was a significant improvement on the Child Care Benefit and Child Care Rebate system that preceded it. However, it is not easy for families to understand, it is terribly complicated, it is difficult even for those of us in the sector to explain to families. And it's difficult for families to do scenario testing, i.e. if I go back this many hours, or if I take up this work opportunity, what will my actual out-of-pocket costs  
40 be? We think that that needs to be addressed.

We also – the other problem with the Child Care Subsidy is the viability challenges for services operating in small or very variable community contexts where they don't have a consistent level of occupancy. So we do  
45 support the development of supply-side funding models, and expect that we would probably have more than one funding model going forward to address those different contexts.

5 We do think the new funding model needs to be co-developed with the sector, needs to be well-rounded and informed, and address access and participation and inclusion. Only collaboration with the sector will deliver that, we also think though, the voice of families is absolutely important.

10 And I do find the discussion you were having earlier quite interesting in terms of the notion that families are paying for flexibility they're not using, I think, is contestable. You know, I think services are operating flexible hours because a lot of families need that. And if the cost of the early mornings and the late afternoons was only on the small number of families that might need that every day, that would become probably very problematic. So I think it is a challenge to develop a funding model that is both equitable and efficient.

15 We have, in our submission, expressed very strong support for the National Quality Framework, we see it as world-leading in terms of driving quality in early childhood education and care. But we call on national education ministers to commit to a forward-looking review, where contemporary Australia and the different education and care types are better reflected in the NQF. We see opportunities for strengthening the NQF, particularly in terms of incorporating and recognising Aboriginal and Torres Strait Islander ways of knowing and being and working with community mental health and wellbeing developments and the very rapid development of digital technology and its application in the early childhood sector.

25 We think there needs to be an evolution, if you like, of the NQF in order to support services to be compliant, bring services in that are currently excluded, and adapt to the different contexts and different service types that we have. We know there are particular challenges, for example, for outside school hours services operating in a set up and pack down type model as well as family day care which has a really important role in the early childhood sector, particularly in small communities.

35 We do think it's important to recognise the complementary education and care types and varied providers who deliver early childhood education and care, and from ECA's perspective there is room for public, private, and not-for-profit providers. That is the model that - the mix that we have, and each of those parts of the sector need to be appropriately supported, funded, and regulated to fill their role in the system. A thriving sector can recognise and build on the strengths of each.

45 We think the public system is well placed for providing very data driven decision making about where services are needed, and reach and scale similar to the way, you know, schools are planned and delivered. There is the capacity for the public system to do that. It also has a unique capacity to deploy workforce into regions and rural locations, so that should be

celebrated. Private providers have demonstrated an agility in setting up new services, particularly in areas of, you know, rapid residential development.

5 And we do see examples of high quality providers in the private sector, but there needs to be an acceptance of regulation, and the more that funding is covering the majority cost of delivery, the more private providers, we believe, need to accept regulation – values-based regulation. Government is purchasing services that has the right to dictate how those services are provided and the quality that those services need to be. We recognise our  
10 not-for-profit providers, have worked with communities - children and families often in areas of vulnerability.

15 They have long standing relationships of trust and demonstrate consistent performance and quality, so it's really important that the not-for-profit sector is supported and can grow going forward in the early childhood sector. We continually talk about quality and quality improvement. We think there are mechanisms that need to be in place to foster quality in all service types and in all locations. We understand that's a significant investment, but, really, that is important to achieve outcomes for children both in terms of long-term  
20 educational outcomes and wellbeing.

ECA advocates for innovative approaches, particularly for rural, remote, and isolated families where traditional service models may not be viable or may not be appropriate. So we have recommended an approach that coordinates  
25 and shares responsibility between local state, and territory and federal government. We think there needs to be a much more deliberate approach to planning services and planning supply. We support the recommendations the Commission has made around an ECEC Commission.

30 We do think that it would be good to build on the success of ACECQA and expand the remit of ACECQA to be that Commission rather than to have two commissions operating in the sector; however, you know, happy to discuss that. We support the role of the Commission in aligning the policy reform  
35 landscape and the social objectives, developing mechanisms to minimise duplication of administrative efforts. We do understand that services have had regulation from local government, state government, and federal government. That could be streamlined.

40 But the most important thing is that system stewardship. That idea of alignment on the outcomes we're trying to achieve for children and families. I will acknowledge that ECA is an Inclusion Support Agency in the Northern Territory, and it's important that we recognise that. I don't see it as conflict of interest, but I think it's important to put it on the record. We do think that a  
45 new inclusion funding model is needed with greater emphasis on improving outcomes at the community level as well as for families and children already in the system.

5 So we acknowledge and support the capacity and the wellbeing and resources of families. They are funds of knowledge. They are children's best teachers. We do think that the Inclusion Support Program could work and work more externally to the service environment and look at the community and the community needs, and work in a partnership approach with families. We do need all services to be inclusive and we think services need to be accountable for inclusion. There are ways we have suggested to do that in terms of incorporating inclusion in the NQF, for example.

10 Greater investment is needed in inclusion. We are seeing growing needs amongst children, particularly post COVID. The additional educator subsidy needs to better reflect the actual costs and the importance of skilled educators undertaking that work, so at least diploma level, but we think that is just part of a broader approach to redesigning the Inclusion Support Program. We've got some detailed points there, but I'm going to skip over that in the interest  
15 to get to the discussion.

20 We do think it's important for the Commission to understand the barriers of access, so while the Inclusion Program has been focused on children who are already accessing services, there are a lot of children who are not accessing services, and we think there is a role for the Inclusion Support Program to have better visibility on that and to be looking at community level inclusion. Integrated service models are very highly regarded. Significant investment is needed to expand those services, and one of the complexities there is a  
25 funding model that works.

30 We can't ask services to manage, you know, 20 upwards separate funding models on separate timelines with different reporting requirements. We really need to find an integrated funding model that can support those service types where they're needed, and I think we can take a lead from the Aboriginal Community Controlled sector on how to deliver those integrated services. I think they do a very good job. ECA advocates and is very supportive of better pay and conditions for early childhood teachers and diploma and Certificate III level educators.

35 We acknowledge that you have supported the multi-employer bargaining process, and we support the multi-employer bargaining process; however, we feel like there needs to be a backup plan if that process doesn't deliver a significant wage increase across the board. We, ourselves, did some research  
40 on people leaving the sector, and while pay is important - in fact, we won't get improvement, I think, in the workforce stability without addressing pay and conditions - we also need to address management and leadership skills in the sector, and working conditions.

45 So we heard educators leaving the sector because they're very stressed, their work is chaotic, they don't feel like they're delivering on the reasons why they enter the profession, so we do need to support the managers and leaders

of services and try and improve stability, and also provide educators with clear career progression opportunities. We know that we're moving too many people into leadership roles without giving them leadership and management training, so we think that that's an important part of the system.

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And there are particular elements of the workforce including the outside school hours workforce where we think, you know, it requires more attention and things like outside school hours microcredentials would be a very good thing to consider. We've got some comments in our submission around traineeships and also about pathways to teaching degrees and the age range for teaching degrees. I think I'll leave it there for now, but I'm happy to answer questions on any of those and/or to defer to my colleague who has been very involved in the development of our submission.

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COMMISSIONER STOKIE: Thank you very much, Sam. Well, there's a lot in that, there's a lot in your submission and the conversations we've had, so we're very appreciative. Maybe if I lead off, if that's okay, and I'll throw it to Lisa and Deb in a moment, but an idea that has been occupying our minds which is this trade off or almost like a grand bargain you're talking about which is if there's additional support from government for the sector that the sector needs to acknowledge that there is additional level of oversight or regulation or obligation or accountability, etc., and I'm wondering if you wanted to expand a little bit on that.

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What does that look like for you? We, too, agree, which is, well, at some point, you can't - the government is spending a lot of money or contributing a lot of money and it has certain expectations. What does it look like from your perspective?

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MS PAGE: Yes, look, it's interesting. I refer to the work of Paul Lesserman in his paper that, I think, we provided in the first round of consultation. Yes. That idea of if providers are risking less capital because the funding model is more guaranteed, then there is - then the government has the right to require high levels of value-based alignment in its regulation, and I do think that that's - I do think that that's fair.

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I think if we're moving towards a model that is universal where the majority of costs of early childhood education and care is covered by the public investment, then providers still have a role in that, but do need to accept that we're going to require that to be high quality. We're going to want to say about where it's delivered. We don't want just a, you know, free market approach to where services are built and provided, and we want certain conditions and stability in the workforce. We know that that's a - - -

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COMMISSIONER BRENNAN: And does that, then, go to issues like inclusion, for example?

5 MS PAGE: I do think that more emphasis could be put on accountability for inclusion, absolutely. I think we could build inclusion - it could take a stronger place in the NQF, and government could be asking providers to demonstrate that they are delivering on inclusion. That the children that are attending their service reflect the children of the local community and that they have the capability to respond to diversity of needs in children.

10 COMMISSIONER STOKIE: How far does it extend into setting of fees for parents?

15 MS PAGE: I think families really need certainty about fees. I think they need to know what it's going to cost them out-of-pocket. I think you could have some variation in that. It could cost more for higher income families and free or low cost for low income families. I think, also, you could have some hours subsidised at a higher rate, so we've talked about with the activity test, for example, families having up to 30 hours, but you might apply the activity test above 30 hours.

20 Well, you might do the same with a funding model. You might say, 'We're going to fully subsidise 30 hours', but families that need 40 or 50 hours there's a co-contribution. I think what I'm struggling with is how - we can't develop a model for you on the side of our debts. Do you know what I mean?

25 COMMISSIONER STOKIE: Sure.

30 MS PAGE: Like, nobody has the resources or the mandate to come to you with a fully formed, 'Here's the model', but, certainly, I think we would support the Commission's work looking at a model that delivered a fixed price for families, or at least clearer understanding about costs for families, and a much simpler model, and also some certainty for services.

35 So one of the difficulties for services - if they're going to, you know, borrow 4 or \$5 million to build a centre in an emerging residential area - they don't know when their occupancy is going to hit a point of viability. That's a high risk scenario. If we can take that risk - if we can reduce that risk through better planning, better information, and more government involvement, then I think that we can require them services to be inclusive to be high quality and to have stability in the workforce.

40 COMMISSIONER BRENNAN: Well, I just wanted to ask about - you made some comments about preschool - and access to preschool from age three, and I would really like to explore with you where ECA - where preschool sits in ECA's vision of a future universal system in Australia.

45 MS PAGE: Absolutely. I mean, we started as the Preschool Association. We're very committed to preschool programs. We think there are certain

5 criteria for quality preschool programs. That is, they're delivered by a qualified early childhood teacher, that they are easily accessible - so, preferably, within walking distance, you know, for a family - that there's an entitlement of access in the same way that we have in school, and that they are free or very low cost so that we take that barrier away for families.

COMMISSIONER BRENNAN: So just on that one, Sam - free or very low cost in any setting?

10 MS PAGE: Well, I do think preschool needs to be delivered across settings. I think we need some preschools co-located with schools for families with older children. Let's try and reduce that double drop off. Let's try and make that easier. I think we also have families where both parents are working. They need the longer hours that's provided by long day care, so we need  
15 quality preschool programs embedded within long day care.

I think we need family day care to be able to deliver preschool to the children in family day care, whether that is by taking children to a preschool program or whether that is by delivering a preschool program within the family day  
20 care environment. It's a conversation we've been having with the Family Day Care Association. And I think there needs to be some innovative models for remote and isolated families. So I was lucky to visit Katherine School of the Air. They have a School of the Air preschool program. I think that's a really promising model, for delivering preschool to families that might have a  
25 governess on site who can work directly with the children.

But the preschool teacher is still developing the program, overseeing the program, monitoring children's outcomes. I think that is another, you know, potential model that we could think about.

30 COMMISSIONER BRENNAN: This might take you beyond what you feel ECA wants to say, but we've of course looked at the South Australian Royal Commission and we had the opportunity to meet with Julia Gillard a couple of weeks ago and hear her vision and the South Australian Royal  
35 Commission vision about preschool in the future. You know, they suggest, well, affordability and accessibility should be the responsibility of the federal government.

40 And then quality and other aspects, the system should remain with or should be with the states and territories. Do you have any thoughts about that as a model?

45 MS PAGE: Yes. Look, I think that is a – that – I think that is a good way to, um, move forward with preschool. Because we do – I don't think we're going to hand it over to, you know, one government or the other. I think both – both layers of government need to be involved. I would say there's also a



role for local government. In terms of informing where services need to be located.

5 We know that if you get that wrong, if you don't – if the preschool isn't, um, you know, accessible by public transport or within walking distance from home or on a transport route where parents are working, then it's not going to be – and it's not – it – it's not actually accessible. So, I think there's a role for local government. Sarah, you're based in South Australia. You were  
10 involved in the Royal Commission. Is there anything you would like to add to that?

DR WIGHT: I think, just in terms of quality. Quality is really important. So you've spoken across different service types. Just having that level of oversight to make sure that children's entitlement, you know, is – is very  
15 clear around quality. And having early childhood teachers in those settings is really important. So we do have children who are sitting in three-year-old long day care. And some of them are being delivered excellent programs but they're not approved preschool programs. So I think any shift into that space just needs to make sure that children's entitlement continues to be the focus,  
20 and there are mechanisms in place to reduce some of the complexity.

COMMISSIONER BRENNAN: So when we put more – if we start to put more flesh on our notion of the 30 hour entitlement, are you suggesting that we should think about how that might apply in the preschool context?  
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MS PAGE: Yes. And I think it could apply across different – so we did some work for the Royal Commission in South Australia on what the quality drivers are across different settings. So, for example, preschool delivered in a school setting, it's really important that there is a good outdoor learning  
30 environment that's – that's provided by the school. It's important that the school leadership understand play-based pedagogy and support the early childhood teachers to adopt play-based pedagogy.

35 So there are quality requirements, that if you're going to deliver preschool on school site, this is what needs to – needs to be part of that. In long day care, one of the challenges is the consistent start and finish time in preschool. Also the size of the group and the consistency of the group, because we know children are learning in relationships with other children.

40 COMMISSIONER BRENNAN: Sorry, I know I've asked a lot of questions - - -

COMMISSIONER STOKIE: No, go ahead - - -

45 COMMISSIONER BRENNAN: - - - I'd like to ask another question. Because I think, well, I'm still struggling with the notion of how to conceptualise preschool in a long day care setting, and just then you

mentioned the need for consistent starting and finishing times. So that suggests that there is something inside the long day care program that is carved out and designated as a preschool program rather than that it's embedded in the whole day?

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MS PAGE: Well, and I know that's controversial and I know that long day care providers will say children are learning from the minute they walk in to the minute they go home, and the whole program is educational, and I understand and respect that. However, I do think that the specific outcomes we're trying to achieve in preschool programs, there does need to be some consistency in the group and a – and a teacher working - - -

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COMMISSIONER BRENNAN: - - - and a teacher - - -

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MS PAGE: - - - directly face-to-face to the children. And so that does require something additional to the general quality of long day care across the whole day, and some stability. And I know some long day care services will require that children attend certain days, in order to be in a consistent group for the preschool programs.

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COMMISSIONER BRENNAN: Okay.

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MS PAGE: But that's not everywhere. So – and we couldn't settle in our – so we did this work – we – we had a panel of experts which we consulted once, we consulted twice. Sort of a Delphi style consultation, trying to get agreement. There were – everybody agrees that group size is important but we can't name a number. We can give a range, but we can't name a number. Also the issue of stability in relationships was consistently identified as (indistinct).

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COMMISSIONER STOKIE: Can I maybe just follow up and as you would have seen, most of the jurisdictions have either made announcements and commitments or are looking at expanding. So from what historically was preschool or kinder, et cetera, we're looking at a, you know, 300 per cent, going – going from 15 to 30 in four-year-olds in some jurisdictions and from nothing to 15 hours. At what point do you say - when you work 15 hours and now you're going to 45 hours of, you know, different ages - do you just reimagine the whole preschool?

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Like, it's no longer, surely - it's – it's vastly different to what historically was the case. And - or it – it will - over the next say, 10 years - as – as the states – and related to that is this notion – and I still don't have it in my mind as to what the answer is – if you just do take the South Australian view, which is states delivering quality programs et cetera, and the feds are left with, sort of, funding that and ensuring that accessibility.

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At what point do the – do the states have to then stop making commentary about how that's funded? Like, we have free preschool, well, it's not really free. Because it's not for the full length of the – the year or the full day. And part of our recommendation is wrap-around. So I just – I just wonder, you know – we haven't really leant into this but it's a reality of what's happening. And you have strong views around the preschool program, so I thought I'd ask.

MS PAGE: And part of it is that Australia's fallen way behind the world. I mean, I - - -

COMMISSIONER STOKIE: Sorry, could you repeat that?

MS PAGE: Australia's fallen way behind in preschool, generally.

COMMISSIONER STOKIE: Right.

MS PAGE: So I went to an OECD early childhood policy forum some seven years ago, I think. The whole of Europe has been doing three- and four-year-old preschool, five days a week for a long time. And so I think part of it is that we're playing catch up. And the states have really recognised the importance of a strong foundation in the preschool years, to later education success and to easier transition into school. So that's why they're investing and expanding their preschool programs. The problem is there's a disparity between what the larger states like New South Wales and Victoria can afford to do, compared to NT or WA, for example.

COMMISSIONER STOKIE: But you see them very much as distinct programs. Because like, ECEC sector would argue that we've been offering (indistinct) service, and it is available and questionable as to whether – well, it's available to some, not to all, which is what we're highlighting and it's affordable for some but not all. And we have some regulatory constraints that don't inhibit some but do for others. I'm (indistinct words). You see them over the next 10 years, it's still been quite distinct of centre-based daycare.

COMMISSIONER BRENNAN: Or is there more convergence?

MS PAGE: I think there's more – I think there's potentially more convergence.

COMMISSIONER STOKIE: Right.

MS PAGE: And I – and I think one of the ways that this reform process could feed into that is looking at financing models that are age-based, so a different rate of subsidy, for example, for younger children, that are more expensive to provide services to. And – and – and that recognition that then,

if we're going to say we're providing preschool services in long day care services – sorry, preschool programs in long day care where there is an entitlement, then you have – you are then putting an obligation on providers to deliver on that entitlement. It's not a choice which services they provide  
5 services to, they have to take the children that are in their catchment area or the children that walk in their door, because it's an entitlement model. That's a big shift from long day care (indistinct) - - -

10 MS PAGE: (Indistinct words).

COMMISSIONER BRENNAN: And offer a preschool program - - -

COMMISSIONER GROPP: And that would be free?

15 MS PAGE: I think it needs to be free for low-income families. And I think – I think if you – look, if we can see it as – as a public investment that returns at least \$2 for every \$1 invested, you could make it free for everybody. The – the – the – the preschool programs, absolutely.

20 We know from COVID, while we say there are all these other barriers, it's not just about the money, we've all said that for years in the policy world. You know, the – the families at the centre work, they talked about the difficulties of perception and attitudes towards early childhood education, told us it's more than just cost. However, when the government made early  
25 childhood education and care free during COVID, we saw a cohort of children we've never seen before and not seen since. So the money is a significant barrier.

30 And sometimes it's the money and sometimes it's the perception of the money. Do you know what I mean? So people see, it's \$110 a day, there's no way I could pay \$110 a day. Not understanding that the subsidy will cover a large proportion of that. Or not understanding there are exemptions on the subsidy for four-year-old children, for example. Very poor understanding of those exemptions amongst the family.

35 COMMISSIONER BRENNAN: And a very complicated system.

MS PAGE: Yes, unnecessarily so.

40 COMMISSIONER GROPP: Can I just shift tac a little bit. Because I want to take it back to you made a comment about looking at expanding not-for-profit sector. And you also made some comments about for-profit operators taking on risk and that you said they wanted to reduce that risk, which I found a little bit odd. Because usually that's the benefit of a for-profit, that they bear the risk, not the taxpayers. That it's on their head to  
45 – and therefore they have an incentive to establish where they think they'll have a viable operation.

5 So I guess there's two parts to my question: Do you think that for-profits aren't establishing in areas where there is need? And now, okay, they might be where people are prepared to pay a bit more, but do you think that they're not going into the areas that, sort of, make sense? But also, what do you envisage, to expand the not-for-profits? Because we've had some discussion around this, that they've stayed pretty stable in absolute numbers and fallen as a proportion of the market. But what sort of mechanisms do you have in mind there?

10 MS PAGE: Yes. So starting with the not-for-profits; not-for-profits have very risk averse boards. They're liable, you know, for any losses, so they're not going to take risks in the way that you talk about the private sector. So I think for the not-for-profits they really need better access to capital. And they need to be, well, probably supported going into areas of need.

15 So where we have very small communities or fluctuating populations, it's really hard for anybody to set up a new service in those communities. So you need either a supply-side funding model or some kind of support and guarantee for those services to go into those areas. And we do need more of  
20 them. And I do think, at the moment, unless you operate in an area, you have no way of really knowing whether there's unmet need and demand, in a particular area.

25 So it's only if you already operate a service and you know what your occupancy rates are and you know what your waiting list is that you would know that that is an area where there's a demand – there's a potential for a second service or a third service or whatever it might be. I do think that the government could much better inform decision making across the sector, public, private and not-for-profit, about where the demand is and where  
30 supply is not meeting that demand.

COMMISSIONER BRENNAN: They used to do that.

35 MS PAGE: Yes. Back in the day, with the childcare approved places.

COMMISSIONER BRENNAN: Yes.

