



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

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**PRODUCTIVITY COMMISSION**

**EARLY CHILDHOOD EDUCATION AND CARE INQUIRY**

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

**TRANSCRIPT OF PROCEEDINGS**

**MONDAY 19 FEBRUARY 2024**

COMMISSIONER STOKIE: Before we get going, I'd like to acknowledge the Traditional Custodians of the land on which we are meeting, and pay my respects to Elders past, present and emerging.

5 I'd like to welcome my colleagues. So fellow Commissioners, Deborah Brennan on my right, and Lisa Gropp on my left, and my name's Martin Stokie, and we're the three Commissioners responsible for the inquiry into early childhood education and care.

10 The purpose for these meetings is for hearing feedback on our draft report, and any other views or submissions that people wish to make is quite welcome. We will finalise our report in June this year, and we'll provide that to the government. The nature of our inquiries are such that government then has a period of time in which to consider our report, it's not public at the time  
15 we submit it to government. They have up to 25 sitting days in order to respond and release the report; they may, and that's their prerogative. So whilst we would have finished our work, it may not necessarily be in the public domain in July/August, we're not too sure. That will be up to the government as to how they wish to respond.

20 We're very grateful for you time today, and for all the people who have made submissions to our inquiry. It's made for a richer project and insight, and so we welcome that and we really welcome the opportunity to have this conversation today. We wanted to have a pretty informal conversation, but to  
25 let you know, and everybody else, that we are recording these sessions. A transcript will be taken, and they will be available for public reviewing or consideration. There's no need to take an oath, but our Act does require truthfulness in responding to matters. We wouldn't expect anything less, but it's just a formal process to let people know.

30 It may be, it's certainly not the case at the moment, that there may be media in some of our sessions. They're not to record the sessions without our permission, but people may sit and use social media or otherwise to put information out here. That's certainly not the case at the moment, but we don't  
35 know, for those who are online, et cetera, this is very much a process of honouring and respecting the process that we have.

40 The only other, sort of, matters which are very administrative in some sense is that, you know, I'm sure you've familiarised yourself with the emergency exits and areas in case there is an issue, we hope there not to be, and if there is, we'll all just dutifully follow our instructions accordingly. We're going to call witnesses. We have a number of sessions here, and elsewhere in Australia, and we'll call those who are wishing to make a submission and stakeholders to talk at different points.

45 Just for the purposes of the records, can you just state your name and the organisation. And if you wanted to make an introductory statement, a short statement, we are more than happy to hear that, and then we can probably just have an open conversation around the draft report recommendations and the

direction in which you'd like to go. In that respect, I'll handover to yourselves.

5 MR OKHOVAT: Good morning. Thank you, Martin and the other Commissioners. My name is Pejman Okhovat. I'm the CEO and managing director of G8 Education.

10 MR O'MEARA: Morning everyone. I'm John O'Meara from G8 Education. I head up the strategy and transformation area of G8.

15 MR OKHOVAT: I'd firstly like to congratulate the Commission on the great work that you have undertaken. We have read your interim report. It is incredibly well-structured, well organised, and I think the coverage of all the key aspects that you have undertaken is well-positioned.

20 The other thing that probably, in terms of an opening statement, what we would like to say is there are many aspects of the interim report that we are supportive of, there are some that we say have some curiosities, and there are some that we perhaps have a different point of view at this point in time. And some of the differences at a point in time compared to the interim report is probably because of the current position and terms of the information and the (indistinct words) information available. In pursuant of time, if there are more clarifications and more data points available, some of those positions may well change.

25 The other thing, on behalf of G8, we'd like to state is we are, you know, the second largest provider of early childhood with over 430 centres. We are incredibly privileged every day to be serving 40-plus thousands of children and we look after circa 9 to 10,000 employees across the country.

30 We do genuinely support the fact that the early childhood sector, and future reforms for universal access for all children in Australia, are critically important. We are also advocates of ensuring that early childhood is seen more and more as a really incredible part of not only social infrastructure, but the children's growth. And we genuinely advocate for any reforms that start to see that early childhood is a continuum of education. And more importantly, there are global and empirical evidence that shows, to an extent, if you wanted to argue, that not only three to five year olds are important, but birth to threes are incredibly important. You know, the first 1000 day of any child is actually (indistinct words) impact. And that's some of the things that we'll probably like to discuss would be around those areas.

45 The last point of the opening, on behalf of G8, would be that we consider ourselves incredibly privileged to be in a sector that has got breadth as well as depth of experience, as well as different operating models. We believe that the sector is richer for having a mixed model. We support all different types of providers with all different business models. Because we believe that collectively we can better provide and support all children across Australia together. So we don't advocate, and we don't profess to advocate, for this part

of the sector is better than the other part of the sector. And we would also encourage, as the Commission have done so far, to maintain that position because that is a healthy position to be. So with that in mind, hopefully that, kind of, was a starting point. There are a number of areas that we thought would perhaps be worthy of good conversation today.

COMMISSIONER STOKIE: Sure.

MR OKHOVAT: Those areas for us revolve around what we believe at this point in time are quite an important part of the Commission's workings; what is around a workforce.

COMMISSIONER STOKIE: Yes.

MR OKHOVAT: Because we believe that's fundamental to any reforms. And unfortunately, without a workforce none of us will be able to bring any of the reforms to fruition. The other area would be the funding model, and as part of that funding model there are probably about three key aspects we would like to talk about. One is around the CCS, and the potential changes, and thinking around the CCS. One is around some of the early thinking or the conversation or positioning around some of the overseas models, which we believe are really, really important to be thought about carefully without jumping into simplistic conclusions. And the other one, particularly around the potential of an ECEC commission.

We will of course submit a fuller report in due course, and we would like to also thank the Commission for giving us an extended two weeks' time. Valentines Day was always going to be hard for us to meet.

COMMISSIONER STOKIE: That's fine.

MR OKHOVAT: I don't know whether you picked that date by chance.

COMMISSIONER BRENNAN: No, it was chosen for the boring public service, I think, and they didn't realise.

MR OKHOVAT: We are grateful for the two week extension.

COMMISSIONER STOKIE: No, we welcome the feedback and, you know, for the sake of an extra couple of days.

MR OKHOVAT: And it actually makes it more – hopefully, and this will actually also help us to achieve a better submission as we put that through.

COMMISSIONER STOKIE: Yes.

MR OKHOVAT: I think, as I said at the beginning, we welcome many of the findings, in particular those that we do very much support of a provision of universal access. We do genuinely support that one. The promoting of the

greater affordability amongst the families, particularly the lower income families. And also how do we, as a sector working with the government, try to find a way to establish services in – I've heard many different terminologies – child care deserts or thin areas or really rural and remote areas; I think we need to find a way.

COMMISSIONER STOKIE: Yes.

MR OKHOVAT: And also in terms of a couple of things around the abolition of the activity test, for example, which we do support, but also seeking a greater inclusion through the funding improvement access for those children with disabilities. Because, as you would know, it is a pretty difficult area for providers to work in that space, it's complicated.

And with the NDIS review, again there are a number of findings within the NDIS, which we do support more of a universal approach and our ability at high level to provide that. But also stating from a funding point of view that the funding should be a little bit more flexible that caters for the majority of the people in our care, that would be really good. So if we turn perhaps our attention to workforce as maybe the first topic.

COMMISSIONER STOKIE: Sure, yes. Let's do that. There's lots of things that you've raised there, and - - -

MR OKHOVAT: And I'm more than happy to bounce back on any of those if you want to.

COMMISSIONER STOKIE: Yes, yes. No, that's fine.

MR OKHOVAT: I think, as you would have gathered, the workforce shortage, particularly over the last few years, has been very critical and impactful on this sector. Many have left, COVID, again, had an impact, and I think it would be remiss of me not to share my team's point of view that there are many educators and teachers and people who work in the sector, their motivation about work in the sector over the years has been slightly diminished. Particularly COVID was one of those areas when, rightly so, people on the frontline, health workers, police, firefighters, and the schools were deemed as critical workers. Our services were required to be open, but they were not recognised as a critical workforce. I think that was one of the key issues. Continuing to be one of the lowest paid sectors in the country also doesn't go hand-in-hand with achieving a morale. And, of course, the significant increase in regulatory requirements from the team, but also, again the Commission might have noticed, that assertiveness, which is something that our team really hold dear, is the proudness that they have in terms of running their services and seeing the diminishing rate of, what they call, ANL ratings, in terms of there's hardly any excellences given out anymore.

COMMISSIONER STOKIE: Yes.

5 MR OKHOVAT: So there are a lot of things like that that go hand-in-hand that hasn't helped the motivation and the morale in the sector. And as you would have seen, the sector over the last few years has continually talked about 30 per cent turn-up, and that's a really hard thing for us to continue to deliver high quality in world class services.

COMMISSIONER GROPP: Do you experience that similar rate of turnover?

10 MR OKHOVAT: A very similar rate over the last few years. But thankfully, you know, we've done a lot of things over the last 12 months, in particular, to start to address those issues, and we have significantly reduced our vacancies. At this time last year, we would have had probably over 1000 vacancies just in G8 Education, we're now sitting under 600.

15 COMMISSIONER GROPP: So how did you do that?

MR OKHOVAT: Many different things. Having to pay above the odds.

20 COMMISSIONER GROPP: I was going to ask you that, whether you paid above - - -

25 MR OKHOVAT: Yes, pay does come into it. We've been very thoughtful about understanding what the current workforce actually requires. Our workforce also requires flexibility, that's one of the things that we've definitely benefitted from. Allowing some of our teachers and educators to have flexibility or working patterns, or working shorter weeks and doing perhaps some longer days, because they've got children of their own.

30 And I think in this hybrid world – and it is challenging, because a lot of parents actually, they still want the same educator for the three, four, or five days that their lovely children are with us. So that expectation doesn't go away, but the workforce is changing. So we are having to both educate the parents as well as make sure that we attain the workforce. Making sure that we're really utilising our pool with better rostering, better holiday planning, to making sure that they get really important times off when they need to and, as I've said, and being that more flexible.

40 The other area that G8 has certainly got now, a very good reputation, is around the huge support that we provide for their professional development. We spend a significant amount of money, into millions of dollars, in supporting our teachers and educators to continue their growth and development. We support them both financially and from a time off point of view to make sure that they get – and as I said, we've got a very good reputation for developing excellent people.

45 Now, some of the combination of things have gone hand-in-hand. The other thing is we've also significantly improved, what we call, around centre support. So we have, let's call them, experts actually on the road. So we have experts in quality and compliance across all the States, and we also have, what

we call, educational practice partners across every State. So these are the things that we've invested in in supporting our frontline team, and it's starting to pay us dividends. By no means I want to say we're out of the woods yet.

5 COMMISSIONER STOKIE: Okay.

MR OKHOVAT: You know, our vacancy rates and the sectors having to rely on agency workers, is still a very big issue and as a core chair of ELACCA - not that I'm representing ELACCA today, but I can tell you that patterns are very similar across lots of people.

10 COMMISSIONER STOKIE: So what is it that you want us to hear then today, Pejman. It sounds, like, you know, these things are all fantastic, they haven't solved the problem but they're seeking to solve and deliver better outcomes for educators and teachers and get greater ongoing tenure and a relationship between the educator and child and all those sorts of things, but what is it, we just say keep going?

15 MR OKHOVAT: Yes, there a number of things that we hope, if the Commission is able to provide a further investigation, to be able to provide recommendation and direction. One area would be a recommendation to simplify and harmonise some regulations across the State because one of the biggest challenges that we do have is the significant differences at times. So something as simple as teacher registration – Deborah would know this – that's a challenge on its own. Why couldn't we have national teacher registration?

20 COMMISSIONER STOKIE: We have recommendations in the (indistinct words).

25 MR OKHOVAT: Exactly, so supporting those things.

30 COMMISSIONER STOKIE: Yes.

35 MR OKHOVAT: One very big area is supporting for government, same as they did for aged care, for a wage subsidy into the sector.

40 COMMISSIONER STOKIE: Right.

MR OKHOVAT: We have voluntarily joined the multi-employer bargaining.

COMMISSIONER STOKIE: Right.

45 MR OKHOVAT: We are the only large provider that has voluntarily joined the multi-employer bargaining and trying to work with the Federal government, as well as the unions, to address. We believe that wage subsidy would be one of those catalysts that will pay, attract and retain some of our great people who have got career aspirations. But they're also, you know, finding it really hard at times to make ends meet.

5 And we can talk a little bit about the Commission because there's two parts to our thoughts currently about a potential early childhood commission. But the other aspect of it would be around, as I said, a simplification or regulation and help making sure there is consistency of ability to deliver and to deliver high quality really well.

10 COMMISSIONER STOKIE: Are there things that you've seen in our – well, that you haven't seen in our report, around simplifying or harmonising or improving regulation that we haven't included? So we do talk about teacher and educator registration, we've had a series of recommendations about streamlining and supporting educator experiences on the job, in situ training, recognition of prior learning, et cetera, so we have a whole series of recommendations, it sounds like you are quite supportive of that.

15 MR OKHOVAT: Yes.

COMMISSIONER STOKIE: What have we missed?

20 MR OKHOVAT: A couple of other areas – again, jumping, jumping - there's one other area, for example, around child safety.

COMMISSIONER STOKIE: Right.

25 MR OKHOVAT: Again, different States and different Territories, they have different regulations. If I give you an example. In case of a severe child safety incident or harm, at times you have to deal with four different bodies, you know, from police to X to Y to Z, and unfortunately they don't work all concurrently.

30 And sometimes if there is a serious issue, when the police is involved we're not even allowed to do our own investigation. We have to wait for weeks on end until the police investigation has concluded before then we are allowed. And then of course, you've got parents who are really expecting us to be  
35 incredibly quick with our answers in what we're doing. So there are things around child safety that could be harmonised. Again, things around – you know, every State has their own variations of Working with Children Checks.

40 COMMISSIONER BRENNAN: I think a lot of us would like to see this with some - it's very difficult with State-based police forces, I guess. Until we can do something about that, it certainly complicates the issue of child safety greatly. But that's a long way off.

45 MR OKHOVAT: Anything else, John, in terms of certainly working to helping the workforce?

MR O'MEARA: Yes. I mean, the other, I guess, area that we notice, ACECQA are clearly, you know, in charge of the national implementation of



the national quality framework. but in terms of assessment and rating of those centres, it happens, you know, at State by State sort of level. So, you know, clearly all looking to do the same thing. We just want wondered if we get these efficiencies to be clear by having one national body that assesses that service for all States and Territories rather than having, you know, administered within each of the individual States.

COMMISSIONER GROPP: So you see wide differences in how they apply?

MR OKHOVAT: Very, very. And we have, through our service – and, again, I do mention ELACCA, but I'm not representing ELACCA - but through ELACCA we have met with every State education department and over the last few months we have raised the issue with them. Because ACECQA actually certifies all the authorised officers, but then the authorised officers report to each jurisdiction. And sometimes jurisdictions, it's not just one jurisdiction in one State, there's several different, like Victoria. Queensland used to be up till last year, but recently they've changed. They now all report to one executive director here, which we believe is a better way to go forward.

COMMISSIONER BRENNAN: But is what you suggesting a pool of Commonwealth assessors?

MR OKHOVAT: That may well be. If ACECQA certifies the authorised officer, potentially why couldn't ACECQA also administer this. Because the variation that we're getting by a State, and even within the States, through the authorised officers, is incredibly huge.

COMMISSIONER BRENNAN: I wonder if there are other – I can see – I understand the issue you're raising, but I can just see that the response to Canberra-based assessors – or it wouldn't necessarily be Canberra-based, but Canberra funded and oriented assessors in all parts of Australia. I'm interested in this question very much, but I'm also interested in the range of ways that you see that potential harmonisation of assessment and ratings happening.

MR OKHOVAT: So that could be one way too. To be honest with you, we haven't really thought about a specific model, but we do believe if there was, at least each State, all the authorised officers reported to one particular body, that might be helpful. And then how do those bodies then work with ACECQA to ensuring this consistency of approach?

COMMISSIONER GROPP: Do you have any thoughts on the reasons for the differences, I mean, the differences in approach across jurisdictions? I mean, we note in our report that there are different levels of resourcing in different, you know - - -

MR OKHOVAT: Yes, there are different levels of resourcing. But again, for example, in South Australia we've got services that haven't been visited for eight years or nine years.

COMMISSIONER GROPP: Yes, the time between (indistinct words).

5 MR OKHOVAT: I mean, that's just one of its own issues, why they're not  
resourced appropriately. And a second one is, like many other sectors we'd  
imagine, they also have gone through lots of change, so you do get a lot of  
inexperience. In the same area we've had, you know, a 30 per cent turnover,  
I'd imagine they would have had difficulty attaining and retaining experience  
that then narrows.

10 Because - again, this isn't a complaint, and unfortunately finger pointing -  
we're just saying that these are genuinely some of the reasons why a  
workforce, potentially their morale and wanting to continue to work in a  
sector like this can be challenging. And this is incredibly attached to the  
15 heartstrings, believe it or not.

COMMISSIONER GROPP: You mentioned in your opening remarks about  
the reduction in the number of excellent ratings and exceeding ratings,  
et cetera, and we note that in our report, in the data, but is that part of the -  
20 what do you think is driving that? Is it differences or different approaches to  
assessment?

MR OKHOVAT: Again, our observation is only based on the experience that  
we've had. We've had experiences from some officers turning up not having  
25 enough time, wanting to only focus on certain areas, and sometimes it does  
feel that their focus area, from where they're coming, is on specific areas.  
We've even had examples of officers turning up to some of our centres saying,  
'If you thought you were going to get an excellent rating, forget about it. I'm  
not here to give an excellent rating'.  
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COMMISSIONER STOKIE: Before they even started.

MR OKHOVAT: Before they even stepped through the door.

35 COMMISSIONER BRENNAN: But they can't give an excellent rating, can  
they? It doesn't work like that.

MR OKHOVAT: No.

40 COMMISSIONER BRENNAN: So maybe that's what they're saying to you.  
'We can't give you an excellent rating, it's not possible'.

MR OKHOVAT: Maybe, but the impact of it is very different, Deborah.

45 COMMISSIONER BRENNAN: Okay, yes.

COMMISSIONER STOKIE: You mentioned, Pejman, that you had some  
other comments around the Commission. I know there are other things you  
wanted to talk about, but - - -

MR OKHOVAT: So there could be two other areas.

COMMISSIONER STOKIE: Sure.

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MR OKHOVAT: One is around the funding models and perhaps, you know, John and I will tic-tac-toe on this. Overall around the funding, whether we support them maintaining the current demand driven model that has been put in, which is a price-based funding, comprising of CCS and HRC, by and large, again if you look at the ACCC and your interim report, it has done its job relatively well so far.

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One of the biggest areas that we feel would really benefit from addressing is indexing of the hourly rate cap. In the hourly rate cap, when it did first come in, and the great people who did put it in, it was at 85 percentile, I believe, and throughout the years is now around about 50 percentile. So it is significantly behind where it should be, and that's one of the key areas.

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COMMISSIONER BRENNAN: Yes. And we agree, we've got recommendations on that, yes.

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MR OKHOVAT: You've got data on that. Great.

COMMISSIONER STOKIE: So your view is, just to index, so our recommendation is to actually review the rate cap to reflect more accurately the cost of service delivery and then to index. But you're suggesting just to index, you don't need to re-assess, is that right?

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MR OKHOVAT: No - - -

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MR O'MEARA: We're suggesting both.

COMMISSIONER STOKIE: Right, okay.

MR OKHOVAT: Both, so we're in agreement. What we are also saying is that it should be, you know, we believe a price index would be better than a cost-base.

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COMMISSIONER STOKIE: Right.

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MR OKHOVAT: And the other one that we think some would - data or working out is probably required, the difference between an hourly or a daily rate - sorry.

COMMISSIONER GROPP: A price base index. I guess that raises questions about - you know, because cost is something is more objective, I guess, than - - -

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COMMISSIONER STOKIE: Well, presumably you mean CPI rather than - - -

MR OKHOVAT: Yes.

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COMMISSIONER STOKIE: I presume you don't mean index to the - - -

COMMISSIONER GROPP: Prices of the sector.

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COMMISSIONER STOKIE: - - - daily service, which is very circular.

MR OKHOVAT: No, no, correct.

COMMISSIONER GROPP: Okay.

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COMMISSIONER STOKIE: That's what we heard. But I - - -

COMMISSIONER GROPP: But it is CPI indexed, there is – it's – yes, at the moment.

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COMMISSIONER BRENNAN: Yes, it is.

COMMISSIONER STOKIE: Yes. Not wages, but - - -

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MR OKHOVAT: Not wages. But I think, you know, perhaps will it be better to combine wage index as well as a CPI index, don't know. Don't have the big economic models around the data points, but we're fundamentally supportive of the general direction that you've recommended.

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COMMISSIONER BRENNAN: I think that question of indexation, and whether it's based on prices or costs, is going to be a really critical one.

MR O'MEARA: Sure.

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COMMISSIONER BRENNAN: Especially the government. I mean, we're talking multi-billions of dollars of public money now and a system that is driven by fees set by providers, whatever the nature of the providers is.

MR OKHOVAT: Yes.

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COMMISSIONER BRENNAN: And so now there's some discussion of, 'Well, let's actually have a look at costs. Let's see what it's actually costing to deliver this service', which I think the ACCC alludes to. Do you think that's a good idea?

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MR OKHOVAT: John, your thoughts on that?

MR O'MEARA: I mean, certainly we need to look at the costs to actually understand what the cost of delivery is going to be. There are many drivers of a cost-base. You know, clearly labour costs, you know, really significant.

5 COMMISSIONER BRENNAN: Yes.

MR O'MEARA: Now we've got clearly rental costs, and now a number of other direct costs of providing child care services. We've got costs that we incur to support the delivery of quality in terms of (indistinct words) centre support that we provide across different areas, regions and so on, there are differences in cost-base. So understanding costs, you've got to understand the nuances to make sure we form a really good true understanding of what the costs are to formulate at the end what we think an appropriate hourly rate cap would be.

15 The other consideration, you know, clearly, I mean, all services need to be able to generate some sort of margin over costs, you know, to effectively provide surpluses to fund further investment, you know, to provide some returns to funders and so on; so it's more than just cost.

20 MR OKHOVAT: So one of the things that you will see in our fuller report that we submitted is we think actually looking at the relativity of profit margins to cost of capital is really important. Because if you think about it, 60 per cent plus of the sector is supported by private operators, so the backbone of the sector is privately run. And the privately run, you know, our data - we're the only big one that really our data's public, I think there's only one or two smaller ones who are publicly listed - our data's open, by all means. We don't have anything to hide.

30 Our cost of capital is, you know, is over 9 per cent, and our profitability was nowhere near that last year. For us to continue to survive, there's got to be a balance in there. We definitely are not suggesting any excessive - and again, thankfully ACCC and your report has not found any price gouging or profiteering, certainly not for the larger providers anyway - I think there's a balance in there. But in terms of how much it would cost - because, you know, I can give you an example of, you know, nappies last year, 14 per cent cost increase, you know, there's just - and the property, which again we have - - -

40 COMMISSIONER BRENNAN: But nappies is a proportion of costs overall?

MR OKHOVAT: Yes. It's a big portion when you've got 430 centres and then 40-odd thousand children.

45 COMMISSIONER BRENNAN: Yes, compared to labour, I guess.

MR OKHOVAT: No, compared to labour, of course it wouldn't be, 100 per cent.

COMMISSIONER STOKIE: To be clear, Pejman, we didn't comment on the profitability of the sector per se other than referencing to other studies and other work.

5 MR OKHOVAT: Sure.

COMMISSIONER STOKIE: So we allow, and appropriately so, because that was the ACCC's remit, they've obviously now handed down their report, it has some interesting insights as a snapshot at a point in time.

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MR OKHOVAT: And the other one perhaps on the funding we'd like to make a comment is around potentially looking at overseas models. It's always good to benchmark. But the one model that does seem to have either gathered some momentum or has got some interest is the Canadian \$10 model. It is

15 incredibly important, in our view, that, (1) the Commission really looks at the apples for apples comparison. We don't support a \$10 for these reasons, (1) the Canadian model, only 50 per cent of the educators need to be certified, so it's a very different base, whereas all our educators have to be qualified.

20 COMMISSIONER GROPP: Is that because they've got different types of service? I mean, there's different groups of providers in Quebec, for example.

MR OKHOVAT: Yes, there may well be. But as I was saying, you're looking at simplicity. Something like \$10 a day may be very attractive as a

25 headline - - -

COMMISSIONER BRENNAN: Yes, but across the jurisdictions I think there's a lot of variations. And in some of them, what the government does is to look at the actual costs, the actual educators, including highly qualified

30 teachers and educators, allocate the \$10 fee and the government or taxpayer pays the balance. So it's not as if you can't – I'm not advocating for that model, but I think it's important to say on the record, it's not as if that model wouldn't work with qualified teachers and educators. Whatever you think of that?

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MR OKHOVAT: No, you're right. But I'm just saying - you're absolutely right. (Indistinct words) was just trying to make sure that, for public (indistinct) - - -

40 COMMISSIONER STOKIE: So compare apples with apples.

MR OKHOVAT: - - - we'd need to be comparing apples for apples.

COMMISSIONER BRENNAN: Yes, we're having a really good look at it.

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MR OKHOVAT: Because their regulation base and, to your point, different types of providers, and stuff like that, you know, as I said, sometimes it can be very easy with a headline of, '\$10 a day'.

COMMISSIONER STOKIE: Sure, where there are other factors around that.

5 MR OKHOVAT: Well, actually to make it happen, it may well be a significant more investment from a taxpayer's money. Because to your point, if that mother had to pay for all the qualified educators in Australia, you know, we need to be mindful of that significant amount of cost.