MS PAGE: The federal government used to do that - - -

40 COMMISSIONER BRENNAN: Local governments involved, state governments involved and a national (indistinct) council.

MS PAGE: Yes. And local area consultation and discussion would be really useful. I mean - - -

45 COMMISSIONER BRENNAN: Really useful - - -

MS PAGE: And we're seeing that problem at the moment in New South Wales with the rollout of 100 public preschools. Community preschools are feeling very threatened by the public preschools being built, you know, just down the road. Now, if the New South Wales government is going to  
5 achieve 30 hours a week for both three- and four-year-old children, there's room for everybody. But we need to bring everybody along.

All of the service types need to be reassured that they are part of the future and that they can continue to invest in the buildings they are operating and the staff that they're employing. So we need to bring the whole sector along  
10 with that.

With the private sector, I think we couldn't have – we could never have expanded the early childhood education and care sector the way it has in the last, you know, 20, 30 years, without that private sector investment – I  
15 recognise that. However, at what point do we reach saturation with that? At what point are we only building new services in a new residential area, you know. So I don't think that we're looking – I don't think we'd have the same need for expansion that we had years – you know, when – when we were  
20 seeing a revolution in women's workforce participation.

And I think we could start to be more deliberate and more informed about it. We don't want services setting up in areas where there's already adequate supply. That just – that just threatens the workforce.  
25

COMMISSIONER GROPP: I guess my issue is if a provider would go where they thought they could make profit, whereas if it was saturated it won't be – there won't be much scope to, unless they provide a better quality service or something to compete. But anyway, that's something - - -  
30

MS PAGE: Yes.

COMMISSIONER GROPP: But we have advocated on the – the not-for-profit's supply-based expansion – supply-based funding within  
35 markets – areas of complex need, et cetera. And we'd envisage that that would be an avenue for not-for-profit provision, and community-based provision et cetera. Did you look at – do you think that where we're going there is what you had in mind?

MS PAGE: I agree with you that it's the not-for-profits that will work in those thin markets, or those small communities. But they – that's not their only place.  
40

COMMISSIONER GROPP: No.  
45

MS PAGE: Like, you know, they drive high quality service delivery. We've seen that consistently again and again. It's in the government's interests to

5 make sure that the not-for-profit sector is thriving and has a good proportion  
of the early childhood sector provision. So I don't think that's the only role  
for not-for-profits. I think you want to support not-for-profits across the  
board in all communities. And not-for-profits do need to be able to make a  
surplus in order to be long term – you know, viable over the long term,  
and/or to be able to cross-subsidise vulnerable communities. So I think we  
need to see the role of not-for-profits as beyond only working with  
disadvantaged families or disadvantaged communities. There is a role for  
them more generally.

10 But, yes, I do think supporting them, recognising them, rewarding quality and  
practice, providing access to capital would be really important. And I think  
the negotiation with the private sector is a little bit different. It's more  
acceptance of regulation and more agreement about where new services will  
15 be delivered. One of the worrying trends we've seen is building very big  
services, you know, thinking that they're economies of scale, and so if we  
build a centre for 200 children we'll get economies of scale and it will be  
more profitable. And that's actually not proven to be good for the quality of  
practice or good for the children or good for the families. It means a lot more  
20 transportation, there's fewer services that families are travelling to. It's not  
necessarily good for the staff team. So – and we don't want it to – just to be  
free-for-all.

25 COMMISSIONER BRENNAN: Would that be the kind of issue that might  
be explored in a revised NQF, the size of the service?

30 MS PAGE: It could potentially be. But I think it's more about sort of a  
planning mechanism. Like, let's have a – let's have a different approach to  
planning. Let's actually engage local government, state government, and  
federal government in saying, 'These are the areas of undersupply and these  
areas are not undersupplied.' If you're going to go in and build a new service  
here, then - - -

35 COMMISSIONER BRENNAN: And take taxpayer dollars with you.

40 MS PAGE: Yes, yes, yes. Well, why? What's the rationale for doing that?  
There's some renewal, obviously. Still things get old and new services need  
to replace old services. But it shouldn't just be at the whim of an individual  
investor, and that is what we've seen a lot of. A lot of mum and dad  
investors, 'I own this piece of land, I'm going to build a service here.' That's  
not necessarily in the interests of the system overall, so let's take a more  
systemic approach to that.

45 COMMISSIONER STOKIE: I'm conscious of time. We probably only have  
sort of a couple more minutes. I had another question, but rather than – I'll  
ask it, if there was anything else, but I wanted to give you an opportunity. If

there was something else that was top of mind that we haven't raised, I'm happy to defer my question.

5 MS PAGE: I think we've - - -

COMMISSIONER STOKIE: But - - -

MS PAGE: I'm happy to take your question.

10 COMMISSIONER STOKIE: Well, you mentioned we need a backup plan on wages. So if the multi-employer bargaining process doesn't yield whatever it is that you'd like it to yield or the process isn't the outcome that you're thinking, what is that backup plan in your – in your mind?

15 MS PAGE: That's a really good question. So we did bring employers and unions together last year for an emergency summit on wages, because we're just not going to be able to achieve even the current policy objectives, never mind, you know, an expanded universal - - -

20 COMMISSIONER STOKIE: We would absolutely agree.

MS PAGE: - - - without the workforce. So we did attempt to reach agreement on what the mechanisms might be, and the multi-employer bargaining process was the frontrunner out of those conversations.

25 COMMISSIONER STOKIE: Yes.

MS PAGE: However, it really – at the moment, you know, it is only focused on the educators and teachers working in long day care services, and it's still not clear how all services would be joined into that - - -

30 COMMISSIONER BRENNAN: No.

MS PAGE: - - - into that agreement and/or how those wage increases would be funded. We do – we do need – still need to flesh out a mechanism for those to be funded. If that process doesn't deliver or doesn't deliver – you know, it may deliver for long day care, but we're also going to need a solution for outside school hours and family day care and the other parts of the sector.

40 COMMISSIONER STOKIE: Yes, yes.

MS PAGE: Again, I wish I could give you a 'Here's our fully formed, you know, financing mechanism.' I'm not quite sure what it is.

45



COMMISSIONER BRENNAN: Did the group you brought together discuss the possibility of direct funding of wages by the federal government to providers?

5 MS PAGE: We did discuss that. Similar to the model that happened under COVID where you had money direct a, you know, headcount, basically. This is the headcount, this is the money you're going to get to underpin wages. We did discuss that model. We also discussed an increase to the Child Care Subsidy with an undertaking from employers to flow those wage increases  
10 on. And then, of course, there's the increase awards, the good old-fashioned way of, you know, increasing wages, increase awards.

COMMISSIONER BRENNAN: Yes, yes.

15 MS PAGE: So all of those options were discussed. The issue was timeliness. We wanted a fast solution and an equitable one that works across. And recognising that some employers already pay well above award rates and need – and still warrant that extra subsidy. They shouldn't be punished for doing that because they're already paying above. So it is quite a complex  
20 thing to achieve, but I do think we need to all agree that that is a priority that needs to happen one way or another. Certainly financing models in other countries fund directly the wages of teachers and educators, and I think that's something that is worth looking at in Australia, because it is the largest cost of provision.

25 COMMISSIONER BRENNAN: Yes, yes. And that's where we started. With funding 75 per cent of the award wages under the Childcare Act in 1972.

30 MS PAGE: Yes.

COMMISSIONER BRENNAN: That's exactly where we started.

35 MS PAGE: Yes, yes. Might be time for that to (indistinct).

COMMISSIONER BRENNAN: But in return for conditions which there were then.

40 MS PAGE: Yes, yes.

COMMISSIONER BRENNAN: Yes, anyway.

MS PAGE: Yes.

45 COMMISSIONER STOKIE: Well, thank you very much, Sam and Sarah, for coming in today and for the various submissions and the engagement

along the way and the journey that we've had. We very much appreciate your input and the discussions, so thank you.

5 MS PAGE: Thank you very much. Thanks.

DR WIGHT: Thank you.

COMMISSIONER STOKIE: Okay. I had my back to you.

10 MS ANDERSEN-COOKE: That's okay.

COMMISSIONER STOKIE: So you're welcome to come up and join us in, so to speak, at least at the table.

15 COMMISSIONER BRENNAN: Very formal setting that we have here.

COMMISSIONER STOKIE: And it is Silje, is that right?

20 MS ANDERSEN-COOKE: Silje, yes.

COMMISSIONER STOKIE: Silje. Please get yourself comfortable. So thanks for joining us, Silje, sorry. Hopefully it's a relatively informal conversation. I know it's a very formal structure. Part of that is because this is being transcribed.

25 MS ANDERSEN-COOKE: Yes.

30 COMMISSIONER STOKIE: And all of the consultations that we've had over – I think Deb was reflecting that we might have been – we're on our twelfth day rather than on our eleventh day.

MS ANDERSEN-COOKE: Okay.

35 COMMISSIONER STOKIE: But, regardless, we've had many days across Australia talking with lots of interested parties. You're the first who's going to talk to us about multiple births, and that's a really interesting perspective.

MS ANDERSEN-COOKE: First and only, I imagine.

40 COMMISSIONER STOKIE: But, equally, an interesting perspective that we'd love to hear. I'm Martin Stokie, one of the Commissioners responsible for the inquiry into early childhood education and care. I'm joined on my right by Professor Deb Brennan and on my left by Lisa Gropp. We're the three Commissioners. We're supported at the Productivity Commission by a  
45 team, a raft, of very capable and talented individuals, and Lou, who you met before, is one of our Assistant Commissioners responsible for the team and the report. Louisa in the corner is working all things IT but is, in fact, a

critical part of our team as well doing lots of research and background, and we have a number of our team online as well. Online it's a public hearing, so there may well be people online that – I think I can see there's 16, but we can't actually see who they all are, so I don't know who they are. Most of the time they're interested parties, they're participants. It could be media, but we don't know. And so it's just for letting you know what the context is in which we're meeting.

5  
10 MS ANDERSEN-COOKE: Yes.

COMMISSIONER STOKIE: For the transcript, could you just state your name and the organisation that you're representing, and then we'll have – you're welcome to give us a statement, a reflection, or we're happy just to go into specific points, and we're a little bit in your hand.

15 MS ANDERSEN-COOKE: Sure.

COMMISSIONER STOKIE: This is a listening tour, from our perspective. We want to hear what stakeholders and participants have.

20 MS ANDERSEN: Great. Yes, I have prepared an opening statement, so I will.

COMMISSIONER STOKIE: So you are more than welcome. So if you say how you are and background, and then it's all yours.

MS ANDERSEN-COOKE: Yes. So my name is Silje Andersen-Cooke. I'm a director of the Australian Multiple Birth Association and I'm a mum of two-year-old triplets, and I also have a four-year-old singleton. I represent the Australian Multiple Birth Association. We've been around for 50 years. We've been the only national not-for-profit organisation in Australia that's dedicated to supporting multiple birth families, which are, for people playing along at home, families with twins, triplets, or more, quadruplets, quintuplets. We are fully run by volunteers – I'm here as a volunteer today – who are parents of multiples themselves, and we support over 4,700 multiple birth families who are members of us through over 40 affiliated local clubs across every state and territory in Australia.

40 And our mission is to enable positive health outcomes, awareness, and equality for multiple birth families through advocacy, education, and community engagement. And we do a lot of – we provide a lot of key services to multiple birth families in Australia like new multiple birth parent meetups, playgroups, exchanging equipment. There's, you know, specialised equipment that you'll need. It's a real, critical service for multiple birth families. So I'm going to focus on some key challenges that are unique to navigating the early education and childcare system with multiples, and it can

be pretty much dwindled into two categories: access and affordability. There are lots of other issues as well.

5 But before I get into that, I just wanted to make a comment that, in the 100 page draft report that the Productivity Commission released, there wasn't a single reference to multiple birth families. There wasn't a single reference to twins, triplets. And this is a really common story for our community. We often – we are so often overlooked and not acknowledged for the unique challenges that we face. I have a toddler and I have triplets, but I am so  
10 different from a family with four kids, and so often we get pulled into that category of family with four kids rather than looking at me as a multiple birth family. We have unique challenges that I hope you will better understand after today.

15 For example, just on affordability, twins actually cost five times more, up to five times more, than having a singleton, and triplets can cost up to 13 times more. We have these unique issues when it comes to the financial burden, and of course the affordability of childcare really weighs into this. So talking about access, 54 per cent of parents of multiples in Australia struggle to find  
20 a placement in a childcare for their multiples. Mariam is a mother of twins. She listed her twins at birth on a waitlist for a childcare placement, but she was the only parent in her new parent group, which were all singletons, who was not offered a place for her children. Thirteen months and nothing from all five childcares in her area. She personally felt discriminated against  
25 because she had twins, and she is an experienced ICU nurse who couldn't go back to work.

We are hearing this time and time again. Because there is no obligation on  
30 childcare centres to prioritise or hold spots open for multiples, even if they're on the top of the waiting list, if one spot opens up, they'll just skip you and they'll put a singleton in there, because they don't want to hold one spot open so that – until the second one comes open, basically. So there's no obligation on them to find you two spots, even if you've waited the longest. And, for that reason, parents of multiples feel discriminated against when it comes to  
35 access to spots. Parents are – countless stories of parents being basically forced to just put one twin in one day to try and get into the childcare and wait for a second spot to open up. So they're unable to work, because they've still got one child at home, but they're so desperate to access childcare they're forced to do one day with one child.

40 And I've got families who are forced to pay for weeks of childcare of – without childcare, sorry, just to hold the spots because they're so desperate and they know how hard it is with multiples. And also just on access, it can actually be physically inaccessible to get into these centres with multiples.  
45 For example, with my six-month-old triplets, they're not walking, and I looked at this childcare centre that my oldest son was already going to, and it was just stairs to the entrance. And basically the option was I can't carry

three infants up the stairs. I've got to look after a two-year-old at the same time. Parents are being forced to leave one twin – or one multiple – in the car, take one up the stairs, and then go back and take the other one up the stairs. The inaccessibility of childcare centres is a big factor. On  
5 affordability, 67 per cent of parents of multiples found childcare unaffordable for their family. And the additional child subsidy system is flawed. And the recent increase didn't actually bring that much relief to multiple birth families, which we sort of go into in the submission.

10 Natalie said she has triplets: 'We had to put triplets in childcare. They expected a two week full fee bond per child upfront. I was eventually able to get it on a payment plan, but that was a lot of money when it was care needed so I could return to work.' So another issue is these centres are asking for  
15 massive bonds upfront. And there's no regulation of how bonds are dealt with. So if you're bringing triplets and you're starting at a childcare, some centres might go out of the kindness of their heart say: 'We'll just require a bond for one of your three children.' But others will just say: 'No, our policy is, you know, you need two weeks upfront per child, full fee, to cover' - - -

20 COMMISSIONER BRENNAN: They're not taking into account the subsidy that you - - -

MS ANDERSEN-COOKE: Sometimes not even taking into account the  
25 subsidy, because you might not have gotten it yet.

COMMISSIONER BRENNAN: Yes.

MS ANDERSEN-COOKE: It's like there's a delay. Thousands of dollars  
30 upfront. Even with the subsidy it's – because you've got three – it's thousands of dollars that they're just holding onto. It's not getting any interest. For what reason, I don't know, because it's not like they couldn't just replace the spot if you had to pull out anyway. Lots of stories on – I know you probably heard a lot about affordability and the cost. But for multiple birth families it just hits them so much harder. You've got – for me I've got, you know, four  
35 kids under four. I'm paying so much money in childcare. For me personally, if I quit my job and I looked after my four kids full-time, I'd be saving money. But I choose to go to work and I choose to pay for childcare - - -

40 COMMISSIONER STOKIE: Just on that, sorry, the Higher Child Care Subsidy which is meant to – but whether it does – support, well, a second or multiple children of – not necessarily multiple births but that doesn't work well or how are you – how do you find that.

45 MS ANDERSEN-COOKE: I don't think it works very well. I think that it – the fact that it's anchored on the oldest child as well, rather than the most expensive, is really difficult. So a lot of families find – and especially when they raise – at July last year when they raised the subsidy - - -

COMMISSIONER BRENNAN: Subsidy.

MS ANDERSEN-COOKE: Sorry, I'm not like a technical expert - - -

5

COMMISSIONER STOKIE: That's all right.

MS ANDERSEN-COOKE: But I'll try and explain it. When they raised the subsidy they only did it for the first child, and previously what happened was – like I was getting subsidised 50 per cent for the first child and there was like a clear gap of 30 per cent for every additional child. But then what they did is just raised it for the first one but not an additional child care subsidy. That line remains the same, if this makes sense – this is how it was explained to me. So the gap's short – like, the first child might have gone a bit cheaper but then childcare centres raised their fees. So essentially they weren't getting really any relief, whatever they were getting, because that second child was still – it didn't increase the subsidy.

10

15

COMMISSIONER STOKIE: Yes.

20

MS ANDERSEN-COOKE: And I can't explain it very well because it's so technical and I don't understand it.

25

COMMISSIONER STOKIE: Well, it's a complicated system and even we challenge ourselves and think what the hell - - -

COMMISSIONER BRENNAN: Well that's a story in itself that you can't understand it.

30

COMMISSIONER STOKIE: Exactly.

35

40

MS ANDERSEN-COOKE: I can't understand it. And obviously it's so difficult as a parent of multiples to even try and do the calculations before you even get into a centre to work out whether you can afford it. So a lot of parents are getting in and then finding out, like, oh, actually the subsidy they were getting is not enough. Because they can't work it out beforehand, it's so hard to know what it's going to cost. Yes, so we really need some acknowledgment of the financial disadvantage that you're in when you have multiples. The CCS doesn't acknowledge that at the moment. It does have the higher – the additional child care subsidy. But I think that's really set up with if you've got one or two kids this will work for you. But when you have four, honestly even with that system, it still ends up being so much more than my wage because of the immense cost – so, anyway.

45

The third, kind of, point that I want to talk about is childcare and early educators are not really aware of the issues that multiple birth twins and multiples face. They have really unique challenges, because there are

multiple. There is different developmental delays. There's issues that can be identified so that we can encourage parents to, you know, use early intervention. And a lot of educators are good at that. But when it comes to multiples, I feel that the responses we're getting from families is that there isn't that knowledge of the unique challenges that multiples face. Someone said, for example, how to take care of multiples that are in the same room and they're co-dependent. There's twin escalation syndrome. They're more likely to develop their own language and have speech delays. These sorts of issues really I don't think early educators are supported to deal with these sorts of things.

In Home Care is a big one, and I think the Productivity Commission will look at that as well I'm assuming, yes. So, currently for In Home Care the criteria – well, previously the criteria used to allow families with three or more children under school age to access In Home Care. At some point – semi-recently, a few years ago, or something – it's changed. They've taken that off the criteria. Obviously that's impacted families with multiples. So because multiples – 63 per cent of twins and 100 per cent of higher-order multiples are born premature. Often childcare is not an option because of their weakened immune system and other issues that come with being a premature baby. Parents might choose not to put them through the childcare system which can obviously have a lot of sickness. But then they're just excluded from early education.

Angela says she has twins: 'I had a rough start,' and that: 'My girls had NG tubes. Twin B was on oxygen. They were discharged from the NICU in lockdowns and I haven't found a centre that would take them with the NG tubes and an oxygen line. So In Home Care or a nanny would have been a big help.' A UK study found that just 20 per cent of mothers of multiples returned to work by the time their multiples are three years old, versus 40 per cent of mothers of singletons. Multiple birth families are discriminated against by childcares. It takes longer to get placements. It is incredibly expensive and mums of multiples are not able to participate in the workforce, even if they wanted to. And we need a plan in Australia to address the inequitable access to childcare and early education for families with multiples and it starts by addressing the unique challenges that they face. And that was my (indistinct).

COMMISSIONER STOKIE: You make a very compelling case.

MS ANDERSEN-COOKE: Good. I am a lawyer in my (indistinct), so (indistinct).

COMMISSIONER STOKIE: Can I ask – I think it's fantastic that you're giving us the context, the background, and the challenges that the parents of multiple children are facing and a real practical view of even just getting into a centre.

MS ANDERSEN-COOKE: Yes.

5 COMMISSIONER STOKIE: Because most people don't think about it and my mind went to people who have mobility impairment as well, which is in a wheelchair or something like that.

MS ANDERSEN-COOKE: We have a lot in common, actually.

10 COMMISSIONER STOKIE: But it extends beyond just disability. It extends into multiples in that sense. You're here in front of us now, and we've explored the problems and the challenges. And we apologise, it's remiss of us not to have reflected of that in our draft report. It wasn't intended and we will remedy that in our final report.

15 MS ANDERSEN-COOKE: Thank you.

COMMISSIONER STOKIE: What would you like to see? What, if, you know - - -

20 MS ANDERSEN-COOKE: Blue sky thinking.

COMMISSIONER STOKIE: Well, indeed. How do we adequately address this in – within the broader context of the recommendations that we have put forward.

25 MS ANDERSEN-COOKE: Yes. I really appreciate you saying that. It means a lot because – just being acknowledged. And I think if you even look at the unique challenges – the problems – the solutions almost seem obvious because we just clearly need more sort of policies to be able to get childcares to prioritise families with multiples.

30 COMMISSIONER STOKIE: Yes.

35 MS ANDERSEN-COOKE: I'm an advocate, so I don't know the insides of childcare.

COMMISSIONER BRENNAN: Can I ask you - - -

40 MS ANDERSEN-COOKE: Yes.

COMMISSIONER BRENNAN: I think even treat them fairly.

45 MS ANDERSEN-COOKE: Yes, treat them fairly.

COMMISSIONER BRENNAN: An example you gave of being at the top of the list.



MS ANDERSEN-COOKE: Yes.

5 COMMISSIONER BRENNAN: But not having your children accepted until the requisite number of spots opened up.

MS ANDERSEN-COOKE: Yes.

10 COMMISSIONER BRENNAN: That can be seen as fair treatment, I think, rather than being prioritised necessarily.

15 MS ANDERSEN-COOKE: Exactly, yes. I agree, it's about fairness. Yes, I mean fairness would be a good benchmark, but then I think even how do we make sure that they're prioritised for more than two or three days, and make sure that they – like, I could barely get two days of childcare for my triplets after waiting for two years. It's just so – it's demoralising, actually. Because you just feel you're begging and so many families feel the same way. Yes, I mean I don't know the insides and outs of how the childcare system works.

20 COMMISSIONER STOKIE: Sure.

25 MS ANDERSEN-COOKE: Obviously I'm on the outside. As an advocate I think I'd like to see the childcare CCS reflect the financial cost of multiples and, you know, some acknowledgment that if you have twins or triplets or more, is there a way we can provide them with more of a CCS rebate or just structure the system better so that it reflects having multiples. Yes, and obviously fairness of access. And also just – and I mean this is partially our job as a, I guess, peak body – we'd like to see more education with childcare centres and educators about the unique challenges that multiple birth families face and what it's really like having, you know, twins.

30 COMMISSIONER BRENNAN: This is probably in your submission, Silje, but can you remind us or tell us something about the percentage of multiple births in Australia?

35 MS ANDERSEN-COOKE: Yes. I know that off the top of my head. So 1.4 per cent of births are a multiple birth. Two to three per cent of children are multiples. And there are – in real numbers it's about 4200 every year, multiple births. 98 per cent of those are twins, two per cent of those are higher-order multiples, so triplets or more. So in terms of real numbers of, like, triplets born every years, we're talking like 50 – 50 to 60 in that range.

COMMISSIONER BRENNAN: Okay, thank you.

45 MS ANDERSEN-COOKE: Yes. So very small number.

COMMISSIONER BRENNAN: Yes, but as you say, really – really special set of challenges.

5 MS ANDERSEN-COOKE: Who need – yes, we've got – also parents of multiples have just – they're super-parents. They want to give back to society, they want to work. This mum who is a NICU nurse has twins. Like it is – yes, just gobsmacked me that they just don't have the opportunity to do that.

10 COMMISSIONER BRENNAN: We've heard this from a number of – yesterday we met with women in country areas - - -

MS ANDERSEN-COOKE: Yes.

15 COMMISSIONER BRENNAN: - - - who were just expressing exactly what you are. 'We want to contribute our skills, we might have challenges now but we really want to contribute in the workforce.'

20 MS ANDERSEN-COOKE: Yes. Desperate to have the choice, I think. It comes down to that. Because at the moment we feel like we're choice-less. Like we're stuck. We – yes, I call a childcare centre and I get laughed at when I say what I – what days I'm looking for. And, yes, just it feels like we're locked out and the system could be structured better to acknowledge how much help we need.

25 COMMISSIONER STOKIE: Is there any support more broadly than the volunteer program that you run, from a government perspective? So obviously when multiples are born we know when that is. What we're talking about is almost life trajectories. That there are certain stages and milestones and it's not unreasonable to predict that in a year or two years' time  
30 potentially those children might wish to, and we'd know where they live. So, notwithstanding, the, you know, put down on a waitlist, et cetera, which is then kind of ignored. Is there anything that – at a jurisdictional level, and the state level, is there support more broadly, or is it just you're, effectively,  
35 asked to fend for yourselves within the world that we live?

MS ANDERSEN-COOKE: Yes. That one. So I cannot explain to you the disappointment that I felt when I became pregnant with triplets, and I thought, surely there must be government support to help me with this. I did  
40 not expect this, this will be a huge – you know we've got to get a new car, a new house like we had to upgrade everything, buy equipment, it's up to 13 times more, and there's no additional parental leave. There is a multiple birth allowance, but you're only eligible if you have higher order multiples, so triplets or more. And then only eligible if you qualify for the Family Tax  
45 Benefit A, which means you have to earn, as a combined salary, \$80,000 or less.

COMMISSIONER STOKIE: Yes.

5 MS ANDERSEN-COOKE: Before tax. So there was no way if you, in today's age, that people are qualifying for this payment. And then if you don't qualify for that, you don't get any extra parental leave. So many mums, especially mums of multiples, are at home within weeks they're by themselves because their partner has to go back to work, and they're looking after infant, you know, multiple infants by themselves, no wonder they are 10 five times more likely to suffer from post-natal depression. And then, they can't find childcare spots, so they feel stuck at home, they're more likely to spend more time on unpaid parental leave than of a parent of singletons. And they're angry, and they feel really shut out of the system, there just doesn't feel like there's enough support.

15 COMMISSIONER GROPP: Can I just take you back? Because I'm sort of just puzzling about why a centre, I mean a child is a child is a child, and okay, you might want three places, but there'll be three families that want three places as well. So I'm just sort of – what do you think drives that 20 attitude? I mean, if you've got – they must have three places, or four places at some point. You know what I mean? You've got numbers of families, they must have places to put them in. What's the difference if the three places are from one family? Why do you think they react the way they do?

25 MS ANDERSEN-COOKE: I think it's just the accessibility issue like placements just seem to come up one at a time.

COMMISSIONER GROPP: Ad hoc in that it's an unpredictable way, they don't - - -

30 MS ANDERSEN-COOKE: Like, it's the way that it seems to be working - - -

35 COMMISSIONER GROPP: At the beginning of the year though, you'd think they'd, you know, almost have a - - -

MS ANDERSEN-COOKE: Yes. But even then, like, they – I don't know the ins and outs of how their system work - - -

40 COMMISSIONER GROPP: No.

MS ANDERSEN-COOKE: - - - but I'm interested to know too because I think like, isn't this better for you? You've got three guaranteed spots and one family to deal with. But I think it's just literally the way the placements come up, it's a bit more ad hoc. And then if they give somebody a spot, yes, 45 they just don't want to hold it open until they have two or three. And so often - - -

COMMISSIONER GROPP: Do they make that offer to you though so you can make that choice? At least if you – how you said you might, somebody might take one of their children, you know, if there was a place for one, they might take it, well, they don't even give you that option?

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MS ANDERSEN-COOKE: It can range. Some childcare centres do say, 'We recommend putting one of your twins in, and then wait until another spot comes open.' And I just think that is not a solution to the problem, that works for the childcare centre, it doesn't work for families with multiples. They're not working.

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COMMISSIONER STOKIE: The activity test combined with that as well.

MS ANDERSEN-COOKE: Yes.

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COMMISSIONER GROPP: Yes.

COMMISSIONER STOKIE: Which is because - - -

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MS ANDERSEN-COOKE: And if you bring in the activity test - - -

COMMISSIONER STOKIE: Well, we are recommending, at least for the three days that that be removed. We're potentially - - -

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MS ANDERSEN-COOKE: We would agree with that.

COMMISSIONER STOKIE: - - - asked for views around whether it should be just removed partly in that - - -

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MS ANDERSEN-COOKE: Completely abolished from our perspective.

COMMISSIONER STOKIE: - - - because if you're only putting one child in, then you can't work.

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COMMISSIONER GROPP: You can't work - - -

MS ANDERSEN-COOKE: Exactly.

COMMISSIONER GROPP: Yes.

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COMMISSIONER STOKIE: - - - yourself, if you put two children in, you still can't work.

MS ANDERSEN-COOKE: Exactly.

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COMMISSIONER STOKIE: And at that point, you're not getting access to the ECEC and having to pay full fees, and that's prohibitively expensive.

MS ANDERSEN-COOKE: Families are putting – they're actually, to make it work, they're actually going to two different centres. So they'll have twins in two days at one centre, two days at another for example.

5

COMMISSIONER STOKIE: Right.

MS ANDERSEN-COOKE: How is that good for like, their – like there's so many reasons why we want kids to be at one place, develop relationships, it's, obviously, easier for the family to have one educator. Countless families are having to do that to make it work.

10

COMMISSIONER STOKIE: We didn't – you're right. We didn't have it in our draft report. But one of the things we are thinking about is the – what's called the Higher Child Care Subsidy. So the multiple children as opposed to multiple births - - -

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MS ANDERSEN-COOKE: Yes.

COMMISSIONER STOKIE: - - - could be children born close together, rather than - - -

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MS ANDERSEN-COOKE: Yes. Still - - -

COMMISSIONER STOKIE: Very, very close together.

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MS ANDERSEN-COOKE: Yes. Two minutes apart.

COMMISSIONER STOKIE: Well, indeed. We're just talking about timing. That makes a huge world of difference as you're reflecting on.

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MS ANDERSEN-COOKE: Yes.

COMMISSIONER STOKIE: And so that is something we are thinking about. And we hadn't put that into our draft report and will have - - -

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MS ANDERSEN-COOKE: Yes.

COMMISSIONER STOKIE: - - - something. Something to say, as opposed to nothing to say, in our final report on that aspect.

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MS ANDERSEN-COOKE: Really pleased to hear that.

COMMISSIONER STOKIE: Was there anything else that you wanted to add? I think we're - - -

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MS ANDERSEN-COOKE: I think I've – unless you have any other questions – I think I got my point across.

COMMISSIONER BRENNAN: Yes. No. You have. Indeed.

5

MS ANDERSEN-COOKE: And yes, I really appreciate that you've committed to putting an acknowledgement of our challenges in the final report.

10 COMMISSIONER STOKIE: Well, our terms of reference require us to think about accessibility, affordability, equitable and high quality. And we've been fond of the saying of universal not uniform.

MS ANDERSEN-COOKE: Yes.

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COMMISSIONER STOKIE: And that means reflecting on the specific characteristics of cohorts or families or regions, and hopefully trying to encourage a system that will support more of a tailored – given that there's no tailoring at all – even something will be better than nothing - - -

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MS ANDERSEN-COOKE: Yes.

COMMISSIONER STOKIE: - - - but a more tailored response - - -

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MS ANDERSEN-COOKE: Yes.

COMMISSIONER STOKIE: - - - to supporting families. And to tell you the truth, it's heartbreaking to hear when families are so keen to draw on and access the services, and potentially work, but engage in a broader sense of community for their children, for themselves, for the family, that the system is so rigid, that it doesn't, at least, provide for that opportunity. And that's hopefully something that will come out of our work.

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MS ANDERSEN-COOKE: Definitely.

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COMMISSIONER STOKIE: Whether it addresses everything, I don't know. But at least, I think we've – really appreciate you coming and reflecting to us these points.

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MS ANDERSEN-COOKE: I really appreciate the work that you're doing because, yes, including us in this final report will – the government, obviously, won't acknowledge our unique struggles unless they have support from, you know, people like you. So really appreciate that. It means a lot.

45

COMMISSIONER STOKIE: Thank you very much.

COMMISSIONER BRENNAN: Thank you.

COMMISSIONER GROPP: Thanks.

5 COMMISSIONER STOKIE: We might break now for lunch. And return at 1 o'clock. So thank you for joining us for now. We'll see everybody shortly.

**LUNCHEON ADJOURNMENT [12.03 PM]**

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**RESUMED [12.59 PM]**

15 COMMISSIONER GROPP: Thanks everyone. We'll now resume the public hearings for our ECEC inquiry. And I'm calling on Dr Rob Bray and Professor Matthew Gray. You know us, but just for the purpose of the tape, I'm Lisa Gropp, I'm joined by fellow Commissioner Martin Stokie and Professor Deb Brennan. And to remind people online and everyone in the room, this is being transcribed, and a transcript will be made available. And  
20 also, there may be observers from the general public, interested parties, and media. So, over to you. And can you just say who you are and where you're from for the purposes of the tape, and then you're going to make some introductory remarks?

25 PROF GRAY: So Matthew Gray from Australian National University.

DR BRAY: And Rob Bray from the Australian National University. I'll make a few brief opening comments. Firstly, I guess, to say where we're coming from in all of this. We're basically academics, but with experience in  
30 government, both of us. And we were involved in the evaluation of the Jobs for Families Child Care Package. And from that, we've really had the responsibility, I guess, for developing what we learned in there and bringing it to the public policy debate. And in terms of our skin in the game, our skin in the game is about good public policy, and that's really directly reflected in  
35 our comments. Because we're academics, we also tend to be a little bit critical at times.

40 So first of all, there are lots of good things in the interim report, and some things that we have reservations with, and we've given some details in our submission. Some of the key points we make, the Commonwealth and state roles are an absolute mess, and we consider that the report is not adequately addressing that at this stage. And we think really that what the starting point should be is, what is the optimal ECEC system that we need? What's going to be best for children, best for parents, which give women a choice, and  
45 that's something which – with the child focus we've almost missed out a bit on that choice, on women having a choice which is most effective and most efficient, what does it look like and how do we get there?

5 So I think the report is very much about how do we patch up the old system  
looking backwards. Rather than saying, what should we be looking at, and  
how do we move towards that? Even if that means having to break down the  
loss of the current systems. So that's, I think, is the real challenge for the  
final report. In that, the PC really has to look at the institutions. Now,  
obviously, the Commonwealth and states are there, we – and once again, I  
guess because we are looking at the sector critically, say you also have to  
look at bodies such as ACECQA. The sector tends to be very protective - - -

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COMMISSIONER BRENNAN: So as in, is it doing its job then?

15 DR BRAY: Is it doing its job? At times I've got reservations, they tend to be  
bureaucrat and process-driven. A lot of the standards are process rather than  
outcome-focused, and if we think about – if we look at the material, the NQF  
snapshots, we don't see in there, description or discussion about the fact that  
half those assessments are highly untimely, that's simply not in there. We  
don't see the fact that 10 to 16 per cent of services aren't rated clearly. We  
don't see the comparative state performances and the question of where one  
comes out on that.

20

25 And the same as building blocks. If we're looking at what they say in their  
submission in response, I don't think they've been listening to the same  
people you've been listening to. I mean, you've heard what people say, I read  
their submission, and I don't see it there. So, you know, I'm not wanting to  
attack it, but just say all of the institutions should be looked at.

30 Same with the Inclusion Agencies. We raised in our evaluation of the ISP,  
the very big variances between states, and between locations. Something that  
wasn't picked up in the second review that was undertaken but it's important.  
Similarly, research, we've emphasised there, a need to support a wide range  
of research, don't lock it all into one institution. And look at how you  
actually get the bottom-up research going.

35 COMMISSIONER BRENNAN: Yes. That was an interesting point. That  
was a great point.

40 DR BRAY: Yes, because a lot of good work has been done from – well,  
Pricewaterhouse, et cetera, have done in the past, it's been bottom up, it's  
been driven. While the PC has adopted the slogan of 'universal does not  
mean uniform', I've got some hesitations about that because that does not give  
an excuse for the higgledy-piggledy mess that we have today, and so it  
should not be used as protection for a poorly coordinated, inconsistent  
system. There may be areas where we do need uniform.

45

Finally, four quick points. The idea of unused childcare - if the PC actually  
believes that's an issue, I want to see the evidence of it. I did not see any



evidence saying that there were staff sitting around doing nothing. From the work in the ACCC there is no evidence that the services were reaping massive super-profits through that charging. Effectively, it is the way services are structured. They have their staffing profile over the day - - -

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COMMISSIONER BRENNAN: I don't think you need to persuade us of that actually, Rob (indistinct words) you don't need to persuade us.

DR BRAY: Okay. But I'm almost tempted to say that we often get some of these zombie ideas that never die, and this is one of those zombie ideas. And to the extent the PC raised it, I think we also have to kill it.

COMMISSIONER GROPP: I think we were raising it to try and get some evidence if that were the case.

15

DR BRAY: That's one. The second one is the literature review. We've documented our concerns there and we do not think that that is really up to standard. The thresholds and tapers - we raise, you know, you've used 80,000, not really a particularly strong rationale. And the issues around couples versus single parents, we don't have a - we're not pushing a single solution there to say it's - - -

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COMMISSIONER BRENNAN: No. And thanks for the work you did there in showing us those median earnings by gender of the different deciles; I found that really, really helpful.

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DR BRAY: And then one really quick clarification because someone else got confused about it. When we talked about the indexation and using median, that was in relation - this is the fees cap.

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COMMISSIONER GROPP: Sorry, I missed that because there was some background noise.

DR BRAY: Sorry. Some people we're aware of were confused in our submission when we said that the indexation should be based upon the median cost of provision, yet they thought we were talking about the level of the cap. We were talking merely about the indexation. So if that's not clear in our submission, we wanted to clear that up.

35

And then finally, we reiterate our concern about language of access and really think the focus has to be on participation. I heard you earlier, Martin, you don't want to go down the path of compulsory participation, but we need the system which will try to ensure the participation of those children who most need it.

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COMMISSIONER BRENNAN: There's some discussion about that, and I think your point is actually really well made.

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COMMISSIONER GROPP: Yes, I don't think you have to convince us on that, and that goes to issues around the glue in which – you know, and - - -

5 COMMISSIONER BRENNAN: Outreach.

COMMISSIONER GROPP: - - - outreach support.

10 COMMISSIONER BRENNAN: Measuring participation, not just enrolment, yes.

DR BRAY: Yes, exactly.

15 COMMISSIONER GROPP: Maybe even transport, you know.

DR BRAY: Matthew, do you want to add?

20 PROF GRAY: Just two brief points. I think there's an important point about differences in the cost of delivery with the age of children, and I think that's worth really thinking about. And it has implications for incentives. I mean, I think the ACCC report noted that one of the, I think they used the word, 'under-served' groups is under three.

25 COMMISSIONER BRENNAN: Yes.

30 PROF GRAY: And that's partly, I think, to do with the flat rate of – the same rate for the age. It also has implications around how it works with preschool, centre-based day care and how all that works. So I think it's worth thinking about whether the subsidies should reflect the differences in cost of provision. And a second one is I think the ACCC report was very useful in that it sort of – I think it didn't find any evidence of excess super profits on a widespread scale and that has been, I think, very useful. And I think it would be – especially if the level of government subsidy continues to go up, and historically what will happen is cost of provisions go up faster than subsidies so then, you know, the cost to parents starts to go up again, so the amount of government subsidy has got to be increased. It might be worth the ACCC perhaps five-yearly looking at what's going on.

40 COMMISSIONER STOKIE: I was just going to say to be fair to those who are concerned about profiteering in the sector, the ACCC's work is rather point in time, and undoubtedly influenced by still the aftermath of COVID and a whole series of other things.

45 PROF GRAY: Yes. And so I think - - -

COMMISSIONER STOKIE: And I think we tend to agree that certainly that regular level of oversight or some sort of analysis is incredibly helpful.

PROF GRAY: And the ACCC has got, as I understand it, powers of compulsory information. I haven't got the right technical term, but compulsory - - -

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COMMISSIONER GROPP: They said they were disappointed with, as you commented on actually, a lot of the data that they received.

DR BRAY: Hopefully they've learnt and, if they do it again, they are in the position to - - -

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PROF GRAY: And I think that if the amount of subsidy goes up, in a way that increases the risks of the market-based system resulting in - - -

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COMMISSIONER BRENNAN: And that's a big challenge for us. The ACCC did say a motivation for shifting the funding system would be very substantial increases in government subsidy. So there's a lot for us to work with.

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COMMISSIONER GROPP: Can I go back to your opening remark about, you know, we're sort of patching up what's there. I mean, that's probably a bit unkind, but I think what we're proposing is fairly far-reaching. But nonetheless, I'll take that on board. But what would you see as - I mean, is it really around preschool with the states providing preschool and that certainly is - that intersection is not pretty, and it's going to become less so as states try and expand hours, et cetera. And we've made some recommendations around that, but is it - or are you talking about funding? I'd just be interested to know what that vision is for you.

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DR BRAY: Okay. The preschool one is an enormous one and is, as I've said, a mess. And I would hate to be a parent trying to manoeuvre my way through the combination of preschool and childcare in some of those states where they've got this. So that is one big area.

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The whole area of ACECQA and quality ratings. The state performance to be quite honest, in a number of states, is abysmal. On the other hand, you'll notice that we said, 'Don't give them more money.'

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COMMISSIONER STOKIE: Why is that?

DR BRAY: Because, well, if they've got a responsibility, if they are - - -

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COMMISSIONER STOKIE: But they've got it now and they're not doing it. So do you accept that they won't do it for the next 10 years and live with the consequences, or do you just lean into that and maybe, from a Commonwealth point of view, you can compel or claw that back through other mechanisms?

COMMISSIONER BRENNAN: Or do you (indistinct words)?

5 DR BRAY: Or do you remove - if they are not performing, do you remove the function from them? You know, if they say they want to be part of that system and they want to be doing those approvals and they want to be doing the policy, then they have the responsibility - - -

10 COMMISSIONER GROPP: I guess the states would argue there was a funding agreement which kind of got overturned and so - - -

15 COMMISSIONER STOKIE: So with ACECQA they definitely did not want that task. But notwithstanding, I take your point. I think when I read your submission and I take away the sort of nature of some of the wording, et cetera, I see there's a lot of similarity, and we're trying to achieve similar goals. Because we readily acknowledge that that's a poor outcome.

20 And you mention, you know, in the preschool one – the standalone preschool, we're suggesting wrap-around for those and for the weeks that they're not open, and similarly embedding the preschool program within centre-based day care. It's still messy because it's maintaining a curriculum of preschool versus long day care or the National Quality Framework. But at the very least from a parent and child point of view, potentially over time in our view is those things start to converge in terms of the offering of the program, and in time you can actually come back and clean up the curriculum.

25 DR BRAY: Yes, although it would be nice to know what's actually happening in the curriculum, which we largely don't know.

30 COMMISSIONER STOKIE: Correct.

35 DR BRAY: On that wrap-around I think the difference would be where you're saying, you know, they should be able to, we're saying they should be.

COMMISSIONER BRENNAN: They should.

40 DR BRAY: So if we're actually having a system which has the sessional preschools freestanding, then there should be an obligation that they actually provide that wrap-around service.