10 COMMISSIONER BRENNAN: I tell you what, we don't do anything the easy way in the Productivity Commission.

15 MR OKHOVAT: No, we don't. And the other one that we did just quickly wanted to talk on that one is, it's also really important to make sure that Australia continues to lead in high quality. Because one area that we would have some concerns around is exploring the quality of service and quality of education and care that gets provided under a cost-based model. Because, you know, once providers have got no option to go, they will then – and lift a margin - and this has, again, been evident in Canada when the site is on tough economic times – when the subsidy didn't grow as much and costs became an issue for the providers, the providers are only left with taking elements of service quality away to maintain the cost level and have a level of margin in their economic models too. So it's a really, really – what we're trying to emphasise is it's not an easy one just to jump into. And on the current basis of it not being apples for apples, we're not supportive of it.

25 COMMISSIONER STOKIE: But just to be clear, Pejman, and just playing it out as a hypothetical, if you address quality and you had appropriate registration and requirements across the board, you would be in favour of the Canadian model?

30 MR OKHOVAT: No, because overall it's not just the cost-based model that we're not in agreement with, but we're also not in agreement in government having price control in a mixed (indistinct words) - - -

35 COMMISSIONER STOKIE: Right. So that's what I'm trying to understand, where - - -

40 MR OKHOVAT: Yes. So I'll just say there's a whole heap of reasons why we don't necessarily – we don't agree with it. Anything else on that overseas model, John?

45 MR O'MEARA: No, I think you've covered most of the main points. Well, I mean, to try and put in place such a system here in Australia, I mean, it's a transformational undertaking, I imagine, of many years to try and put in place. So you've got that pathway, and you've got the choice of just trying to – as you're recommending, I think – continuing mainly onwards with the current system around CCS, the hourly rate cap, making appropriate adjustments to that, providing some support for some of the thin markets, you know, incentivising further expansion and supply. I mean, that in itself perhaps is the preferred pathway towards the overall objective of universal access.

5 COMMISSIONER STOKIE: And can I ask maybe – you've obviously seen we canvass a number of options, including the Quebec model, but a range of options. If for instance, the recommendation was adopted, so removing the activity test, effectively 100 per cent rate cap fee for support for the lowest 30 per cent, and some of the other changes – from your organisation's point of view, how would you respond to that? You know, if that was the future going forward, does that change your model? Does that change your investment decision? Does it change where you would locate or where you would seek to – how would this – or nothing?

MR OKHOVAT: You go first if you – you look like you were going to.

15 MR O'MEARA: Yes. I mean, we would respond very positively to all that. I mean, we feel that's - - -

COMMISSIONER STOKIE: But what does that mean? Like, you know - - -

20 MR O'MEARA: That means the continuation of our current strategy and current model.

COMMISSIONER STOKIE: Put out a good press release, or you're actually going to do something differently, that's what I'm trying to understand.

25 MR O'MEARA: Yes, we feel it opens up new markets for us. We feel that - - -

COMMISSIONER STOKIE: Do you want to talk a bit more about that?

30 MR OKHOVAT: I think what we feel where the current – the current dynamics doesn't have many providers to go to really rural and remote areas. Because it is – it's not only finding the capital to build it that's really hard, it's actually finding the workforce is really hard. It's then continuing to support those thin areas with the level of support that we have to provide.

35 Because, as I've explained, you know, we have educational support on the road, we have HR support on the road, we have quality and compliance people on the road, to deliver really high quality service that children deserve. For us to be able to go to that farm, it would require not only the current level of investment, and perhaps for a different level of investment and perhaps a different model altogether.

45 You know, it's something that I've certainly talked to some State-based colleagues in departments is, there may well be a position where, you know, to your point, that level of supply, so a subsidy from the government, actually allows a partnership for providers to be able to go out in those places.

COMMISSIONER GROPP: No, that's – part of our recommendation was, sort of, expansion of really persistently thin markets. But I guess, going to



5 Martin's question, if the changes to the CCS that we propose for the, you know, essentially 100 per cent subsidy for the lowest 30 per cent of income households up to the cap, at least, where would you – what areas would be, sort of, not only through high cost areas, but what sort of increase in demand would you envisage and what sort of areas would you – how would that affect your services in those particular areas?

10 MR O'MEARA: Yes. We haven't done any modelling on it to date, but we would perceive that – you know, as part of our strategy we are looking for - trying to identify geographical areas where we could open up a new centre or create a new service. We imagine, in terms of our modelling, that that might throw up other places for us to open up a new centre and support those areas in terms of increase, or how many new centres, how much increase in demand there would be, we haven't had modelled that situation.

15 MR OKHOVAT: We haven't modelled that, to be honest.

20 COMMISSIONER GROPP: You don't have any sense whether it would be the 100 per cent or the activity test or it's a combination? I mean, you would see it on a day to day basis, the impacts of some of the – so the activity test, for example, I imagine.

25 MR OKHOVAT: I couldn't give you exact percentage increase on demand for either of those two. But I think if we look at the CCS changes that took place just last year across the sector, it's typically a slow burn because a lot of time families, particularly when there's a high inflationary situation and the cost of living is high, families make really day to day decisions. If they're \$50 per week better off, they maybe pocket that rather than put the child into child care. So that's why it's hard to say exactly what percentage we would anticipate based on abolition of the activity test and the low income families being 100 per cent supported through CCS.

35 COMMISSIONER BRENNAN: Yes. I'm not sure that the really – you may be right totally across this, but my sense is the really transformative nature of our recommendations on services is not yet – it will take a while to be fully appreciated, and we have to see if the government accepts the recommendations too, but at the moment our system, and particularly our funding CCS system, is around workforce participation. We're talking about a new model, which is not built primarily around workforce participation, where potentially many new services would be in areas where there's very, very low workforce participation. These would primarily be around children and children's development. Is that something that you've been thinking about or is that for further down the track, and wait and see, and see what the government says, and all the rest?

45 MR OKHOVAT: It would be further down the track. But certainly internally, we have discussed – because as, you know, us being the largest private operator and the second largest in terms of size, we'd like to think we can offer more for the sector and do more. And we would welcome, at least, a

conversation to go, 'What would a partnership with a supply side subsidy with a privately operated business look like?' Because we do operate pretty efficiently and we do provide a lot of great service for people to be successful and grow.

5

So we would welcome an opportunity to perhaps have a conversation about how could we – because when you look at it, the current model wouldn't necessarily support private operators to go to those really thin areas. It would predominantly be – if the current model was just continued to be expanded a bit more, you may well find only the not-for-profits that would probably go that way. And that might be the right thing to do, by the way. Because, you know, we genuinely support the not-for-profits as well, and, you know, a government supplies a subsidy for those thin areas, it may well be that way. But we'd like to think, at some point in the future, that we can play a role too.

15

COMMISSIONER BRENNAN: Yes. Benjamin, I noticed in your annual report you've got a liability on your books for wages owed to educators because of inadvertent underpayment, and you're not the only organisation that that's happened to, it's happened to many universities, public institutions and so on, but in terms of a sector where morale is low and educator wages are low, is that something you think you will be able to – are you on the trail of those educators?

20

MR OKHOVAT: We have – absolutely, we - - -

25

COMMISSIONER BRENNAN: Do you think that's going to – I can see how much you have, you've got about half of it back.

MR OKHOVAT: No, no, we have got actually a lot more than that. We are significant - - -

30

COMMISSIONER BRENNAN: Okay. It would have changed since you published your annual report.

MR OKHOVAT: You will see the annual report that will come out. We are, I would say – I can't remember the exact percentage, but 80/90 per cent already remediated.

35

COMMISSIONER BRENNAN: Okay.

40

MR OKHOVAT: The last few thousand employees, that we couldn't get hold of, we were working incredibly closely with Fair Work Ombudsman on this, and the money that's been calculated for those remediations, ultimately will go into – be held by a trust.

45

COMMISSIONER BRENNAN: Right.

MR OKHOVAT: That way, when those people have been found, they will get paid.

COMMISSIONER BRENNAN: Right, yes. Okay, thank you.

5 MR OKHOVAT: We've even gone down to the point where whatever account number we had from those previous employees, we've actually sent a little money to see whether those accounts are alive.

COMMISSIONER BRENNAN: Active, yes.

10 MR OKHOVAT: And if they're active, we have sent them money even without being able to contact them.

COMMISSIONER BRENNAN: Okay.

15 MR OKHOVAT: So we are, I would say, significantly already remediated absolutely, and you will see that in this year's report coming.

COMMISSIONER BRENNAN: Thank you. Okay, thanks.

20 COMMISSIONER STOKIE: We will probably have around 10 minutes, or thereabouts.

MR OKHOVAT: Yes.

25 COMMISSIONER STOKIE: You mentioned earlier around the Inclusion Support Program and disability, but we're here to hear from you. So whilst we might have questions, I'll put that on notice, but are there things that you wanted to use the remaining time – and if ISP and disability was one of them, great. If not, we are more than happy to hear what's top of your mind.

30 MR OKHOVAT: Perhaps maybe two minutes. Yes. Thank you, Martin. Maybe two minutes on finalising the funding and maybe spend five minutes more on the Commission side.

35 COMMISSIONER STOKIE: Sure.

COMMISSIONER BRENNAN: Yes.

40 MR OKHOVAT: There are two other aspects, one is around the inclusion. We are very, very supportive of some of the findings, both in the ISP and also the NDIS review, in that we believe our job set as a large provider, it's helping the system bring in, to all our services, what we call, in our world, that foundation or that universal level of support. Because there are hundreds and thousands of children who require some type of support. At the moment, the  
45 funding only allows for specific educators to be recruited for a specific child with a specific need. Whereas we believe, by educating our wider team to be able to provide that foundation at a universal level, we'd be a much better place to be. And I think that's where potentially the NDIS review will eventually go, and we're supportive. So tier one would provide that universal

support, but we would require better educational programs and funding that we can then educate our thousands of educators.

5 COMMISSIONER GROPP: Do you think educators, more broadly, should have that as part of their - - -

MR OKHOVAT: As part of education, absolutely. University degrees coming through, we genuinely believe so. Because - - -

10 COMMISSIONER GROPP: Particular with the NDIS, you know, likely shiftings put more responsibility to ECEC.

15 MR OKHOVAT: And then (indistinct words) and then there are really complex provision of services, we have to partner with some people. And it would be great to have, whether they're State-based, partners that, you know, we could go to one place to get that specialist level of support for the children who are in care.

20 COMMISSIONER STOKIE: Do you do that now for your educators and teachers?

MR OKHOVAT: Yes, we do. But it's - - -

25 COMMISSIONER STOKIE: And what do you do, because it's not core in many of the graduate certificates and – the certificates, sorry.

30 MR OKHOVAT: It's not, so it's really difficult, Martin. For both parents and for us, it's really hard to actually understand how it works. So we do have many of our centres who their parents have got the NDIS qualification support, and then we have educators who come in. There is sometimes where there are therapists that do come in, but they only come in for, like, one hour.

35 And again, these are some of the things that we see because sometimes those one or two hours can also be disruptive in a whole room setting. So we think, you know, this would really be good to have, potentially, sector wide input into looking at bringing that. But what we're saying is we are very supportive of educating our team to be able to provide a much more foundational level and a universal level of access and support for all children.

40 COMMISSIONER STOKIE: Sure.

45 MR OKHOVAT: We are doing some things ourselves. You know, we partnered with University of Queensland. Here we brought a program to all our centres last year and we're rolling it out even further this year, which is a rhythm and movement through music and physical activity for children to self-manage their own behaviours, and that's starting to (indistinct words). So those are the kind of things that we can do at large. But as I said, that level of complex and more specific support, we would have loved to be able to support the other partners. It's not our core capability.

5 The only other one around the fund, a very quick one. I just wanted to say,  
based on my earlier comment, that we are very supportive of all business  
models and a mixed model in our sector that provides the capability that we  
currently enjoy and then our children benefit from, is the notion that  
government – an existing government funded kindergartner program should  
get more funding, that we don't believe then that provides a level playing  
field. And for those government funded kindergarten programs to get  
additional CCS, it feels a bit like double-dipping.

10 COMMISSIONER GROPP: You mean for wraparound services.

MR O'MEARA: Correct, yes.

15 MR OKHOVAT: Correct, yes.

COMMISSIONER GROPP: Which is what we've recommended.

MR OKHOVAT: Yes.

20 COMMISSIONER STOKIE: Do you want to explain why you think that - - -

COMMISSIONER BRENNAN: Because double-dipping could be perceived  
to be happening the other way, couldn't it, with PRA funding going into long  
day care as well as CCS?

25 MR OKHOVAT: The key difference being those government-based  
kindergarten programs already have been established through government  
funding.

30 COMMISSIONER BRENNAN: Yes, State government funding.

MR OKHOVAT: State government funding. And the other providers, they  
have to establish themselves through their own funding, in a way.

35 COMMISSIONER BRENNAN: In a way.

COMMISSIONER STOKIE: So is this some cost question that that's already  
been built and they're using it, whereas you have to build yours from scratch,  
and therefore find the capital?

40 MR OKHOVAT: And the ones that we have built, we still have - - -

COMMISSIONER STOKIE: Is that the issue, or?

45 MR OKHOVAT: Yes. And on the ones that we've already got, we continue  
to have lots of outgoing costs because we don't just bill and the cost is sunk in  
one year and gone.

COMMISSIONER STOKIE: Sure.

MR OKHOVAT: For us, it's a continuation of that. John, anything else you want to add?

5

MR O'MEARA: No, no, I think you've covered our concern.

MR OKHOVAT: But we can be fuller in terms of our - - -

10 COMMISSIONER STOKIE: Yes, that would be helpful to understand.

MR OKHOVAT: Sure.

15 COMMISSIONER STOKIE: Because, as you can appreciate, they've reflected on - we're putting the child at the centre and if a child is going to or parents are thinking of using pre-school, but pre-school doesn't offer the same hours and flexibility from a workforce point of view for parents, then we think that that's potentially counterproductive from a national point of view of a universal system.

20

So if there are unintended consequences of thinking about a wraparound capacity, it would be good for us to hear. And if it creates a distortion in the market, so to speak, between centre-based day care and pre-school with wraparound, again, we'd want to hear that. That's why I was asking, because it's not immediately clear to me what that is, and so I would just be interested, yes, if you'd spend the time and think about it.

25

MR OKHOVAT: So we'll give you some – yes, we'll spend the time. We'll give you some specific examples.

30

COMMISSIONER GROPP: Because the pre-school government fund is free or very low cost, is that the issue that there's a competitive issue for you - - -

35 MR OKHOVAT: Well, for us to be able to continue to be viable, if a portion of – because the (indistinct) may come into this, as I will explain this a bit better - if this is not landing well here, apologies - is if the wraparound is increased, currently some of those parents who, let's say, they're going to a government funded kindergarten program for two days, they're coming to us for maybe another two days during the week. If that wraparound is provided, potentially those families will go away from us and stay where they are. That could be the family's choice, yes. And from your point of view, that may be a good thing. But our ability to remain viable and provide the services may be an impact.

40

45 COMMISSIONER STOKIE: Yes.

MR OKHOVAT: So I suppose our point is, if they're going to get extra funding to be able to continue to increase - because, from your point of view, you want to increase the supply side, so therefore universal access is granted –

5 but what we've got to be mindful of is actually where that specifically happens. Because in some areas, as you've noted, there are already way too many people around. And by increasing just the demand or the supply just on one side, it doesn't necessarily mean it's going to increase everywhere, so there might just be some shifting and it would make it economically hard for some of the providers then to maintain viability in some of those specific locations.

10 COMMISSIONER STOKIE: Sure.

15 Lastly, before we run out of time, on the ECEC Commission. I suppose our opening position on that would be we are probably not supportive, as it sits, on an ECEC Commission to be another advisory body, which only potentially could add more cost, more complexity, and more regulation. As I said at the beginning, with some more data and clarification, some of these things may potentially change.

COMMISSIONER STOKIE: Sure.

20 MR OKHOVAT: We do believe that there are some existing bodies that potentially could actually do more if the remit was given, or the remit was expended, whether that's ACECQA or even a State-based educational department with somewhat harmonisation. As we spoke, while we do wholeheartedly support some of the Commission's finding, which was the regulatory space here is quite complicated, so we would welcome anything that helps achieve simplification of regulation, the significant administrative burden away.

30 Now, if this Commission had very specific focus areas, with specific mandate and (indistinct) language used some teeth, our position may change. While all we're saying is right here right now, if the Commission was just an advisory body just to get a bunch of people together to have a good conversation and just have recommendations, it will just be another set of recommendations by which you can (indistinct) this really well. There are tens and tens of bodies already around. We just need more really important, quick, but meaningful unifications. As we said, the areas of child safety, teacher registration, you know, making sure NQF is upheld and assessed and rated. Those are the things that, you know, maybe some of the existing bodies can do quicker rather than standing up another body.

40 COMMISSIONER STOKIE: Sure.

MR OKHOVAT: Which ultimately will be costly.

45 COMMISSIONER BRENNAN: And we'll certainly look at that option. We've got a lot more work to do on a potential Commission, and whether there are existing bodies, as you're implying, or saying, that could fulfil that role. So, yes, a potential Commission, I think, will be an important focus of

our hearings, because it is a relatively underdeveloped aspect in our draft report. So we're expecting to hear a lot more, and to be doing more ourselves.

5 But we certainly do see a role for such a body, particularly to coordinate, to monitor, to be an active steward of the system, and particularly because this is such a dynamic field, as you'd be well aware being such a large provider and across the jurisdictions, there are so many different things now happening in the different States and Territories. And it seems, certainly from the perspective of parents and the public, not very effective coordination and  
10 oversight. So those are some of the things we're thinking about. But, yes, we have more work to do and we welcome your thoughts.

MR OKHOVAT: Deborah, I couldn't disagree with any of those great sentences that you just made, it's just a (indistinct). You know, one thing I've  
15 grown up in, in my 30-odd years of working, is when you're putting something new in, what are you taking out?

COMMISSIONER BRENNAN: Yes.

20 MR OKHOVAT: And I suppose that's where we're coming from is, you know, just another body on top of all these other lovely bodies that we have, how effective will they be and will this Commission actually – Deborah, will you replace something else?

25 COMMISSIONER BRENNAN: Well, that's certainly something that we're thinking through.

MR OKHOVAT: You know, that may be something to think about actually. So anything that really helps achieve that, I think we both want the same  
30 outcomes.

COMMISSIONER BRENNAN: Yes.

35 COMMISSIONER STOKIE: Thank you very much for your time, Pejman and John.

MR OKHOVAT: Thanks very much, guys.

40 COMMISSIONER GROPP: Thank you.

COMMISSIONER STOKIE: We look forward to your written submission in a couple of weeks' time. And if in between that, you needed to reach out to our team, you're more than welcome to do so.

45 MR OKHOVAT: Thank you. And as well, the other thing is, you know, being such a large provider, we do have a significant amount of data as well. And if there's any specific areas that you guys would like further conversation with us, we're more than happy to oblige, apart from our submission which you will have in a couple of weeks.



COMMISSIONER STOKIE: Well, we have many of our team who are diligently working on this project with us, and I'm sure they'll take a note and we'll come back of that comes to mind, so thank you.

5

MR OKHOVAT: Thank you for your time.

COMMISSIONER STOKIE: Appreciate it.

10

COMMISSIONER BRENNAN: Thank you.

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COMMISSIONER STOKIE: We didn't want to take too much of your time in adminny things, Garth, so we're in your hands a little bit. We're just hearing from all stakeholders who have registered around our draft report recommendations, but we are a little bit in your hands as to what you'd like to raise and comment on. Over to you.

20

MR MEANY Thank you. Can I just check at the start. I had prepared a fair bit to say. I wasn't entirely sure of the expectation - - -

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COMMISSIONER STOKIE: What we've generally asked, or encouraged or supported, is maybe if you wanted to make a five minute or a short, sort of, opening statement, by all means. If you want to take your entire time as a statement, that's fine, but I'd probably encourage that as a submission.

MR MEANY: Sure.

30

COMMISSIONER STOKIE: And there might be things that you wanted to raise and have a conversation. But equally, we're very much in your hands. If you've got prepared material, I'd just fire away.

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MR MEANY All right, I'll fire away. And if at any point you would like to interrupt, please don't hesitate.

COMMISSIONER STOKIE: Sure.

40

COMMISSIONER BRENNAN: Great.

COMMISSIONER STOKIE: Sure, that's fine.

COMMISSIONER BRENNAN: Thank you.

45

MR MEANY And, yes, if I'm going too far and you'd prefer to have more interactive, then please let me know.

COMMISSIONER STOKIE: No, no, we have 30 minutes, so let's use our time.

MR MEANY Okay, no worries. All right. Well, firstly, thank you very much for the opportunity. We're really appreciative of this chance. It is a great opportunity and we're very glad that this inquiry is happening. We think  
5 it's really important to consider early childhood education and care, it's a really important sector. It can make such a difference for the development and well-being of our children and obviously that is our primary concern at Thriving Queensland Kids Partnership, which I'll expand on in a moment, but just wanted to say that at the start.

10 Can I also please just acknowledge country and Elders and any First Nations People that are in the room or online with us today. I want to acknowledge the consequences of the adversity and trauma that some of those people have experienced at the hands of systems over many generations. I acknowledge  
15 the resilience, determination, leadership, generosity, and innovation, that they have long demonstrated. I acknowledge that First Nations' ways of knowing and being and doing have much to teach us. And First Nations people naturally think, at a systems level, that's something we try and do at Thriving Queensland Kids Partnership, and they have a long history of positive child  
20 nurture and development before we arrived.

So just a little about Thriving Queensland Kids Partnership. It was initiated with the purpose to catalyse systems to change the odds for children, Queensland's children specifically, young people and their families to thrive.  
25 And I guess that the impetus for it acknowledges that most Australian children are doing really well, but too many aren't thriving due to adverse life experiences and lack of access to the resources and services that they need. I know you're aware of this and that it contributes to entrenched disadvantage and poor outcomes for far too many people.

30 Thriving Queensland Kids Partnership – and I might shorten it to TQKP for ease – is a cross-sector coalition and broker hosted by ARACY, the Australian Research Alliance for Children and Youth, with a focus on supporting systems improvement. We are currently supported by seven philanthropies as  
35 well as Queensland government statutory authorities, Queensland government departments, and we're engaging in growing our own institutions and community organisations.

40 Our convener, Michael Hogan, sends his apologies today. Unfortunately, he's interstate dealing with a death in his family. I want to acknowledge that he has a passion for, and experience in, helping kids to thrive that are second to none, and many of the ideas I present today here are his.

45 COMMISSIONER BRENNAN: Thanks for that, Gareth. We're sorry that Michael can't be here.

MR MEANY Yes.

COMMISSIONER BRENNAN: And also acknowledge his enormous contribution.

MR MEANY Thank you, I'll pass that on.

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COMMISSIONER BRENNAN: Yes.

MR MEANY Strategic investment in early childhood education and care is essential for national well-being and crucial for laying a strong foundation now and for future generations. Improved early childhood education and care investment means empowering every child to thrive from the start. It's a tremendous opportunity to cultivate a more equitable and progressive early childhood education and care system.

10  
15 Thriving Queensland Kids Partnership advocates for smart and fair ECEC funding, better pay incentives in areas of highest need, and support for vulnerable kids to secure that thriving future for every child. We support a base entitlement to three days of early childhood education and care for all children, with additional days available for families and children who are likely to experience vulnerability or disadvantage.

20  
25 We commend the Queensland government for introducing free kindy for four-years-olds, and we need to start planning now for three year old kindy, even if that is a medium term objective. The ECEC system should deliver consistency of experience for children and families regardless of where they live. And by consistency, it's a consistency in quality, in access, and in affordability.

30 The current system is not working for all families. Children from lower socio-economic areas and First Nations children are less likely to enrol in early childhood education and care. Our belief is the government needs to support investment in underserved and unserved communities. A national partnership agreement and an ECEC commission could be strong means to support better stewardship of the ECEC system. And I acknowledge, Professor Brennan, what you were just saying about the potential role of that commission being a coordination role, being a stewarding role. I think there are important elements there that the commission could fulfil.

35  
40 TQKP supports most of the recommendations made by the Productivity Commission and especially ensuring integrated services available where needed, supporting universal access in childcare deserts through block and programmatic funding for ECEC providers; increasing the childcare subsidy to 100 per cent for low income families; reducing barriers to educators' upskilling to teachers; providing support for the ECEC workforce to undertake professional development activities; ensuring the inclusion funding is available to all children with additional needs; amending the disability standards for education to include all services within the ECEC sector; implementing a stewardship model to improve coordination and

45

accountability; and reviewing the National Quality Framework and publishing an annual report detailing progress against the objectives.

5 I would like to spend some time – there are a number of areas where the Productivity Commission suggested it was seeking further information. One of those was around cultural safety, and I had hoped that our colleague, Garth Morgan, who is the CEO of Queensland Aboriginal & Torres Strait Islander Child Protection Peak, could be with us today. He is a close partner of TQKP and a First Nations man. He unfortunately sends his apologies that he's  
10 unable to make it, but he has assisted with the preparation of these notes. So I might just convey some of those on Garth's behalf.

COMMISSIONER STOKIE: I apologise, I think I might have misnamed you.  
15

COMMISSIONER BRENNAN: Me too, me too.

COMMISSIONER STOKIE: You're Roger, is that correct?

20 MR MEANY: I beg your pardon? Yes, I'm Roger. I should have introduced myself.

COMMISSIONER STOKIE: Okay. And maybe I should have asked at the very beginning for the record, just state your name and the organisation you –  
25 I know we're halfway through, I apologise – but, yes, please let's just do that now and - - -

MR MEANY: Would you like me to do that now?

30 COMMISSIONER STOKIE: Yes, please. Let's just do that now and - - -

MR MEANY: I should have done that at the start, yes.