45 COMMISSIONER STOKIE: I suppose we're still working in the federation role which is to acknowledge that – and part of our ambition of a National Partnership Agreement is to get to that point which is without blowing up the federation and saying, 'Well, in fact, the states have a responsibility and accountability and autonomy in a lot of these things.' But if we actually came together, we think that there's mutual interest to agree a positive way forward.

PROF GRAY: In terms of if you were to start with a blank sheet of paper which we – I know. But if you're thinking about what's the childcare system, there is a question about to what extent is it a federal responsibility versus the state with education. So you've got competing things about, you know, workforce participation which you might see more as federal. I mean, education, more state. So, I mean, I guess – yes, I mean, that's right.

But, I mean, at the moment when we did our work it's always been unclear to us what's going on even with the funding around preschool, how that works. There's a rhetoric about it which we have no idea really. And there are excellent preschools and there's not so excellent. You know, it's very unclear which kid is actually getting it. So I think that that's what I mean about if you actually think about it, there are some questions like that about, you know, where do the – and I know it's not a blank sheet of paper, but in some ways we've got a system that's evolved from a very different world than we are now, and so the amount of public subsidy going in is very large and increasing and likely to increase if usage increases.

COMMISSIONER BRENNAN: What do we want out of the system?

PROF GRAY: Yes. And so therefore – yes.

COMMISSIONER BRENNAN: I want to go back to the comments – there were some comments that you made about – and I think I'll take your opening comments, Rob, where you said we've gone so far towards centring the child that we may have moved away from properly supporting workforce participation for parents. And you made some pretty sharp comments about that in your submission, and I'm thinking that also obviously that is connected with your comments you make in here to us about preschool. You're saying the system has dual objectives and it doesn't have one objective. We have been directed to, in a new way compared with the PC's previous inquiry, to consider children's outcomes, development and so on, but there are two objectives in our terms of reference. Is that what you're getting at?

DR BRAY: Yes, very much so. And, look, I fully understand why you have taken the really strong child focus because it's something that hasn't been there. But we should not forget that critical role of childcare for employment purposes and for providing women with choice.

COMMISSIONER STOKIE: How have we not done that though, Rob? We're suggesting wrap-around for preschool which doesn't allow for mothers in particular, but parents to - - -

COMMISSIONER GROPP: Optional.

COMMISSIONER STOKIE: Optional.

DR BRAY: Optional.

5 COMMISSIONER STOKIE: So is it the difference between if we get what we want through cooperation and engagement with the jurisdictions, that would be okay, but you would like a bit more compulsion to get to that answer, is that the point? Rather than the answer is wrong, we just need to make sure we get there and we don't fall by the wayside.

10 DR BRAY: Well, yes. And also I think – and this is why I talked about looking forward and Matthew mentioned the blank piece of paper, to have a very clear vision of what should it look like in 10 and 20 years and how do we get there. So, you know, the vision has to be in 20 years there will be wrap-around services, and how you get there is going to be another question.

15 COMMISSIONER STOKIE: I don't think we're worlds away from that.

20 COMMISSIONER BRENNAN: Sorry, because I actually thought Rob and Matthew were saying we have got the answer wrong in a significant respect, and that is around Child Care Subsidy and its relationship to the whole spectrum of incomes or to middle incomes, for example. I thought you weren't saying, 'That will be solved by federal, state cooperation.' That's a Child Care Subsidy issue - - -

25 DR BRAY: The Child Care Subsidy structure issue is one which I think does require more work.

30 COMMISSIONER BRENNAN: And that's where you – I don't want to put words in your mouth.

DR BRAY: And, you know, is the 80,000 right? Can I just go back though?

35 COMMISSIONER STOKIE: Right.

DR BRAY: There are a couple of others in that Commonwealth/state roles. I still look back at what happened with the amount of fraud that we had in family day care. That's a system that was supposedly being monitored by the states and the Commonwealth. How the hell did we get to a point where half those services were subsequently closed because of fraud if a state was responsibly monitoring what was going on? When I look at ISP – we asked the question of the ISP agencies whether they actually spoke with their state counterparts who were doing the inspections. Both of those bodies are supposed to have a role in supporting services; they don't talk. So it's more than just that preschool space.

5 COMMISSIONER STOKIE: So you see something broader about where it sits? Because we're suggesting give more money to the regulators, and you're saying, 'Don't do that because that's rewarding the states for things that they're meant to do.' You're suggesting, 'Take back the regulatory function into, like, ACECQA or something at a Commonwealth level which would require more resources.' And either way, the fed's going to pay the money. What does it matter which tier of government it sits in? Is that the fundamental issue of where it sits rather than – because we're actually agreeing that it needs more resources.

10

PROF GRAY: There needs to be more effective regulation. Part of that's due to resources, part of it, I think, is due to a willingness to do it. It's not just resources.

15 COMMISSIONER STOKIE: Sure.

PROF GRAY: Where it sits is a tricky question. But there needs to be much stronger focus on that problem.

20 COMMISSIONER STOKIE: Yes, we wouldn't disagree with that.

25 DR BRAY: And on that additional money, I guess part of it was some states are managing to do their reviews relatively regularly, and obviously because that state's willing to put the resources in. Why aren't other states achieving that? Obviously that state has decided not to put the resources in. And I'm not wanting to, say, compensate a state that's not performing when other states are actually making an adequate performance. And I guess in all of this the history of the Commonwealth and the states playing nicely together - since we are talking about early childhood – in this space is not wonderful, and the ability to promise and not deliver is woeful.

30

35 And I keep on going back to 2009 National Early Childhood Development Strategy, 'By 2020 all children have the best start in life to create a better future for themselves and for the nation.' 2009 to 2020, and if we look at something like AEDC scores, and over that decade they don't shift a fraction. And so I think there's also a really big question about the realities of within the federal system always getting cooperation. There are fiefdoms everywhere which are savagely protected.

40 PROF GRAY: But I agree that we want the same outcome in terms of - - -

45 COMMISSIONER GROPP: I guess we're taking those – you said they've got those competing interests. We're trying to sort of work within that to try – you know, I guess because we haven't got the clean – we're not starting where we want to start from.

DR BRAY: Yes, that's why we emphasise - - -

COMMISSIONER STOKIE: Because the other option is a bit more of an allocation.

5 DR BRAY: - - - it's a lot more about where we want to come out.

COMMISSIONER STOKIE: 'You do this and we do that.' And the challenge in that is that unless you can get agreement that, 'We'll do this and you do that,' the whole thing breaks down.

10

COMMISSIONER BRENNAN: Maybe there needs to be more conditionality or, you know, stronger - - -

15 DR BRAY: Or that specification, 'We do this and you do that,' has to be a lot more detailed. And I think that was one of the criticisms we made in the report when you talked about that separation of the Commonwealth and state roles, states and the Commonwealth get mixed. There are in fact a whole lot of little roles which weren't featured.

20 COMMISSIONER GROPP: Right.

DR BRAY: So if you want to talk in those terms, then you really want to map out every one of your functions and say, 'Where does this fit and what does that responsibility entail?'

25

COMMISSIONER GROPP: Can I go to the subsidy rate issue? And you said, 'Well, 80,000 seems to be – what's the rationale?' And I guess all of this is you have a bit of a stab at where you – that covers the bottom 30 per cent of household income. And then we asked about taper rates beyond that - because we're not proposing that there'd be a cliff at 80,000, that there would have to be revised taper rates - so you've put in an example of one of your – I think of two income earners, 50,000 each, so about 100,000. So if you apply – you know, this is what we're asking: if you applied, say, the current reduction taper rate which is about 1 percentage point for every \$5000, you'd be a few percentage – well, 100,000, that's another four percentage points. So they'd be getting 96 per cent. I mean, is that sort of – I'd just be interested in what you think an appropriate taper rate might look like or subsidy for those families in the next lot of deciles.

30

35

40 DR BRAY: Yes. And, look, to be honest, we haven't come with an answer to that.

COMMISSIONER BRENNAN: More specifically, just in a broad - - -

45 DR BRAY: So we do though raise that issue of single-parent families and couples.



COMMISSIONER BRENNAN: Yes, that's right.

DR BRAY: Because couples – you know, 80,000 is very little for a couple. They are a very low-income earner at 80,000 if they're both working.

5

COMMISSIONER GROPP: But they'll get the 100 per cent under our - - -

DR BRAY: Yes, but after that point they get tapered away.

10 COMMISSIONER BRENNAN: So it's the sort of lower, middle income that you are suggesting we really look closely at where our (indistinct).

COMMISSIONER STOKIE: Is that an equity issue? Because a single income versus a couple income, is that the concern?

15

PROF GRAY: That is one.

20 DR BRAY: Yes, that is one concern. The second concern is – and I'd argue it's almost the feminist perspective of saying that if you are interested in this concept of allowing women choice, why are you only going to provide choice for low-income women? And so, you know, you may in the end reject that, but I think you actually have to entertain those questions and explain why.

25 PROF GRAY: Yes, I think that's more the point is that there's a range of income taper rates that could be chosen. There's obviously budgetary cost. There's cost to families, there's a question about where it's targeted. I think that there needs to be further examination of what it would mean for families in different situations, relating that proportion to families, yes.

30

35 COMMISSIONER STOKIE: And we showed five different scenarios, and the distributional element of what, for argument's sake, a 90 per cent subsidy rate, what a flat fee would look like. You know, you just keep doing that forever, different variations on themes. And some of it goes to families who currently aren't in the system, and that's partly why we – or in the main we know that two-thirds of the families who are under 80,000 aren't in the system.

40 PROF GRAY: So in part my answer is it depends on how much money the government is willing to spend.

COMMISSIONER STOKIE: But that's not a choice for us.

45 PROF GRAY: No, but certainly that is in what you've done. Implicitly that results in the government's budget expenditure.

COMMISSIONER GROPP: But it also has to go to what you're getting. I mean, it's not just what you want to spend, but what result you get.

PROF GRAY: No, of course. Yes, of course. Yes.

5

DR BRAY: I think the other thing in terms of the criticisms we made there is that essentially the other options just got dismissed on the pure welfarist approach. Now, it might be valid to take a welfarist approach and say, 'That is why we are doing that,' but that decision or that argument should not occur in the absence of the recognition of these other arguments.

10

COMMISSIONER STOKIE: So you just want us to be more expansive on the factors that should be taken into account for the various options?

15

DR BRAY: Yes. And because quite simply if you think also governments have their own set of values, and if you look at each of the factors then that allows them to - - -

20

COMMISSIONER STOKIE: We're trying to put the implications of the options forward.

DR BRAY: Yes. But it allows them to weigh up as to - - -

25

COMMISSIONER BRENNAN: And I think that is interesting because the main sort of offset we looked at was does this increase women's workforce participation, but there are other things you could look at if you were weighing up the balance sheet. You could look at long-term impacts for children, for example. You could look at changes in the labour market. There's a whole lot of things you could look at.

30

COMMISSIONER STOKIE: There's a distributional element as well there which we gave because, for instance - - -

35

COMMISSIONER BRENNAN: And definitely there's a - we just gave the - - -

COMMISSIONER STOKIE: - - - it may not increase individual families' participation or child - - -

40

COMMISSIONER BRENNAN: No, we (indistinct) participation.

DR BRAY: Yes, you need to.

COMMISSIONER BRENNAN: We have participation.

45

COMMISSIONER STOKIE: But they substitute their fees for - - -

COMMISSIONER GROPP: Yes, well, perhaps we shouldn't have the argument here but, I mean, we – yes.

5 DR BRAY: And the other one is to remember that for families it's not just income which is important; it's quality of their life and their coordination. And, you know, having to race between two centres or between preschool and, you know, 'Today is such and such, tomorrow is this,' those actually impose a lot of stress on families and, you know, it's not just the financial side.

10

PROF GRAY: It's not that we're necessarily saying what's proposed is wrong, it's that we don't feel that there's a particularly strong argument for that particular - - -

15

COMMISSIONER STOKIE: So you'd prefer that we're more balanced, is it, around – or less strong on that one versus other options?

20

DR BRAY: Well, no, no. You can strongly come down on that final point, but you need to be more balanced in your discussion about where you get – how you got there.

25

COMMISSIONER GROPP: We certainly propose we're doing more modelling because we've got access to better data, and so we're going to be exploring a range of options and putting it – what about impacts of – different impacts of each option.

30

PROF GRAY: And the budgetary implications of the different options are quite big.

35

COMMISSIONER GROPP: Absolutely.

40

PROF GRAY: And as I think you said – and it depends what you're going to get for that.

45

COMMISSIONER GROPP: Yes. And it has to be even if you can't quantify something it has to be within some of the cost-benefit framework at least.

50

PROF GRAY: And that was our comment on that. So I think it's good to have a discussion about what it should be, where it should be. That was our comment on that rather than a particular view about exactly what it should be because, I mean, that's as much a value judgement as it is anything else.

55

COMMISSIONER GROPP: Sure, yes. We've only got a couple of minutes. Is there anything else you wanted to raise, Deb or Martin? Because, I mean, I know we haven't got on to the issue of - - -

COMMISSIONER BRENNAN: Preschool free for all families.

COMMISSIONER GROPP: Yes, that one.

5 COMMISSIONER BRENNAN: Except there might be a typo I think in the way you've expressed that in point 10. I'll just check in case it's exactly as you wanted to say it. Is it 9 or 10?

COMMISSIONER GROPP: Point 9 in the summary of responses.

10 COMMISSIONER BRENNAN: Point 9. If you read that to yourself - - -

DR BRAY: It should be, 'Fee free for all parents.'

15 COMMISSIONER GROPP: Except where?

DR BRAY: Okay, 'Except where there is public preschool available,' so the same as the education system.

20 COMMISSIONER BRENNAN: So it shouldn't be free there?

COMMISSIONER STOKIE: So if there is public preschool it shouldn't be free?

25 DR BRAY: No, no. It shouldn't be free in the private ones in those circumstances.

COMMISSIONER BRENNAN: Read it out to us. Would you mind reading it?

30 DR BRAY: Right, 'Preschool should be free for all parents except where such provision' – so where it's free in the public sector and there is a small private school sector where fees may apply. So it's the same as in the education system. You go to primary school in the public school system and it's free, and you have a fee-paying private school system.

35 COMMISSIONER BRENNAN: Yes. And where's your long day care in that sentence?

40 DR BRAY: If you're providing preschool through the long day care system, why are you charging parents for children to have preschool would be my question?

COMMISSIONER BRENNAN: Right, in long day care.

45 DR BRAY: Wherever it is.

COMMISSIONER BRENNAN: So if you made long day care free for four year-olds, say, or three-year-olds, it was - - -

5 DR BRAY: Or for X hours for what's deemed to be preschool.

COMMISSIONER BRENNAN: Right, okay. And some states are doing something like that, but not all.

10 COMMISSIONER GROPP: Some are doing that now, or discounted anyway.

DR BRAY: Yes. Yes.

COMMISSIONER BRENNAN: Yes. Okay. I didn't quite (indistinct).

15 DR BRAY: Yes.

PROF GRAY: I agree, we didn't word it as clearly as we could have.

20 COMMISSIONER BRENNAN: Okay, yes.

DR BRAY: So what we're really saying there is, 'What's the argument for charging parents for their children to go to preschool?'

25 COMMISSIONER BRENNAN: Yes, when it's free for a lot of children in - - -

DR BRAY: Well - - -

30 COMMISSIONER BRENNAN: Or, not because of that reason?

DR BRAY: Not because of that reason.

COMMISSIONER BRENNAN: No.

35 DR BRAY: But if we see it as an important part of the education system, why do we want parents to pay money?

40 COMMISSIONER BRENNAN: Okay. Yes. Well, that's a good question because that's what our terms of reference say, it's the foundation of the education system.

DR BRAY: Yes. So why do we decide that we'll charge in this section of the education system when we have free primary education?

45 COMMISSIONER BRENNAN: Okay.

COMMISSIONER GROPP: Is that for however many hours that it's decided? (Indistinct) hours.

5

COMMISSIONER BRENNAN: Whatever the agreement is, I guess.

DR BRAY: Yes. Well, whatever is deemed to be an appropriate preschool education.

10

PROF GRAY: Yes. Yes.

COMMISSIONER GROPP: Okay.

15

COMMISSIONER BRENNAN: And that is what some states have done, isn't it?

COMMISSIONER GROPP: Yes, yes. We haven't got to the outcomes work, the literature review. (Indistinct). But I guess, can you sum that up in, you know - - -

20

PROF GRAY: So a couple of things on that, that if people want some input on that, we're happy to give that directly.

25

COMMISSIONER STOKIE: So is it that we've not included studies that we should have, or you're just saying that we need to better acknowledge that a study in Finland isn't easily as transferable to Australia or - - -

DR BRAY: It's a lot – look, most of the studies are highly specific and highly qualified.

30

COMMISSIONER STOKIE: Yes. We thought we had acknowledged that.

35

DR BRAY: The literature – if you come to your summaries, you say, you know, 'The evidence is that it is associated with,' whereas the best you can say from the literature is that it may be for some. That is what the evidentiary base actually shows in most of these cases. On top of that, I think we've cited, you know – I hate to say it, some of the review was slack. There are, you know, studies cited which do not do what it is claimed in the report, the study did.

40

PROF GRAY: So essentially we just think it needs to be gone through, checked, I mean, and then – and our read of the literature would be it's a more qualified finding than what is, it seems, that comes out. I mean, my understanding from, you know, my work in the past on this, and I'm sure more recent Australian evidence than what we used. But essentially, there are some evidence of benefits for, perhaps with kids where the home environment is not ideal for whatever reason, that there is evidence around high quality preschool having positive effects.

45

5 And for younger children, my read of it was that – and as a parent who used  
childcare, you hope at best it's not going to harm the children. You know, if  
it's a family environment, a one-year-old that is, you know, a normal  
environment within in which the child is – you know. And that environment  
could be due to poverty, it could be due to mental health, it could be due to  
drugs. So I mean – whatever it might be. So I think that – you know, so we  
would say, our view is that the literature review needs a bit more attention.  
10 And of course, people take the Productivity Commission papers and so on  
and then say, 'Well, that's what the literature says,' and then it then becomes  
the truth.

15 And so, I guess, we think that it's important that that be done really carefully,  
even though it may not, at the end of the day, change your recommendation  
that much. I mean, I do think that the argument about 30 hours for child  
development is a bit tenuous. I mean, I accept and I would say, yes, there are  
benefits for children, but I don't know where the 30 hours comes from. I just  
don't think that's - - -

20 COMMISSIONER GROPP: Well, we didn't say that that was based on - - -

COMMISSIONER BRENNAN: No.

PROF GRAY: No.

25

COMMISSIONER BRENNAN: We said it comes from a range of things.

PROF GRAY: Range of things.

30 COMMISSIONER GROPP: And it was what people seemed to be using,  
and we're all focusing – one bit we were taking from the literature, I think,  
was the point you made. We were focusing on those, not accessing, you  
know, low-income (indistinct).

35 PROF GRAY: Yes. Yes, no. I think that's done really well.

COMMISSIONER GROPP: And that's why – that was how the literature  
didn't influence our recommendations.

40 PROF GRAY: Yes, no. So again, this may not change your conclusions, but  
I think it's important that that paper have what I think would be a review that  
would stand up to scrutiny on that. And yes, that can be done, it's just a  
matter of methodically going back through it, and we made some suggestions  
on that.

45

DR BRAY: Yes. Look, it's not going to be easy, because you have noted that we put up a table of, you know, just looking at one single paragraph in the literature.

5 COMMISSIONER BRENNAN: Yes, yes.

DR BRAY: But that's the only way you can do a well-informed literature review. You have to understand the treatments that are going on in these circumstances, and the populations. And when you're targeting a highly  
10 deprived population, you can't generalise those findings to the population as a whole. When you look at something such as the crime data - - -

COMMISSIONER BRENNAN: And we didn't intend to do that, so we really - - -

15 PROF GRAY: No. No. Yes, yes. No. Yes. So it's not necessarily easy to fix, but it's straightforward what I think needs to be done, which is - yes.

COMMISSIONER BRENNAN: Yes.

20 DR BRAY: And I'll actually add on, because Matthew did mention his previous work, we also would say we have to have more updates of surveys such as the Longitudinal Study of Australian Children.

25 COMMISSIONER BRENNAN: Right.

DR BRAY: I mean, when the evidence that we've got from Matt has virtually almost been rejected by some people saying, 'Well, it's an old study, you know, and we've changed the childcare system since then.' And we say,  
30 'Okay, well, where's the new data we actually access' - - -

COMMISSIONER BRENNAN: Yes, I've asked people about that in the hearings, actually, because we'd noted your suggestion about a new wave of LSAC.

35 DR BRAY: Yes.

COMMISSIONER BRENNAN: And just trying to think, some people are a bit ambivalent. Can you remember, Martin, saying, 'No, we don't really need that because we've got other things.' Do you remember this, Lisa?

COMMISSIONER GROPP: Sorry?

45 COMMISSIONER BRENNAN: I've asked a couple of people about a new wave of LSAC. Well, we can go back - - -



DR BRAY: Look, there's an argument that today, with good longitudinal administrative data - - -

5 COMMISSIONER BRENNAN: Yes, that's what they were saying.

DR BRAY: - - - we can find out an awful lot.

COMMISSIONER BRENNAN: Yes.

10 DR BRAY: The trouble is that linked administrative data tells us a lot about those bits that we actually ask people about.

COMMISSIONER GROPP: Okay.

15 COMMISSIONER BRENNAN: Yes.

DR BRAY: And for most administrative purposes, we don't ask people a lot of those other questions.

20 COMMISSIONER BRENNAN: Right, right.

DR BRAY: So, you know - - -

25 COMMISSIONER BRENNAN: We don't have the richness of LSAC.

DR BRAY: Yes. And that richness that you get from surveying people asking about attitudes, asking 'How many books do you have in your house?', all of those questions provide that rich dataset to actually understand. And the trouble with administrative data is that for the purpose of administration, I mean, social security data, marvellous. And, in fact, we used it. We've

30 questioned a few things around disability because we've used that data. But they can only collect data which is necessary for the purpose of administration of the Act.

35 COMMISSIONER BRENNAN: Of their program, of the Act. Yes, okay.

DR BRAY: So hence, admin data is tremendously useful, we will be able to use that a lot more, but it doesn't answer all those questions.

40 COMMISSIONER BRENNAN: Okay. No, that's really helpful too.

DR BRAY: And ideally, what you want is your survey data linked with the administrative, and then you are really cooking.

45 COMMISSIONER GROPP: Thank you. Thank you, both.

PROF GRAY: Well, good luck.

COMMISSIONER BRENNAN: Thank you. We do appreciate, you know, putting two submissions (indistinct).

5 COMMISSIONER GROPP: Yes. It's a very comprehensive response, so thank you.

COMMISSIONER STOKIE: And you know the terrain.

10 COMMISSIONER BRENNAN: Yes.

COMMISSIONER GROPP: Yes. You've been there, so it's appreciated.

PROF GRAY: Well, we hope we've been helpful.

15 COMMISSIONER BRENNAN: Thank you very much.

COMMISSIONER BRENNAN: All right.

20 COMMISSIONER STOKIE: Our next person?

COMMISSIONER GROPP: Hi, hi. Hi, Tricia.

MS CURRIE: Hello.

25 COMMISSIONER GROPP: Hi. Thank you for joining. I'm not sure how long – I know you've been watching through – I saw you pop up before, so you've been watching for a while, but I'll just reintroduce who we are. I'm Lisa Gropp, one of the Commissioners. I'm joined by - - -

30 COMMISSIONER STOKIE: Martin Stokie.

COMMISSIONER GROPP: And - - -

35 COMMISSIONER BRENNAN: Deb Brennan.

COMMISSIONER GROPP: Deb Brennan. So just to remind you that these proceedings are being transcribed and the transcript will be on our website when it's done. But also, people can observe, including members of the

40 media. I can't tell you if there are people observing or not, because they're online. But just so that you're aware of that. But if you could just introduce yourself and your organisation for the purposes of the transcript. And then if you – do you want to make some opening remarks, or?

45 MS CURRIE: Beautiful. We'll take it from there, Lisa. We'll see how we go.

COMMISSIONER GROPP: Great.

MS CURRIE: Did I get the names right? Lisa?

5 COMMISSIONER GROPP: Lisa, Martin, Deb.

MS CURRIE: Thank you so much. Terrific. Well, thank you so much for the opportunity to be in a room with you, even though it's virtual. I'm Tricia Currie. I'm the CEO of Women's Health Loddon Mallee, which is in  
10 Northern Victoria, rural Northern Victoria, I will say. I am also a community member of the Loddon Campaspe Regional Partnership, which is a state government whole of government partnership which takes a good look at the priorities that can make a difference to this regional, rural area in the north and north-west of Victoria.

15 COMMISSIONER STOKIE: Tricia.

MS CURRIE: Yes.

20 COMMISSIONER STOKIE: Sorry, it's Martin here. Just for your benefit, and I don't know if you are aware, but we met with a delegation from the Wimmera region yesterday. It was probably around 20. We also spoke with the president of the National Farmers' Federation who also resides in and comes from the region in which you're referring to.

25 MS CURRIE: Great.

COMMISSIONER STOKIE: So I just didn't want you to feel like we hadn't at least been engaged with those in your immediate community, and that  
30 might help you target what you wanted to add or say.

MS CURRIE: Thank you. Thank you. Beautiful. And I think the last – I do chair the Women's Health Services Network of Victoria, and I know you had one of my colleagues online with you yesterday as well, from Grampians.  
35 But I also want to comment that I'm actually a resident of the Loddon Shire, so a very small rural shire. And yes, thank you for the opportunity. I had a little bit of FOMO – fear of missing out – yesterday, because I reckon that would have been a really wonderful conversation.

40 COMMISSIONER BRENNAN: That was a great session.

COMMISSIONER GROPP: Yes.

MS CURRIE: So rich, because this is a rich conversation. It's a rich  
45 consideration. It's a rich – I'd almost say movement. And the reason I'm prepared to say that is that what we have done or been able to do in our region, I'm so pleased you had that presentation or that time yesterday,

because what we have been doing for many, many years, it's been, you know, chasing childcare either through a workforce lens or through, you know, an access lens in terms of, you know, transport or perhaps affordability, et cetera. But what we've been able to do over the last couple of years is  
5 actually – to come together with a really place-based focus on, you know, 'What does enriched early years and care mean in our region? What are the benefits and what are the challenges?'

And I know yesterday you would have heard very directly to the experiences  
10 of parents. And from my perspective, I just wanted to bring that – some of the thinking that's absolutely there when we actually start to consider, you know, 'What's the impact of enriched early years and care when it comes to understanding the disadvantage and the inequity that's often created when we don't understand the gendered impacts of the systems that we work within?'  
15 So perhaps just sort of giving you another angle to add to that really rich regional discourse that's occurring.

One of the other things, I think, and I'm sure you would have heard it  
20 yesterday, is that when we can work collaboratively and collectively, we actually then are able to start to realise, and what I mean by that is give evidence to what can be – you know, what solutions can look like. So, you know, a great interest for us in terms of being able to speak with you, and we're just very appreciative that we are, as you, you know, give your considerations to what, you know, enriched early years and care can look like  
25 – is that when we take a solutions-focus, we know that there are many things that actually worked in our small rural communities with effect if they get support, because there's, like, a universal equity metric, I suppose, that needs to come to what we're talking about.

So after years of band-aids being put on, little tweaks here and, you know, knocking on someone's door to say 'Look, I know you only had your baby six weeks ago, but would you please come back as a preschool teacher or as a, you know, whatever?' So it's very personalised in terms of this work. We've come together over this last period of, you know, 12 months or so to really  
35 look at the evidence and say, you know, 'What actually needs to happen?' And what we're definitely saying is the recommendation is that we're calling upon you for some courage, and with kindness to actually understand tweaking doesn't work when you're looking to establish and sustain enriched early years work or systems in what is, essentially, a failed market.  
40

So the market levers don't work. They get propped up, but they actually don't work well enough, or they - yes, they fail time and time again, so with that you lose this tremendous loss of confidence in the early years system, and if we bring it from, you know, in terms of - we're thinking productivity and,  
45 you know, the gender lens for women's engagement in work, and I would like to go further than work because it's actually engagement in community as

well from a women's health and wellbeing perspective, which is also an investment.

5 To actually be able to have the support of enriched early years care through -  
well, you know, through that life stage, it's, you know - it is a human right,  
actually, to be supported to provide - to be acknowledged and to be seen, to  
be part of a productive, you know, community and economy. So I'll come  
back to it again and just say enabling women to work is really important.  
10 We've had many rural women and skills that sit in our communities that are  
actually unable to work because there isn't the support there for that care.

The other thing from a gendered perspective is that enriched early years  
settings do enable an understanding of reconstructing rigid gender  
15 stereotypes that are so harmful throughout our society. I think you may have  
already heard a little bit of the data, but in this part of Victoria, you know, the  
levels of family violence as well as the levels of poor mental health for  
women are well above state average and in several instances are actually the  
worst in the state, so speaking to you from an area of high need and an  
20 energised conversation to actually, you know, bring to you some thinking  
about some solutions.

COMMISSIONER GROPP: Thanks very much, Tricia. We heard yesterday  
in a discussion, there was this - about the need for continuity of provision.  
25 Just, you know, numbers might fluctuate, etc., and we've certainly taken that  
on board. I guess in terms of - it's a big area that's covered.

MS CURRIE: Yes.

COMMISSIONER GROPP: And I guess it's what sort of services in some  
30 cases, like we've heard about townships of about 500 would warrant a, you  
know, long day care centre or a certain number of places, etc., and that would  
need to be some kind of - presumably some, well, ongoing - I know the word  
'grant' gets people worried because they think it's going to be time limited,  
35 but in terms of - you probably need some capital support, etc., and some mix  
of funding, but then there are other areas where, outside townships, people  
can't, probably, drive to, and so what, sort of, do you envisage as a solution to  
these - to the demands?

MS CURRIE: Yes. So, yes, thank you for that because, certainly, that  
40 sustained funding is really important to, you know, propping things up from  
one year to the next. It really does undo a systems approach too. I think  
what I would like to say is in terms of just, you know, the - when we say the  
remoteness or the rurality, the rurality we speak of means it's so often you  
just don't have critical mass for the current metrics to be used in the different  
45 systems, whether they're Commonwealth, state or, you know, the dollars that  
are needed per capita. That just doesn't work. That's the market failure.

5 So critical mass means that - that's not a helpful metric. What we're actually looking at is something that is more universal. So with that, you know - with universal solutions I suppose that go with it, when you've got strong enriched early years programs and partners and a partnership or a collaborative effort across it, there is a lot of really effective shifts in attitude and activity around what enriched early years can look like.

10 So, you know, consequently, there isn't a single answer to your question there, Lisa. What I'm suggesting is that when you centre some of the solutions and, actually, I'm going to say get women to the table - actually get parents to the table to be part of that design - there will be capacity to actually come up with the ideas that can fill some of the gaps. And some of that can be around a little bit of left field thinking.

15 You know, sometimes access can be actually attributed to the fact that, you know, someone can't afford to actually put fuel in the vehicle and drive the distance, so there can be different ways outside the ECEC system to address some of that. It wasn't a full answer, but just - yes, I think I lost track of where I was to be honest. Yes.

20 COMMISSIONER GROPP: Yes, (indistinct words) flexibility and about, sort of - - -

25 MS CURRIE: Yes.

COMMISSIONER GROPP: And we have, I don't know if you've read our report, but we have proposed in the sorts of areas - well, whether it's remote, rural, (indistinct) - - -

30 MS CURRIE: Yes.

COMMISSIONER GROPP: - - - where you've got what we, you know, sort of underserved or unserved markets about, sort of, supply-side support, but also doing that with the community so that these, you know - - -

35 MS CURRIE: Yes.

COMMISSIONER GROPP: - - - do what's needed, but I guess that's - so is that sort of approach what you're thinking of or - - -

40 MS CURRIE: Yes, it is. And I think even just a little nuance if you will, you know, permit me to actually say that just some of the language around the fact that what we're talking about is actually an investment because it's cost savings in terms of, you know, when we're - particularly, we put that social determinants lens over good health and wellbeing, the offset that comes from an intervention investment that's then not being met - like, you're not

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measuring it because it's, you know - there's a market that's actually creating a stream of income.

5 You're actually measuring it because there are, you know, cost savings, if we want to put it that way, in terms of dollars, but also in terms of, you know, the quality of people's lives and their ability to actually be - I'll put it this way: to actually, you know, have education, and enriched social experiences as part of that resilience building that happens.

10 COMMISSIONER GROPP: Thank you.

COMMISSIONER BRENNAN: Tricia, thanks very much. You mentioned in your introductory remarks about the area that you're in having very high levels of family violence, and also mental health issues. Could you say a little bit about - a bit more about what you see as the connections between ECEC or enriched early years provision, but we're particularly focused on early childhood education and care and, let's say, domestic violence, mental health, etc.

20 MS CURRIE: Yes.

COMMISSIONER BRENNAN: How do you draw those connections?

25 MS CURRIE: Well, the connections are made very clearly when you put a child at the centre of the considerations and, you know, when you're looking to ensure that children actually have systems around them that are enriching and supportive, so the capacity of, you know, a child to be cared for and have enriching experiences in the system is really important when there is - what would you say - when safe environments are really important. To bring it back the other way, we know that one of the key drivers of family violence is actually gender-based.

35 So those rigid stereotypes where, you know - the rigid stereotypes that actually really confine women in terms of their purpose and capability comes into play as do the rigid stereotypes around masculinity and who's the breadwinner or who makes the decisions. So they are things that, actually, we are able to do to actually shift at, you know, work towards - to shift those attitudes and understandings so that children, in fact, live in safer, more enriched environments wherever they are.

40 So the link that's there is that - you know, in a number of different areas. One is that within those settings, that children are actually able to be, you know, part of, really, wonderful play-based learning, curiosity in learning, and, you know, the tools that you need to make informed decisions throughout your life are actually there from that very early start. I think there's really good evidence to the effectiveness of that. So there is a tie there in terms of the

longer term, and, in the more immediate, it is actually around that families come in many different shapes and sizes.

5 We know with that propensity for family violence that we're constantly seeing in our community that women need choices, and those choices to be economically independent absolutely rely upon support systems for raising children, and the enriched early years and care is, really, I guess, what we're looking to in terms of having that capacity to provide universal systems so that women can make that choice to be economically independent and either  
10 return to work or go to work or make decisions about how the purpose of their life can establish away from violence that's experienced or to prevent it happening in the first place. I hope that helped there somewhere through that, Deb. Yes.

15 COMMISSIONER BRENNAN: No, that's a very clear explanation of how you see the connections flowing through, (indistinct).

MS CURRIE: Yes.

20 COMMISSIONER BRENNAN: Thank you.

COMMISSIONER GROPP: Is there anything else you wanted to apprise us at all?

25 MS CURRIE: Well, there's lots because it's such a rich conversation, but I know that you really had a big session yesterday with the crew which was really wonderful, and you would have gotten some direct things.

30 COMMISSIONER BRENNAN: Yes, they were fantastic. (Indistinct words), yes.

MS CURRIE: Yes, yes, but I guess I, you know - we come back to that sense of choice, you know, that sometimes if we can't see that there isn't actually a choice in these rural communities because the current systems either fall over  
35 or, you know, they can be - it's almost like, you know, taped together for a little while. It doesn't take very much in the system for things to fall over, whether it's, you know, it's often workforce, but to say that what we now have got in our rural areas is that we actually - we know we've got the capacity to actually value add to infrastructure, and that's that, you know - the  
40 school sites that are in our communities or nearby - - -

COMMISSIONER GROPP: (Indistinct words.)

45 MS CURRIE: That there's some infrastructure there that could, you know, sort of, be - provide some value add through that infrastructure investment. We know that coordination at that local level is really important, so that's when you actually have the lived experience of those who are engaged in the



services - whether as, you know, service providers or as families, parents, and community members with an interest there as well - that it makes sense in each community.

5 I think there's a piece of beautiful research that Professor John Humphreys did for us up this way some time ago, and it was to say, you know, well, 'How do you, sort of' - 'how do you do this work in lots of small communities?' And his finding, no surprises, when you know one community, you know one community, so what we need to look for, then, is  
10 the ability to work, you know, across a number of communities from a perspective of ensuring that there's a sense of place-based control as to what happens because solutions will come to the fore, or issues and challenges will be described in terms of what's really practical in terms of responding - you know, working them through.

15 But we do know that what doesn't work is that, when you have very centralised systems, one size does not fit all, and I think, you know, that's evident time and time again, so that really strong narrative that can come directly from, you know - from the experiences of communities is really  
20 important in terms of finding the ways to coordinate at that local level. So, in other words, a bit of the stewardship, perhaps, or the governance can be considered very differently so that we have main players, and I know you would have seen a few of them around the virtual table yesterday, but, you know, local government is really important as a partner.

25 Our small LGAs are, you know, in fact - you know, one or two of them we speak to, but, you know, the smallest in the state with a really low rate base, so in terms of trying to use market levers with local government leading time and time again, we've seen they simply can't do it, but if local government is  
30 a partner in looking, you know, at a collectively collaborative way of designing a system, they're a really important partner. So just we make that particular comment there.

35 And, you know, education and health, where do the early years sit? Do they - I think they've been shifted, certainly the state level, from one to the other, and federally you'll know that better than me as to, you know, that oscillation into whose responsibility is it? And I think what we'd love to say to you from the Southern Mallee and Wimmera is it is a shared responsibility. We all have a responsibility, Commonwealth, state, local government and our  
40 communities to actually have a go at getting this right. So what we're saying is there's a system that can be rebuilt, not patched up and with the rebuild, I think comes a sense of understanding. When we address inequities and understand the inequities really early, we're going to prevent this enormous gap. And, you know, that gap between rural and regional, there's actually  
45 already a gap there, and it widens and widens.

5 But really, I guess what, we're saying is that – and possibly you've heard the stories yesterday, but to sit with women who know that they're not doing well, they are not doing well in terms of their mental health, in terms of their purposeful contribution to community because they're unable to work, or unable to work in a way that's actually affordable with the confidence that their children are in a reliable enriched early years environment. So just sort of taking you through those main, sort of, key things, I think, that we've really looked at.

10 In terms of productivity for women, again, I think we also need to be really conscious, of course, that the caring industries often really fail when it comes to acknowledging the real work of early years education, and in terms of that the caring industry or caring economy, as it's often referred to. And so being undervalued, often not acknowledged and not visible, is actually a very  
15 harmful state to continue. So that's why we're calling for the courage and kindness to actually say, 'We need to value women's work, we need to value the caring work in these enriched early years settings.' We need to give visibility to it as being important, as it is, a really important, if not a really high priority in terms of what's needed to have thriving communities in our  
20 rural settings.

I was just going to use it as a small reference, we know that when COVID hit, you know, one of the first federal economic levers that was pulled was to, you know, make childcare universal or, you know, fully subsidised, et cetera.  
25 The thing is, it wasn't. Because we know in our rural areas, we haven't got that system that's actually opening up the gateway for a build of the investment. So in other words, if you haven't got the services there now, that channel of bringing in the continuous investment enriched, you know, sort of, work for children, at the same time as, you know, stimulating the economies  
30 of these smaller communities. There we've got a huge systems barrier to economic, you know, prosperity or economic advancement as we go along. So there's some significant structural issues that small - - -

35 COMMISSIONER GROPP: We've certainly heard that - - -

MS CURRIE: - - - suffer because of it.

40 COMMISSIONER GROPP: - - - we've certainly – yes – we took that message on board big time yesterday from hearing about the lack of services. Tricia, we've got our next participant. So I might have to finish now if that's all right. If you feel as though you've had – been able to convey your concerns, and we've certainly heard about the problems and the challenges in your region. And so we've absorbed that, and reflecting it.

45 COMMISSIONER BRENNAN: Yes. We've had terrific engagement with your region and certainly made a mark. So thank you.

MS CURRIE: Thank you. And we encourage you to look at the solutions we're putting forward as well. Thanks for your time today.

5 COMMISSIONER BRENNAN: Yes.

COMMISSIONER GROPP: Thank you.

COMMISSIONER BRENNAN: Thank you, Tricia.

10 MS CURRIE: Best wishes with the work.

COMMISSIONER STOKIE: Thank you, Tricia.

COMMISSIONER GROPP: So now – hello.

15 MS TAYLOR: Hello.

COMMISSIONER STOKIE: Graham and Tracey, is that - - -

20 COMMISSIONER GROPP: Graham and – they're right behind us.

COMMISSIONER STOKIE: We can't see you very well, but please, you're welcome to - - -

25 COMMISSIONER GROPP: You can stay there, and we can just – you know.

MS TAYLOR: That's okay.

30 COMMISSIONER GROPP: We've got you up there. But I don't know whose cup that is, we might get rid of it.

MS TAYLOR: I'm Tracey.

35 COMMISSIONER BRENNAN: Hello, Tracey. I'm Deb.

COMMISSIONER STOKIE: Tracey, Martin.

COMMISSIONER BRENNAN: Nice to meet you.

40 MS TAYLOR: Nice to meet you.

COMMISSIONER STOKIE: Nice to meet you too. Cheers.

45 MS TAYLOR: (Indistinct.)

MR HANLEY: I'm actually Jacob.

COMMISSIONER STOKIE: Jacob. I'm sorry.

MS TAYLOR: (Indistinct.)

5 COMMISSIONER STOKIE: How did we get Graham then? I stand corrected.

MS TAYLOR: (Indistinct.)

10 COMMISSIONER STOKIE: That's fine.

MS TAYLOR: (Indistinct.)

15 COMMISSIONER STOKIE: That's okay.

MS TAYLOR: (Indistinct.)

COMMISSIONER BRENNAN: You've got a show bag for us?

20 COMMISSIONER STOKIE: Indeed. Something - - -

MS TAYLOR: I have (indistinct) - - -

25 COMMISSIONER STOKIE: Something to tell us.

MS TAYLOR: - - - environmental scan of the early childhood (indistinct) sector in 2022.

30 COMMISSIONER BRENNAN: Great. Thank you. Thank you very much. Yes.

MS TAYLOR: (Indistinct.)

35 COMMISSIONER STOKIE: Thank you very much.

COMMISSIONER BRENNAN: Wonderful. Thank you.

MS TAYLOR: How many days have you been going so far?

40 COMMISSIONER BRENNAN: We've done – well, we're 12 months into the inquiry. We've done 12 days of hearings. You're almost – we're almost - - -

45 MR HANLEY: Almost lucky last.

COMMISSIONER BRENNAN: We're almost – we finish the hearings today.

COMMISSIONER STOKIE: You're not last. So - - -

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COMMISSIONER BRENNAN: You're not quite last.

COMMISSIONER GROPP: Not quite last.

10 COMMISSIONER STOKIE: That's okay. So I don't know if you heard from the previous one. There's a transcript, so we're taking public hearings, it's a public meeting, and so there may well be people online. For the record, we'll get you to introduce yourselves and your organisation.

15 We, obviously, introduced ourselves before, but formally, Martin Stokie, one of the Commissioners responsible for the inquiry into early childhood education and care. And Deb Brennan on my right, who you've met. And Lisa Gropp, who you met as well.

20 We're really pleased you could come along today, we have around half an hour-ish, or thereabouts. You're welcome to make some comments, if you have a presentation, or if there are just specific questions, we're a little bit in your hands, this is a listening tour from us, we want to hear from interested stakeholders, participants, et cetera. And so I'll hand across to yourself  
25 Tracey and Jacob.