COMMISSIONER STOKIE: No, that's my mistake.  
35

MR MEANY: My name is Roger Meany. I am here on behalf of Michael Hogan today, who's the convener of the Thriving Queensland Kids Partnership. So my role there is the lead for engagement and governance.

40 COMMISSIONER STOKIE: Thank you.

MR MEANY: No worries. So, yes, there's a definite need for long term investment into the systems and services which support First Nations child and family development and well-being. We are working with, again I'll use  
45 an acronym, QATSICPP, that's the Queensland Aboriginal & Torres Strait Islander Child Protection Peak, to develop a thriving Aboriginal and Torres Strait Islander children's strategy.

5 This strategy recognises that Aboriginal and Torres Strait Islander children  
have been nurtured, loved and cared for by their families and communities for  
thousands of years. But our early childhood systems are often not well  
focused on connected or culturally safe to provide the right supports at the  
right time for First Nations children or their families. This strategy has been  
10 codesigned with Aboriginal and Torres Strait Islander communities and  
families across Queensland and will be the first time that a comprehensive  
understanding of the systemic changes required will be outlined with clear  
actions to overcome barriers and enhance strategic investment for Aboriginal  
and Torres Strait Islander children in Queensland. And our friends at  
15 QATSICPP have just produced that first report that starts to outline those  
system barriers, and that we'd be able to share with you.

15 As outlined by both SNAICC, the national voice for Aboriginal and Torres  
Strait Islander children and QATSICPP, there's a need to enhance availability  
of culturally safe ECEC services for First Nations children. These include  
calls for investing in innovative models and local workforce attraction,  
retention and qualification, particularly in our regional and remote areas.

20 ECEC services should be codesigned and delivered with First Nations  
community controlled organisations and local governance bodies. We need to  
allow community controlled organisations to establish, implement, evaluate  
support services, and make informed decisions about how these initiatives can  
grow and change according to community needs. This investment should  
25 seek to support the expansion of Deadly Kindies, First Nations hubs in early  
years places, establish innovative models, and build on a family's place in  
educating their children in culture and First Nations playgroups.

30 Efforts should be made to increase the cultural capability and safety in all  
early childhood settings. There's an opportunity for the Australian  
government and State governments to work with Aboriginal and Torres Strait  
Islander peaks and leaders to codesign and invest in First Nations workforce  
development strategies in both the tertiary and vocational sectors to train First  
Nations people in early childhood development, including for ECEC.

35 We should expand programs that support First Nations children to access  
kindy and transition to preschool and school, including abandoning the  
activity test for subsidies in childcare to provide more First Nations children  
access to early childhood services early in life. One of the things that Garth  
40 talks about regularly is, here in Queensland there's been a good improvement  
in First Nations children entering kindy, but then there is still that problem  
with some of the transitions to preschool and to school, so that's an area that  
still needs more attention. The cultural appropriateness of Australian Early  
Development Census should be reviewed and commitment made to  
45 developing and trialling a First Nations tailored version if that is found  
needed.

Another area that the Commission was seeking some more information on  
was around funding reform. The most vulnerable children are least able to

access early childhood education and care and mostly likely to benefit from enrolment in childhood education and care. So Thriving Queensland Kids Partnership supports some needs-based funding for ECEC centres as an incentive to enrol children from the most vulnerable groups. Funding would be based on characteristics of demonstrated need as defined by the family and provision context. For example, drivers of disadvantage such as parent occupation, parent education, and socio-economic status. Need is commonly clustered in smaller geographic locations lending itself to place-based planning. Six of the most disadvantaged communities in Australia are here in Queensland, so we're very aware of this.

The emerging Nexus Centre should be a network of entities based in each jurisdiction, funded fairly on a national basis to support local-based child focused initiatives that include ECEC. ECEC has an important role to play in some of those place-based investments. So there are other areas, I guess is what we're saying, that can be leveraged here to support the ECEC system. There was an opportunity to connect ECEC services to existing and emerging place-based initiatives, including Connect for Children, Communities for Children, Stronger Places, Stronger People, and Connected Beginnings. There are a lot of infrastructure and impetus already in the system that can be leveraged.

Needs-based funding can provide the opportunity for more holistic ECEC services in areas experiencing high levels of vulnerability and lower access, including rural and remote areas. That extra funding could be used for things like highly nutritious food throughout the day – and I notice Karen has just joined us, and I'm sure she's going to refer to some of her research in that area, which is very enlightening – essential supplies, more qualified ECEC staff, higher staff to children ratios, target intensive support, mentoring, peer support and other parent care supports, child health and development workers onsite, safety net strategies to catch children early and provide early intervention, and early childhood navigator roles. So we describe it as 'ECEC plus'. If we can have some of that needs-based funding, it opens up those kinds of opportunities.

And just in response to some of the other things that you might be hearing, our suggestion would be that there isn't currently a level playing field and needs-based funding, and those type of targeted investments, are designed to try and level the playing field with a, you know, a long history of it being very different.

So those navigator roles can be particularly important for families at risk or experiencing vulnerability or disadvantage with complex needs and they're having to engage with multiple systems because of those complex needs, thus the navigator role for vulnerable families. The navigator could provide dedicated outreach and link families to other early childhood development professionals and services and support for families to overcome enrolment and access barriers, and help to reduce the risk of debt due to subsidy access issues.

5 TQKP supports an increase and indexation of the funding allocation for the  
Inclusion Support Program to match the hours a child attends ECEC. The  
Commission has recommended amendments to improve access to additional  
educators through the Inclusion Support Fund for all children with additional  
needs. TQKP supports this recommendation and notes that it should be  
expanded to include funding for intensive early years programs in areas of  
extreme disadvantage. These programs have been shown to increase a child's  
cognitive and social and emotional development. They also reduce levels of  
10 parental distress. Support for high quality inclusive not-for-profit providers to  
grow through investment inclusion and equity measures could also be  
provided. Another area that I just wanted to mention was workforce.

15 COMMISSIONER STOKIE: Sorry, Roger, are you happy to take questions  
on that?

MR MEANY: Yes, yes.

20 COMMISSIONER STOKIE: Of course, broadly speaking, we're in complete  
agreement, you're reflecting the things that we've put into our report.

MR MEANY: Yes.

25 COMMISSIONER STOKIE: Some of the things you talk about are currently,  
at least under the purview of State governments and State services, and I'm  
just wondering, have you given thought to how that gets resolved or is that the  
wrong lens to look at these issues, in fact, we should be bringing the child and  
the family to the fore, and then all the various tiers the government needs to  
come together and work themselves out?

30 MR MEANY: Yes. I mean, certainly our view is that any system that is  
working with our children should be child focused, and the first concern  
should be child development, child well-being. But acknowledging there are  
other forces at play, there are complexities in the system, which is of course  
35 part of the problem, and thus I mention, you know, the role for the  
Commission partly being about coordination.

COMMISSIONER STOKIE: Yes.

40 MR MEANY: And I would see potentially that the Commission could  
provide some of that coordination between State and the Commonwealth as  
well.

COMMISSIONER STOKIE: Yes.

45 MR MEANY: And a system broker, some system changes in that area,  
including funding.

COMMISSIONER STOKIE: Yes. I agree, but just wanted to hear it from other people as well.

MR MEANY: Yes, sure, yes.

5

COMMISSIONER STOKIE: So rather than an echo chamber is we think.

MR MEANY: Yes. And I think that coordination role, in complex systems that have evolved over time, is underestimated and the efficiencies and the outcomes gains that can come from better coordination are enormous if done well. And, you know, that coordination role does require resourcing, of course, to make happen.

10

COMMISSIONER STOKIE: Yes.

15

COMMISSIONER GROPP: Have you seen examples where this works reasonably well? I mean, we've seen some, sort of, place-based multiple service, whether schools, ECEC, but also maternal health in some suburbs, but what is it that makes it work?

20

MR MEANY: From our experience, what makes it work is the relational element and it's often what's described as the soft entry and the welcoming nature of these settings. And that's why it's great that they are integrated with other settings that are regularly accessed by families, like schools. And we are working, for example, with the Bryan Foundation that currently establishing a new hub, that basically the entrance of the school is through that hub that provides some of these types of services. And when we say these types of services, that needs to be very much defined by community, community engagement, community understanding of local community.

25

30

COMMISSIONER BRENNAN: Sorry, Roger, is that in one of these highly disadvantaged communities that you mention?

MR MEANY: Yes, it's in Kingston here in Brisbane, which is certainly one of our more disadvantaged areas, yes.

35

COMMISSIONER BRENNAN: Okay. And that's a partnership with the Bryan Foundation.

MR MEANY: Yes, the Bryan Foundation and the Department of Education here in Queensland are jointly funding the infrastructure, and the Bryan Foundation will be looking after the ongoing staffing and support of that centre once open. It's opening this month, yes.

40

COMMISSIONER BRENNAN: Thank you.

45

MR MEANY: So, yes, we have some –we're trying new models. I shouldn't say new models, new elements within that model. But then we also have established hubs that have been operating for some years. For example, down



5 in Yarrabilba, which again is another area that has a low socio-economic profile. And, yes, so we know that these things do work when families are accessing these areas, not because at the time they need services and they can establish a relationship with the staff, and those staff can help them when the time comes to navigate these systems which can appear quite impenetrable at times, and help them to access the right services at the right time.

COMMISSIONER BRENNAN: Yes.

10 MR MEANY: Are you happy for me to move on to workforce?

COMMISSIONER STOKIE: Yes, please keep going.

15 MR MEANY: Yes, okay. So, yes, our view is definitely that there can be no quality early learning without a qualified, stable and professional workforce, so we certainly applaud the Commission's recognition of the need to prioritise ECEC workforce attraction and retention to improve ECEC quality and availability; the two go hand-in-hand. This is particularly important, given  
20 some of the other recommendations, to relax the activity test, increase childcare subsidies, and provide support for thin markets, because they are likely to increase demand.

COMMISSIONER STOKIE: Exactly.

25 MR MEANY: Yes. There's a need to boost wages and conditions with the aim of reducing the gap between ECEC educators and primary school educators. Certainly the people here in Queensland, the ECEC system that we talk to, talk about the exodus of good educators within the ECEC system going to primary schools because of the wages and conditions there.

30 COMMISSIONER STOKIE: Is it the educators who are leaving or is it the teachers?

35 MR MEANY: I beg your pardon, the teachers, yes.

COMMISSIONER STOKIE: Sorry, yes. No, no, no, well, it might be.

COMMISSIONER BRENNAN: It might be, yes.

40 COMMISSIONER GROPP: Turnover's still high.

MR MEANY: And, yes, the - - -

45 COMMISSIONER BRENNAN: We have heard some examples of educators moving to be teacher's aids.

MR MEANY: There probably is both.

COMMISSIONER STOKIE: Yes, teacher's aids, teacher supports.

MR MEANY: Yes. Other roles in primary schools, yes.

COMMISSIONER STOKIE: And moving into kinder programs as well.

5

COMMISSIONER BRENNAN: Yes.

MR MEANY: It would be particularly important to attract, grow and retain qualified early learning teachers, educators, and support staff in regional and remote areas. The use of relocation incentives, scholarships and other support could be part of these incentives.

10

Mobilising and translating the rapidly emerging insights from neurosciences and related fields presents a huge opportunity to reduce vulnerability as part of ECEC workforce development. I'm moving on to this topic because this is one that we are investing in significantly at the moment, and I'll outline a bit of what we're doing currently in that space. Tertiary and vocational education and training providers should review the content of courses, the training ECEC workforces and identify gaps in content that covers the understanding of neuro-informed and trauma-informed practice as well as First Nations and cultural competencies – culturally and linguistically diverse cultural competencies. Neuro-informed practice should be embedded in workforce standards and competency and accreditation mechanisms. Pre and in-service professional development on neuroscience, and trauma-informed learning, and family and child centre care, should be available to all staff.

15

20

25

So I just wanted to briefly refer to one of our core initiatives, which is called 'Brain Builders', and it's one of our key workforce initiatives, one of the system levers that we do try and work into stronger workforces. And Karen, again, has been a partner in this because we've done that with our knowledge and implementation partner, the University of Queensland's Brain Institute, which Karen's a part of.

30

COMMISSIONER BRENNAN: It's a great label, I must say, 'Brain Builders'.

35

MR MEANY: Brain Builders? Yes.

COMMISSIONER BRENNAN: Yes.

MR MEANY: Yes. And one that is very linked to some international initiatives as well, like the Albert Family Wellness Initiative - it's been informed considerably from that.

40

COMMISSIONER BRENNAN: Yes, okay.

45

MR MEANY: Our goal is to uplift family, community, workforce, organisational, and systems capability and well-being by accelerating mobilisation of the burgeoning insights from child and adolescent development and resilience sciences. Together with partners, we have

produced four core foundational modules plus evidence briefs. These are open access via Emerging Minds - the National Child and Youth Mental Health and Well-being Workforce Council, and other platforms.

5 We've recently made a successful application for a neuro in early childhood development initiative to the Ian Potter Foundation, and that will roll out over the next couple of years. We also have Deadly Brains, which is an initiative with Yiliyapinya Aboriginal Corporation here in Queensland, who are developing resources to support place-based neuroscience initiatives in a range of communities, organisations and sectors, including playgroups, ECECs and schools.

15 We are developing a core methodology for curricular reviews and a series of case studies with a range of university faculties and schools and TAFE. The Brain Builders communities of practice is using the Project ECHO platform, and will commence this month. And we're convening a Brains Trust collaborative engaging Queensland and Australian systems and organisational leaders and champions, and global leaders in Brain Health, including the Alberta Family Wellness initiative, that I mentioned, and the OECD. We intend to provide an annual Brain Building briefing for systems leaders and investors and collaborators. Our view is that Brain Builders can make a significant contribution to the professional development of the ECEC workforce. And we're doing this, I guess, because there is so much new information that is emerging around child development and well-being and the brain, and that really does, you know – if our workforces, that are engaging with our children, are aware of that and using that, as I said at the beginning, it has a great opportunity to help reduce some of that vulnerability and create more resilient children and thriving children. That's all the points I prepared.

30 COMMISSIONER STOKIE: Roger, you mentioned – you said something that made me ask a question to myself, and you then said something else which I think was the answer, so let me put it to you. You said institutions and non-institutions need to do a review of their curriculum around neurosciences, et cetera, and effectively amend their curriculum in order to accommodate and incorporate said changes. I thought I heard you say, well, they need to do that independently of themselves, and just do that, and that's led to a whole series of inconsistencies that we have in other forms of training across the board and, in fact, one of our recommendations is a bit more of a coordinated focus on getting some consistency of, for argument's sake, recognising prior learning as an input into teacher qualifications or even graduate or certificate training courses. You then said you were developing a core methodology for curriculum reviews. Do you go the next step to, sort of, suggest that that needs to be implemented and coordinated in a roll-out of a core methodology having had that done that work of, 'Well, if you are going to review a curriculum, this is how you should do it'?

MR MEANY: Yes. Look, that would certainly be our dream, that's where we would like to head towards. We are very Queensland focused, however, we

are part of ARACY, as I mentioned, which is a national body. But we would see that as another potential coordination role for the Commission to support.

5 COMMISSIONER BRENNAN: Yes. That's exactly the question I wanted to ask actually. I'm very interested in this core methodology that you've developed and where it might go.

MR MEANY: Developing. We haven't developed yet.

10 COMMISSIONER BRENNAN: Yes. Developing, okay.

COMMISSIONER STOKIE: Developing, okay, so ambition.

15 COMMISSIONER BRENNAN: We are developing. Yes, quite right. I see.

COMMISSIONER STOKIE: No, I suppose more broadly we're concerned about the things that have allowed, you know, the sector to just kind of evolve in its own manner without the coordination of a good practice getting rolled out nationally really, and I applaud the efforts from a Queensland point of view, but what are the implications here and we would see that this is part of a core role of a commission.

MR MEANY: Yes.

25 COMMISSIONER STOKIE: Our recommendation for a commission was, 'Well, there are gaps here, and somebody needs to take responsibility for looking at these gaps'.

MR MEANY: Yes.

30 COMMISSIONER STOKIE: How much teeth they have is something to be determined, but somebody at least should be charged with that responsibility.

35 MR MEANY: We would certainly support that kind of national consistency, yes.

40 COMMISSIONER BRENNAN: And it's such an extraordinarily rapidly developing field. As you say, the neuroscience aspect, the trauma-informed practice, the diversity of families and children and – well, we may learn more from submissions, but the impression is that that curricular, both at the educator certificate III in diploma and at the university level, in many instances is way out of line with what needs to be taught.

45 MR MEANY: Yes, that's certainly been our experience. And we've been talking to heads of faculties and it's not just in early childhood education care, it's across the board in terms of early child development.

COMMISSIONER BRENNAN: Yes.

MR MEANY: The response we have most commonly got is, 'Well, I'm not quite sure. I don't think that is properly integrated'. Now, of course there will be exceptions to that, but I think in most situations there's further work that can be done to better integrate those insights.

5

COMMISSIONER BRENNAN: Yes. And because we're also – a part of the environment we're working in is the NDIS review, and the potential impacts of big changes there for early childhood education and care services, that's another huge area where the training and education and professional development for the workforce is going to be absolutely critical.

10

MR MEANY: And this is - - -

COMMISSIONER STOKIE: The other thing that's really useful – well, what we're hearing, Roger – which is that you're taking an early years perspective which is birth through to, I don't know, eight, a UNESCO view of years. And ECEC will only cover a portion of that, kinder will only cover – primary schools covers early years before some form of structured formal is another part and all that needs to have it coordinated formatic and underpinning, and so - - -

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MR MEANY: And so we would definitely advocate for strong links in this workforce development space across all early childhood workforces regardless of - - -

25

COMMISSIONER STOKIE: Yes, which is part of – so your coordination roles which is the question I was asking you about.

MR MEANY: Yes.

30

COMMISSIONER STOKIE: Yes, Federal and State and other services from health community services engaged with parents, support, et cetera.

MR MEANY: Exactly. Yes. And a national workforce capability plan around the early childhood workforces would be, you know, the ultimate, I guess.

35

COMMISSIONER STOKIE: That said, our challenge will be that it will need to come back to down to early childhood education and care as a component of that.

40

MR MEANY: Yes. But I guess, in terms of how the Commission's role might be defined, it could be about how it integrates and works with some of those other sectors as well, yes.

45

COMMISSIONER STOKIE: Yes, all right. Thank you.

COMMISSIONER BRENNAN: Yes.

COMMISSIONER STOKIE: We're pretty much out of time.

COMMISSIONER BRENNAN: That went quickly.

5 COMMISSIONER STOKIE: But is there anything else that you needed or wanted to raise?

10 MR MEANY: Yes, one quick thing. One of the things I think would be really helpful for the conversation around ECEC in Australia, is to shift the emphasis a little bit from ECEC – the primary outcome for ECEC being around productivity and enabling parents to work. I acknowledge that that is an important thing. But from our perspective, we'd like to see the conversation shift to being focused around child well-being, child development, and the purpose of our ECEC system being clearly articulated around, you know, child development, child well-being, and it being the primary outcome that the system seeks. That to me would be a good outcome.

15 COMMISSIONER STOKIE: It's a very strong theme in our report. In fact, probably quite a departure from previous Productivity Commission reviews in this space, which is to centre the child and put the child before - - -

20 MR MEANY: Yes, yes.

25 COMMISSIONER STOKIE: It's not the only ambition, and objective, but it does start to move a pendulum of about how you think about what the policy and engagement is and what coordination is needed across tiers. Thank you.

MR MEANY: Yes. Well, thank you.

30 COMMISSIONER BRENNAN: Yes.

MR MEANY: I think your recommendations will provide a really good impetus for the system in a positive way. Thank you.

35 COMMISSIONER BRENNAN: Thanks so much.

COMMISSIONER STOKIE: Thank you very much.

40 (Short adjournment.)

COMMISSIONER STOKIE: Yes, let's reconvene our public hearings. And welcome, Karen.

45 MS THORPE: Thank you.

COMMISSIONER STOKIE: But for your benefit, we're recording these sessions. There will be a transcript made available. I think we have around 45 minutes or thereabouts.

MS THORPE: Yes.

5 COMMISSIONER STOKIE: But for the record, can you just state your name and background, organisation, et cetera, and then you're welcome to give a five minute or a short overview or statement or we're in your hands a little bit if you wanted to have a conversation, if you wanted to ask us questions, we're as much in your hands.

10 MS THORPE: Sure. Okay, thank you. I'd firstly likely to acknowledge that I am on Yuggera and Turrbal land, unceded land, and acknowledge Elders past, present and emerging. I'm Karen Thorpe. I am the ARC Laureate Professor, and I wear a number of hats. I lead a large team at the Queensland Brain  
15 Institute totally dedicated to early education and care in the early years of life. I'm also a director on the board of ARACY and on the leadership table of Thriving Queensland Kids Partnership and an advisor to Beyond Blue, Be You. And I'm in the Australian Centre for Excellence for Children and Families Across the Life Course. So a few hats.

20 I think reflecting how important the first years of life are, and the importance that we place on it. So in terms of what we do in our team, I have a team of about 20 people and to us early childhood matters and it matters to our team because it matters for our country, it matters for families, individuals, and underlying all of that is the importance of children's brain development. The  
25 first years of life are the place – you know, it's not the only place, but it's a major place where we can make a difference to children's lives and we know that early experiences matter in shaping the brain and children's life chances.

30 My laureate fellowship is looking at the question, 'How do we deliver the highest quality early education and care to Australia's most disadvantaged children?', and we define our disadvantaged children using the AEDC, which is an extraordinary tool for us to do sampling. We're also - - -

35 COMMISSIONER BRENNAN: Can I just ask you to tell us what a laureate professor is, and the significance of that?

40 MS THORPE: Sure. So it's the highest award that's given by the Australian Research Council and it's across all disciplines. Very few have ever been given an education, three, and two have been early childhood, but mine's more in that policy space, one has been in curriculum space. And it's an acknowledgement of a high level of excellence. But they also put a lot of emphasis now on impact, so making an impact.

45 COMMISSIONER BRENNAN: And that brings with it funding for a program of research.

MS THORPE: Sure. So I've got about \$5m to undertake this project combined from funds provided by the Australian Research Council and funds provided by the University of Queensland recognising the prestige of the

fellowship. Between 15 and 17 are rewarded each year by the Australian Research Council. Okay. And I guess the other thing to say about my track record is that I've twice been awarded Australian – one of Australia's 100 women of influence by the AFR. So we are very, very, very dedicated to this space, and I want to talk a little bit about my laureate, but also about my team.

So the laureate looks – a lot of the research in Australia is very small scale, my team is large. We do – well, actually we do a lot. We do national integrated – we look at national integrated data sets, we undertake our own longitudinal population studies, and we do in situ observations at scale. We go in and we observe for a very long time in-services. We do large scale studies of particular events, like mealtimes, sleep times. We've observed now thousands of children. And there underneath that, we do detailed studies of interactions within services.

Now, how do we do all these things? We've got a team of 20 people and we have two – and we look at four things. And we're interested not in one part, we're not just interested in one part, we're interested in the complexity. So we put that down to four P's; policy, provider, place, people, and that's how I've embedded that into my – and what I say when I talk about this space is: policy is not like the ecological model so as it sits outside. Policy enters the classroom, policy enters the service, provider enters the service. If you're a for-profit or not, it looks different. We spend hours looking and we know it looks different. So these are all things that we're interested in and we use all of these methods together to make sure that we are not just studying something and missing the wood for the trees.

We have published over 200 publications in early education in Australia. Many of these are published in Decile 1, so in the top tens in the field of medicine, mostly paediatrics but also psychology and psychiatry, in education, in social policy, and we've also undertaken a lot of government reports, our work is also cited by the OECD, particularly more recently in the workforce space and in the WHO in our work that's about sleep and mealtimes. So, you know, we are really dedicated to high quality work. The motto of the team is 'the point not the paper', the paper's only part of the process of peer review. And there isn't a single person in my team that isn't also very dedicated to making a difference, remembering that all of these individuals go out and observe when they go.

So in my opening address, I wanted to make two major statements. One is about quality, and I think what we have to understand is that early childhood education and care is not benign, it can make a huge difference to a child's life for better and worse. We seem to forget the second. The system can perpetuate poverty and some of the work we have done has shown that, but it can make a huge difference to a child's life into the future. Our data, for example, on E4Kids, which is 2600 children from Queensland and Victoria, through data linkage in Queensland we've been able to follow those kids into secondary school. The data showed that we have not – we looked at three types of quality; organisational; instructional, so the teaching; and emotional.



5 What we find is that the emotional quality of those early environments have effect on attendance at school, the children's KLAs on science, maths, and English, their NAPLAN scores into secondary school. So it's not benign. It's making a difference not in the short, but in the long term. These are really important things for our country's productivity and our social harmony and well-being, because the lack of high quality education right from the beginning can isolate people, so it's really important for social inclusion as well.

10 So how does a system perpetuate poverty when it's intended to do the opposite? We have been doing – and I know that some members of the panel have heard the health report that came out last week, that in a system where parents pay at least some proportion, and then a system where there's a mixed market, what we can see is that there are things around the provider and  
15 policy, so the supply side of early childhood education and care that make a very big difference to what happens inside that centre.

20 So I'll take the example of food but I'll also come to sleep practices. So what we find is that – we looked at all services in Queensland - we found this paper is published in Social Science & Medicine – what we found was that the poorer you are, or the more remote you are living, and your service is the less likely you are to get food. But you are also more likely to be living in circumstances, (a) of poverty, and (b) of food insecurity. When we then went into – what we also found was, we looked at fee structures, and what we  
25 found is, where there's market competition in very low income areas, food is provided so it disrupts that pattern because food gets parents in, and particularly if you're poor. But there's a cost, and that cost is about staffing and so on. So what we see is things like children being made to lie down for longer at sleep rest time. They're not asleep. They're not asleep and they're  
30 not given other things to do, and one educator will control and the other will be cleaning, doing their paperwork. It's not a pleasant thing for educators, it's stressful. It's not – when we first saw this, we thought, 'Hasn't anyone taught them that this is not what the National Quality Framework is about? Children are supposed to have agency and choice'. But it's not about the not knowing,  
35 it's about the not having capacity.