MS TAYLOR: Thank you. So I'm Tracey Taylor, I'm the Director of Education Policy at Independent Schools Australia.

30 MR HANLEY: And I'm Jacob Hanley, Assistant Director of Policy and Research with Independent Schools Australia.

COMMISSIONER STOKIE: Welcome.

35 MS TAYLOR: Thank you. So I do have just some opening remarks.

COMMISSIONER STOKIE: Please.

MS TAYLOR: I think I said about five minutes.

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COMMISSIONER STOKIE: The floors yours. That's fine.

MS TAYLOR: It's okay if I read them?

45 COMMISSIONER STOKIE: Yes.

COMMISSIONER GROPP: Yes. Sure.

MS TAYLOR: And then happy to have free flow discussion then. So first of all, I'll just talk about Independent Schools Australia a little bit to set the scene. And we do appreciate this opportunity to give evidence to the  
5 Productivity Commission and have our thoughts on record. Because there are challenges that are facing the early childhood sector today, and also early childhood in the independent school sector.

10 So we are the national body that represents all independent schools in Australia, which is over 716,000 students and more than 1200 independent schools. It's a very diverse setting, we have schools all across Australia, regional, remote, major urban city centres and outer suburban. And the latest data show that one in six Australian school students attends an independent  
15 school, and one in five attends an independent secondary school. It's very difficult for us to find data for the early childhood sector in the independent sector, and that the environmental scan report which I've tabled for you was an attempt to actually try and gain a picture of the early childhood sector in the independent sector.

20 But we estimated that in 2022 when we did that report, approximately two-thirds of our 1200 schools do offer early learning centres. And that over 8000 students between – children – between 4 and 5 attend those, and some of them are long day care centres, so right from birth up to five years and they're located in the schools.

25 Most of the families with children that are enrolled in our schools are middle to low-income earners, despite what you might hear in the media, and increasingly from culturally diverse backgrounds, and residing in outer suburban and inner-suburban communities as well rural and remote.

30 As we all know here, early childhood education provides positive experiences which benefit a child's physical, social, emotional and cognitive development. And that those young children who do attend preschool have a higher rate of self-care, attention, concentration and the opportunity to make  
35 friends and to develop really important skills for that transition to school so they can learn independence and self-regulation and self-reliance.

40 But also, as the Productivity Commission has also pointed out in their report it enables parents to join the workforce, which also improves economic productivity for Australia. But we see, in our submission, the key challenges facing the sector is equitable access, affordability, inclusion support for students with disabilities, adequate funding and workforce shortages at the moment are critical. The numbers - - -

45 COMMISSIONER STOKIE: They're common themes.

MS TAYLOR: Sorry. (Indistinct).

COMMISSIONER STOKIE: They're common themes.

MS TAYLOR: Yes. I - - -

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COMMISSIONER STOKIE: We've reflected on a lot.

MS TAYLOR: So probably anything I say is not new. I'm sure.

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COMMISSIONER STOKIE: I don't know. Well, there is - - -

MS TAYLOR: No, but the context - - -

COMMISSIONER STOKIE: - - - an interest in perspective - - -

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MS TAYLOR: - - - context.

COMMISSIONER GROPP: Yes.

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COMMISSIONER BRENNAN: Yes.

COMMISSIONER STOKIE: - - - for independent schools that we're very - - -

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MS TAYLOR: Thank you.

COMMISSIONER STOKIE: - - - interested to hear.

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MS TAYLOR: So we do have a number of disadvantaged students in independent schools, including students with disabilities, we have First Nations students, students with a language background other than English, and these are increasing at a higher rate than overall sector enrolments for many years, and that includes the early childhood sector. So access is one of our key points, that providing greater equitable and affordable access for all children is essential to improve outcomes for young children and their families, especially those in regional and remote areas, and those areas with high population growth where there aren't enough centres.

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40 In our submission, we recommended the provision of cross-sectoral capital funding opportunities for the establishment of more early childhood education care services, especially those in rural and remote areas, and those areas with high population growth. And if preschool is to be accessible, equitable and affordable, there has to be adequate funding support for every child regardless of the sector, regardless of the system, state or territory.

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And we do welcome the Australian Government's commitment, at the moment they've got the early years vision, Early Years Strategy, this

Productivity Commission inquiry. But it's a very complex sector because funding, policy, some is managed by the Australian Government, some by state and territory governments, and to try and gain a really clear picture of what's happening is difficult. And even though there are some large data sets, like the AEDC data sets, it's only every three years. So there are gaps in the data sets, and so to have data-informed policy, we see as a key challenge.

I will talk a bit more about inclusion challenges for students with disabilities, that's one of the key points I want to bring up. But also that previously noted about the importance of the holistic nature of education and health working together in the early childhood sector. It is important, because according to the AEDC, the early development census, around two in 10 children were developmentally vulnerable in one or more developmental domains, and this rises to six to 10 for Aboriginal and Torres Islander children.

So solutions to addressing this might lie in addressing community and family disadvantage, building greater cultural safety and knowledge in preschool communities and fostering positive relationships with families to help improve attendance rates as well in the early childhood sector.

Workforce challenges is a significant issue. And we do recommend that education incentives to attract more young people to study early childhood and also remuneration so that their role is valued as much as a teacher would be in a school. That's essential because there are a number that join and then leave because they can earn more money in other areas.

So in just closing the opening remarks, we would welcome a range of strategies that would improve access to quality care, strengthen the early childhood workforce and increase attendance and participation rates for all children. Additional investment will be required to reduce complexity in the sector, and encourage collaboration with key stakeholders, and improve educational and development outcomes. And we want to thank the Productivity Commission for considering our submission.

COMMISSIONER STOKIE: Thank you.

COMMISSIONER GROPP: Thanks for that. I was going to ask, in independent schools, I mean, we've heard that you access, if it's a long day care centre, you access CCS funding, is that – you're part of the CCS system or is it varied across schools - - -

MS TAYLOR: They do access the childcare subsidy system. So it's similar whether it's in a preschool or early learning centre, I'm pretty sure that the CCS reforms are universal across.

I think the difference with the early childhood services in independent schools, is the fact that they are part of the school, and that's why it's difficult



5 to get the data because it gets mixed up with all of the school data. And I think one of the challenges for independent schools is school principals may – they are experts in the Australian curriculum, and they are experts in teaching and school leadership, but they may not have a great depth of understanding of ACECQA and the National Quality Framework, and the national standards that go with that.

10 I was previously a principal in a school, and we had four early childhood classes ranging from 3 to 6-year-olds. And I did have a good understanding of ACECQA from my previous time working for a national peak body, and going to ACECQA meetings when ACECQA was first being established and when they were first establishing the standards. And it made me realise, well, I have that understanding, but I don't think a lot of school principals do. Which then means the early childhood director is competing sometimes with  
15 all the other needs of a school to make sure that the needs of the early childhood centre are met. But having said that there's the school - - -

COMMISSIONER STOKIE: So how would you address it?

20 MS TAYLOR: Sorry?

COMMISSIONER STOKIE: How would you address that?

25 MS TAYLOR: Well, I think that - - -

COMMISSIONER STOKIE: Like, whose role is it to make sure that that - - -

30 MS TAYLOR: The board. The school board. So - - -

COMMISSIONER STOKIE: Right.

MS TAYLOR: - - - and the principal would advise that.

35 COMMISSIONER STOKIE: But how could – is it just the rules are the rules, and they should know it, or is there some further support that's needed in order to ensure that the – or the principals do actually know what their obligations are in relation to early childhood education and care on services that are in their school that they are responsible for?

40 MS TAYLOR: They are responsible for it, and I think sometimes, just like the board delegate the responsibilities for different things to the school principal, the school principal will delegate to the early childhood director who is in charge of that service.

45 COMMISSIONER STOKIE: Yes.

MS TAYLOR: And then it's the responsibility of both of them to make sure that everything has been covered across. And so they are highly valued though in the schools because of the easy transition and the benefits to the children that are in the early childhood classrooms then going into - - -

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COMMISSIONER BRENNAN: I'd like to ask about that, actually, if I may.

MS TAYLOR: Yes. Yes.

10 COMMISSIONER BRENNAN: Because when – I haven't, obviously, haven't had a chance to look at this, and maybe the answer is here, but – and thank you for the document you just gave us. But when I think about the independent school sector, and why they're involved in early childhood, three things come to mind, one is that you've identified that it meets a particular  
15 community need.

MS TAYLOR: Yes.

20 COMMISSIONER BRENNAN: I'm aware of that through the families that you engage within the community. You are – it's a way of attracting children into a school at, you know, at an early stage. And then the third – and not in any particular order – and I imagine that schools have identified that they see, or potentially believe that there are benefits for children in making the transition into the school system. And it was with that third one, which you  
25 just mentioned, it was on the third one that I wanted to ask you. Are you aware of any data collection or any sort of systematic observations around whether there are benefits – your schools see benefits for children?

30 MS TAYLOR: They do see benefits. I'm not sure what data we have. But I've been to, actually, international conferences on this where they've been looking at the transition and looking at the benefits of children in school or when they're in early childhood. And we did discuss this with the Minister Anne Aly and she was very interested, and I think she went and visited some schools that had that because she wanted to see, could that model be scaled  
35 up in the government school system.

40 And I think it is something that is worthwhile investigating because it benefits the children greatly. Especially, many of them might have siblings that are going to the school, so they – or when they go to the early childhood centre it's already familiar to them because they might have been going there when they were one or two to drop their older brother or sister off, and then they're going there and then they see their brother or sister going to the school. They become part of the school, part of the school community at a very early age, so that when they transition into prep, it's quite a smooth  
45 transition.

5 And the staff – the early childhood staff and the primary school faculty they work really closely together and so they can – there's a really easy handover, if you like, of these young people to schools. So the teacher receiving them already can understand what their needs are, what adjustments might need to be made, already might know the families, the family support.

10 And for families themselves, especially for parents who have to go to work, if they're dropping their children at school, that's a one-stop drop, and they're not having to – this child is going to daycare, this one is going to preschool, this one is going to school, if they can combine that, it benefits everybody anyway.

15 COMMISSIONER BRENNAN: Yes. No. We're, obviously, very interested in that question, if any research has been done, we, you know, we'd like to hear about it and pick up on it. But yes - - -

MS TAYLOR: Might be our next research piece.

20 COMMISSIONER STOKIE: We've seen some other examples as well, Deb, where the preschool is attached to the primary school, and that ease of transition, in fact, in some areas the children and the educator is moving up through – from preschool into primary school and goes through with the cohort and has some continuity of support and education and care.

25 I was going to follow up on Lisa's question, which is around – so not only accessing the Child Care Subsidy but for, say, currently four-year-olds, let's just say, there's sometimes and often money available for preschool, sometimes it's not. I'm just wondering if you wanted to comment on that, so it's a – so you've got parent contributions, you'll have CCS contributions, is there also the state contribution through preschool payments that you're  
30 aware of and how well is that working, is it consistent nationally, et cetera?

MS TAYLOR: I can answer that. It is not consistent nationally.

35 COMMISSIONER STOKIE: Right.

MS TAYLOR: Every state and territory is different.

40 COMMISSIONER STOKIE: Yes.

MS TAYLOR: There are, like when the universal access came in, it enabled many to access childcare and get some support for that. My understanding was in ACT that was never the case. But the other difference is the inclusion support funding is different in – across the states and territories.

45 COMMISSIONER BRENNAN: Right.

MS TAYLOR: And ACT didn't have inclusion support funding, I think, but I'm not exactly sure, but that was what one of our AIS' said to me. But that is an issue with the inclusion support, because it's there to provide professional development for staffing but it's not there to actually provide support for the students for the adjustments. So it's not enough.

And if a developmental delay or a disability is picked up in early childhood, the better the outcomes for the child. But it's a very tender time for families who might have parents that don't believe that their child has the need of any adjustments, or has a disability, they may not have the capacity to go and get any assessments. And so depending on how it is rolled out, the – any disability support in each state and territory, it might mean that they need really expensive assessments before they can actually access any funding for that. In Queensland, they're changing the rules so it's easier. But in the schooling system, the national consistent collection of data means that every student – the school can get funding for adjustments for every student without expensive diagnoses or assessments, they can impute a disability if needed. So if there was some way in the early childhood sector - - -

COMMISSIONER STOKIE: To parallel.

MS TAYLOR: - - - that a similar system could be rolled out where the educators don't need to say to the parent, 'Look, we think you should get an assessment for your child.'

COMMISSIONER STOKIE: Yes.

MS TAYLOR: But where significant adjustments are needed, I think that's an area that requires support.

COMMISSIONER STOKIE: We're looking for ways that that could be made a hell of a lot easier. Because even getting an assessment takes – and we've heard – takes months and months and months, and by that stage, potentially children have moved through a system.

MS TAYLOR: Yes.

COMMISSIONER STOKIE: I had a slightly different question, and one you may not have a perspective on. But as a, sort of, a representative of – we've looked at the sort of participation in early childhood education care, particularly for naught to fives, and we might cover outside school hours care in a minute. But over the last 10 years, for instance, there's been significant growth, but it's not been in the independent or the not-for-profits, et cetera. And I just wondered, is there some – is there an ambition, do you think, to significantly grow the level of outside – sorry – of early ECEC services at independent schools, or is it broadly, you know, we've evolved over many,

many years, and we're about where we are, and what we want to do within the independent sector?

5 MS TAYLOR: I think the difficulty for me to answer that is that every school is autonomous - - -

COMMISSIONER STOKIE: Sure.

10 MS TAYLOR: - - - and every school will have its own strategic direction and plan. And so we don't have that – there's not one way where we would say in the independent sector we wouldn't look at long day care or things like that. Some of the schools do have long day care, and this was part of the issue when we were putting together that report trying to find how many there were, how many had long day care centres, how many were having classes for three-year-olds, four-year-olds and five-year-olds. And how those classes were mixed, some had mixed age groups, some had standalone age groups, it was very diverse and there was no one way where they were saying, 'This is the best way to do it.' And I think independent schools listen a lot to their community, so it's driven often by community needs.

20 COMMISSIONER STOKIE: But would it be reasonable to sort of conclude that without some major change, the behaviour of the last 10 years for the community, on the whole, is probably going to be the behaviour for the community going forward? Is that – would that be an irrational thought, or - - -

30 MS TAYLOR: I would say if there was a major change in the increase of trained early childhood educators, there may well be increases in hours offered or, you know, for long day care, things like that. But at the moment, trying to get the staff to do that is difficult.

COMMISSIONER STOKIE: Right.

35 MS TAYLOR: And I suppose, in a school, the school hours are nine to three or eight thirty to three thirty, it would require another – a whole different way of staffing your school to go into long day care. So many schools might think that's, you know, that's in the too-hard basket. Or they might think, with OSHC, for example, that they might offer OSHC for kindergarten through to, you know, year 6. But to have the OSHC for the younger children requires often a whole different room because you have to be under all the ACECQA regulations. So it may be that they don't have the access because maybe that room is used for something else.

45 COMMISSIONER STOKIE: Sure.

MS TAYLOR: So there are – there can be challenges.

COMMISSIONER STOKIE: Okay.

5 COMMISSIONER GROPP: Why do parents choose – is it a way to ensure they get an enrolment in the school for their child is there – to choose to go to either a preschool or long day care at the independent school, is that sort of the pathway? I mean, do you have to be enrolled in the school to access the preschool or long day care in the school setting?

10 MS TAYLOR: Not usually. I think – I mean, each independent school will take enrolments at prep level. I think for parents, it's a smoother transition for them, as I said before, it's a one-stop-drop for them. They – it may be a certain philosophy or faith-based that they are attracted to, so they might want to take their children to a Steiner kindergarten or a Montessori kindergarten or to a faith-based, so it may be that. I think the diversity of  
15 choice is there, so whether they choose a community preschool or a long day care centre, often it will depend on their location, what's closest. We have had children enrol in our early learning centre that didn't go onto the school because they had their children at another school.

20 COMMISSIONER GROPP: Okay.

MS TAYLOR: So it wasn't always in that way. But the majority, I would say, 85 per cent of children enrolled in – well, at my school anyway, would go on to the primary years. Yes.

25 COMMISSIONER GROPP: And for preschool, most of them would be – this wouldn't be free, is that correct, there'd be fees charged?

30 MS TAYLOR: There are fees that are charged, they try and keep them as low as possible. There have been challenges in Victoria with the offering of free - - -

COMMISSIONER GROPP: Yes.

35 MS TAYLOR: - - - preschool, where the amounts that the school receives, they feel don't cover what they see as a quality program, but they're not allowed to charge fees because of the free preschool. So they can opt-in or opt out. And I think most are trying to opt in because they want to offer it for free. But I know there are some who feel that that would actually diminish  
40 the quality of what they're offering and so they haven't opted in, but they're still trying to keep the fees as low as possible.

COMMISSIONER GROPP: My other question was about workforce, and particularly early childhood teachers. Within the schools, there would be,  
45 broadly, pay parity, the same conditions.

MS TAYLOR: Yes.

5 COMMISSIONER GROPP: So does that mean you've – independent schools are finding it somewhat easier to retain and attract early childhood teachers, or is it still a struggle? Well, because it is just a struggle to keep teachers as well, I guess.

10 MS TAYLOR: Yes. I think it's easier for them because they are paid the same rate as the teachers in primary or the high school, they're under the award of the school. So they are paid well, so that might make it easier to retain.

15 I think the challenges for the workforce are universal in – especially with – so the government like, New South Wales and Victoria announcing 30 hours instead of 15, it's a great initiative and in Melbourne – in Victoria, I think, they're offering for four-year-olds, they want the two years, which is excellent.

20 We mention in our submission about the two years is better than one. But again, where are we going to get the centres? Where's the investment coming from to build more centres, and where are the teachers? Not only the educators but the teacher assistants, the cert III and IV educators that we need as well. So, I think, investing in the workforce is key so that – you can have a building, but if you haven't got the educators to man it, staff it - - -

25 COMMISSIONER BRENNAN: Indeed.

MS TAYLOR: - - - it would be difficult.

30 COMMISSIONER STOKIE: I don't know if you've had a chance to look, but we made a couple of recommendations around outside school hours care. And I'm presuming, and I don't know whether it's in here, so maybe my answers are in there, that many of the independent schools are offering outside school hours care.

35 MS TAYLOR: Yes.

40 COMMISSIONER STOKIE: I just wondered if you had any thoughts on our recommendations which in the main were about having a bit more state government, and state education departments engagement in this process so that it wasn't – and therefore the principles – but I suspect for independent schools, that is a very deliberate choice, and the interaction of all those things. But did you have perspectives around outside school hours care that we should be aware of or take on board?

45 MS TAYLOR: This is off the cuff. I think in the independent sector, many do offer out of school hours care before school and after school, again, for the needs of the community. And trying to get staff to – if it's a philosophy-

based school, so if it's Steiner or Montessori school, trying to get staff that align to that pedagogy in OSHC is difficult. And that can create tension in the school when you've got a certain philosophy and the parents are expecting that then in the OSHC, but you may not have - - -

5

COMMISSIONER BRENNAN: Right. Yes.

MS TAYLOR: - - - people in OSHC who are trained in that. And so there can be a clash of values.

10

COMMISSIONER BRENNAN: And they'll be the staff member that parents will quite often connect up with - - -

MS TAYLOR: Yes. Exactly because they are ones who - - -

15

COMMISSIONER BRENNAN: - - - at the end of the day.

MS TAYLOR: - - - they see. Yes. So in terms of your question, how the state might be able to support that. I don't think I can answer that. Sorry.

20

COMMISSIONER BRENNAN: Do some of your preschools offer extended hours beyond the sort of limited, traditionally limited preschool hours?

MS TAYLOR: Yes. Some do. Not all.

25

COMMISSIONER BRENNAN: We have a recommendation in our draft report about preschools being able to access Child Care Subsidy for wrap-around care, or outside-school-hours care for preschools as well.

30

MS TAYLOR: Yes. That would be good.

COMMISSIONER BRENNAN: And so you're saying some do?

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MS TAYLOR: Some do, yes. Again, it's been really hard for us to collect the data.

COMMISSIONER BRENNAN: Yes.

40

MS TAYLOR: There's no data set at - - -

COMMISSIONER BRENNAN: (Indistinct.)

45

MS TAYLOR: - - - Independent School Australia that we can go to. So we relied heavily on our associations with independent schools in every state and territory - - -

COMMISSIONER BRENNAN: Right.



MS TAYLOR: - - - and at the back of the report there's an overview of some of the challenges they've got in their states and territories, in the appendix.

5 COMMISSIONER BRENNAN: Well, that's great. Thank you.

MS TAYLOR: Sorry. I'm not ignoring Jacob. Jacob's been with us for three weeks, I've brought him along so he can listen.

10 MR HANLEY: Very much here to listen and learn, more than weigh in too much though.

COMMISSIONER STOKIE: That's okay. I suspect we're pretty much out of time. But was there anything else that you wanted to reflect on and provide to us that we haven't actually had a chance to talk about?

MS TAYLOR: Look, my final thing, really, is just the complexity of the sector. And the more that we could break down silos and have a more coordinated approach across the states and territories, across the Commonwealth in terms of funding, in terms of disability support, and in terms of infrastructure and incentives for staff, that would be – that would support all sectors, everybody, yes.

COMMISSIONER STOKIE: Thank you very much.

25 COMMISSIONER GROPP: Thank you.

MS TAYLOR: Thank you.

30 COMMISSIONER STOKIE: Thank you very much for your time and thank you for the research.

COMMISSIONER BRENNAN: Yes.

35 MS TAYLOR: Thank you for having us.

MR HANLEY: Thank you very much.

COMMISSIONER BRENNAN: We're going to have a short break now. We're running a little bit behind.