COMMISSIONER BRENNAN: Are you saying that the cost of providing food is traded off against - - -

40 MS THORPE: Well, it's traded off against quality. We have these two separate sets, we will be looking at this more closely. But what we see is the fees don't go up. So when you –when they're providing food, the fees don't move, they are the same, so you've got to be trading something off. Now, that could be the quality of the food and the quality of the food is bad, but we  
45 think it's much more, because we stay in these services and we see a whole lot of other things going on. And the educators, you know, are extraordinary in dealing with those circumstances. And, you know, the services are doing, for the most part, there are some that are not, the best they can in the circumstances regardless of whether they're for-profit or not. But they're

under pressure, right? They've got to keep their fees down, and they've got to deliver. And so these are the things we see.

5 So, for example, we were doing a study of sleep and in that study of sleep, we were looking at – asking the question, 'Is sleep rest time stressful or restful?' because a lot of children are made to lie down in the belief that that's calming during the day. But what we find is – we initially started with a design in which we looked at low and higher income, and we looked at children who slept, that was their natural pattern, or that they didn't sleep but they had to lie  
10 down, or they were in a flexible service. We didn't find – we couldn't do the study in low income areas. There wasn't a service we could find that didn't have a mandatory period of time to lie down. We couldn't do it because there wasn't any. So that study is entirely done in mid to high SEIFA areas because we couldn't find a centre in the low income area that had a flexible sleep  
15 policy, for example.

So when you think about that – I'm not a sociologist, but when you think about sociology we are perpetuating a lack of control, lack of agency, for our most disadvantaged kids, right. And we also did in those services was, 'Look,  
20 okay, is it just about sleep time or is it about the whole day?' What we find is, the longer they are made to lie down with a mandatory sleep time and no other activity, the more control there is across the whole day.

25 COMMISSIONER BRENNAN: Right.

MS THORPE: And that paper's published in Early Childhood Research Quarterly.

30 COMMISSIONER STOKIE: So why weren't they able to provide in the low income areas? They didn't have enough staff? They - - -

COMMISSIONER GROP: It's just capacity to pay, is it?

35 MS THORPE: Yes. Well, because they've got – their fees are much lower. So, you know, and - - -

40 COMMISSIONER STOKIE: So they're adjusting for lower fees, they're effectively adjusting quality, but they're delivering a service level which provides quiet time which allows the staff – they do have the capacity to do other things. It lessens cleaning, lessens their own breaks, et cetera.

MS THORPE: So the difference in high income areas you'd have a cleaner, for example.

45 COMMISSIONER STOKIE: Right.

MS THORPE: It was a terrible story, but we see - - -

COMMISSIONER STOKIE: Which isn't an educator, it doesn't require necessarily the qualification.

MS THORPE: No.

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COMMISSIONER STOKIE: Yes, it just requires additional support in a service.

MS THORPE: Yes.

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COMMISSIONER STOKIE: Okay, right.

MS THORPE: So we call sleep and rest times 'barometer events'. We know that the quality goes down in those events across the whole range of services. But what we also know is that those where it doesn't, and there are few, we – you know, that's a barometer of behaviour across the day; the amount of choice children get, the amount of stimulation they get, is – but, you know, the higher the fees, the more agency essentially.

COMMISSIONER STOKIE: So would you see our recommendation around providing, effectively, 100 per cent of the rate cap for low income families going to some way or all the way to addressing this?

MS THORPE: Only some way. Because I think one of the things you also have to make sure is that if you cap fees, what you're doing is still perpetuating that problem. You have to have a supply side subsidy, but you would have to have a supply side subsidy in which you require – there's got to be an inspection and obligation part as well, because, you know, what you need to do in those most disadvantaged areas, where the capacity for parents to pay is low, is to make sure that some other resource comes in, which would have to be a government support. But you would also need to make sure that those services provide what you want, whether it be good food or flexibility of sleep times or, you know, opportunities to go out and about beyond the centre, whatever it is that, you know, is important for those children, that the capacity is there; cleaners, those sorts of things, that enable more – or indeed more staff because, of course, these are the more stressed centres anyway. So I think the idea of just capping fees is not going to work on its own. It's not sufficient because what happens is, you know, you're not requiring them to give what we actually want. So the food example is a very, very good one.

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So the work that was featured on Health Report last week was – five papers that we published in 2023, looking at food. We've got children going hungry in childcare centres, and they are our most disadvantaged. We see bananas recycled over two days. It's not pretty. I had to get – my staff, you know, we had to get them support after some of these visits. The educators are giving their own food away, so their ability to regulate their behaviour is also hard. But we see escalating conflict through the day. I mean, a brain doesn't work on an empty tummy. I get hungry.

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COMMISSIONER BRENNAN: Karen, I heard the Health Report, but I haven't gone back and read all the papers.

MS THORPE: Yes.

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COMMISSIONER BRENNAN: But I do remember research – I think I remember research you've done that shows the percentage of a child's nutrition that they may receive in long day care.

10 MS THORPE: Yes.

COMMISSIONER BRENNAN: Can you say something about that?

MS THORPE: Sure. So children are in long day care up to 12 hours a day.  
15 But even if we estimate it on 50 per cent, which we did to be conservative, 50 per cent of their day is food. So really we have kids coming in from six in the morning in some of our services, and the children in the services – so Bonnie Searle, who is a dietician and who did her doctorate – the five papers are from her doctorate – she is a dietician, so we looked at the food against the  
20 National Guidelines and what we found was they weren't getting enough kilojoules, and then of course the food was missing two important ingredients; protein and vegetables, and the average was zero.

So they're getting things that look like white stuff, pasta, fillers, you know, it's  
25 filling. And they do get fruit, not vegetables, they do get fruit which is – and then some of the centres it's above the guidelines, but that's high sugar, right. And we also compared services where parents had to bring food and services where it was provided. So in these very low income areas, not enough kilojoules and poor food was across both types. In the services where they  
30 had to bring food - these are metropolitan services in Brisbane - in the services where they had to bring their own food, these were the poorest of all. So the average income in the centres we were looking at was 39,000 a year, single parent headed households were about a third of the sample. Not a single university educated parent in that group. And we have a measure of  
35 food insecurity, very high food insecurity. So these families are being asked to bring their own food to their day care services when they haven't got food at home basically.

COMMISSIONER GROPP: And are these all types of providers?

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MS THORPE: Yes, our sampling was done on the basis of AEDC, high developmental vulnerability at entry to school. So we have for-profits and not-for-profits. Community kindergartens, which are not-for-profits, their meal times were less stressed but for-profits were really difficult to be at.  
45 You know, in the field notes we've got people writing, you know, 'It's really awful to be here. It's really difficult' - - -

COMMISSIONER BRENNAN: Did you say in community kindergartens?

MS THORPE: Yes, we had community kindergartens in there and they didn't have that stressful lunch time.

COMMISSIONER BRENNAN: Okay.

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MS THORPE: They were less stressful. But we did have for-profit and not-for-profit long day care as well.

COMMISSIONER BRENNAN: Yes.

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COMMISSIONER GROPP: And family day care, or was that - - -

MS THORPE: We have studied family day care, but not in this particular settling. It's actual really hard to get into family day care, except ones that are really good.

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COMMISSIONER BRENNAN: Yes.

MS THORPE: And because we want to observe, you can do it by survey but that's not going to get you what you want.

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COMMISSIONER STOKIE: And this is a choice from those services around what food and what level of nutritional support they give the children, or these are, in essence, flouting what is required under the quality framework and they're making their choice based on the capacity to pay for parents given the current subsidy and - - -

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MS THORPE: It's a really interesting question, because the National Quality Framework and the National Quality Standard we've analysed, and we also have a study that we did, in collaboration with the Queensland government, where we looked at the AOs' fieldwork, a random selection. So what the National Quality Standards, when they go into inspect under quality standard 2, and it's just – quality standard 2.1.3 is about food. It emphasises children should have appropriate food and healthy food, and there's a lot of talk about healthy food and shaming actually, you know, when their lunch – this isn't health – it's a lot of, 'This is healthy, this isn't healthy. You've got to eat that healthy first food before you get this food'. Yes, there's a lot of stigma around the food if children bring it in. There's a lot of - - -

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COMMISSIONER BRENNAN: Do you mean educators and teachers judge the food?

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MS THORPE: Yes.

COMMISSIONER BRENNAN: Right.

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MS THORPE: Because the standard asked them to talk about healthy.

COMMISSIONER BRENNAN: Yes.

MS THORPE: So there's a lot of healthy talk, which is not possible in some of these services. They also have, you know, lots of access to water. So the field notes from the AOs do exactly as would be required of them, they're following what they've been trained to do. There's lots of notes on – there's nothing on how much food or the quality of the food, because that's not there. There's the healthy, but there's not the, you know, 'We should see'. And you can look at menus, but when you look at menus, they're not what's served.

10 COMMISSIONER GROPP: So these centres could be assessed as meeting the standard then, or the ones you - - -

MS THORPE: Pretty much, yes. They are, because we know that, we look at the - - -

15 COMMISSIONER GROPP: So they were meeting the standard.

MS THORPE: Yes.

20 COMMISSIONER BRENNAN: They're meeting a standard, but they're not providing food that is – the type of food or the amount of food that's required for children's health and development.

MS THORPE: Absolutely, yes. I mean, I guess - - -

25 COMMISSIONER BRENNAN: Well, it's like aged care.

MS THORPE: Yes. So it's not our work, but a colleague in Western Australia has looked at the budgets that are used, and as has the United Workers Union, they estimate that one of the providers has a budget of 67 cents per day per child, and that frankly does not feed a child adequately. You know, we've got some children in there 10 to 12 hours a day. So some of the suggestions we've made following this work, is there is a scheme in the United States where it's supply side funding, but the requirements are really about the actual food that's provided to children, and that's been very effective. It's not universal, it's a targeted scheme. We could do that in Australia. The AEDC provides us with a really good get down for small local area, which services need this? But, you know, actually every service in Australia needs – basically, if we're not feeding our kids, you can have the best program in the world, kids aren't going to do well.

COMMISSIONER GROPP: These services, are they charging below the cap? I mean, do you look at what they're actually charging, their daily fees?

45 MS THORPE: We do look at fee structure, I can't remember.

COMMISSIONER GROPP: No, I just wondered because other services may charge around the cap and are providing, you know - - -

COMMISSIONER STOKIE: They may even be charging above the cap.

COMMISSIONER GROPP: Maybe above the cap.

5 COMMISSIONER STOKIE: And they have kitchens, they have chefs.

COMMISSIONER GROPP: Yes, but that's perhaps what she's saying is where people have the capacity to pay, but others are – but if they're – it just suggests they may be charging below the cap.

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MS THORPE: Yes. Look, I think this is – this sort of multiplicity of disadvantage and it's, in my view, perpetuating disadvantaged school kids going to an early childhood service where, you know, we want them to have good positive experiences and learn. Some of the kids start the day hungry, but the educators want them to eat their food over the day when really they need to have a good breakfast before anything else. And we have these schemes in schools, we don't have these schemes in early childhood education and care.

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I think somewhere in Victoria they had a localised scheme, but, you know, they're provided by charities and, you know, they're not guaranteed to continue or whatever. You know, I'm a developmental psychologist and I work in the Neuroscience Institute, you know, and I employ a dietician now to do this work. But, you know, I don't think you need to be a dietician to know that hungry kids don't learn.

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COMMISSIONER BRENNAN: Yes. Or kids filled up on pasta.

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COMMISSIONER GROPP: It's interesting you say that parents, sort of, value that. So you're suggesting that if – say you did have what we proposed and 100 per cent of a cap for the bottom third of the income household spectrum, but you also had food, that that could actually attract a lot of – a lot of families would see that as an attractive option then.

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MS THORPE: Yes, sure.

COMMISSIONER GROPP: Without the activity test as well for the first 30 hours.

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MS THORPE: Well, if their food insecure, the provision of food is a really important thing.

COMMISSIONER GROPP: Because they're probably food insecure at home as well.

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MS THORPE: Yes. And, you know, if you're food insecure, they provide nappies and so on. That gets you – you know, that's really important for families because it takes out of the household budget if that's not there.

COMMISSIONER GROPP: Yes.

MS THORPE: So it gets them in. But you want not just to get them in, you want them to have – the care needs has to come before the education, right.  
5 Because you don't – you know, if you've got nappy rash because they're leaving the nappies on too long, or whatever, you've got – you know, hungry, you're not going to be - - -

COMMISSIONER BRENNAN: Yes.

10 COMMISSIONER STOKIE: So for us, Karen, I suppose a little bit to Lisa's question, but a broader one is, what's the lesson that we need to hear? For instance, is the NQF standard in this not sufficiently clear and there should be a requirement across the board? Is it a requirement? Should the requirement  
15 be that the centre provides it because there are services were the parents are doing so, and for a number of families, not all, they will be providing what they might think is good food, and that could be an educational issue about, 'Are they or not?', I don't know. Is it a financial question?

20 So if we address it through the higher – you know, covering the rate cap, but we are suggesting reviewing the rate cap, so potentially that goes up, and for the lowest 30 per cent of families, which potentially, but not exclusively, might be a portion of those children who ultimately present with  
25 vulnerabilities in the AECD. I'm interested in – I suppose, we take your research, we think this is great, what's the lesson? What do we hear from this? Where do we go?

MS THORPE: My own feeling is, you have to – you've got to provide  
30 finance to those services by whatever mechanism. But you also need to make sure that they are using any funds that come into them for the provision and it's not, 'Oh, we're just providing food', we want the best quality food for these kids. They're not getting it at home. And indeed, look, it's not pretty even in less disadvantaged areas, some of the food provision. But we need high  
35 quality food in early childhood services and we particularly need it in our lowest income food insecure families because that's a basic need and right. But we have to make sure that it's not just about delivering funds, but that they actually deliver. Because we see menus up. Even in really high income areas that say things, like, you know, they've got this beautiful – it's not what comes  
40 out.

COMMISSIONER STOKIE: Does the quality standard need to be reviewed?

COMMISSIONER BRENNAN: So do they put up a menu?

45 MS THORPE: Yes, but it's not what we see come out.

COMMISSIONER BRENNAN: But it's not what they actually offer.

MS THORPE: Because we were in there, right.



COMMISSIONER BRENNAN: Yes.

5 COMMISSIONER STOKIE: Well, they're kind of all interrelated. A menu goes up, and the food comes out, which is different. Well then, that's kind of misrepresentation or misalignment. My question is, it feels like, and I'm hearing along with the financing, but the quality standard isn't sufficiently clear and - - -

10 MS THORPE: Absolutely. We would say absolutely.

COMMISSIONER STOKIE: And I'm putting that as a statement, but it's really a question. Is it the case, and should that be looked at from your perspective?

15 MS THORPE: Yes. Look, I think we do a really good job in Australia of trying to make sure we have high quality - but there's a couple of problems, right. I think we do need to – and it's your recommendation that we do need to do a review and look at what the items are. I wouldn't be so worried about water, I would be worried about the quality of the food; protein and  
20 vegetables being there. I'm not a dietician, but, you know, these are things that I don't need to be a dietician to know that it's important for brains. And I think, you know, 'How do we get to see that what's on the menu is not' – because we're not going in as inspectors, we're not rating them. I think in the  
25 monitoring visits, they should have a look.

And in A&R, if you give services a long run in, we know they play a game, we know they move staff around, they move resources around, and on that day there'll be good food on the table. So it's not only about – yes, the answer  
30 is, 'Do we need more or different stuff in there?', yes, we absolutely do. Brains don't work on no fuel, and so we need the fuel. But we need to make sure that it's not just in there, but that people are abiding by it.

COMMISSIONER BRENNAN: It's delivered, yes.

35 MS THORPE: Yes. And look, occasionally the chef's off sick, the cook, you know, the providers tell me it's really hard to get them, and so you'll get something that's not on the menu, and that's fine. But, you know, we see it so much. It's not just that. So my feeling is, yes, there's lots of things about food  
40 and sleep that are often seen as outside the curriculum. They're actually not, they're in, and there needs to be some key things that we look at. In our work for Queensland government, they wanted to look at the efficiencies in their A&R, so their assessment and rating process, and we looked at – we did a policy review of the documents, we can't get the training document,  
45 ACECQA won't release that, but we could get the guide to the National Quality Framework. And when you look at the examples of what they put, actually a lot of routine stuff are really good examples of quality.

We also published a paper that looked at quality against what was going on. Anyone can sit kids on a carpet and read them a story and get a really good rating for that. So what we suggested to the Queensland government is, you're going to get noise in the system if you randomly go in and if you see one group, you know, doing a group time and another you are doing meal times, they're going to get a lower rating because they are.

You know, we had 11,000 cycles of observation that we analysed for this piece of work. It was, you know, 2600 kids, 11,000 cycles of observation in early childhood, it was huge. So we know that the routines, the meal times look terrible, but we do see good examples of it. But once we see that, we know they're going to be good throughout the day. But, you know, if you go in randomly, it depends on what you pick up, what you're observing will make a difference to quality, so you can go in more efficiently. So we have written a report and a guide for Queensland A&R and we recommended that they don't have a long leave time, and they've done that too.

COMMISSIONER BRENNAN: Right.

MS THORPE: We haven't evaluated how that's gone. They wanted to run it in first. But Queensland government were really keen to make sure they didn't have appeals because, you know, 'This place down the road is not as good as us. We know they're not, but we got a lower rating', and it means a lot to them, they're in a market. And we also know that they play a game to make sure their ratings up and it's a proliferation of paperwork to show they're doing stuff. But, you know, you can cut all of that out and make it much more efficient by doing a lot of it as desktop, and the observation stuff, you go in and you make sure you're comparing like-with-like, apples with apples, pears with pears. And there are key things that you can do that can give you a much better picture and comparative ability.

So we looked at things that you see regularly, because you can see some things but they don't happen every often, so, you know, you need to have consistency, you need to have concentration so it's happening all the time. And it really comes down to basic psychometrics, but we made it AO friendly. So we've done a guide for the AOs and we are currently in the process of writing it up, it's not published yet.

COMMISSIONER BRENNAN: Are they assessment officers?

MS THORPE: Mm?

COMMISSIONER BRENNAN: The AOs, are they assessment officers?

COMMISSIONER STOKIE: Assessment officers.

MS THORPE: Yes, authorised officers that do the A&R, yes, sorry.

COMMISSIONER BRENNAN: Authorised officers.

MS THORPE: Yes.

5 COMMISSIONER BRENNAN: Okay, right. So, Karen, are you really saying that the National Quality Standard – it's telling us something, but it's not telling us some foundational things about quality in children's needs and development.

10 MS THORPE: Yes. I have some data that I can't speak to today that probably would open that up a bit more, and it has been submitted in confidence at this point. But I think there are some things that it does well, and there are some things where we could perhaps hone it more in terms of what quality is. And, you know, we're still in a place where we're unpacking what quality looks like and what quality looks like in place. Because, of course, it's a standard and  
15 the standard, by anyone's definition, is inequitable, you've got to have a standard plus.

20 So I'm not saying we chuck it out, I think we need to refine it and I think your report makes clear we need to have a look at it in more detail, and we have to get it more efficient. So really, if you've got eight years between inspections, or five, it's useless. Because I'll come on to my second point which is workforce. You know, we have a lot of places where we've studied where the turnover is one in two. After two years, you don't have the same people there. And so, you know, our recommendation is that you need to get an A&R every  
25 two years, so how do we do that? We have to be more efficient.

30 And, you know, in a State like Queensland or in the Territory, there's some really big journeys to do and time spent. We definitely wouldn't throw it out, it's important, but we need to refine it, have some key targets, and we need to have efficiency in how we actually conduct the inspection. And probably make much of monitoring, because what we understand from the 100 authorised officers in Queensland is they love monitoring visits, they feel like they're working in collaboration with educators, and they hate A&R because they're in as the inspector.  
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COMMISSIONER BRENNAN: Right.

40 MS THORPE: And, you know, I think it is a test. But actually, most of the people in the sector really want to do a good job for kids.

COMMISSIONER BRENNAN: Yes.

45 MS THORPE: I mean, they wouldn't be there if they didn't because they get paid bad wages, so.

COMMISSIONER STOKIE: We have a number of minutes, you know, 5/10 minutes or so.

MS THORPE: Yes, I haven't come to my second one which is workforce. I've sort of (indistinct words).

5 COMMISSIONER STOKIE: Well, I had a question for you which is about research, but it's your time. So why don't you keep going - - -

MS THORPE: Well, you ask me your question and then I can tell you very quickly about workforce.

10 COMMISSIONER STOKIE: Well, the question is, we made recommendations around, well, partly an ECEC Commission, but one of the things is around research and a better coordinated research program, a better funded research program. So I'm perhaps interested in your thoughts more broadly . Of course, you might be interested in that so you might have strong  
15 views, but I didn't want to distract you from - - -

MS THORPE: I do have strong views. And I think that I talked about wood for the trees, we've got a lot of small qualitative studies and, yes, they're  
20 important, but some of them lack designs. You might have studies of educators doing really well in exceeding centres, but you've got no counterfactuals. So they say this is what exceeding teachers do, but without a counterfactual, we don't actually know if that's what other people do and there's something about the place they're in that makes the difference.

25 COMMISSIONER STOKIE: So at its core, our recommendations are going to the long term capacity to inform public policy.

MS THORPE: Yes.

30 COMMISSIONER STOKIE: So there are a series of things that we look at from the literature and say, 'We'd like to know more about this. We don't really know. And as your research is showing, it takes very long periods of time for some of these things to manifest'.

35 MS THORPE: Yes.

COMMISSIONER STOKIE: And that's where we're coming from, but you live and breathe this, so it's interesting.

40 MS THORPE: Yes. And look, I would say longitudinal studies take a long time. But our capacity that we've built with – you know, in a lot of goodwill between the Queensland government and ourselves, has allowed us to have the databases to track kids over time without having to do data collection. Sure, it's an administrative database, but it's really good. It tells us if they get  
45 suspended, it tells us if they have unexplained attendances, it tells us their outcomes, their effort, and their behaviour. You know, that - - -

COMMISSIONER BRENNAN: Yes.

COMMISSIONER STOKIE: Yes, that's very granular.

5 MS THORPE: So for my laureate, as the kids enter school, data linkage happens – and I'm not going to stay for another 18 years because I'm getting a bit old – but that becomes the database for the country. And so we add 13 years of tracking of these kids, studied intensively in a laureate, and we need governments to do that. And the PLIDA data, for example, doesn't have preschools in it.

10 COMMISSIONER STOKIE: No, exactly. It doesn't have that level of administrative data at a school level as well.

15 MS THORPE: Yes. So there's a lot to be done in that data space. I would also say – and this will take me to workforce – so my point that I wanted to make about workforce is Australia can't deliver the highest quality ECEC given that emotion is the thing that comes out without a larger, better paid and authentically respected workforce. Shaping our Future is a bit light on for urgency, and it's a bit light on for strategy. It's got some things in there that are good, but I think the urgency's missing about pay and the equity of  
20 conditions. And there has to be a way that those, who are working in our most disadvantaged areas, are given more resource for professional development, more staff so that ratios are different. Because frankly, the job in, let's say, Ascot and Mount Isa where I go, are just not the same job. And again, I think - - -

25 COMMISSIONER BRENNAN: And that goes to the question of funding models too.

30 MS THORPE: Yes.

COMMISSIONER BRENNAN: Because the childcare subsidy at the moment is what it is.

35 MS THORPE: Yes.

COMMISSIONER BRENNAN: And it doesn't actually address this question of sustained severe disadvantage. And our recommendations go to drawing into the system some of the most disadvantaged children in Australia who are not currently participating in services, so this - - -

40 MS THORPE: Absolutely correct.

COMMISSIONER BRENNAN: Yes.

45 MS THORPE: Now, in a place like Mount Isa we see an Aboriginal-led playgroup being taken up and they don't - you know, less of the long day care and so on. Because like school, the alienation from school starts before school and I do think supply side funding, the sort of thing Roger was talking about, wraparound services of support, are really, really important. We did an

evaluation of KindyLink, which is bringing in families who are not accessing any ECEC school sites in the 40 most disadvantaged communities in Queensland for the government, and it did get people in, but we had some drop off of culturally and linguistically diverse families over time.

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COMMISSIONER BRENNAN: Okay.

MS THORPE: It did get kids with disability in. And I do think, and my observations from work in Mount Isa because they run the playgroups within schools, it's a really successful model and it builds - - -

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COMMISSIONER BRENNAN: So you're saying it gets them in, gets them to the point of enrolment, but - - -

MS THORPE: Yes. Well, they come to the playgroup and then they go - - -

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COMMISSIONER BRENNAN: Into the service, okay.

MS THORPE: Yes.

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COMMISSIONER STOKIE: Then they go where, sorry?

MS THORPE: Sorry?

COMMISSIONER STOKIE: They come into the playgroup and then they go where?

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MS THORPE: They go to kindergartens.

COMMISSIONER STOKIE: Right.

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MS THORPE: And they enter into their preparatory year, which is – and they're on an equal footing with the other kids.

COMMISSIONER STOKIE: Right.

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MS THORPE: And we're talking kids in that playgroup where it's a suicide capital in Mount Isa, but it's a really fantastic. It's a Communities for Children site. Yes, so that place-based support is really important. But what they get is, they provide food, there's social support around them. And, you know, it's a really good model because a couple of the Indigenous mothers in that playgroup have gone on to do their cert III and become part of that playgroup after their children transitioned into school, and I think that's a really good model.

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COMMISSIONER BRENNAN: Yes.

MS THORPE: And growing their own - - -

COMMISSIONER STOKIE: It's not an ECEC service, though, per se is it?

MS THORPE: No, it's a playgroup.

5 COMMISSIONER STOKIE: Yes, it's play-based, or a playgroup, yes.

MS THORPE: But it has a qualified member leader.

COMMISSIONER STOKIE: Yes.

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MS THORPE: Yes. So, you know, it's a facilitated playgroup.

COMMISSIONER STOKIE: Yes.

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MS THORPE: But they're not taking up some of the other long day care services but, you know, Indigenous-led is important.

COMMISSIONER STOKIE: Yes.

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MS THORPE: And probably more important than qualifications to the families. And that's okay. If it works, it works, you know.

COMMISSIONER BRENNAN: Yes.

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MS THORPE: We have recommendations in their around, particularly for qualifications and recognising prior learning, but also historical knowledge or ways of teaching and culturally significant backgrounds, not just - - -

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MS THORPE: Yes, and actually Thriving Queensland Kids Partnership is working closely with TAFE and they have some amazing models of support into the Torres Strait Islands, and so on, where - - -

COMMISSIONER STOKIE: In languages that work for those communities, and - - -

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MS THORPE: Well, I think it teaches in English but they have some really good training; where they've moved, where they engage people. They go out to them for the course training. There's a bit of online, but online's hard, right, in some of these places. And they go on the road, Aboriginal TAFE teachers and doing a fantastic job. And we're working with TAFE to build the Brain Builders work into the work they do, and we've had - - -

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COMMISSIONER BRENNAN: Into which bit of their work?

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MS THORPE: The training of educators.

COMMISSIONER BRENNAN: Okay, that's fantastic.

MS THORPE: Yes. And then TAFE, we've also got one of the educators from TAFE wanting to do a PhD and look at some of the TAFE models within the, sort of, Brain Builders frame, which is really building the capacity from within - - -

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COMMISSIONER BRENNAN: Is TAFE the dominant provider of training for educators?

MS THORPE: There is a range of providers.

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COMMISSIONER BRENNAN: Yes.

MS THORPE: But the group we're working with is TAFE.

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COMMISSIONER BRENNAN: Yes.

MS THORPE: And they're doing an amazing job, and they're really interested in, you know, getting their curriculum right and working – you know, Outreach spent - you know, really, really fantastic.

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COMMISSIONER STOKIE: We're pretty much out of time, Karen.

MS THORPE: Yes.

25

COMMISSIONER STOKIE: I know we could talk forever and a day on these things and there is various submissions.

MS THORPE: I think I can sit here all day telling you stuff.

30

COMMISSIONER STOKIE: Was there any final comment that you wanted to add or comment or provide?

MS THORPE: No, I guess just picking up on the curriculum thing that we were talking about. I do think that we do need to make sure that the science of learning and the neuroscience of early education and care – because the care part's really important, and I think they're not separate, they're the same thing. And just to emphasise that our data is showing emotion is really important in those early years, and it is the longest lasting – you know, there's a lot of American literature on Fade out, we're finding this is the thing. But that's about relationship, it's about making sure children feel safe and cared for and get the emotion and social regulation under their belt before school. Because I think if they don't, you get into this downward spiral. And, you know, we do see kids suspended from Prep and - - -

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COMMISSIONER STOKIE: This is going to become even more important, Karen, as States move to expand their four year old and three year old kinder where they're seeing it as early years of school as opposed to the care component and what is the emotional and physical well-being of the child,



particularly three years olds. It's not an educational curriculum per se, it's - - - yes, well, (indistinct words).

5 MS THORPE: Yes, and I have spoken certainly to the Victorian government who are pushing ahead with, you know, 30 hours. And I do think it's a gift of time, but I think that that gift of time has to focus on those early really important developmental skills of learning to regulate emotion, getting together in a group and, you know, and being able to work with other adults. Very early, when I returned from the UK where I learnt to do my longitudinal  
10 study work, one of the things that we found in the Prep year trial was that the kids who had been in a group-based ECEC setting were those who adapted and had higher trajectories of learning in their first year compared with children who have none or children who have been in family day care, which is more like a family setting. So those group-based settings are really  
15 important settings for learning those social and emotional skills and that's the most important thing to get under our belt. If you don't learn your colours, then you can learn them next year, but there seems to be a window of opportunity for that regulation stuff.

20 COMMISSIONER BRENNAN: Yes.

COMMISSIONER STOKIE: Thank you very much, Karen, for your time.

25 COMMISSIONER BRENNAN: Fantastic. Thank you, Karen.

COMMISSIONER STOKIE: We wish you all the best in the research that you're doing, it's fantastic.

30 MS THORPE: This year we're out in - - -

COMMISSIONER BRENNAN: So we may be speaking to Karen again, potentially, I'm not sure, or Karen may be - - -

35 COMMISSIONER STOKIE: Are we?

MS THORPE: Yes, once you have that - - -

40 COMMISSIONER BRENNAN: Well, around this confidential information that we haven't talked about.

COMMISSIONER STOKIE: Okay, yes. A follow-up, yes, indeed.

MS THORPE: Yes.

45 COMMISSIONER BRENNAN: Thanks so much, Karen.

MS THORPE: That's all right.

COMMISSIONER GROPP: Thanks, Karen.

5 COMMISSIONER STOKIE: I'm Martin Stokie, one of the Commissioners  
I'm joined by my fellow Commissioners, Deborah and Lisa on my left. We  
are going through and hearing people who have made the time to come and  
give a presentation or a discussion, so thank you very much. For the records,  
we'd just like you to state your name and the organisation. You are welcome  
10 to give a short brief overview or statement, and then we're happy to take  
questions or engage in a discussion. We're very much in your hands as to the  
topics that you are interested to talk about. We've obviously put our draft  
report out, and we're very keen to hear feedback on our recommendations or  
the areas where we've asked for further information, but there might be very  
15 specific things that are of concern to you and we're happy to have that  
discussion. So over to yourself, Melinda.

MS CROLE: Thank you. And I hope I'm not too much in stereo in front of  
you.

20 COMMISSIONER STOKIE: No, you're coming through loud and clear and  
it's all visually excellent, so go ahead.

MS CROLE: Very good, thank you very much. I'd just like to acknowledge  
the traditional owners of the land, which I'm on. I'm on the Wurundjeri  
25 people's land in (indistinct) Melbourne, and I'm sorry I can't be in the room  
with you today.

My name is Melinda Crole, and I'm a member of the Outside School Hours  
Council of Australia, I'll call OSHCA, and currently Australian CEO of Junior  
30 Adventures Group. So on behalf of OSHCA, I'd really like to thank the  
committee for the opportunity today and look forward to having a great  
discussion with you.

35 We really welcome the invitation because we feel like we need to provide as  
many insights about outside school hours care and our plight to 12 year old  
support as we can because we know that outside school hours care is really  
important for children, families and for national productivity as well. So we  
don't want it to be the forgotten care type and want to really voice our support  
40 for the industry and the sector.

OSHCA, the group that I'm representing, represents approximately a third of  
the 5000 outside of school hours care sites across Australia and we employ  
more than 10,000 people mainly in the mainland States and Territories.  
45 Outside school hours care is a service that is absolutely vital to national  
productivity and without all of the outside school hours care services, tens of  
thousands of parents and caregivers, many women would be unable to work  
the hours they need to support their families or they need to look for an  
alternative place to work.

5 In our submission, we have outlined our key position in relation to the significant challenges that exist in relation to workforce regulations and probably one of the other key things is service, provisioning of very thin markets, amongst others. So I'll just give some high level commentary around that theme and then over to us for a conversation.

10 There's a few things that we consider absolutely critically important that I'd really like to speak to. And the very first of our concerns is in relation to the possibility of shifting the responsibility of OSHC into the State and Territory level. At OSCHA, we've been long time advocates for greater harmonisation across the jurisdictions, and, you know, vehemently oppose greater fragmentation. As we outlined in our submission, we think there are substantial unnecessary risks associated with that opposed approach.

15 Along a similar line, we really want to see further uniformity in relation to subsidies and, to that end, recommend subsidies that would ensure 30 hours of care as a base for children in childcare being extended to outside school hours care as well. We recognise that the age of the children we support different. However, both OSHC and childcare services provide parents with the ability  
20 to work and to enhance opportunities for children's development. And on that basis, we think it's important that any subsidies, suggested in the final recommendations, are also applied to outside school hours care, which is why it's so important to keep it harmonised nationally. This would absolutely ensure Australian parents, having established their work schedules, don't face  
25 many abrupt or arbitrary barriers to continue to work in their chosen fields when their children start school.

We'd also like to note our strong support for the removal of the activity tests, which allows greater accessibility to services such as ours. We also want  
30 to highlight the importance of ensuring government support for wage increases. As I heard through many of the speakers previously, it's incredibly important that we continue to professionalise the industry and ensure that the quality of care is delivered to children through that professionalisation, and we would welcome support from the Productivity Commission in regards to that.

35 Along a similar line, we note the importance of avoiding a two-tier system across Australia. Government support for wage increases is part, but if it's not applied to all of the sector, not just for early learning but for outside school hours too, it would actually have a catastrophic effect on the families,  
40 our workforce would be decimated. So we need to emphasise the need to avoid creating a two-tier system, that disadvantages the OSHC workforce compared to the long day care workforce. It does not serve the interests of Australian families or the national productivity if we have one of those workforces that isn't fully optimised.

45 And finally, just in the importance of addressing the thin markets in a way that's sustainable and enduring. And while we support a number of the draft recommendations in principle, we have provided additional insights in our submission that would allow them to be significantly more effective. So

further action is required to ensure children and families in rural and remote, and very specialised settings, have access to outside school hours care support services that meet their specific needs. OSHC's submission underscores the importance of maintaining a national level of support and regulation to facilitate seamless access to quality care essential for those families and national productivity. So once again, I'd like to thank you for allowing me to represent today, and we look forward to answering any questions.

COMMISSIONER STOKIE: Thanks very much, Melinda. We do have a few questions, and some of them may be in your submission, which we must confess that we haven't had the chance properly digest, partly because they've only just come in and we're having these sessions now. But are you happy for us to just maybe talk through a couple of these points? I'm sure my colleagues will have questions, but perhaps for me I might lead off with the very first one that you raised which is the concerns that you have around our recommendations around transferring some responsibility of outside school hours care to the States. And the question in my mind is, have we not been clear about what we mean by that, and therefore there's a level of uncertainty and reservation and negative views around that, or are we sufficiently clear and yourself and your colleagues just don't like that direction? And what I mean by that is, we're not proposing that funding changes, in that sense that it would still be funded by Commonwealth. We're not proposing that there wouldn't be some capacity to have coordination perhaps attached to that funding. What we're really focused in and around is, what we observed in our conversations, is that at the State level, some jurisdictions do this but others do not, and Victoria is perhaps one where it's less so than perhaps New South Wales and Queensland, a coordinated approach where it's not principle driven, school by school driven, and therefore the inconsistencies that pop up around either the additional charges and rents that may go up, or never go down, from the schools to OSHC, the provision that's there, and also the general theme that we heard around – it almost felt like – well, you know, once a child has left to go into OSHC, the school, sort of, washed it hands of the child even though the child is enrolled at their school, still in the same uniform, on the same buildings, the same grounds, the same cohort, and we just think that there just needs to be a level of accountability and engagement to deliver the service, leaving aside expansion of that service so that all families and all children have access to that. That's our ambition, and I just wonder out loud have we not made that clear in our draft report, have we not been sufficiently expansionist in our discussion, and so that's quite an important aspect that we'd love to hear back?

COMMISSIONER GROPP: And the other thing, just noting your submission, we weren't going to be proposing any change to the application of the NQF to outside school hours care.

COMMISSIONER STOKIE: No.

COMMISSIONER BRENNAN: No. So no changes to funding, no changes to regulation. Neither of those are we proposing.

COMMISSIONER STOKIE: Yes, we just want the principals and the States to be a bit more engaged in a coordinated and consistent manner, is the ambition.

5

MS CROLE: Well, yes, that would be a wonderful ambition to follow through. So, yes, I suppose there's a lack of clarity around how the accountability of the States would be managed rather than it be (indistinct) to the States, I think is probably the concern there.

10

COMMISSIONER STOKIE: Yes, okay.

MS CROLE: So it's absolutely essential, you know, in the outside school hours care industry, that we start to really think of the infrastructure that's there for children, as you've said, within their schools. It's often senseless that you've got licenced areas where at one point in time the child could use that playground, and they use it during the school day and then, you know, it gets to OSHC and you can't use it.

15

20 COMMISSIONER STOKIE: Five minutes later it's (indistinct), yes.

MS CROLE: Yes. So you see some of the best programs in the world, you know, where the whole school infrastructure turns into outside school hours care, before and after school, and it actually wraps around the education day which is, you know, what outside school hours care has the ability to do. It shouldn't be differentiated. I know it is and there's a lack of understanding between the two siloed approaches under ECEC and education, but I do absolutely believe at the moment education's got its hands full, they need to know a lot about what we do and how it can complement a school day and a child's life and a parent's working life and generally a parent's, you know, ability to do what they need to, as well as enhancing and again a children's academic opportunity through school and their requirement to play after school with friends and communities. So, yes, our concern was not so much that – yes, there wasn't a greater accountability on how it works in that we're service by service, principle by principle, negotiating what's best. Because what's best across all the different schools and principals can be very difficult and sometimes there's unintended consequences of what one school thinks is best compared to what we feel, as a quality provider, is best for children.

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40 COMMISSIONER STOKIE: Yes, and we've heard that. And certain jurisdictions, as you'd know, a lot of those challenges are coordinated at state, the statement, so there might be a consistent contract, and consistent, you know, rental charge or access arrangements and commitments to either sharing or not sharing or engagement with staff, and we hear that from the sector of, you know, the schools approaching the educators. So having some consistency there is important for us, at least in our mind, which is delivering a service that's good for the children and good for parents and it's consistent for those who are working in this sector, or this part of the sector at least.

45

MS CROLE: And I think you're right that the consistency also, I'd like to extend that to tenure of the contracts.

COMMISSIONER STOKIE: Yes.

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MS CROLE: Because some of the jurisdictions are very, you know, they're short tenures. And when you're looking at staff consistency and holding – you know, I often say in OSHC, you've got a consistent educator who is with that child from Prep right through to Grade 6, and that can be such a valuable thing to the family and the children. Teachers can change during those years, but they're OSHC educators. So when you're not aligning terms of contract like me, you've got a workforce in a constant state of flux as well, not knowing whether their job with you as an employer, who they love, will be there within two years' time because of some of the tenure requirements.

15

COMMISSIONER STOKIE: Yes. So what I'm hearing, Melinda, is that we just need to be better at clarifying what we're having in mind. Because I'm hearing, in this conversation at least, you're not adverse and in fact you see some advantages in what we're saying, perhaps that not coming through in the written material, is that a fair reflection?

20

MS CROLE: Yes. Look, our biggest concern again would be to deconstruct what harmonisation does exist under the Commonwealth.

25

COMMISSIONER STOKIE: Yes. That's certainly not our intent, but yes.

MS CROLE: But also, putting another layer of bureaucracy into it costs money as well, so we need to make sure that that wouldn't be the case because we want all the money to go where it needs to, which is into, you know, inclusions of all programs and childcare subsidy.

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COMMISSIONER STOKIE: Yes. I'm happy to keep going with my questions, but I might look at my - - -

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COMMISSIONER BRENNAN: Just on that one, Melinda. When you mention potentially another layer of bureaucracy, and so on, is that concern around our proposed ECEC commission and revised national partnership agreement, or was that something completely different?

40

MS CROLE: No, it was probably more putting another layer in there, sorry, if we were going to divest responsibilities to the State because they're going to have to be creating something else to manage that that's not already in place.

45

COMMISSIONER BRENNAN: Yes. So, no, we definitely don't intend that.

COMMISSIONER STOKIE: Perhaps a better way to express it is we're explicitly wanting to draw the principals and the States into the service delivery of OSHC.

COMMISSIONER BRENNAN: And acknowledge - - -

COMMISSIONER STOKIE: In a coordinated consistent manner.

5 COMMISSIONER BRENNAN: Yes.

COMMISSIONER GROPP: An interest in it, rather than not actually delivering it.

10 COMMISSIONER STOKIE: Yes.

COMMISSIONER BRENNAN: Acknowledge that there is a legitimate role for principals to be concerned about out of school hours care.

15 COMMISSIONER STOKIE: Absolutely. It has a - - -

MS CROLE: Yes, absolutely. They are incredibly different skill sets as well, so I think our principals have so much (indistinct words).

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MS CROLE: Just talking about, you know, the principal's involvement and then it's not just the principal, it's often the school parent committee or the governing committee as well, but there is a - you know, outside of school hours care is a highly skilled environment in a way that it cares and educates children in a different way. So absolutely want them intimately involved in a tripartite relationship because their specialty is education in schools, and ours is, you know, those wraparound services.

25

COMMISSIONER BRENNAN: Melinda, I'm not sure whether this is something that you'd like to engage in, but I wondering if you've got thoughts about the appropriateness and relevance of the National Quality Standard to out of school hours care, because we do have some discussion about that and we've asked for feedback on that issue, and I imagine you might have some thoughts?

35

MS CROLE: Fantastic, thank you. Yes. Look, we absolutely agree there needs to be a National Quality Framework, you know, the standards are there and we would not want that to disappear or go anywhere. There are nuances in outside school hours care that the current framework does not appropriately respond to, and one of the key ones there is actually environments. So, you know, the frameworks, when you've got set-up and pack down environments that are run out of school halls or out of places that, you know, are not the same as purpose built long day care facilities, it's a different environment. And our advice is that there's tweaks to outside school hours care rather than full reform as far as the standards go.

40

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COMMISSIONER BRENNAN: Okay.

MS CROLE: Because there are lots of ones there that are absolutely applicable. But to ensure that you've got a growing outside school hours care sector, there does need to be relevance in the framework that's specific. We also need the assessment officers to be very knowledgeable about the difference between, you know, an early learning environment and ours. So that when they're coming out, they're not comparing one to the other.

COMMISSIONER BRENNAN: And is that a sense that you have about current arrangements, that the assessors aren't necessarily informed about out of school hours care?

MS CROLE: It's definitely getting better because the regulator, I think, was being very open to these conversations and, you know, we're thankful for that and I know that's been translated into, you know, the jurisdictional regulatory bodies. As providers of community quality too, and investing, you know, as we all know we don't get there without investing in quality outcomes. When you don't see it translate into your assessment and rating outcomes, it can be very difficult as well too, and can be difficult to then continue, you know, with the investment. So it is important that they translate and, you know, sometimes you'll get – you know, it's a purpose built amazing early learning centre that's exceeding. It's then, you know, got a comparability to an OSHC setting that is not quite as purpose built. It's built around those types of things and therefore, you know, the exceeding rating that we've been looking for is probably not within their scope.

COMMISSIONER BRENNAN: Yes, okay.

COMMISSIONER STOKIE: We're not necessarily suggesting building purpose built buildings in all settings, but bringing the States and the principals onboard, we hope would at least allow for more of that consideration to be had. The pack-up/pack down is very hard. It's hard on the services, it's hard on the schools. So longer term, we think that that's a – at least that can be tailored to what works in the situation of each school and each community. Sorry, I had another question, but Lisa?

COMMISSIONER GROPP: On the - - -

COMMISSIONER STOKIE: No, no, it was a separate - - -

COMMISSIONER GROPP: I just want to ask about thin markets.

COMMISSIONER STOKIE: Go ahead.

COMMISSIONER GROPP: Thanks. I was going to ask you about thin markets, Melinda, because I guess out of school ours care is a little bit different to ECEC where they may not even be a facility, but presumably often there will be schools in these areas. So what are the challenges then, is it around staff mainly? I mean, what are the challenges in remote regional disadvantaged areas for out of school hours care?



5 MS CROLE: Look, definitely staffing's a challenge. It's a challenge across the nation at the moment, so it becomes exacerbated in those areas. It's normally attendance as well. You're running with very, very low attendance cohorts, you know, because you're trying to - - -

COMMISSIONER GROPP: Is that because people can't afford it or is it just small numbers? Generally there's small populations.

10 MS CROLE: Just generally the small numbers.

COMMISSIONER GROPP: Yes.

15 MS CROLE: Yes. So to make that, you know, viable to continue, it's often, you know, local grant funding or support from the school's required. There are still challenges sometimes with schools expecting rents or other forms from their OSHC, that just can't be done with the small numbers as well. And I think, you know, continually –you know, single staffing models are difficult too, and they're necessary but they often don't create, you know, great  
20 connection and people feel like they're doing a lot in a single staffing model because they have to do everything from, you know, from whoa-to-go around – there's a continued growth of the administration burden and I know this is something that ACECQA's looking at, you know, as to how much paperwork is really necessary? What's the return on investment for that? So when you're  
25 talking about single staffing models that can be really debilitating too.

COMMISSIONER BRENNAN: I know our minutes are ticking away. But, Melinda, I'd just like to hear you say a little bit more, if you don't mind, about your view on the activity test in relation to out of school hours care. We've  
30 made an argument for the 30 hours for nought to five year old children, and I'd just like to hear a bit of your thinking and reasoning around why that principle potentially, you think, should or could be extended?

35 MS CROLE: I think the activity test is just one more barrier for people to access what they, you know, see as really essential care. I think it's really important that, you know, if a universal childcare model is continued to be thought about here and every child has access to care and every child has this ability to have these enhancement opportunities across their lives, I think it's really – it becomes more important in outside the school hours of care too  
40 when you've got the long days associated with a holiday program and making sure parents can access those care days as well as many as they need to ensure that they can work through the proper week when you're looking at a school holiday period.

45 COMMISSIONER STOKIE: We're pretty much at our allotted time, Melinda. But was there anything else that you wanted to raise and talk through?

MS CROLE: No. We just want to shout out that outside of school hours care is such an important part of this conversation.

COMMISSIONER BRENNAN: We agree.

5

MS CROLE: And we don't want it to get lost in the long day care voice, but absolutely support the early learning sector wholeheartedly that those 5 to 12 year are just as important as are their parents.

10

COMMISSIONER STOKIE: And as Deb said, we wholeheartedly agree. We will be thinking about our final report to make sure that our position, which has always been our position, is adequately reflected in our material and it doesn't get lost. It's all the more important as jurisdictions that are thinking about expansion of four year old and three year old preschool arrangements where potentially, as you would have seen, we have recommendations of wraparound services and those wraparound services look and feel like outside school hours care, but for three and four year olds. The nature of that support is different because, you know, different ages require a different level of support, education, care, et cetera, but the notion here is critically important and that's what we're keen to ensure and help deliver.

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MS CROLE: Absolutely. Thank you. We really appreciate your time and commitment to this. Thank you.

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COMMISSIONER BRENNAN: Thanks, Melinda.

COMMISSIONER STOKIE: Thank you.

COMMISSIONER GROPP: Thank you very much, Melinda.

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COMMISSIONER STOKIE: Well, I suppose it's time then to call a break to our hearings, and we will reconvene at 1 o'clock this afternoon. So thank you very much to everybody for joining and we'll see you back shortly.

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(Short adjournment.)

COMMISSIONER STOKIE: Thanks everybody. We're probably one or two minutes a little bit earlier, but we'll reconvene our public hearings for our inquiry into early childhood education and care. Thanks very much, Sandra and Jane, for joining us. For your benefit – it's probably pretty obvious by the physical set-up – we're recording the hearings and the discussion. There's a transcript that will be made available and it's just important for the public record, and for our inquiries. We very much appreciate you taking the time to come along and talk with us and for all of the engagement that we've had over the course of the project. We've been very blessed by the level of enthusiasm and insight that everybody shared with us. So at a personal level, thank you very much for that to date.

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We're very much keen to hear what you have to say around the draft report, draft recommendations. But there might be very specific things that you wanted to raise with us. For the record, it would be good if you could just state your name and the organisation that you're representing. You're  
5 welcome to make a short statement, introductory comment, speech, whichever, and then if you're happy, we can have a dialogue and a discussion around some of the key points or the specific areas. But we're very much in your hands. We're here to listen as much as – well, we'll probably ask some questions, but we're here to listen.

10 MS CHEESEMAN: That's fine. Thank you very much, Martin. Sandra Cheeseman, I'm the CEO of The Crèche and Kindergarten Association, otherwise known as C&K. This is Jane Austen, manager of advocacy and communications. C&K is one of the largest providers of early childhood  
15 education and care in Queensland. We have over 330 kindergartens and childcare centres as well as intensive programs for children experiencing vulnerability.

20 I'd like to acknowledge the Traditional Custodians of the land, the Yuggera and Turrbal people, and pay our respects to Elders past and present.

And thank you for the opportunity to appear today. We really welcomed the draft report. It went a really long way to consolidating the views of the diverse and complex sector that we are navigating. And it's put forward some  
25 really interesting ideas for reform and we really appreciated the propagation of those recommendations.

I guess the message that I'd like to send today is the invitation to take it a little bit further. While we appreciate where the report has landed, we do think  
30 there are opportunities that could be realised. I think first and foremost, we really welcome the recommendation to strike the balance between the dual objectives of workforce, participation, and child outcomes. For Australians who have been in early childhood for as long as I have, and that was absolutely heartening. As a high quality provider of early childhood  
35 education and care, we're very pleased to see that the experience of the child and the impact of their experience is equal to and embedded in the national productivity ambitions, so well done.

40 We have been granted an extension of time for our written submission. So today we thought we would just highlight three key areas of the report that will form part of our submission, but absolutely happy to have other conversations and to provide more information at your request.