COMMISSIONER STOKIE: 10 to or something?

COMMISSIONER BRENNAN: Yes. 10 to 3.

45

**SHORT ADJOURNMENT**

**[2.40 PM]**

**RESUMED**

**[2.50 PM]**

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COMMISSIONER BRENNAN: Okay, good afternoon, everybody. We're now resuming the hearing for the early childhood education and care Productivity Commission inquiry. I'm just checking that we have Jodie and John from Speech Pathology Australia online?

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MR FOLEY: Yes.

COMMISSIONER BRENNAN: Yes, great.

15

MS LONG: Yes, you do.

COMMISSIONER BRENNAN: Good. Hello, thank you. Well, I'll just begin with a couple of preliminaries. First, to introduce myself and my colleagues. I am Deb Brennan, Associate Commissioner on the inquiry, and next to me, Martin Stokie.

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COMMISSIONER STOKIE: Good afternoon.

25

COMMISSIONER BRENNAN: And Lisa Gropp.

COMMISSIONER GROPP: Hi.

COMMISSIONER BRENNAN: And we're the three Commissioners. We have a couple of other – so a few other members of our team online and there could be some members of the public listening online as well, because the proceedings go live to air. I'm not sure that there are vast hoards but they do go live to air.

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35

MS LONG: Yes.

COMMISSIONER BRENNAN: And for that reason, we always alert participants to that and also alert you that it's possible that media could be observing and they're able to engage in social media if they choose.

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Our proceedings are being recorded and transcribed for a record to be published on the Productivity Commission website in due course. For that reason, when we start, I'll ask you to say your names and the organisation that you represent. You're looking as if you're pretty familiar with what the process is going to be. Then we'll leave it to you to make some introductory comments should you wish, and then, we'll move into a conversation and we've got roughly half an hour together.

45

MS LONG: Terrific.

5 COMMISSIONER BRENNAN: Thank you. So over to you, then, Jodie and John.

MS LONG: Thank you, and thank you for the opportunity today to provide evidence. My name is Jodie Long. I'm the CEO of Speech Pathology Australia. I have a background in allied health. I was actually the previous  
10 CEO at Sonographers Association.

COMMISSIONER BRENNAN: Okay.

MS LONG: So allied health is very much my passion and background. For  
15 today's topic, it's important that we recognise that the early years of a child's life are so critical for child speech, language, and communication development. But there is clear evidence that communication and language levels are not acceptable in preschool children. So in 2021, almost 23 per cent of Australian children who started primary school are at risk or  
20 vulnerable in the development areas of communication, and this is an increase since 2018.

There's also emerging international research that's indicating that the COVID  
25 19 pandemic, and the lockdown measures that were enforced, had a significant negative impact upon children born during that time. So these children are starting to enter the preschool system, and in the next two to three years, they'll start to enter the school system with increased levels of speech and communication delays.

30 It's well known that children who start behind, unfortunately, then usually stay behind, and so developmental vulnerability in kindergarten compounds, then, throughout people's lives. So those that have difficulty at school often end up with poorer education attainment and lower literacy. So research has shown that language difficulties can have a significant economic impact upon  
35 workforce participation with lifetime costs in Australia of \$21.6 billion.

So speech pathologist are university educated allied health practitioners and they specialise in treating these communication difficulties. And they are  
40 critical, then, to ensuring positive outcomes for young children with these needs. But we're facing a workforce crisis right now. So just as in the early childhood sector, speech pathology workforce is 95 per cent female and there are issues with pay parity as well.

45 The NDIS, where over 60 per cent of our membership provides services, including to young children with disability, has enforced a price freeze since 2019. Medicare rebates are also insufficient for children with significant

communication needs, such as developmental language disorder and apraxia of speech to be able to access these services.

5 COMMISSIONER BRENNAN: Sorry, Jodie, could I ask you a question there?

MS LONG: Yes.

10 COMMISSIONER BRENNAN: Because there's just something I don't understand and that's about the NDIS enforcing a price freeze.

MS LONG: Yes.

15 COMMISSIONER BRENNAN: Because in other contexts we hear about the NDIS drawing people away because they're offering really high salaries. So can you just spell that out for me?

MS LONG: Drawing people away from the public sector?

20 COMMISSIONER BRENNAN: Yes, yes.

MS LONG: Yes, so that is correct. The private system does attract, probably for multiple reasons – I think some of that is also location as well.

25 COMMISSIONER BRENNAN: Right.

30 MS LONG: There's lots of – you're able to operate as a sole trader. You have much more independence as a speech pathologist. But there is – but we do need more publicly funded positions, absolutely, to try and increase accessibility for families.

COMMISSIONER BRENNAN: Sure.

35 MS LONG: Particularly, I guess those who can't afford the access to the private system.

COMMISSIONER BRENNAN: Yes. So that price freeze, that's in the public system, essentially, is it?

40 MS LONG: Sorry, the price freeze on?

COMMISSIONER BRENNAN: So when you said that the NDIS had enforced - - -

45 MS LONG: Yes.

COMMISSIONER BRENNAN: I thought you said a price freeze, a wage freeze?

5 MS LONG: The price freeze with regards to that, look, I'm happy to hand over to John, he can probably answer that maybe more eloquently than I, yes.

COMMISSIONER BRENNAN: Yes. It's all right. I'm not wanting to make a big issue of it, I just didn't understand it, so - - -

10 MS LONG: No, no.

MR FOLEY: I'm happy to briefly try and answer that question, if that's helpful?

15 COMMISSIONER BRENNAN: Sure, yes.

COMMISSIONER GROPP: Yes, please. Thanks.

20 COMMISSIONER BRENNAN: Yes, yes.

MR FOLEY: Yes, and forgive me, just to introduce myself, I'm John Foley, the General Manager of Policy, and Advocacy at Speech Pathology Australia. Look, what we've seen in the NDIS is a freeze on the therapy price cap, which is the governing, sort of, pricing framework that applies to our members. So that hasn't been provided with an uplift or even CPI since 2019.

COMMISSIONER BRENNAN: Okay. Okay.

30 MR FOLEY: So I think the broad context is that over the last eight to ten years, slightly less actually, we've seen an exodus of the workforce from previously well-funded public sector positions and primary health positions into the NDIS because of the wider, kind of, market incentives to do so, but specifically since 2019, it's certainly become more acute year on year. We've started to see people exiting the workforce altogether, because not only is the public system no longer operating at the same scale, we're also seeing the NDIS failing to provide a framework, really, that allows remuneration to support the, you know, the needs of the workforce.

40 COMMISSIONER BRENNAN: Okay. Thank you. Thank you so much John. And Jodie, I think that is what you said, but in a more encapsulated form and my problem for not understanding it.

MS LONG: Yes.

45 COMMISSIONER BRENNAN: So, thank you.

MS LONG: No, no, that's why John's here as well, as the GM of Policy and Advocacy.

5 COMMISSIONER BRENNAN: Anyway, do go on, yes.

MS LONG: Right, thank you. So urgent intervention is needed to support the ongoing participation of speech pathologists to provide these critical services. So we need to ensure there's a robust, obviously, public system to supply early childhood supports through community health programmes, in addition to the creation of foundational supports for children with disability within early childhood education programmes. And it's about ensuring that every child who has communication or literacy difficulties, or is vulnerable, is able to access the necessary supports. So we must do better, obviously, to get Australian children participating in the workforce and that they're not held back from doing so because of a lack of communication ability and literacy ability.

20 So what we believe is needed is the training of early childhood education and care workers to improve their knowledge in speech, language, and literacy development, and this is critical so that we can identify much earlier delays to children's development and communication development, and support children with this disability. We need to - - -

25 COMMISSIONER BRENNAN: I - - -

MS LONG: We need to recognise communication needs as a disability with regards to inclusion and support funding, to ensure all children with communication needs can access these care services. But the modern award for care workers needs to be increased. This is also an issue for speech pathologists.

30 COMMISSIONER STOKIE: So - - -

35 MS LONG: And there must be pay parity across the jurisdictions.

COMMISSIONER STOKIE: Jodie, can I - - -

MS LONG: Yes.

40 COMMISSIONER STOKIE: Sorry to interrupt, and - - -

MS LONG: No, that's okay.

45 COMMISSIONER STOKIE: Please, if you prefer to just run through everything, that's fine, so let me know. But you made a comment, which perhaps you might want to think about. You can answer now, or we could defer it. Which is recognise speech delay, speech challenges as an important

part of an Inclusion Support Program or a disability under the Inclusion Support Program.

MS LONG: Yes.

5

COMMISSIONER STOKIE: My understanding is it was and that it is a trigger for access to the inclusion support and it requires access to and approval from, or a notification from a speech pathologist in that instance. So I just wondered, what did you actually mean, 'recognised as a disability under the inclusion support', if, as I'm correct, or I think I'm correct, which is it's already there? What do you want different to where we are now?

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MS LONG: I don't – my understanding is that it's not as easy to access this. I think there are measures in place for you to have to – I'm going to say prove – provide proof with regards to that disability.

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COMMISSIONER STOKIE: Yes. And we've certainly heard that.

MS LONG: Yes.

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COMMISSIONER STOKIE: We've certainly heard that, Jodie, which is – yes. There's a lot of hurdles that have to go through. There's delays in getting assessed. That can take months – you know, months and months and months, in some instances.

25

MS LONG: Yes.

COMMISSIONER BRENNAN: And even then, maybe the support in the ISP isn't sufficient once that need is identified.

30

MS LONG: Yes.

COMMISSIONER STOKIE: And we're very keen to, you know, lean into that. We think the ISP needs to be expanded or improved or better funded, and there may be triggers to streamline that assessment. I just – you used a turn of phrase which suggested it wasn't part of it now, when it is part, but it's not well – it's not well dealt with now.

35

MS LONG: Yes.

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COMMISSIONER STOKIE: At least, that's our interpretation.

MS LONG: Yes.

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COMMISSIONER STOKIE: And you're directly in the, sort of, the coalface for this and I just wanted to test that was your thinking.

MS LONG: Yes, it is. It is a complicated process, and yes, proof, that evidence or proof with regards to severity, shall I say, as well in terms of - - -

5 COMMISSIONER STOKIE: Sure.

COMMISSIONER BRENNAN: Yes.

MS LONG: You know, communicate complex communication needs and what that looks like.

10 COMMISSIONER STOKIE: Sure. Okay. Sorry, I distracted you.

MS LONG: No, no, that's okay, and actually, I'm almost there so. We need increased early childhood supports through community health, in addition to the creation of the foundational supports for children with disability in early childhood education. We mentioned before about the publicly funded positions, to increase accessibility for families who can't, unfortunately, afford private services due to their financial constraints. The Medicare rebates, as well, are quite limited and they're often insufficient as well.

20 So to wrap up, speech pathologists have such a significant role in ensuring that the future workforce is literate, has really good communication needs, and that they can actively participate in the workforce. And by ensuring that there are more speech pathologists to be able to support people with difficulties, and as we've highlighted, there will be more and more people coming through with communication difficulties, so that there can be and it could result in a lifetime saving of \$5.22 billion.

25 COMMISSIONER BRENNAN: Thanks very much, Jodie. I had a question that is probably really a question of information, but - - -

30 MS LONG: Yes.

35 COMMISSIONER BRENNAN: You quoted, right at the top, those – you know, a very disturbing statistic about the proportion of children who are developmentally vulnerable in the domain of communication, and we've certainly looked a lot at those figures. But I was just wanting to ask you, is developmentally vulnerable in communication always indicative of a pathology or a disability, or are there other, sort of, aspects? And maybe it's because I don't understand the area very well, but would it normally be that it's your profession that would be needed for the vast majority of those children? Or are there other, kind of, aspects to developmental delay in communication?

40 MS LONG: That's quite a broad brush, but yes, the speech pathologists play a very, very vital, and significant role with all communication and this type



of, yes, developmental delay. What you call, or what classifies as a disability, that's a very complex area, as I mentioned before.

COMMISSIONER BRENNAN: Yes, yes.

5

MS LONG: There are other contributing factors. Obviously, someone's hearing will contribute to that too. So there are, you know, audiologists and other professions that come into play with regards to that in terms of, you know, if they can't hear very well, then their communication is affected, so not just solely speech pathologists. But in terms of getting children to be able to communicate effectively, getting them to be able to then be able to read, that really does sit with the specialist skills of a speech pathologist.

10

COMMISSIONER BRENNAN: And are you feeling optimistic about – you know, when you read the NDIS review and hear about foundational supports and moving a lot more support into, kind of, regular everyday settings, does that make you feel – do you think you respond positively to those? Do you see any particular challenges, let's say, in the early childhood sphere?

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MS LONG: The challenge for – I think, first of all, recognising that there does need to be support for this cohort of people. The challenge will be the workforce.

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COMMISSIONER BRENNAN: The workforce, yes.

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MS LONG: Yes. The workforce of speech pathologists. You know, I think even Bill Shorten might have mentioned at one point having, you know, a speech pathologist, you know, in every school.

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COMMISSIONER BRENNAN: Yes.

MS LONG: Brilliant, absolutely brilliant. That would be fantastic.

COMMISSIONER BRENNAN: Bring it on.

35

MS LONG: Well, how are we going to get the workforce for that? Where does that come from? Yes. Yes.

COMMISSIONER BRENNAN: Yes, okay. Okay.

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MS LONG: I'm happy to throw to John as well. He might be able to add some more on that.

MR FOLEY: I'll be happy to, if you'll indulge me for a moment. I mean, I think to the point about optimism. I think without knowing what the government's response yet is to the NDIS review, it's hard for us to have too much optimism. If it's helpful, we can provide to you, on the papers, our

45

recent submissions to the NDIS Pricing Review, which goes into a lot of granular, sort of, economic, you know, detail - - -

COMMISSIONER BRENNAN: Sure. Yes.

5

MR FOLEY: About some of our concerns. I think, probably, the broad picture, though, is that the NDIS – and I've heard this described by many other, sort of, adjacent sectors – the NDIS has effectively become an oasis in a desert. So I think, you know, because of the market disruption that it's triggered within the workforce, we've ended up seeing, you know, over 60

10 per cent of speech pathologists now working within the NDIS.

COMMISSIONER BRENNAN: Yes.

15

MR FOLEY: We've seen the erosion of speech – you know, good quality speech pathology jobs in the public system at a sizeable scale. So yes, although we would absolutely welcome a programme of foundational disability supports being provided, you know, at the state level or through a Commonwealth State partnership, it perhaps doesn't go to the heart of what

20 the fundamental market dynamics are, which is that there simply aren't, as we see it, sufficient incentives for workers to enter into specialised settings, including early childhood and education settings.

COMMISSIONER BRENNAN: Yes.

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MR FOLEY: So as I said, I think we've got an awful lot more data on this that is probably helpful to you, so we're happy to provide that on notice, if that would be useful.

30

COMMISSIONER BRENNAN: Thank you. Yes, no, we would appreciate that, thank you.

35

COMMISSIONER GROPP: I was going to ask about that, because if, as is in the NDIS report, there's, sort of, a shift away from individualised

35 therapeutical approaches to, all universal, you know, in mainstream settings, foundational supports, I mean, what – you know, you talked about having a speech therapist in every school, but you wouldn't be looking at a speech therapist in every ECEC setting, presumably, but you would have that – some access to it. You know, and so have you, sort of, been thinking about how

40 that might work, or what would be required to support that? Have you given that any thought? Because we're, sort of, grappling with these things.

45

And you mentioned, Jodie, your initial thing about training the ECEC workforce more, to have, you know, have some – not to be therapists, because they're not going to become allied health professionals – but to have training to, I guess, recognise and how to – is it, I don't know, to do. Can you just take us through your thinking on some of these issues?

MS LONG: Yes, so I think, with regards to the training. I think that – again, speech pathologists supporting training in that area so that initial things can be identified. Yes, so you're right, in terms of having a speech pathologist in  
5 each school, yes, it's unrealistic, but it's about providing people, you know, on the ground with upskilling them in a – you know, to a certain level to be able to identify that there are delays or to be able to pick up on that, to be able, then, to, I guess, refer on. There is also – sorry, I've lost my train of thought.

10

But very much, yes, that – that's right – I was going to say that we have done a programme, actually, with the Victorian Education Department, whereby they've asked us – this was for teachers – but asked us to provide some educational support for the teachers with regards to phonics and sounds, and  
15 you know, being able to give them some extended skills in that area to help children read and help with literacy as well. So there are other mechanisms where we, as the experts, can, I guess, empower others to have, yes, better foundational skills.

20 COMMISSIONER BRENNAN: Yes, okay.

MR FOLEY: We've - - -

25 COMMISSIONER STOKIE: Perhaps this is a naïve question – sorry, John, did you want to say something, I beg your pardon?

MR FOLEY: No, forgive me. I mean, with your permission, just a couple of points to add to that.

30 MS LONG: Yes.

MR FOLEY: So I think we, obviously, would like to see an expansion of, you know, speech pathologists in schools and early childhood settings. We do, however, recognise how complex that is, and it will require a paradigm  
35 shift, almost, in how, you know, multidisciplinary educational and allied health cohorts work together in those settings. I think what we're particularly worried about is – as bad as the status quo is right now, we're also, you know, doing some modelling work at the moment to project what future demand and future acuity of need will be in early childhood over the next two to three  
40 years, and we are extremely worried by the trends that are being – you know, certainly the trends that are emerging across other parts of the Commonwealth.

45 So looking at, kind of, the data sets that are emerging from the United Kingdom, from Canada, you know, the cohort of kids that grew up during lockdown that didn't have the same level of exposure to incidental conversation, the same types of social interactions that other kids would have

had in preschool or early childhood care. We really are anticipating a bit of an explosion when it comes to school starters in 2026 and beyond. So I think that's, sort of, contextualising what we're seeing.

5 I think, practically speaking, there have been some very impactful pilot schemes, and certainly some that we've been very closely involved here in Victoria, where we've had this multidisciplinary approach established. You know, programmes that have been targeted to low SES areas that have had, you know, quite astonishing impacts. In the interest of time, happy to share  
10 details of that on the papers.

COMMISSIONER BRENNAN: Yes, thank you. Thank you, again.

15 COMMISSIONER STOKIE: Yes, that would be fantastic, John. I was just going to ask a, sort of, a – it's almost a naïve question around helping me get my head around how, within an early childhood setting, so not a school, and we're not trying to teach children – we're supporting the children as they're developing their speech and their engagement, et cetera. How much of that requires a speech pathologist and how much of that is in support of the  
20 educators and the teachers within an ECEC setting itself? And maybe they need to have some additional support and training. And I'm just wondering, because it's not just – and I dare say, for instance, that explosion of demand – and I think in the terms you used, John – yes, that will be – that's kind of, like, almost the mainstreaming of all children coming through. Many  
25 wouldn't, ultimately, go through to, sort of, an NDIS sort of diagnosis, but they may need support and they may need a therapeutical support or they may just need the engagement of well qualified educators and teachers. And I just wondered, you are the professionals in this part of it, and I wanted to hear your perspective around that, almost, dual role, notwithstanding there  
30 aren't enough of the speech pathologists.

MS LONG: Yes.

35 COMMISSIONER STOKIE: But let's wave a magic wand and fix that problem. How could it, or should it, look in practice when we're thinking about, sort of, that mainstream support within an ECEC setting?

MR FOLEY: Jodie, can I take a first stab at answering that?

40 MS LONG: Yes, of course you can. Of course you can.

45 MR FOLEY: So I'll give you an illustration. So my two-year-old son has minor speech and language delay linked to a hearing problem. It's very resolvable. But it was a product of his environment that actually picked this up. So he goes to an integrated childcare facility that is integrated with child and maternal health, that has a range of allied health professionals working within the same environment. Part of the reason for that is that we live in a

very low SES area and there are council supports that enable that holistic approach. So that's one model; having, you know, a community hub type model that enables an integrated team of education, early childhood, and allied health, and primary health professionals to all work together.

5

I think it goes to the heart, more broadly though, of scope of practice. You know, I think there is, you know, extensive work underway at the moment looking at allied health scope of practice. Basically, recognising that most professionals are already working up to, or in some cases, beyond their scope of practice. But also, that there are efficiency gains to be made by enabling professionals, whether they're in allied health, or more broadly, in early childhood, to take on some of the roles of other professions.

10

So when it comes to speech pathology, a large part of the dynamic is in diagnostics and actually recognising that there's a problem. It's certainly a conversation to be had about how that level of – or how that enhanced scope of practice is achieved. Whether it's through the embedding of a speech pathologist within a setting, whether it's through a capacity building model, there's a range of different offerings.

15

20

But I think, returning to the fundamental point, we would see there as being a vital return, or a very significant return, on investment, whatever the model, of facilitating some form of scalable access to speech pathology within early childhood settings. I think, you know, the evidence we've got is for, you know, multibillion dollar whole of life implications. The actual delivery model, there's a range of ideas that we can present to you. Hopefully, you know, many of those would be scalable.

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30

COMMISSIONER STOKIE: Thanks, John, that's very helpful.

COMMISSIONER BRENNAN: Yes, it is.

COMMISSIONER STOKIE: Thank you. Thank you.

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COMMISSIONER BRENNAN: And we certainly wouldn't doubt you that speech and communication are pretty foundational to opportunities and success and happiness in life, yes.

40

MR FOLEY: Yes.

MS LONG: Yes.

COMMISSIONER BRENNAN: Well, do you have any further questions Martin and Lisa?

45

COMMISSIONER STOKIE: No, no.

COMMISSIONER GROPP: No, thanks.

5 COMMISSIONER STOKIE: Other than we would like to draw upon the work that you're suggesting, John, and if our team hasn't already reached out or you're welcome to forward material through to us.

COMMISSIONER BRENNAN: Yes. Well, look - - -

10 MR FOLEY: No problem at all. I'll make sure that's done as quickly as we can.

COMMISSIONER BRENNAN: And before we close, I'd just like to make sure you've had an opportunity to raise everything with us that you would like to.