45 So the three areas that we wish to talk about today would be the gains and the impact of high quality provision, the successful model of community kindergarten, and the need to rebalance the market and grow the not-for-profit sector. And if there's time, we're also happy to talk about stewardship and the Commission, but we know that time will be limited. So thank you for putting

it in our hands, but how would you like to manage this? Do you want us to go one topic at a time, or?

5 COMMISSIONER STOKIE: Yes, why don't we do that and then we can – because each time you talk, no doubt it will spark some questions and a bit of a two-and-fro. And to an extent, a lot of the detail will probably be in your submissions.

10 MS CHEESEMAN: Yes, okay. So let's start with high quality. I think it can be handled quite briefly here today. We just really encourage the Commissioners to strengthen the report's commitment to high quality. We note that – well, Australia is world leading in the National Quality Framework and, you know, we acknowledge from the outset that there's always work to do to improve and strengthen that, but it is internationally recognised and it has this underpinning commitment to its quality improvement, and I think it's really important that any reform builds on that commitment to continuous quality improvement.

20 The language within the report starts really strong with a commitment to high quality, but it soon slips into reference of simply quality. And without a defined ambition and a connection to the evidence base, the term 'quality' alone can be really ambiguous and have very loose accountability. So the retention of the notion of high quality throughout the recommendations will be required to deliver, I believe, on the aspirational objective of the reforms, and ensure that Australia sees the gains from the investment, so we don't want to lose the momentum to high quality right now.

25 COMMISSIONER STOKIE: It's a useful comment. It's certainly not our intention, and if that's how the language is reflected and being interpreted, then that's a good call-out for us to come back and think about it. As you appreciate, there's research that others that will look at the various quality areas and their contribution towards positive outcomes, et cetera, and I think that that's part of our view around the research agenda as well, which is there needs to the constant consideration of how effective are these and what do they lead to for the child and family.

30 COMMISSIONER BRENNAN: Yes. And I think also a part of the value of these hearings is us hearing how our message is being received and interpreted.

40 COMMISSIONER STOKIE: Yes.

45 COMMISSIONER BRENNAN: We've had some really interesting examples of that already this morning, which is not to say everything's just a misunderstanding necessarily or a lack of clarity, but some of it could be. So it's really, really useful to hear.

COMMISSIONER GROPP: Yes, I think it's sort of easy for us to say, 'Well, that's a given', you know, but we have to actually be explicit.

MS CHEESEMAN: Yes. Excellent, thank you.

5 COMMISSIONER BRENNAN: But sorry, Sandra, with the distinction between quality and high quality, are you saying it's in the, kind of, aspiration we're building into the system, is that - - -

10 MS CHEESEMAN: I think so. But also, the term 'quality' can just apply to poor quality, okay quality.

COMMISSIONER BRENNAN: Okay, okay.

MS CHEESEMAN: Average quality.

15 COMMISSIONER BRENNAN: Right, okay.

20 MS CHEESEMAN: If the quality word is used alone, there's no defining measure for it. And high quality also is quite ambiguous, but at least we've got some evidence base to attach to high quality and high quality is where children would gain benefit from their early childhood experience.

COMMISSIONER BRENNAN: Yes, okay.

25 COMMISSIONER STOKIE: Yes.

30 MS CHEESEMAN: The success of our community kindergarten and preschool model – and ask you know, C&K is a provider of both State funded kindergarten and preschool, and also long day care, so we live this complexity. We've really welcomed the finding of the ACCC finding five that the system is interconnected and that policy responses cannot be considered in isolation. We acknowledge that the inherent complexity exists due to the nature of Australia, the federated system, the diversity of families' lives, and the aspirations that they have for their children, and these things must guide decision-making.

35 40 Given that it's not a compulsory provision, individual family and child needs and desires need to be included in those considerations. We wholeheartedly agree with the ACCC that the one size fits all funding model would be a mistake for Australia. We're too complex, too different, for that to be able to be translated in one iteration.

45 So as a provider of both sessional kindergarten and long day early learning, we fully understand and experience the complexities of the various service types and their funding streams. We see the benefits of having a nuanced funding system that addresses the differing needs and offers true choice for families and communities. What is complex for funders and providers does not necessarily need to be complex for families and we think it's our responsibility as providers to navigate that complexity with funders to make it simple for families.

5 For government, I think to make it simple, I think does reduce it to far too simplistic a model that we could have difficulties with. So we support calls for a less complex system for families to navigate, while maintaining the diversity of service types. And we know that the uniqueness and integrity of each service type works for different families. Any future funding model must not jeopardise one or another service type.

10 So State funded community kindergartens are a unique and rich model, and they're renowned for high quality. Also offering consistency for the peer group, which for children of a young age and in their formative years of social and emotional development, we should be aiming for this type of consistency for all children across all settings.

15 For the elements of success, a community kindergarten needs to be protected and we should be looking to those elements to improve on other systems and funding models; so appropriate wages and conditions that enable teachers and educators to do their job well. As you've mentioned in the report, consistency and low staff turnover come as a result of valuing of staff through appropriate wages and conditions. And the consistency of the peer group and the continuity of learning for children is something that's not often called out, but is fundamental to really high quality early childhood practice, and I think it's something that we risk losing and we have lost over time as we've tried to manoeuvre models of early childhood provision into funding models or into agendas around meeting parents' workforce needs. I believe we can get to where those dual goals can be met, but children's continuity of care is not compromised.

30 COMMISSIONER STOKIE: Sorry, just on that, Sandra, and you might take this on notice because it might be part of the whole program, but do you see that then as offering, for argument's sake, a kinder program or a preschool program within that broader setting of a centre-based day care if that's what works for parents, because that gives the continuity of playgroup, and continuity of location, the continuity potentially of educator and teacher, is that what you're saying? I wasn't quite sure.

40 MS CHEESEMAN: Currently long day programs struggle to keep the continuity of the peer group because parents choose random days throughout the week. In the kindergarten/preschool model, it is a fixed cohort. So parents choose either a Monday, Tuesday, Wednesday or a Wednesday, Thursday Friday; so the peer group remains constant. In childcare, there is just this sort of randomness and as long as we've got oversupply of places and we don't have waiting lists, there's very little opportunity to sort of speak to parents about how to provide that sort of continuity of group.

45 COMMISSIONER STOKIE: Are you finding that you've got oversupply, and?

MS CHEESEMAN: There's most definitely oversupply. Most providers are operating at around between 60 and 70 per cent of utilisation.

5 COMMISSIONER STOKIE: Is that because the supply is there or we can't get enough staff, whether there was what we were - - -

MS CHEESEMAN: It's a combination of both.

10 COMMISSIONER STOKIE: Right.

MS CHEESEMAN: But in some urban areas, there is most definitely oversupply.

15 COMMISSIONER STOKIE: Oversupply, okay.

COMMISSIONER GROPP: Are you talking about the paid for but unutilised hours because people buy a day, and they don't – is that what you're essentially referring to?

20 MS CHEESEMAN: I think what we're really calling for here are models where children have as many rights as families have in choosing the setting that is right for them and the cohort that they will spend their time with. So whether that be in a long day care or in a sessional kindergarten, we should be giving prominence to the experience of the child as well as what the needs of  
25 the parents are. So I don't think it's the service type necessarily that is different, but in the preschool kindergarten, the cohort is set; in the long day care, it is not. And it's very hard to manage that under the current conditions in many centres where parents can pick and choose whatever days they want and need.

30 COMMISSIONER STOKIE: Okay.

MS CHEESEMAN: We believe that reform can achieve simplicity for families without homogenising the sector, and we don't support a single  
35 funding model that would reduce it to a single service type. We've got about 12,000 children currently participating in community kindergarten programs. And for those families, the model not only works but it's their preferred choice for their child in their years before school.

40 We acknowledge that all families have different needs and desires about their child's experience. And as the operator of both sessional kindergarten and long day care, we see firsthand that the policy change in one mechanism influences the options of families and makes one setting type more affordable than others. And over the years of policy change, we have seen families drift  
45 from a long day care provision to a sessional kindergarten provision depending on how the funding is flowing and what becomes more affordable for them. And we think this can be ironed out. Parents still should have the choice of setting, but not have to switch and change because policy advantages or disadvantages them.

COMMISSIONER BRENNAN: So are you saying there that – I'm not quite sure how it works in Queensland in terms of family costs, but is community kindergarten very low cost or free, or?

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MS CHEESEMAN: This year it is. So in 2024, we have free kindergarten for four year old children for 15 hours a week. But prior to that, there was a parent copayment, and depending on what that was, and what was happening over on the CCS side and changes to CCS, parents could sometimes find that it was more affordable for them to be in a CCS centre than it was in a State funded kindergarten. And then the opposite happens where there are changes to funding in the State funded kindergarten.

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We welcomed the entitlement of 30 hours, but we really believe, given all of the things we've just talked about, that this needs really strong consideration that it needs to work across preschool kindergarten settings as well as in CCS. And my reading of it is there's a bit of an assumption that this will work in CCS, and therefore should also work in preschool kindergarten. So I guess our questions are around – we've got some questions around whether the 30 hour entitlement is meant to be in addition to a preschool kindergarten attendance or allocation, or whether it was inclusive of that participation.

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COMMISSIONER STOKIE: Would you like us to answer now, or?

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MS CHEESEMAN: No, no, no, I'm not expecting you to answer now.

COMMISSIONER BRENNAN: We can, we can.

COMMISSIONER STOKIE: We can.

30

MS CHEESEMAN: Okay, please do.

COMMISSIONER STOKIE: Well, I'm happy to answer unless you want to?

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COMMISSIONER BRENNAN: Yes, go ahead.

COMMISSIONER STOKIE: Yes. We see it as inclusive as part of a program. Our 30 hours is an ambition for almost and up to, like, a minimum. So if families wish to avail themselves of more early childhood education and care, however that's delivered, whichever setting that is, then we're wanting to have systems that actually support and encourage that. And as we know from the literature, some families and some children, in particular, will benefit from more intensive for longer periods of time as some of the research has shown. But it was seen as being part of the – not in addition to. So it wouldn't be, for argument's sake, 15 hours plus 30 would give you 45, and we said, 'Well, nobody's going to do that', or they might, but we're seeing it as part of it. So the challenge for us is, how does the program fit together to provide a positive program, whether that be part of a preschool or part of a centre-based or a long day care or any CCS funded, I suppose, National Quality Framework

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program, how does that come together? And hopefully, a seamless as way possible for parents of the children at its fore and all the challenge and the mess gets done elsewhere between agreements between the State and the Fed. You're right, we do have a bit of an assumption in there that this can work, and that's probably on us. And any suggestions that people have which is, 'Well, okay. How is it working now? How could it work going forward?', all at the same time as many States are looking to expand that preschool arrangements, not just 15 hours for four year old, but potentially for 30 hours, and also down into three years as well. So we're conscious of the change rather than just the point in time.

MS CHEESEMAN: Yes.

COMMISSIONER STOKIE: Anyway, Deb, I don't know if you're – Lisa, if you are - - -

MS CHEESEMAN: Yes, that's the sort of consideration I think we need, and the consultation that we need to have, because at the moment in Queensland, children have 15 hours. So moving to 30 and then taking on three roles is, sort of, quadrupling the provision and there probably isn't sufficient infrastructure to do that in the short term. And how that was managed is going to be really important to maintain the quality.

COMMISSIONER STOKIE: And this you will appreciate, Sandra, a lot of this requires then the positive cooperative engagement between the States and the Territories and the Commonwealth. And so we, at least in our draft report, have wanted to sort of highlight the directional change. Maybe we need to be more specific around recommendations in areas for focus, but nothing's going to avoid the situation where the States and Territories and the Commonwealth actually have to come together as part of an agreement as to how to hopefully streamline this process and work positively.

COMMISSIONER GROPP: And we did recommend that there would be, sort of, in terms of wraparound for preschool, there'll be CCS funding available. So any thoughts on that, because that's sort of going towards trying to meet those dual needs, as you said at the outset, between families' needs and the needs of a child.

MS CHEESEMAN: Yes. And we really welcome that initiative and that recommendation. We support the availability of CCS to add on to State funded kindergarten or preschool. On the basis that we don't think that there should be a move to a one size fits all funding model, so we don't believe that community kindergarten should be then fully CCS or necessarily be fully CCS funded.

COMMISSIONER STOKIE: Yes.

COMMISSIONER BRENNAN: And that's definitely not our intention.

COMMISSIONER STOKIE: No.

5 MS CHEESEMAN: But I think you might hear that as a suggestion from others. The NQF quality requirements for children in a birth to the five setting should be upheld throughout the whole of their participation. And so the idea of putting an out of school hours add-on with lower qualification requirements or quality - - -

10 COMMISSIONER STOKIE: No, we would agree.

MS CHEESEMAN: Yes, we'd like it to be seen what's for the child and that there be choice, that not all kindergartens or preschools have to turn into longer hours, that there is choice.

15 COMMISSIONER STOKIE: And normally cliché matters, so maybe it's not calling it preschool outside hours care, it's like posh, which should be – now, what do you call it?

20 MS CHEESEMAN: Posh. And we call it 'extended hours kindy'.

COMMISSIONER STOKIE: Right, yes.

COMMISSIONER BRENNAN: Right.

25 MS CHEESEMAN: And 'holiday kindy'.

COMMISSIONER STOKIE: Yes.

30 COMMISSIONER BRENNAN: Yes.

COMMISSIONER STOKIE: But either way, we agree it should be – it's not a less of level, it's actually a continuum.

35 MS CHEESEMAN: Yes. In relation to that 30 hour entitlement – and I just wanted to talk a little bit about birth to three year olds, because it's a passion of mine. I feel it's really critical, particularly for younger children, that parents have choice and take the entitlement either as paid parental leave or as an access to long day early learning. And I know that the terms of reference didn't enable you to go into paid parental leave, but I really don't think you  
40 can have a conversation about an entitlement for very young children without considering paid parental leave and the impact that that would have, and then the real choice that that does give to families. Because I think the terminology of entitlement almost implies it's something you should use, and I'd rather  
45 liken it to the entitlement of private health insurance where you should use your glasses, your optical allocation each year, as opposed to looking at it as an insurance scheme.

COMMISSIONER BRENNAN: Yes, I find it frustrating that terms of reference don't go to the intersection between paid parental leave and/or unpaid parent leave for that matter, and ECEC, but they don't.

5 MS CHEESEMAN: M'mm.

COMMISSIONER BRENNAN: So maybe we need to take onboard what you're saying, again, about language. It's certainly not our intention to set-up an expectation that every parent should be putting their child into long day care at the end of paid parental leave or at birth or anything like that; absolutely not.

COMMISSIONER STOKIE: But your suggestion, Sandra, is that potentially between nought and three, that's a choice for parents. So if subsidies are going to early childhood education and care, that subsidy could be going to the family directly but not attending care. Am I understanding you correctly? And then at three, they would start - - -

MS CHEESEMAN: I think that would be the ideal situation where families felt very supported to make choices about what was best for their family.

COMMISSIONER STOKIE: Okay. I was trying to be clear on what I understood on what you were saying. Thank you.

MS CHEESEMAN: Yes. And having researched in the area of infant early childhood education and care, I feel concerned that Australia has not paid sufficient attention to children birth to three. Much of our attention in the past has been for greatest funding and support for qualified staff going to children three and four. Little has been done to address the critical quality of children in their first 1000 days, particularly those attending early childhood education and care, and this is an area I think we could pay much more attention to. So I'm going to handover to Jane, who's going to talk about the growth of the not-for-profit sector.

MS AUSTEN: Thank you. So Sandra alluded to the amount of expansion that we're expecting will occur in kindergartens and the long day part of the sector with things like the 30 hour entitlement, like what you're speaking to. We believe that the not-for-profit part of the sector is well-placed to deliver these services on behalf of government, and in alignment with government objectives, and this is very much how we see what we do in the kindergarten space.

The not-for-profit sector has played a critical role in driving quality improvement and remunerating staff appropriately. We have also carried the majority of the load in relation to inclusion, and this is happening cross the not-for-profit part of the sector. C&K, we invest over \$1m per year on top of government funding to ensure that all children can be fully included in our early learning programs. We believe that partnerships with government and novel solutions to things like capital growth in the not-for-profit sector is

what's needed to ensure that growth in the infrastructure can happen in response to these increasing demands for services.

5 The not-for-profit market share has been continually declining in the past 10 years. We are really overtly calling for a rebalancing of the market and a government commitment to ensure that not-for-profit part of the sector can grow at the same pace as the for-profit part of the sector. So we see this working – you know, there's lots of different things that you could do, but programs that are designed to provide access to government land and planning  
10 for early childhood services in new housing estates or infrastructure like hospitals when they're being developed, that's a natural fit of alignment between government priorities. Low or no interest loans in joint partnership agreements are some of the mechanisms you could use for this.

15 We believe that not-for-profit growth must occur in all markets, so that not-for-profit continue to be a mix in the choice of families. Containing not-for-profit to thin markets would ultimately define our sector as charity providers in places where the for-profit providers just won't go. Any new supplier growth should be limited to high quality providers, we believe that  
20 fundamentally, and ones with a sound track record. And this could be a mechanism or a lever to incentivise high quality qualifications, high wages and conditions. And ultimately, we think the whole sector would benefit from government support for planning, like you mention in you report, to monitor oversupply and prioritise undersupplied markets, and we'll draw a little on  
25 that, considering the ACCC has now handed their final report as well, in our submission.

COMMISSIONER STOKIE: It's a really interesting point you make and it would be good to see it in your submission, because we want to reflect on it  
30 which is containing the not-for-profit sector just to the think market area. And to be honest, it has at least occurred to me that that's an area where the not-for-profits, particularly from a quality point of view, might be a preferred supplier to coming in and having direct subsidies. But you rightly point out that that contains that contribution in a very narrow sense and that's a very  
35 interesting insight that's worth drawing out.

COMMISSIONER BRENNAN: Well, it's an interesting issue in relation to choice, I think, whether not-for-profit provision is a legitimate choice that families should have access to, I guess. And then it comes back to  
40 discussions, so some people might say, 'Well, why doesn't the not-for-profit sector expand?'

MS AUSTEN: I can answer in part.

45 COMMISSIONER STOKIE: Please.

MS CHEESEMAN: Because we have been committed to higher wages and conditions, competing in a market where margins are the driver, it's very

difficult with our higher wages and conditions to be competitive with providers who offer lower wages and conditions and have lower overheads.

5 COMMISSIONER STOKIE: Is that a reflection, Sandra, that parents don't see the difference? As in, presumably you have better quality staff, you have less turnover, you have happier children, you have a better outcome, all these sorts of things, but they're not able to see that in terms of when they're making choices or otherwise? What - - -

10 MS CHEESEMAN: Look, our surveys that we do with families really indicate to us that parents do make choices according to quality. Maybe not in the first instance, but as soon as they are in a centre they start to make judgements about quality. They don't necessarily use the same language as  
15 the National Quality Framework or the National Quality Standard, but they know about quality, as do children. So they do use those principles to make those decisions and often will make changes into the provider that they choose to use. But there's often not choice. And so they often are not placed with choice and they do not necessarily understand the difference between a not-  
20 for-profit provider and a for-profit provider. They don't know what people are being paid. But ultimately, I think those things do start to shine through when they have an experience within a setting and we have many families come to us from other settings because we have a reputation for quality.

25 COMMISSIONER STOKIE: Jane, you talked about one of the answers, but not the other one which is low interest or no interest loans. Is that a reflection that getting the initial capital to do the investment is, in fact, the main block or it's the operation. Once it's there and up and running, you can work within the existing system of wherever the funding is coming, either a State or CCS, et cetera, so it's getting that initial capital done, and done right; is that a fair  
30 reflection?

MS CHEESEMAN: Yes, I think it is.

35 COMMISSIONER STOKIE: Deb's right, we often sit here and say, 'I don't understand. The not-for-profits have got to out and compete with the for-profits every day of the week, they don't have to make a profit. So why don't they?'

40 MS CHEESEMAN: Well, we do have to make a surplus. We do have to make a surplus.

COMMISSIONER STOKIE: Indeed you do.

45 MS CHEESEMAN: We have to have money to reinvest.

COMMISSIONER STOKIE: Nobody can do this without - - -

MS CHEESEMAN: Yes. And it goes back to the margins, it goes back to the starting point there we're coming from in committing to higher wages and conditions.

5 COMMISSIONER STOKIE: Yes.

COMMISSIONER GROPP: Can I ask Sandra, I mean, you have to even – even if you're not expanding, you have to maintain the service, so you have to reinvest in the capital, presumably. And do you mainly own your own capital or is it - - -

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MS CHEESEMAN: It's a real combination for us. So we do have some owned properties, we have a lot of leases with government or local government, and then we have some commercial leases in some of our larger long day care.

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COMMISSIONER GROPP: So if you operate within a commercial lease, I mean, how do you then afford higher wages, et cetera, I mean, because that's often the factor that adjusts, if you like, you know, so if you - - -

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MS CHEESEMAN: Yes. We're under a great deal of pressure around utilisation, so we have to have much higher utilisation rates in a not-for-profit commercial site.

25 COMMISSIONER GROPP: This is what the ACCC found, that utilisation was critical for a surplus.

COMMISSIONER STOKIE: What do you tend to on average – on average, target then from utilisation?

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MS CHEESEMAN: We have to aim for over 80 per cent.

COMMISSIONER STOKIE: Yes.

35 COMMISSIONER BRENNAN: Right.

COMMISSIONER GROPP: Okay. That's pretty high.

COMMISSIONER STOKIE: Yes.

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COMMISSIONER GROPP: Okay.

COMMISSIONER BRENNAN: And are you getting that?

45 MS CHEESEMAN: Mostly.

COMMISSIONER BRENNAN: Okay, so your better wages and conditions do result in you being able to recruit staff or attract staff, or?

MS CHEESEMAN: Typically, yes. It would be remiss to say that it's all roses and that there's no critical problems at the moment. But, yes, generally speaking we do. But we really are under that pressure to increase that utilisation much higher than a not-for-profit needs to.

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MS AUSTEN: I think there is where the planning questions can come into it. Because the utilisation, it has to be so high that we need to be very confident that we can get that, and that the demand is there. And the planning can come into this by creating much greater security for not-for-profits that there is going to be demand there and there won't all of a sudden be an influx of providers into that same market, that's a localised market.

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COMMISSIONER GROPP: And in areas where you're not paying the commercial lease, I mean, what's your average utilisation? I mean, is - - -

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MS CHEESEMAN: It's much the same.

COMMISSIONER GROPP: Much the same wherever you go.

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MS CHEESEMAN: Yes, it's much the same. But in areas where there's high levels of competition, it is obviously much harder.

COMMISSIONER GROPP: It's much tougher.

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MS CHEESEMAN: Yes.

COMMISSIONER GROPP: Yes, okay. So are your competitors in those areas getting the same levels of utilisation or are they – because they wouldn't be able to support lower levels either, I wouldn't have thought?

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MS CHEESEMAN: For-profit providers can operate on lower levels of utilisation because they've got lower overheads in terms of wages and conditions.

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COMMISSIONER GROPP: Is that overheads or wages or both?

MS CHEESEMAN: Well, wages and conditions. And potentially other overheads.

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COMMISSIONER STOKIE: Is food part of that for you as well, and is that a choice that you've made around how you're going to support the children and feed the children, or?

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MS CHEESEMAN: Absolutely. Yes, we have a commitment to providing children with at least 50 per cent of their daily nutritional needs in any long day care program.

COMMISSIONER STOKIE: But that's not an NQF requirement, though, that's a - - -

MS CHEESEMAN: No, it's a recommendation of children's health.

COMMISSIONER STOKIE: Right.

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COMMISSIONER BRENNAN: And that's something that you strive to implement in all your long day care centres?

MS CHEESEMAN: Yes.

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COMMISSIONER BRENNAN: I mean, we're interested because we had Karen Thorpe this morning – you could have even been listening online – but issues of food and nutrition are quite top of mind for us.

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MS CHEESEMAN: Yes, very important. And it's a really good place for children to get their nutrition because they're in a community of children that are also eating, and so they're more likely to eat nutritious food.

COMMISSIONER BRENNAN: Yes.

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MS CHEESEMAN: There's a really big opportunity there.

COMMISSIONER BRENNAN: Yes.

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MS CHEESEMAN: Our kindergartens, our families bring their own lunch. And we've got a lunch and morning team, and we have guidelines around nutrition for families for lunchboxes.

COMMISSIONER STOKIE: Right.

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COMMISSIONER BRENNAN: We were hearing, or we have heard, that sometimes children come from homes where there just simply is not enough food. The requirement to bring food, it can't really be met or the standard of food provision can't be made. Do you face that?

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MS CHEESEMAN: Yes, we do. We have budgets for each of our centres in order to provide food where children have not been able to bring it. The last thing we want is for families to not bring their child to kindy because they don't have food to supply, and that has happened. Families feel guilt that they don't have sufficient food, so they just don't bring the child to kindy. So we've got food provision, we've got food available for any child that needs that food.

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COMMISSIONER BRENNAN: Right.

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COMMISSIONER STOKIE: You would have seen our recommendations on – well, all of those recommendations, but the ones, particularly as it relates to activity tests and the supporting low income families, which would effectively, in the main, make that attendance free for their participation.



Would that change how you might see expansion or where you might want to be operating?

5 MS CHEESEMAN: Well, C&K already operates in areas of social disadvantage, so we're very happy to expand that provision.

COMMISSIONER STOKIE: Yes.

10 MS CHEESEMAN: We believe - - -

COMMISSIONER STOKIE: So how do you think you would respond in those areas, what are you seeing in terms of, I don't know, low income families or others, are they being discouraged from coming to your services through the activity test, would you expect to see a significant rise in those areas where - - -

MS CHEESEMAN: Yes, I think statistically it demonstrates that there are many children that are not attending an early childhood setting, and they largely come from lower SES communities. So I would expect that if it's free and if it's high quality, that I would expect to see families start to utilise that. The activity test has been a barrier to that and it has been very confusing for families.

25 COMMISSIONER BRENNAN: And if services expand further into areas of high disadvantages, as really is envisaged in our draft report, do you think the CCS is an appropriate vehicle for funding service provisions in areas of high disadvantage?

30 MS CHEESEMAN: I think this is where it's a very blunt instrument, and it doesn't always pick up on the nuance of the need and the complexity of some of those communities. So for some of our most disadvantaged communities, C&K invests additional money to have extra staff or to have people with Allied Health skills to try and really support not only the staff, but the families. It is true that in areas of high vulnerability, we will see more children with high learning needs that need greater support. So CCS could be a good foundation for that.

COMMISSIONER BRENNAN: Foundation.

40 MS CHEESEMAN: But the ACCS and - - -

COMMISSIONER BRENNAN: And obviously the SES, ACCS and - - -

45 MS CHEESEMAN: Yes, needs to be - - -

COMMISSIONER GROPP: And ISP.

COMMISSIONER BRENNAN: ISP.

MS CHEESEMAN: Yes. All of those programs really need, I think, to be nuances around the different communities and what their needs are. They're quite blunt at the moment.

5 COMMISSIONER STOKIE: Is what you're articulating, in terms of the additional needs particularly of certain families, what an ISP, perhaps in concept, is meant to deliver on rather than what it delivers on in practice at the moment?

10 MS CHEESEMAN: Sorry, what was the question? I'm just - - -

COMMISSIONER STOKIE: Well, I'm just sort of saying, you know, you say you're investing in and you have additional people to support families, perhaps children with additional needs or induct people into the program  
15 earlier on, maybe it's helping them navigate processes, et cetera, and that takes a degree of effort on your behalf. At one level – and I'm listening to you as you say this – it feels like the ambition of what the Inclusion Support Program was meant to cover, it in practice doesn't tender to cover that, it tends to cover a very limited number of additional resources, mainly going towards disability  
20 in part because of its scale and the demand for additional support.

MS CHEESEMAN: Yes, I'd absolutely agree with that, and I think that the intent is good. There just hasn't been sufficient funds and they haven't been sufficiently distributed. C&K are the distributor of State-based funds to  
25 kindergartens for our KISS program, our inclusions program for kindergarten. I think that that is a better model than the ISP has been, because we have eyes on children, within our organisation we have the right people to really give the right direction about what each child needs and we're able to customise that funding in a much more effective way.

30 COMMISSIONER STOKIE: What is the difference, sorry, if I can just ask?

MS CHEESEMAN: KISS funding is State funding for four year old kindergarten.

35 COMMISSIONER STOKIE: How does it work that's different?

MS CHEESEMAN: Because we're managing it. So the money comes to us and then we have eyes on children, we're able to really assess very rapidly  
40 what children need even before their enrolment and get the resources in early.

COMMISSIONER BRENNAN: All right. So rather than waiting till the children are there, and then the provider identifies them as puts in application.

45 MS CHEESEMAN: Yes, the delay process of application.

COMMISSIONER BRENNAN: That's what you mean by having eyes on.

COMMISSIONER GROPP: So how do you identify them before they've - - -

MS CHEESEMAN: Because we speak with families before enrolment and we have a really good idea of diagnosis and what the needs are.

5 COMMISSIONER GROPP: But you make that assessment. They don't have to have diagnoses of some issue.

MS CHEESEMAN: No, families have to raise it with us and often that's not the case. We don't see sometimes and identify the needs of children until they  
10 have started. But in the main, most children we can accommodate before their enrolment and we can have resources on the ground the day they start.

COMMISSIONER GROPP: And what are those? Additional educators or what sort of resources?  
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MS CHEESEMAN: It can be additional educators, it can be training for staff, it can be equipment and resources. It's a whole range of things that we put in place early.

20 COMMISSIONER GROPP: Is that program adequately funded?

MS CHEESEMAN: I would like to say that it could always use a top-up.

COMMISSIONER GROPP: Be room for improvement.  
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MS CHEESEMAN: C&K is contributing \$1m a year over and above both State and Commonwealth funding. So I would have to say, no, I don't think it's sufficient.

30 COMMISSIONER STOKIE: You have about another 5/10 minutes or thereabouts, Sandra, and I had specific question but this is your time. So are there things we haven't talked about yet that you really wanted to convey to us? And if so - - -

35 MS CHEESEMAN: I don't think so. We're happy to talk about the idea of a stewardship and a commission, but we will put that in our written report.

COMMISSIONER STOKIE: Well, why don't we go there.

40 COMMISSIONER BRENNAN: Let's hear a bit about that, yes.

COMMISSIONER STOKIE: I had a different question, but let's go there.

MS CHEESEMAN: Okay. So we've really tossed this around. There's pros and cons of an independent commission, but we do believe that with the  
45 amount of money flowing through the system, the coverage to more and more children, there is a need for oversight. So we are supporting the recommendation around some form of stewardship, be it a commission. We think that there is a real role in planning and supply and, as we've mentioned,

we think that that's critical in price oversight and how we can ensure that it's cost-effective for government and delivers the right level of high quality for children.

5 We believe there needs to be a real oversight of workforce initiatives and  
coordination of programs. We've got a lot happening in the workforce space,  
but it is in desperate need of coordination and really starting from the root  
cause of why we don't have sufficient supply of workers in the early  
10 childhood sector. Quality and compliance remains really critical, but  
oversight to ensure national consistency and really strengthen that system so  
that there's a real confidence in the National Quality Standard, and then data  
research and evidence, the use of and connectedness of our data and how  
useful it is so that we can actually seeing really good policy decisions coming  
15 out the way the data is used. So we're really supporting the idea of some form  
of stewardship oversight and think it's probably going to be essential as the  
sector expands.

COMMISSIONER BRENNAN: Thanks, Sandra. One of the issues we've  
20 asked about in the draft report is about the training of educators and teachers  
and the content of their training. And obviously, as the system expands and  
draws in children from increasingly disadvantaged circumstances, the need for  
appropriate training is even more important than it is now, and potentially  
with the change to the NDIS and more children with developmental delays  
and other circumstances coming into ECEC services, is going to be potentially  
25 huge new demands on the workforce. Have you got any thoughts – or perhaps  
you might put something in your submission – about the training that's  
happening now and what we need to be thinking about?

MS CHEESEMAN: Yes. Look, I think it's really time for a critical review of  
30 the qualifications that are required in an early childhood setting. I would not  
want to see any watering down of current requirements, but the actual fit for  
purpose nature of the training programs really does need to be reviewed and  
I'm on the record for saying that I feel very concerned about the move towards  
birth to 12 qualifications when much of that qualification is taken up with  
35 content that is not necessarily going to be used in the birth to five setting. My  
preference is for birth to eight. I think that teachers need to have that real  
scope of development and learning of children into the early years of school,  
and they need that as career opportunities as well. They should not be locked  
into one sector. But there does need to be a real review of the content. But I  
40 also am flagging that the three qualification hurdles that we have of cert III  
diploma and degree, could be reviewed and to look at ways that might  
incentivise people to come into our sector without having those sort of hurdles  
to jump with very little career progression or recognition or financial,  
you know, remuneration recognition for jumping each of those hurdles, and I  
45 think there's some critical work to do there that could really change the  
desirability of the sector for our workforce.

COMMISSIONER BRENNAN: And presumably some of this is going to be  
in our submission. That would be really, really useful for us.

COMMISSIONER STOKIE: Lisa?

COMMISSIONER GROPP: No, I don't.

5

COMMISSIONER STOKIE: I had a very brief question which probably goes back to the funding model, but you're living and breathing this, which is that we have States looking to expand preschool four year old/three year old and we're still thinking about a broader early childhood education and care program, and we have recommendations around wraparound and other things. I'm just wondering, how do you see that working for yourself? Is what we're putting forward practical and likely to work for somebody who's both delivering a set of base services as well as a preschool program and perhaps in an expanded world where some of that is changing as time goes by?

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MS CHEESEMAN: Yes. Look, I think there are a couple of things for us. As a not-for-profit provider we really want to see that we're not pushed out of the market, and so there are opportunities there for us to partner with government. I believe that we can continue to offer different program types and that the preschool kindergarten model is such a valuable model that we should not do anything to diminish that or to risk that being able to continue. And that is very likely if there were a single funding model, because there are just not the same margins in a 22 place kindergarten as there are in a 100 place long day care provision. They are totally difficult models, they need a totally different funding approach. But expansion of all of those, I think is inevitable and that is the opportunity. Every child should have the opportunity to attend a high quality setting and that should meet the needs of their family. So I believe there is a place for the long day care provision and the preschool provision.

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COMMISSIONER STOKIE: What's the vision over, say, like, a 10 year period? Are these things converging over time or they are diverging, what's your view?

35

MS CHEESEMAN: Ten years may not be long enough. I think it's a 20 year project and it is that vision of where we want to be, what we want for our children.

COMMISSIONER STOKIE: Yes.

40

MS CHEESEMAN: And what parents are going to be doing, and parents' workforce participation patterns change according to economic circumstances according to social expectations. So, yes, we need that sort of clear vision to set the path. But I think over the next 10 years, I think we've got to make the best of what we've got, use the infrastructure that we've got, and carefully plan and build into the future.

45

COMMISSIONER GROPP: Sandra, presumably your long day care centres provide – preschool. So how does it differ, I mean, on a sort of day to day

basis, what's the – they've got have a teacher there, they've got to have a curriculum, I mean - - -

5 MS CHEESEMAN: Yes. Our kindergartens, our preschools, are open for 40 weeks of the year, so the children come in 10 weeks terms and then they have a recess period. Our childcare is open for 52 weeks of the year, and so children are there for the whole time

10 COMMISSIONER GROPP: But I guess what my question was going to, you know, when the children are at the long day care centre, what part of it is – because the children are not there, you were talking earlier on that in the kinder, they're there for the same hours, it's the same cohort, but that doesn't happen in long day care.

15 MS CHEESEMAN: Not necessarily.

20 COMMISSIONER GROPP: And children will be coming and going. I mean, we look at the numbers, most of them for about six hours a day, there's some core hours, but it may not that group. So how do you actually deliver the program in a long day care setting?

25 MS CHEESEMAN: Yes, very similar. But the difference is that children are arriving at different times, they're leaving at different times. Yes, on average they probably spend about six hours, but those six hours might not be the same time.

COMMISSIONER GROPP: They don't all overlap, they're not the same six hours.

30 MS CHEESEMAN: And it's not necessarily the same cohort every day. So you'll have a child attending Monday, Tuesday, and then another child attending Tuesday, Friday, and then another child attending Wednesday, Monday, and so the cohort is different every day. It is much more challenging for a teacher to get that, sort of, continuity of education program for a cohort  
35 that changes every day of the week. Plus, that teacher is often dealing with up to, sort of, 80 children over the week instead of 22. So in the kindergarten model, that teacher can get to know those 22 children very, very well, have a really close relationship, understand that child, that family, that context. It is  
40 much more challenging for the teacher in the long day care setting.

COMMISSIONER BRENNAN: But it still, in your view, delivers a preschool program?

45 MS CHEESEMAN: Yes.

COMMISSIONER BRENNAN: Yes.

MS CHEESEMAN: Yes, it does. But it's about choice. Some parents want that, they want to be able to come Monday and Thursday and they're happy to

5 have the inconsistency of the cohort; that suits some families. But for other families, they really do want that consistency and I'd have to say for children with high sensitives and additional needs, sometimes that really close smaller more consistent group is actually more valuable. But we have to make our long day care centres really accessible for all children as well.

10 MS AUSTEN: Could I add, just for a final thought on your 10 year – just two things to touch on. Both providers and parents need the ability to plan into the long term. So however all of this gets wrapped up in jurisdictional agreements, it has to provide long term funding certainty to the sector. Because that not only allows for the sector to deal with things like long term work, you know, making people permanent over the long term knowing that that supply is going to be there, knowing that those programs have time to be implemented and, you know, troubleshooted over time. But it also allows for  
15 parents to know what's going to be happening in the years where they will have young children, what decisions that make in relation to going back to work and when, and how much all of those costs are going to be. And that's really important from both sides of the spectrum.

20 COMMISSIONER STOKIE: Sure. Thank you very much for your time today, Jane.

25 COMMISSIONER BRENNAN: And can I just say before we wrap up, I'd just like to acknowledge, Sandra, your advocacy for the nought to threes. There are not a lot of problem who've been engaged with the inquiry who've had that really strong focus, and you have. And I also know that in a past life, your engagement with the Productivity Commission has put you in an adversarial role in defending - - -

30 MS CHEESEMAN: Yes, absolutely.

COMMISSIONER BRENNAN: - - - conditions for the nought to threes, and I'm glad that that's not the case at the moment.

35 MS CHEESEMAN: Not at all, no. Thank you, that you didn't put in me in that position. Thank you very much.

MS AUSTEN: Thank you.

40 COMMISSIONER STOKIE: Thank you, and thank you for your time today. We look forward to your submission.

MS CHEESEMAN: Well, I think we've just given ourselves a lot of work to do.

45 COMMISSIONER BRENNAN: Thanks, Sandra. Thanks, Jane.

MS CHEESEMAN: And thanks, Deb.

COMMISSIONER BRENNAN: Welcome, Kylie.

5 COMMISSIONER STOKIE: I'm really pleased you can come along.  
You've had the benefit of having at listen to Sandra and Jane. And perhaps  
for the record, if you could just state your name and the organisation you're  
representing or the basis in which you appear today.

10 MS BRANNELLY: Sure.

COMMISSIONER STOKIE: You're welcome to give a break sort of  
introductory statement of, in fact, that can be your whole time. Or  
alternatively, after your statement we can have a free flowing conversation  
15 about some of the things that are most important to you. From our  
perspective, we're interested in hearing on our recommendations and our  
requests for information, you may have some very specific things that either  
aren't in our report or are very specific to our report, and very much we're here  
to listen to what you have to say. So the floor is yours.

20 MS BRANNELLY: Thank you. And I probably have a bit of a combination  
of both. So my name is Kylie Brannelly. I'm the chairperson of the National  
Outside School Hours Services Alliance and CEO of the peek body for OSHC  
in Queensland, which is the Queensland Children's Activities Network, and  
25 it's my pleasure to be here today and I thank you for providing me with the  
opportunity to represent the views of our sector at this hearing today. I might  
just start with a bit of an overview, and then some of the things that I thought  
we could have a free flowing conversation about in relation to what's in your  
report of recommendations and, I guess, outside school hours care more  
30 broadly.

So NOSHSA itself isn't a provider like many of the organisations that are  
participating in this process. So our perspective is slightly broader, and I  
guess what I want to say is that our membership base that we represent are  
35 service providers, educators, and their children and families of course. But  
largely, our membership base is the not-for-profit sector where there's smaller  
providers that only operate one or a few services. I wanted to mention that  
because I think that's an area that we're seeing inquiries where there's quite a  
bit of diversity in terms of the composition of sectors and we have seen  
40 significant commercial expansion in the outside school hours care space, but  
we shouldn't overlooked that the majority of the OSHC sector is still operated  
in a not-for-profit capacity, and that there are still many parent-managed  
OSHC providers running some really high quality services for their  
communities. But it is an area that has been undersupported for a significant  
45 amount of time, and parent management requires the time of volunteers and  
we're finding that parent-managed services are declining rapidly and there's  
probably an increase in commercialisation of the sector as opposed to  
expansion of the not-for-profit aspect of the sector.



And I do pick up on Sandra's points around, you know, that important balance of the composition in the sector driving quality, and I think really important for NOSHSA is that, you know, we seek ways to grow and invest in the not-for-profit aspects of the sector that have delivered some really high quality services. But I guess what I would say is that OSHC is growing really rapidly. It continues to be one of the fastest growing parts of the sector and continuously evolving.

And though we're captured in the ECEC sector for the purpose of funding and regulation, we're also a very important part of the Australian school system now. And unfortunately, our partner's informal schooling don't see it in the same way that the OSHC sector see ourselves as part of the school system. So often the sector is treated as though it's a burden to a school community rather than a partner, or a collaborator, in children's learning. And NOSHSA really see that there's an opportunity to turn that around and look at ways in which the schools and OSHC can work together in the future to benefit children.

Now, we know that in the government school sector, in particular, there's significant financial returns to schools by way of rent and lease fees, and those sorts of things, and NOSHSA's really concerned that the sector, in terms of infrastructure and investment, isn't mature enough for that yet. So when we see that there isn't enough investment in the sector, what we're seeing is a decline in quality where services are growing and trying to find space to operate from and they're being given keys to rooms in schools that they don't actually have access to, or sometimes they're not even given keys, they just say, 'Well, if you need it, you can have this space. But you can't really have it, because we need it for a team meeting' or 'We need it for extracurricular other activities', or something like that. So there's a real opportunity in the recommendations – and I think your call to State and Territory governments to think about their investment in outside school hours care, that they think about, you know, what are the resources that are coming from outside school hours care into schools, and how could they be better invested to grow the sector first and then, you know, invest in other things in the future. But I think that was a particular call-out that you made that – and, I guess, everybody's not really sure and has sought clarification of what that actually means. My interpretation of that was that State and Territory governments are in a perfect position, because they're the regulators of schooling and they're the regulators of outside school hours care through ECEC, so they are actually in a good position to think about how they take responsibility for bringing those parts of the sector together.

COMMISSIONER BRENNAN: It's good that you've seen that, Kylie, because we do think that we may have been misinterpreted potentially.

MS BRANNELLY: Yes.

COMMISSIONER BRENNAN: Yes, in some part, that our draft recommendation may have been. But I think you've expressed it really well, so.

MS BRANNELLY: Okay. Well, I'm pleased about that because people did interpret it to me, like, States and Territories are going to be the provider.

5 COMMISSIONER GROPP: No, no.

COMMISSIONER BRENNAN: No.

10 MS BRANNELLY: I said, 'I don't think that's what the intention is'.

COMMISSIONER GROPP: No, definitely not.

MS BRANNELLY: 'I think it's about the call-out to take responsibility'.

15 COMMISSIONER STOKIE: So we need to clarify that because that's certainly not the case. What we're seeing is the issues that you've raised, which is there isn't sufficient accountability and responsibility in some jurisdictions for the principals, in particular, or the school operators to engage with the outside school hours care community and operators to do so in a way that's actually acknowledging that these are the children that, you know, five  
20 minutes earlier were school children and five minutes later, after the end of the day, they've become OSHC in the same building, the same cohort, the same facilities. There is an accountability and responsibility.

25 We're not suggesting the funding arrangements change, at least not dramatically or at least outside of any broader recommendations we're making. Perhaps there's a questions about the National Quality Framework, is that still appropriate, et cetera. But we want to have the State school system recognise and acknowledge the critical role that OSHC is playing and do so in  
30 a way that's a positive contribution to children's and families' lives are not, well, they're done after 3.30, or whatever time, we don't know them before 8.30 or 9 in the morning, or whatever it is. Yes.

35 MS BRANNELLY: Yes. And there's real opportunities - - -

COMMISSIONER STOKIE: That's very much our intention

40 MS BRANNELLY: Yes, and I'm pleased to hear you say that, because that's what I read into it. But I know that there were other ways of, you know, interpreting that recommendation as well. So there are great opportunities for that. If you look at international models – and I was going to talk about Sweden later, and I'm not going to labour on that point – but OSHC is actually a part of the school curriculum. So instead of having a completely independent learning framework, it's more integrated. We have a learning  
45 framework that does compliment the school curriculum nicely, so linkages being made in that way could be incredibly helpful in helping States and Territories navigate that or achieve that in the future. But I did want to talk about the NQF that you've mentioned.

COMMISSIONER BRENNAN: Good.

COMMISSIONER STOKIE: Yes.

5 MS BRANNELLY: And the workforce, and some other future opportunities.  
So I guess what I wanted to have you - - -

COMMISSIONER STOKIE: Sorry, just be we move on to those, I beg your  
10 pardon.

MS BRANNELLY: Yes, sorry.

COMMISSIONER STOKIE: You mentioned that your members, many of  
15 them are the smaller operators. And one of the things we've observed, sort of,  
looking at the data over a 10 year period is that this is an area – well, the  
service of outside school hours care provision has tended to, just looking at  
the data itself, be concentrated into a small number of very large providers.  
And so I was just interested – you're obviously representing a different cohort,  
20 or a different part of that sector, but they don't seem to be part of the  
expansion per se and/or the service provision is moving in a direction which is  
not consistent with that. Is that what you're observing? Is there something  
going on or is this just a natural evolution of this service provision and there's  
something about the service component which requires economies of scale,  
25 economies of rostering or systems or something, I don't know?

MS BRANNELLY: I think we'd be honest by saying that the growth in the  
for-profit or commercial parts of the sector, and the significant size of the  
larger providers, is because they are able to effectively sell their product to  
30 schools. They're able to tender, they can market themselves and schools  
decide on providers based on, usually, where there's not commercial tendering  
processes and there aren't other criteria. Usually it is on what is offered as a  
return to the school. And this is what the for-profit large commercial  
providers tell me, is that they - - -

35 COMMISSIONER STOKIE: What do you mean what's offered? As in terms  
of the curriculum, or?

MS BRANNELLY: No, financial returns.

40 COMMISSIONER STOKIE: Financial, okay.

MS BRANNELLY: Yes. So they offer financial returns to the schools  
because the lease fees aren't set across all jurisdictions in Australia and the  
rent paid to schools usually forms a part of the tender process. So schools,  
45 when they're looking at a tender from a provider, they will often go with the  
lowest fee charged by the provider because they don't understand the system  
or know any different.

5 So if you're a principal and you're looking at the criteria, and on quality and  
everything else, things look the same, but one provider is going to charge  
families a much lower fee than other providers. You think you're doing the  
right thing for your school community, right, 'We're saving our school some  
10 money because, you know, we're going to go with a more economical  
provider'. They don't really understand what goes into the finances of  
operating a service, which is why the ACCC have revealed, what was already  
know, is that the OSHC operate well below the base funding fee for the  
outside school hours care sector. So the average hourly fee is much lower  
15 than the hourly fee cap set by government because providers are competing on  
price. But, I mean, it's a false competition because what's happening is a  
providers, you know, say, in their tender, 'We're going to charge a low fee to  
get into the community', and then what I hear is then they increase their fees  
once they're in there delivering a service. So the way the sector is growing is  
probably because it's become highly competitive in that way.

20 When it comes to the not-for-profit or the standalone, sort of, parent-managed  
services, in the kindergarten sector in Queensland, and I believe in other  
jurisdictions as well, and you'd know this better than I do due to your inquiry,  
but I know here in Queensland what we have for kindergarten is central  
governing bodies, and when there's parent-managed kindergartens, they have  
to be connected to either C&K or the Gowrie, and then they get some  
oversight and support and that helps them build capacity to sustain operations  
as a parent-managed committee.

25 COMMISSIONER STOKIE: M'mm.

30 MS BRANNELLY: And there's a number of kindergartens, I believe, across  
the country that operate like that and have that sort of support network. So the  
OSHC sector doesn't have that, so there's no centralised governing support for  
parent-management committees and that's why when they find themselves in  
trouble if they don't have a support agency that's resourced to guide them, it's  
very difficult for them to navigate and that's where they often lack direction  
and may fall over. So something like that would be a recommendation that I  
35 would make for our sector where there are a lot of parent-managed services, is  
that there is some sort of governing structure like that model to oversee and  
support, that could be very effective.

40 COMMISSIONER GROPP: Thanks, Kylie-Anne. But if you're saying that  
for-profits the competition is driving down prices, that schools are, you know,  
making contracts based on prices but also what they can, you know, and  
they'll probably want the highest return for use of their property, what gives, I  
guess? I mean, are you saying that it's quality of the service, is that - - -

45 MS BRANNELLY: Quality and staffing is what gives, because providers  
then operate at the bare minimum ratios and the problem with that is that, as  
you are aware, we don't have a nationally agreed minimum qualification  
requirement for educators in outside school hours care, and I'm not suggesting  
that that's exactly the path that we need to go down, but what we see is that

educators who are fresh out of high school, 18, starting university, get a job in OSHC, they can have as many children as a very experienced qualified teacher who might work in OSHC. So the ratio is the same regardless of your experience, knowledge and skills. So what can happen, particularly in jurisdictions where there's no requirement for qualified staff, is that, on maximum ratios of one educator to 15 children, you can have very inexperienced unskilled and poorly trained staff who are, you know, paid as juniors effectively. And that is very common in our sector.

10 COMMISSIONER GROPP: And does that manifest in more incidents reported, or?

15 MS BRANNELLY: Yes, it manifests in supervision issues, children leaving services who are – so the compliance around children leaving services and being unaccounted for – and I don't want to use the word 'absconding' because they should be supervised and be at the service – but one of the issues for outside school hours care is that children leave and nobody knows that they've left the service or they haven't arrived at the service and there's poor checking mechanisms. But it is a compliance issue in our sector that has been picked up in several media releases and as well as the compliance monitoring that's undertaken. And usually that happens because of staff experience, not because of ratios.

25 COMMISSIONER GROPP: Yes. And there's a clear difference between, say, the not-for-profit and for-profit sector in that regard, or?

MS BRANNELLY: Yes, I would say the majority of non-compliance in that area that is identified across the country is probably in the for-profit sector.

30 COMMISSIONER BRENNAN: But, Kylie, I think you mentioned that you're not advocating for nationally consistent qualifications?

35 MS BRANNELLY: No, I'll clarify that. So we do want a nationally consistent approach, but what I would say is the outside school hours care sector is really unique and diverse and we need interesting educators to provide an interest-based program for children.

40 COMMISSIONER BRENNAN: Right.

MS BRANNELLY: So outside school hours care doesn't require a traditional early childhood qualifications model.