15 MS LONG: The only other thing that I would just quickly touch on is, there is also additional research that there is a school to prison pipeline as well. So poor communication and literacy skills, low educational achievement, you end up with disengagement from school, and there is a significantly increased  
20 likelihood of interaction with the justice system. So there are other implications for this as well, particularly, as I say, with the justice system.

COMMISSIONER BRENNAN: Well, that's very interesting, and that's the kind of thing that we often do see in research into return on investments, so  
25 any material of that type you're most welcome to forward on to us to our team.

MS LONG: Great.

30 COMMISSIONER BRENNAN: Well, thank you very much, Jodie and John. We very much appreciate your engagement with inquiry and the materials that you have submitted to us and thank you for your time this afternoon.

COMMISSIONER GROPP: Thank you.

35 MR FOLEY: Thanks very much. Thank you very much.

MS LONG: Thank you. Thank you for the opportunity.

40 COMMISSIONER STOKIE: Thank you.

MS LONG: Thank you.

45 COMMISSIONER BRENNAN: Well, now I'd like to - I'm hoping to welcome Melanie Fernandez and Pauline Vamos.

COMMISSIONER GROPP: I think we've got Brianna now. It might be Brianna.

5

COMMISSIONER STOKIE: Is it Brianna (indistinct). Maybe it's - - -

MS VAMOS: Good afternoon. It's actually Pauline Vamos and Brianna Delahunty.

10

COMMISSIONER STOKIE: Maybe it's Brianna (indistinct). Yes.

COMMISSIONER BRENNAN: Vamos. I'm so sorry.

MS VAMOS: We're here today from Chief Executive Women.

15

COMMISSIONER BRENNAN: Brianna and Pauline - apologies for mispronouncing your surname, but welcome to you both. I think you may have been online for a little while, but just a couple of little formalities first. I'll introduce my colleagues. I'm Deb Brennan, Associate Commissioner on the inquiry. Next to me is Martin Stokie.

20

COMMISSIONER STOKIE: Good afternoon.

COMMISSIONER BRENNAN: And Lisa Gropp.

25

COMMISSIONER GROPP: Hi.

30

COMMISSIONER BRENNAN: So we're the Commissioners on the inquiry, and we have some other members of our team online this afternoon. The proceedings are being both recorded and transcribed, and a transcription will appear on the Productivity Commission website as soon as we can manage it. It's possible that there are media observing our proceedings and they're free to make observations through social media, although not to record the proceedings, so I would just like to make you aware of that, and that there are some other people online. And I think with those preliminaries I'm going to hand over to you to make some introductory comments and then we'll move into a general discussion with you.

35

40

MS VAMOS: Thank you. And thank you for the opportunity to provide evidence. We are thrilled that this inquiry is going on. CEW have been strong advocates particularly for access to universal high quality early childhood education and care for many, many years, so it's wonderful to see progress at many levels. Just a note about Chief Executive Women, we have about 1,300 members, all leaders across most sectors in the Australian economy.

45

Large employers, large institutions, and our core purpose is women leaders enabling all women, and one of the ways we measure our success in that is

not only the economic and lifetime benefit for women and families, but economic benefits to the Australian economy and Australian society, and as we know, lack of access to early education and childhood and care is one of the key reasons women do not participate in the workforce, and we've got this  
5 incredibly talented workforce out there that employers, and therefore, the whole of our economy are missing out on.

And unlike many years ago, today most families - two parents need to work, and they just don't have a choice. And it is soul destroying when they can't  
10 get their children into childcare. Now, we've made a submission to this inquiry, you've got our opening statement, I'm just going to quickly go through our key asks. If you'll indulge me, I will tell a personal story. So, of course what we're asking for is to legislate and invest in universal access for all children to quality flexible early childhood education and care at  
15 minimum three days a week, relax - and, if possible, you know, put an \$80,000 means testing - but just relax the Child Care Subsidy activity test.

It is a soul destroyer, and it doesn't provide benefit to either the system or the people that miss out. Invest in a thriving workforce in this sector, and we've  
20 got a number of suggestions around that. Adopt a stewardship approach - this is the partnership of private, public, government at all levels, embed intersectionality in policy and practice, adopt a child centric approach, which is a given and address the thin markets and child care deserts.

But as I was preparing for today it reminded me of a presentation that I  
25 actually gave to the audit office of New South Wales in the week of International Women's Day, and there was a lot of young women in the room, and they're struggling like many women - like my two daughters. They work full time and they've got their children in two to three days a week childcare.  
30 And the message I got from them, and I get it from my own daughters, is they feel guilty.

And it's not that they feel guilty at putting their children in childcare, it's because they worry about the quality of the childcare. And this is no  
35 reflection of the staff in childcare, it's the ability to get staff, it's the funding models, it's the ability to have fully safe facilities, enough space, enough air, enough quality food. And when I was a young mother, I worked full time. I was a single mum from the time my children were two and four, so my children were in day care, long day care, before school care, after school care  
40 from the ages of six months, and I didn't feel guilty because even at that time I had access to high quality childcare.

It was still expensive in the scheme of things, but it's a lot more expensive now. And so if there's any message from our evidence today it's, you know -  
45 let's remove the guilt of any parent putting their child into childcare. So with that I look forward to your questions. And Bri, of course, knows everything



about the research that we've done, particularly on the economic costings and the benefits, so happy to answer any questions.

5 COMMISSIONER BRENNAN: Well, good. Well, I'm sure we will address those issues and thank you very much, Pauline, for those introductory comments. I'm not sure if you've had a chance to look at our draft report, but, I think, if you have, you'll see that many, if not all, of the issues that you've raised we have made recommendations that I think would meet what you're suggesting to us.

10 The relaxing the activity test for 30 hours, we have certainly made a feature of the significance of the work of the early childhood education and care workforce, and the inability to move forward with our suggested reforms unless there were significant and rapid investment in the workforce.  
15 Stewardship approach is something we have recommended, and particularly, we have connected that to the idea of an Early Childhood Education and Care Commission. The child centric approach, I think, is pretty foundational to what we've done, and measures to address childcare deserts.

20 MS VAMOS: Yes.

COMMISSIONER BRENNAN: I didn't give ourselves a tick on the intersectional lens, but maybe I'm being too harsh on ourselves, but I only didn't because I think that's something for us to reflect on and it is something  
25 that's been raised in quite a few of these hearings. I'm remembering, particularly, some Aboriginal/Torres Strait Islander groups asking us to look, particularly, at the intersection between their community and disability, for example.

30 MS VAMOS: Yes.

COMMISSIONER BRENNAN: That's not the only example.

35 MS VAMOS: Yes.

COMMISSIONER BRENNAN: So I think that is the really important issue for us, and intersectionality is something we've been reflecting on in the context of our own organisation, so I think it's reasonable for me to say it's something that we can definitely take on board.

40 MS VAMOS: Thank you. As we say in our submission, we really support the work that has been done and the draft report, so we do congratulate the committee and the Commission on what they've done.

45 COMMISSIONER BRENNAN: Great. Yes.

5 MS DELAHUNTY: Adding onto Pauline's point, we were so excited when we read the report because it was such a win for women's economic participation and for children in general. Our suggestions and submission really build on, kind of, future - our future hopes for ECEC and the Productivity Commission's role in that.

10 COMMISSIONER BRENNAN: Okay. That's great. And I think Pauline mentioned that, Brianna, you've got some information about economic impacts of further investments in childcare.

MS DELAHUNTY: Yes.

15 COMMISSIONER BRENNAN: Would you like to outline it or - is it material you're going to share with us or - - -

20 MS DELAHUNTY: Well, I'm happy to send this on notice because I didn't want to make the packet too big, but we did a cross check on women's maternal full time workforce participation internationally and cross checked it with the accessibility of universal early childhood education and care, and unsurprisingly, we found that when there was high quality accessible child care available women's workforce participation massively increased, and their long-term potential earnings also increased to an incredible extent.

25 We also found that there were positive health outcomes for both women and men, and there were positive educational outcomes for the children. Obviously, there could be different contextual elements to that as well, but the evidence over - we did a cross check of nine countries, and so it was pretty exciting to see, like, such a consistent result. And we also would refer you to Impact Economics and Policy's report about the impact of early childhood education and care and the impact of the activity test and, kind of, reducing that economic gain.

30 COMMISSIONER BRENNAN: I'm intrigued by your comments about quality - Pauline, just to come back to you - because, although we, certainly, acknowledge limitations in the data on the Quality Standard and the proportions of services that meet it and the timeliness of assessments and so on - - -

35 MS VAMOS: Yes.

40 COMMISSIONER BRENNAN: - - - the general picture seems to be one of improving quality, so I'm just, really, interested in your - the comparison you made between your views as a user of childcare in the past and experiences of your daughters and what that's based on.

45 MS VAMOS: Lots of little things, including the ability to invest in up-to-date equipment. So between, certainly, the amount of long day care that I

used and the child cares that I go into when I pick up, like, my grandchildren who live in various parts of Sydney, the furniture is tired, the play equipment is old, there seems to be an off bounds area where they've got to fix up the sand pit or they've got to fix up the climbing equipment. There's no real up to date learning equipment, and as we know, we've got the babies, but we've  
5 also got the older kids as well. The sleeping arrangements, there's always at least one of the toilets that is not in use. So it's just that general ability to invest in the standard of the centre.

10 COMMISSIONER BRENNAN: Okay. Okay.

MS VAMOS: And I'm talking Northern Beaches, I'm talking Inner West.

15 COMMISSIONER BRENNAN: Yes.

MS VAMOS: I'm not even talking where - you know, where I come from, and that's the back end of Port Stephens, some areas of Newcastle where, again, we've got some real issues with ability to invest in the business. So the business models are difficult. Whether it's a not-for-profit or for-profit  
20 model, there doesn't seem to be a real difference in the outcomes that I see, but again, I have not done the research around that. It's something that I observed as a grandmother.

25 COMMISSIONER BRENNAN: Sure. Sure.

MS DELAHUNTY: Can I just add onto that as well? With the high quality element of it, both the Productivity Commission report and all the research that I've seen on the benefits of ECEC for children is only based on high quality child care, and so we could really only say that it's good for children  
30 if it is of high quality because that's what the research is saying.

But also on that idea of resourcing - going back to staff training - we do want ECEC to be a high quality and thriving career for people who are entering into it so it stays sustainable, and having those training opportunities and the resourcing for that means that not only are the children better set up for  
35 success or, like, things can be picked up quicker and maybe more effectively, it means that we're going to be able to retain staff in a more sustainable way.

40 COMMISSIONER BRENNAN: Okay. Thank you. Martin?

COMMISSIONER STOKIE: Brianna, I was just going to take you back to your point around your comparison of labour force participation by different countries.

45 MS DELAHUNTY: Yes.

5 COMMISSIONER STOKIE: And I just wondered what your perspective was around - we see that workforce participation is actually very high in Australia for females, and mothers in particular, but it's not - or it's quite disproportionately high when you think about it part time versus other jurisdictions.

MS DELAHUNTY: Yes.

10 COMMISSIONER STOKIE: So you mentioned participation and my mind goes to, 'Well, actually, we're probably ahead of most of those countries.' But if you went to full-time work versus part-time work Australia is almost an outlier in that respect. And I wondered what the CEW's sort of perspective was on part time/full time? We're not trying to compel people to go to work where there's choices for families and for mothers. And, yes, I was just  
15 interested in the perspective.

20 MS VAMOS: So before Bri answers I might just jump in, sorry. So we know that there are many women who want to work full time but can't because they can't access care. We know that a lot of the slack taken up with an inability to access or afford childcare is taken up by carers, relatives, grandparents, or other sharing. So CEW supports choice of women whether they work part time or full time, but the information that we have is that today families require both parents to work full time as much as possible.

25 MS DELAHUNTY: That was beautifully said, Pauline. Just jumping on that, so Australia is an outlier, interestingly enough, because we have one of the highest educated female workforces in the OECD but we also have the highest rate of part-time work for women, and that is usually for mothers. When I was doing the international comparison, I only looked at full-time  
30 workforce participation because that was what I kind of saw as the outlier. And then when we reviewed it a little bit further it was that access to high quality and flexible childcare that kind of allowed women to go back to work full time.

35 Another part of CEW's research is the CEW Senior Executive Census where we track women's progression into senior leadership, and one thing that we have noticed across the eight years that we've been doing it is that there is barriers if you're not able to work full time, if you're not able to take those opportunities because you're taking care of your child or you're taking care of  
40 someone else. It is significantly harder to kind of get into those higher echelons of corporate leadership if you don't have the flexibility or the support available to you.

45 COMMISSIONER GROPP: Brianna, when you looked at the barriers was it mainly around affordability or was it just access, the physical places?

MS DELAHUNTY: So it's a couple of – sorry, can I just clarify barriers to getting into leadership or - - -

MS VAMOS: Childcare.

5

COMMISSIONER GROPP: You said for full-time work, sorry, yes, and you said - - -

MS DELAHUNTY: Sorry. So it was kind of dependent on it was either there were childcare deserts so there was literally nothing available, it was prohibitively expensive and it would almost be you'd be essentially paying money to go back to work on that fourth or fifth day a week, or the wait times for the childcare in your area were just so prohibitively long that it was really hard to kind of negotiate that with an employer.

15

MS VAMOS: But if the days – so, for example, the employer might want you to work Monday, Wednesday, Friday, but you can only get childcare on a Tuesday and Thursday. So it's aligning days and work accessibility, which is quite difficult for some mums.

20

COMMISSIONER BRENNAN: Is the research you have on this something you can share with us for tracking?

MS DELAHUNTY: I would love to do that. Yes, I can send it.

25

COMMISSIONER BRENNAN: Yes, I would be interested in that for sure.

COMMISSIONER GROPP: Can I just take you – I mean, you mentioned the work done by Impact Economics and Policy, and in terms of the amounts, the potential gains, what are some of the fundamental – like, you're assuming that all children – that was, I understand, for preschool attendance across Australia. Would that be all children attending? Is that essentially – I mean, I guess enrolment rates are pretty high now. All children attending their full 600 hours, is it? I mean, just getting a sense of what you estimate here.

35

MS DELAHUNTY: So the latest report from Impact Economics kind of talked about the financial impact that the activity test is having because we know that there's been excellent gains in ECEC, but the activity test is kind of curbing those benefits. So one of the most shocking ones that I found was that the average benefit for each child for two years of preschool is \$102,700 over the life course because of that increased educational attainment. And then I found that – well, I didn't find, Impact Economics found - that 93 per cent of four-year-olds who are subjected to the activity test were not receiving that 30 hours per week.

45

COMMISSIONER GROPP: That would be right.

MS VAMOS: They couldn't navigate the activity test - - -

MS DELAHUNTY: They weren't getting - - -

5 MS VAMOS: - - - because of the reporting and all the other roadblocks.

MS DELAHUNTY: They were losing out on that opportunity.

10 COMMISSIONER STOKIE: And we've recommended removing that  
certainly for the three days, and we've sort of held open for this forum, this  
conversation that we're having now what do we do with the second or the  
third and – sorry, the fourth and the fifth day? One of the challenges that  
we're sort of grappling with in our mind is we've got a whole lot of  
15 recommendations that would involve a fairly sizeable contribution from the  
Commonwealth and potentially the states. It would try to seek to address  
workforce, the deserts issue, supply issues, the funding issues around – and  
all of that is going to lead to increased demand. And as we know, you  
couldn't do that overnight.

20 MS VAMOS: Yes.

COMMISSIONER STOKIE: Or at least you could do it overnight and you'd  
create a very unhappy populous who would have expectations that couldn't  
easily be met. And so that's some of the thinking around our thoughts,  
25 particularly around the three days abolition for the activity test, and perhaps  
open – because it might be that this is a good way to not create burdens.

But I don't know whether there are thinking from yourselves around the  
phasing and the staging of our recommendations and, you know, which  
30 would you do first if you – you know, I'm sure everybody wants to do  
everything and leap to the final answer of the world in which we'd love to  
live, but we live in a practical world which we're actually going to have to get  
there in a way that doesn't break the system, which is already pretty stretched.  
And so if you had some thoughts or suggestions on phasing, staging, or,  
35 'Don't bother with that, just go straight to the answer,' I don't know.

MS DELAHUNTY: Pauline, do you mind if I jump in?

40 MS VAMOS: You jump in and I'll add to you this time, Bri.

MS DELAHUNTY: I want to kind of answer that question with kind of a  
semi-question about the intersectional policy and practice, because all the  
research that we've seen of the activity test shows that it's disproportionately  
impacting vulnerable communities, which was not its intention when it was  
45 set up obviously. And so if I was in charge of this I would probably try and  
take quite a nuanced approach and try and, like, abolish the activity test in  
stages. So if we were in a thin market or a childcare desert or an area that I

knew that was disproportionately affected negatively, I'll try and focus my time there rather than move as in kind of like a sweeping approach. And because that – I would try and focus on where it would be more impactful and where the net negative was happening already.

5

But we also note that it is very hard to do everything at once and there's so much to do. And that would have to be kind of partnered with, you know, upskilling the workforce and making sure that we have a sustainable and thriving ECEC workforce.

10

COMMISSIONER STOKIE: Yes.

MS DELAHUNTY: Sorry, Pauline, you go.

15

COMMISSIONER STOKIE: No, well, that's very helpful.

MS VAMOS: No, I agree. The really - starting to educate the workforce is so important at this time, and then the market will have an ability to respond as the activity test is removed.

20

COMMISSIONER STOKIE: Sure.

COMMISSIONER BRENNAN: I want to ask you just a – well, this will be my final question. Pauline, at the beginning one of your positives from the report, you said, 'It's a win for women's economic participation.' And certainly we have a number of measures that would potentially allow more women to participate in paid work; for example, the 100 per cent subsidy for families under a combined income of \$80,000, investment in thin markets, supply-side funding in thin markets, and our recommendation that Commonwealth Child Care Subsidy be extended to preschool so they could extend their hours. So those are three things that potentially could be quite significant. But others have been critical of us because we've not made specific recommendations around increased subsidy for other than very low-income families. But Chief Executive Women is happy with that recommendation?

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35

MS VAMOS: Bri, do you want to answer that?

MS DELAHUNTY: Can you repeat the question? I couldn't really hear what the question was. Sorry, it's very hard to see and hear you actually. As I understand the question, it was in relation to subsidy, it would be only provided to lower income. Is that your question?

40

45

COMMISSIONER BRENNAN: Yes, there are a range of measures that would help a range of women, but the specific one around Child Care Subsidy was about families with combined incomes up to \$80,000. And I

was saying some people have been critical of us for that. But is that something that you're comfortable with?

5 MS VAMOS: So our preference - if I do understand the question, our preference is for no means testing on access to universal high quality early childhood care. The means testing would be in relation to the activity test, but we're of the view that where they're for a relatively small proportion of the market, the economic benefits of funding childcare far outweigh it. So, for example, it would cost about \$10 billion a year, but it would add about 10 \$24 billion a year to GDP. So there's that real economic benefit if there was means testing around it. And a lot of this will be educating the public around why this is the better public policy lever. But we've got to start somewhere.

15 COMMISSIONER BRENNAN: We do, absolutely.

MS VAMOS: Can I say we'll take anything at the moment.

20 COMMISSIONER BRENNAN: We didn't realise you couldn't hear us very well, so thank you for telling us that. Are we done?

COMMISSIONER STOKIE: I'm done.

25 MS DELAHUNTY: I just want to add on Pauline's point about the \$80,000. Yes, we are advocating for a removal of any means testing and full universal education and care, but I also want to flag from that intersectional policy perspective even if there is a – like, even if there is an on-the-surface high income family, if you look at the means testing through, like, a violence lens and if there's, like, economic or financial abuse in the family or something like that, that could be a factor if the person needs to leave because under 30 their own financial support they won't be able to maintain the care for the child. And if the child was already in day care, that's incredibly – that's an important stabilising force for them. And so with means testing, like, we understand why it's there, but overall we would like to see it removed entirely.

35 MS VAMOS: And again, going back to very early point, in today's world of interests, mortgage, difficult – and the cost of living crisis, you know, families on a joint income of 150,000 are struggling every day. And so those under that are really, really struggling but, you know, we do have an 40 incredibly difficult cost of living crisis that is impacting a large proportion of Australian families.

45 COMMISSIONER BRENNAN: Thank you very much, Pauline and Brianna. I'm going to tell you that actually with your – at the conclusion of our discussion with you, we have actually finished our public hearings for this inquiry. You're the final participants. In a moment I'm going to invite – yes, I'm about to do that.



COMMISSIONER STOKIE: Sorry.

5 COMMISSIONER BRENNAN: I will invite people online or anybody who would like to make comments about today's proceedings to do so, and then after that I'll formally close the proceedings. But thank you very much to you and your organisation for your engagement with the inquiry.

10 MS VAMOS: Thank you.

MS DELAHUNTY: Thank you.

COMMISSIONER STOKIE: Thanks, Pauline.

15 MS VAMOS: Thank you again for the opportunity.

COMMISSIONER STOKIE: Thank you.

20 COMMISSIONER BRENNAN: So before we do formally conclude I will just ask if there's anybody who'd like to make a comment or any observations about today's proceedings or the hearings?

25 COMMISSIONER STOKIE: I think we're all done. I don't think there's anyone there.

COMMISSIONER BRENNAN: Yes, I think they're all our people.

COMMISSIONER STOKIE: Yes. I think that's Brianna.

30 COMMISSIONER BRENNAN: Thank you very much then, everybody. That concludes the public hearings for the Productivity Commission inquiry into early childhood education and care. Thank you all very much.

35 COMMISSIONER STOKIE: Thank you.

**MATTER ADJOURNED**

**[3.50 PM]**