45 COMMISSIONER BRENNAN: Right, yes.

MS BRANNELLY: With an interest-based program, so if you – and I know you've experienced this with OSHC - being an interest-based program, children aren't in classes doing group activities. They're freely moving across an OSHC environment engaging in indoor and outdoor experiences that are

offered that are of interest to them. So there's a lot more choice and control in how children spend their time in outside school hours care.

5 So we need to attract people who've got skills and interests that they can share in, like, an extracurricular kind of way with school aged children. So we look for people who've got skills in, like, music and drama and arts and sports and, you know, those kinds of really engaging interesting activities for school aged children that will ensure that they have a really good time in outside school hours care while they're learning through that mechanism of play.

10 COMMISSIONER BRENNAN: So you don't want to, sort of, dampen the variety?

15 MS BRANNELLY: We don't. We want to keep flexibility and choice so we can engage people. What we're actually looking at – and we're already doing this here in Queensland – we've been funded to develop an OSHC educator micro-credential and we see that as a great solution for an industry partnership in upskilling educators across the sector. So we can have very diversely skilled educators coming to work in outside school hours care but we can have 20 a base level of training and certification through a micro-credential rather than a full qualification.

COMMISSIONER BRENNAN: Thank you.

25 MS BRANNELLY: Right. Any questions or are you happy for me to - - -

COMMISSIONER GROPP: Well, actually, on the micro-credential, how long would it take to do that?

30 MS BRANNELLY: At the moment we - - -

COMMISSIONER GROPP: How micro is a micro, I guess.

35 MS BRANNELLY: Yes. At the moment, we have a volume of learning of 24 hours.

COMMISSIONER GROPP: Okay.

40 MS BRANNELLY: There is a large number of hours on the job. We've structured it that way because in our workforce, there is not a lot of paid professional development or training time for our educators given that 80 per cent of them are casual or work short shifts. So we've tried to structure it as an industry partnership that would be successful and we'll get off the ground. So we're working with the not-for-profit and the private sector on the 45 development of this micro-credential. And we do see that there will be a great, you know, opportunity to do that. But it is really, at this stage, micro. We're not sure that we could pitch it at any more than that at this point in time. What we're hoping to achieve is in that first three months of a probationary

period, every OSHC educator could be put through a micro-credential and then we'd have a good foundation, you know, to build on.

COMMISSIONER GROPP: Okay. Thank you.

5  
MS BRANNELLY: All right. So the NQF, I guess you would have heard this and you've asked for more information about the NQF and outside school hours care, and we would say that the NQF is not a perfect fit for outside school hours care, but we don't see outside school hours care benefitting from being taken out of the National Quality Framework. Regulation and quality are really important. What we've been challenged by, I guess, is the over emphasis on quality improvement and the burden that's attached to that in outside school hours care. I guess I just want to explain to you how our sector perceives the NQF and assessment and retaining, and how our families to respond to that as well. So when services go through assessment and rating and are awarded, for the most part, a meeting rating overall. 'Meeting' sounds pretty average, right, so nobody gets meeting and goes, 'Wow, this is a great service', meeting just sounds average.

20 COMMISSIONER BRENNAN: Yes.

COMMISSIONER STOKIE: Well, according to ACECQA, who say that it's exceptionally very, very good.

25 MS BRANNELLY: Yes, and it is a high standard of care. So what I say, in their defence, is the National Quality Framework has done an excellent job in elevating the quality of services, so meeting is a high standard. But we're expecting, for all children, that they get a high quality experience. So while meeting is not necessarily the new high quality, what we're saying is to operate a service here, you need to deliver a quality service and quality is meeting. But it doesn't sound like it's any more than average really.

30  
And families certainly don't engage with the assessment and rating outcomes when it comes to outside school hours care. You would well know that families choose a school that has an OSHC and the priority is that they can get a place in that OSHC. And if it's meeting, it's fine, but they don't usually interrogate providers about their level of quality or choose a provider before a school based on its quality rating. Then sometimes we think, what's the value of having a really cumbersome system for our sector that is administratively quite a burden and the problem, when services go through assessment and rating and they get meeting, is that it's disheartening because it doesn't feel like a great achievement. It feels like we've just met what we're expected to meet.

45 So perhaps there's a way for OSHC of thinking about – we've had refreshed learning framework, so we're working with Approved Learning Frameworks 2.0. So maybe what we need is a NQF Version 2.0 and we need to start rethinking about what has the NQF already achieved to date that it no longer serves a purpose for. If it's elevated quality to meeting for outside school

hours care, maybe meeting becomes the new regulatory level and monitoring activities are at the meeting level. And if services want to go through a quality process, then they can apply to be exceeding. But services that get meeting, they know that they're meeting, families know that they're meeting, schools know that they're meeting, so it's not a helpful process to go through with all of the administration that's required just to get a rating that you already know that you are.

So I think there's, you know, ways to get better efficiency out of the existing system for our sector. Even for regulators, undertaking assessment and rating in outside school hours care, I hear is very complex for regulators because they're mostly long day care trained so they don't often have the OSHC lens in the work that they're doing. And it is quite a cumbersome process, consequently the regulatory authorities don't get to it with the level of frequency that the system really needs. So maybe we need to look at that a little bit differently for OSHC.

COMMISSIONER GROPP: What proportion of outside school hours care would be not meeting or working towards?

MS BRANNELLY: Under 5 per cent. Like, it's the NQF who's really driven quality. So the number of services that are rated as working towards, has really dramatically lowered over the last 5 to 10 years, and I think in terms of significant improvement required, like, one or two.

COMMISSIONER BRENNAN: Kylie, I might have missed a step when you were laying out your preferred model or vision. But how would we know that services are meeting the standard if we weren't doing the assessment and rating process in the same way?

MS BRANNELLY: Through regulatory monitoring and compliance.

If you embedded meeting at the regulatory level for OSHC, and so there's more regulatory monitoring and compliance of the standards at that level, that could make the system more efficient. And for OSHC, in terms of the – like, if you think about our educators, the quality of services depends on quality educators, and we have quite a high turnover of educators in our sector. So services are often awarded ratings that are in place for a very long period of time, longer after the entire team have moved on, and so it's a completely different service with the same rating. Whereas monitoring and compliance activities are more frequent, and they're ensuring that services are meetings those requirements on a more regular, sort of, basis.

COMMISSIONER BRENNAN: Right.

MS BRANNELLY: So that could be – just thinking about how that might be reframed, I don't have all the answers, but thinking about how that might work could be more efficient, could remove some of the burden, and could help families better understand what meeting means.



COMMISSIONER BRENNAN: Okay.

5 COMMISSIONER GROPP: How often does monitoring and regulatory compliance inspections happen now? How often?

MS BRANNELLY: It can be up to five years between assessment and rating visits.

10 COMMISSIONER GROPP: They don't have anything else, like, for compliance?

15 MS BRANNELLY: There's regular compliance monitoring, so authorised officers will visit services, you know, I think, at least, they try to get around to services once a term.

COMMISSIONER GROPP: Right.

20 MS BRANNELLY: But that doesn't result in any assessment or change around - - -

COMMISSIONER GROPP: No, it's not an assessment, it's just – yes, sort of a safety thing.

25 COMMISSIONER STOKIE: Presumably, if something arises, parents will – even they might not expect to – but they'd go to the principal, they'd go to the school, wouldn't they, in some level?

30 MS BRANNELLY: They often do because there's an expectation that if there's an issue, that it's a school problem. And they're then surprised to be turned away and say, 'Yes, this isn't - - -

COMMISSIONER STOKIE: There's nothing to see here.

35 MS BRANNELLY: Yes.

COMMISSIONER STOKIE: Which goes back to our original recommendation.

40 MS BRANNELLY: Absolutely.

COMMISSIONER STOKIE: And in fact, at that level, instead of every five years for the departmental officers to come in under the NQF banner, you'd have almost daily interaction with the school it seems.

45 MS BRANNELLY: Yes.

COMMISSIONER STOKIE: They are misaligned.

MS BRANNELLY: Yes. There's many opportunities for improvement. And if you can do that through collaboration and partnership, it could be more effective for everybody. All right. So I just wanted to make a couple of points, I guess, about the workforce, and we have spoken about some of these things already. Because we haven't had any, like, nationally agreed or, you know, there's been limited planning and investment in outside school hours care and in our workforce, it's been quite a challenge to grow a workforce and to attract people to outside school hours care. We have about 80 per cent of our educators that would work casual short shifts. You can imagine that, you know, if you're working casual short shifts and less than 19 hours a week, you're probably not earning even the minimum wage in Australia.

And so the kind of people who look for that sort of work are, you know, university students, or people who have a second job, or people who can supplement their income in other ways, or perhaps people, you know, retiring and moving out of the workforce. And so when we've got that high percentage of casualisation, there's often less investment because providers say, you know, 'I've got to keep reinvesting in my staff. They might leave after 6 months or 12 months, and so I don't get value out of my investment'. So we do need to think a little bit differently about that. I think the micro-credential, if it works well here and we can get some resources to trial, you know, across the rest of the country, that could be a really good solution to start with, but we need government investment for that. And I'm not sure if I - - -

COMMISSIONER STOKIE: How would that help with retention though?

MS BRANNELLY: It helps with retention because people feel invested in and valued. So people often leave outside school hours care because they don't feel valued with their work and they don't feel supported; they're the number two reasons. So if we provide more support through upskilling and investment, and we help people be successful in their jobs, then they're more likely to stay. But often they leave because – and we compete with industries, like, retail and hospitality and often they leave outside school hours care because they can get short shift casual jobs in retail and hospitality for similar sort of money, but must less responsibility.

COMMISSIONER GROPP: But you're not linking this to high wages, though, this micro-credential necessary?

MS BRANNELLY: We're not linking it to higher wages, but we are hoping that – and you will have heard and familiar with the wage case that is going through multi-employer bargaining for long day care, so we have an intention to follow that with a similar claim for outside school hours care so that there is an opportunity for the entire sector to receive a funded wage increase if that happened for long day care. If that happened for long day care and outside school hours care was excluded, not only would our educators feel less

supported and valued, we would probably lose the percentage of our educators that have early childhood skills and qualifications to that part of the sector.

5 Twenty per cent of our sector work in a permanent capacity or full-time, and it's usually in those leadership and management-type roles, and they're often diploma qualified educators or higher. So they're the kind of educators that would be really attracted to go and work in long day care, and sometimes they come from long day care to outside school hours care. So we would be at  
10 even greater risk of workforce retention if one part of the sector got a pay increase that our sector didn't get.

COMMISSIONER STOKIE: Is there data on vacancies for educators within OSHC got – I don't know whether we have - - -

15 MS BRANNELLY: There would be some data on vacancies. I can put that into a submission, but I don't have that today.

COMMISSIONER STOKIE: Yes, we have it in relation to earlier years. I wasn't sure that it splits it out into outside school hours care.

20 MS BRANNELLY: Yes. The challenge for our sector, different to long day care, is when you look at – so we don't work on an occupancy model because the workforce is casual and the way the sector operates, it's more of an economy of scale, let's say. So if a service has a capacity of 100 children and  
25 they operate at 80, they only staff for 80. Whereas in a long day care centre, you've got three rooms and you've got children in each room, you've got to staff them each with two staff for the required period of time. So I guess the way in which our occupancy works is different.

30 But we do know that, in the OSHC sector, capacity has been limited by being able to get staff. So there are services that are turning children and families away because they have waiting lists because they either can't get staff or they can't get space to operate from. So I know of a number of services that have had to increase their occupancy or their space this year because they had more  
35 enrolments than they had service approval to take. And a couple of the really, or a few of the really large services here, on a daily basis they're at capacity. They have over 300 children for after school care, up to 400 children coming to after school care. So it's quite a different sort of dynamic. You can imagine a service at 400 capacity is quite a very profitable service because  
40 services at 100, you know, can be profitable and outside school hours care as well. But it's more about, yes, their staff shortages but they are impacting families being able to access care.

45 COMMISSIONER STOKIE: So if it's highly profitable, why don't they just pay more?

MS BRANNELLY: That's a wonderful question, yes.

COMMISSIONER GROPP: Do some pay more than others?

COMMISSIONER STOKIE: Is there an answer?

5 MS BRANNELLY: I would say that at the level of the coordinator, senior management, nominated supervisor, there is much more competition for staff at that level and all providers would possibly have incentives and pay above award wages at that level. Casual educators are less likely to be paid above the award wage.

10 COMMISSIONER STOKIE: Because of the time, we have probably another 5 minutes or so. Are there other things, Kylie-Anne, that you wanted to run through?

15 MS BRANNELLY: I guess the only other thing I really wanted to raise was the Inclusion Support Program. We understand it's not fit for purpose for outside school hours care. One of the challenges is that, in our sector Inclusion Support Funding, services are only eligible to get an educator above ratio if they operate at minimum ratios. Now, many of our quality providers choose to work to better ratios than the minimum of 1 to 15. So they're  
20 voluntarily investing in quality in lowering their ratio to 1 to 10 sometimes because that's what they determine is what's needed for their sector. And that happens in both the for-profit and not-for-profit sectors, predominantly in the not-for-profit sector. But we do see providers intentionally lowering and resourcing lower ratios because that's what their communities need and there's  
25 a lot of variable for that. But unfortunately, that makes them ineligible for Inclusion Support Funding because they're doing that voluntarily.

Perhaps getting a base level of funding for services where, like, the program Sandra was talking about here in Queensland for kindergarten where they get  
30 a base level of funding and they get to determine how that's used, I think you could safely say that the vast majority of OSHC services would be including children with additional needs. And they need to determine, based on their own services, capacity and size and infrastructure and resources, what is needed to deliver an inclusive program. And some funding to help services  
35 prepare for inclusion, rather than reactively respond to a child with needs would go a long way to build the capacity for inclusion in the future.

COMMISSIONER GROPP: In your micro-credential, is that something that would be covered, you know - - -

40 MS BRANNELLY: For educators?

COMMISSIONER GROPP: For educators.

45 MS BRANNELLY: Yes. So in our micro-credential, we have covered building relationships with children and supporting and guiding complex behaviour, and they're the main issues surrounding inclusion practice that we find. We do have another program that we were funded to deliver over the last 18 months by the Australian government under the Inclusion Support

Program. That was around complex behaviour, trauma-informed practice, and neurodiversity affirming behaviour. That's perfect to involve into a micro-credential. So it could be another way of building capacity in the sector, yes. So we've got some core elements, but probably not a full program.

5

COMMISSIONER STOKIE: Just on the inclusion support. Presumably the children that require additional support would probably have been assessed under the school program and might have teacher's aids and other support under the schooling system. Does that not get taken into account as part of the inclusion support for assessment for OSHC? Because, for instance, it doesn't happen in earlier years because there is no school to have done all that assessment coming to an early childhood education program at an earlier age, that is the first stage, potentially, and it needs to be done. But at a school, they're coming across from a classroom, where they might have had a teacher's aide, into an OSHC setting where they now need to, what, go and get a separate application, a separate process, and a separate assessment for that child's additional needs, is that right?

MS BRANNELLY: Yes, spot on. There's so many opportunities for sharing and resourcing. The support often stops at 3 pm when the child goes to after school care.

COMMISSIONER STOKIE: Yes.

MS BRANNELLY: And even worse than that, because of confidentiality, being service - - -

COMMISSIONER STOKIE: Right, so they can't even share that.

MS BRANNELLY: - - - providers, information isn't even shared between school and OSHC.

COMMISSIONER STOKIE: So even though it's the same child that's there.

MS BRANNELLY: Yes. So something could have happened during the day, that would be really helpful for the OSHC to know, and the information isn't passed on because it's confidential.

COMMISSIONER STOKIE: Yes, okay. Well, this is the sort of thing that we'd like to see improve as part of a coordination.

MS BRANNELLY: M'mm.

COMMISSIONER STOKIE: But as part of any material you have, and you wanted to make that available, that would be very helpful.

MS BRANNELLY: Yes, I'd be very happy to.

COMMISSIONER STOKIE: These examples are very good.

5 COMMISSIONER BRENNAN: Yes, very good. So a child, if assessed in the context of the school as needing additional support, won't be able to have that support through ISP in out of school hours care if the service doesn't meet the ratio?

MS BRANNELLY: Well, there's support available that isn't even the same. So in a school, you can get a learning support teacher aid.

10 COMMISSIONER BRENNAN: For the child.

MS BRANNELLY: For the child.

15 COMMISSIONER BRENNAN: Yes.

MS BRANNELLY: In OSHC, it's just one person to lower the ratio for their group and then they don't have specialist skills.

20 COMMISSIONER BRENNAN: Yes.

MS BRANNELLY: So providers opt out of the ISP because they want somebody with specialist skills who can work in that way, so they often decide resource to that themselves. And not only that, we sometimes have teacher aids who work with children in classrooms during the day, and then sometimes work at after school care as well, and they're not allowed to share information. They're given confidentiality agreements with the school and told that they will – I can give you examples of this, some very unfortunate examples, where they've been told if they share information that they've got from school with after school care, they will lose their jobs.

30 COMMISSIONER BRENNAN: All right. Even though they might have actually been involved in supporting the child through whatever the incident was, or behaviour.

35 MS BRANNELLY: Absolutely. Yes, you'll be breaching confidentiality about this child on the school day, so.

40 COMMISSIONER STOKIE: Right. Thank you very much for your time today.

COMMISSIONER BRENNAN: Thank you so much, Kylie.

45 MS BRANNELLY: No, you're welcome. Thank you for the opportunity, I really appreciate it.

COMMISSIONER BRENNAN: Really, really helpful, thank you.

MS BRANNELLY: Thank you.

(Short adjournment.)

5 COMMISSIONER STOKIE: Thank you, and I think we're back and our last formal session for the afternoon. So thank you, Jason, for joining us. For your benefit, we're recording this. There's a transcript, we've been doing that for all of our public hearings.

10 MR de BAKKER: Yes.

COMMISSIONER STOKIE: It will be made available in due course. For the record, it would be good if you could just state your name and the organisation that you're representing.

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MR de BAKKER: Yes.

COMMISSIONER STOKIE: You're welcome to make a sort of a short introductory statement if you like. From our perspective, we're very keen to hear about our recommendations, your thoughts around the recommendations and areas where we've asked for additional information. There might be some very specific things that you're interested in and we're happy to have a free flowing conversation or just hear what you have to say either way. The floor's yours. It's very much us hearing from you, rather than the other way around, although we might have questions on what you say. But we're very pleased that you could come along. Thank you, Jason.

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MR de BAKKER: Thank you. So Jason de Bakker from Family Day Care Queensland. We're the peak body in Queensland for family day care services, but we also operate large family day care services – in fact, it's one of Australia's largest non-government services - and an in home care service as well as the In Home Care Support Agency for the Department of Education. So we've got a bit of a unique insight into different elements of the sector and how it operates and how it works to support children.

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So I suppose we wanted to come today to talk about what we think is quite a significant disparity of investment for children that are accessing our types of early education and care, and I think it's probably the parts that we haven't seen necessarily picked up as part of the report. I think we talked about it, and we talked about the value family day care and in home care across a number of these reports, but we're not necessarily seeing a response to that. So I think we're seeing in part in little sections, 'We need to make an adjustment here. We need to do this and to do that', but probably not with necessarily a helicopter view of, 'Well, what is the state of the sector at the moment?', and I'd probably even ask the Commission, 'Do you have an end date for, say, family day care'. I think in home care, it's a little harder for me to get a grip to them, but I've got one for family day care, and I wonder if that's something the Commission has even looked at from the perspective of, 'If we keep on the

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current trajectory, do we have a sector in 5/10/15 years?', because my trajectory is about 2027.

5 COMMISSIONER STOKIE: All right. In what sense, that we wouldn't have a sector?

MR de BAKKER: We wouldn't have a sector.

10 COMMISSIONER STOKIE: Okay.

MR de BAKKER: And that's based on just the educator numbers on the decline that we've had. So that trend line has actually occurred for the last 10 years and has been pretty stable, it hasn't shifted. And that even, to me, is a little bit bizarre in the sense of we just had regulatory changes that have significantly reduced the pipeline for educators. So we've gone from what I calculated – and I'm not the best accountant so the Commission might have better people to crunch the numbers for us, but I think we went from a pipeline of about 10 million potential educators, so we're talking our cohort of educators which unfortunately, I'll be gender specific, you know, female, aged 15 30 to 60, that's our cohort essentially that we're working with. So went from that, which was about 10 million, down to about 250,000 possible people that could become family day care educators right at this point. So those that will have a certificate III or above, the equivalent for, you know, to be able to provide a service. So that's quite a significant shrinkage of a pipeline and we haven't really seen the decline that we were expecting to see on that trendline yet, it's pretty much stayed the same. So I think we could almost get that you're going to remain on that trend or dip quite significantly, so that's putting a lot of stress on services. They're basically not able to replace the educators that resign and that move out, so usually always have some movement.

30 My services, we tend to lose one to two educators a week and we're to bring up maybe one every two weeks, so that's the decline that we've had. We were able to arrest it for some time as some services have, but others haven't. So, for example, in Queensland we've got about 105 services and something like 35 just under 2000 educators. So if you do the real math, that's 18 educators per service. But we know that there's probably about four or five providers that have the largest share of the educators, so they take about a quarter of the educators so that means that there's 1500 left for those other services and there's some medium ones in the mix there.

40 So we know there are services that have one to eight, maybe, educators that are with them, if not less. So we think there's a large number of services that are really on the brink of collapse. They may not know that they are, because they're small service providers (indistinct words) with the cashflow they're 45 forecasting and they're not (indistinct words) when it's going to hit and/or just, you know, they're still registered but not operating anymore.



COMMISSIONER STOKIE: Just to be clear, so I understand what you're saying. We're talking about the service providers who are coordinating on behalf of specific family day care services, that's right?

5 MR de BAKKER: Yes.

COMMISSIONER STOKIE: And your commentary about the decline of those numbers is that they're declining, not the family day care services per set, but the operators, the coordinators, is that right? I'm just trying to  
10 understand what you're saying.

COMMISSIONER BRENNAN: Yes, all the educators.

MR de BAKKER: That's right. So the educators essentially, yes.  
15

COMMISSIONER STOKIE: So these specific family day care service provider in home – sorry for the description, but the at home family day care provider is leave the sector, is that right?

20 MR de BAKKER: Yes.

COMMISSIONER STOKIE: Okay.

MR de BAKKER: Yes. And so it's interesting because I've reflected on this,  
25 because I'm only new to the sector, I'm five years old myself so I'm about to, you know, graduate and go off to school now, but when I first come into the sector, people would say to me, 'They don't value family day care' or 'They don't value in home care'. Even when I was spending time with government, I didn't hear that message at all. In fact, I heard the opposite. I heard very well  
30 that people who talked about the value, they understood the value of family day care, but obviously that message wasn't getting out.

And so I've reflected, as we've come here. We've got good well-meaning  
35 smart people in and around the sectors and government that have the right intent. But I don't think there's anyone actually looking at it from that global view and thinking, 'How do we support this valuable treasure we have in in home care and family day care?' And if you haven't spent time with children in family day care, adults, you know, becoming adults or their parents or teachers that welcome, you know, family day care children into  
40 their schools or in home care families who wouldn't get the care if they didn't have that service type, and to really hear from them and to see it in practice, I really encourage you to do so because it's pretty incredible and impactful, you know, the lifelong connections that they have that, you know, your educators are going to their graduation and they're going to their weddings,  
45 and sometimes they're the first one to find out about a pregnancy because they're, you know, not sure how to have that conversation with their parents yet. So they remain intricate and involved in their lives and often generations of generations will go through one lot of educators, but we're losing that.

COMMISSIONER BRENNAN: And so what do you think we need to change, Jason, to help that?

5 MR de BAKKER: Well, look, we really recommend the Commission's recommendation around a commission for early childhood, I think that's absolutely key. But it's how we go about doing that work. Because like I said, we've got well intentioned good people that, you know, will have interest, but who's actually looking at it, like, who's looking at those numbers and saying, 'This is where we're heading, and if we don't intervene, if we don't  
10 do something differently'. So we can say we need to have bespoke policies and whatnot, but why do we need the sector involved in the development of those because we know the business, it's complex, it's really difficult complex work.

15 COMMISSIONER GROPP: So what are the major drivers of this downward trend? I mean, we've heard about there were integrity issues and there was sort of a drive to address those, you see the inflexion point in the data. But what are the other issues? I mean, the ACCC report sort of pointed out some of the costs and had some commentary around that.

20 MR de BAKKER: Yes.

COMMISSIONER GROPP: What's your view?

25 MR de BAKKER: I think it's a combination. There's a whole range of different factors that are contributing to it and a whole lot of solutions that could be available. So they work hard. You know, out of all the educators across the sector, they're working the most amount of hours; 50 per cent of them plus are working more than 41 per cent. I think in (indistinct words)  
30 3 per cent of the workforce that are doing those sort of hours. It's in their home, you know, it's deeply personal. You don't get to go home and leave work, like, it is there and obviously impacts your family as well.

35 So the way which we view work, and engage around work, is obviously very different, although a lot of us are working from home now so it's a little bit like a – there should have been renaissance for family day care, because we got that value of being in the home. So it's hard work and they're doing a lot of work that they really shouldn't have to do in that technology should be able to support a lot of what we're doing. The amount of forms that we have to  
40 complete, submit, you know, rewrite someone's name 1000 times, when the computer should really just be doing it. You know, we've got the smarts now where AI – well, not necessarily AI, but the smarts to actually have one system that would actually do all of that administrative work for all (indistinct words), do the scan of safety, like, that technology exists but we don't have  
45 the size of the sector to invest in it. So what happens is, we're just doing work really quite cumbersome and just too many steps in the process.

COMMISSIONER GROPP: And what about the demand for it? I mean, obviously that could be one driver if demand were declining, but what's your assessment, is it - - -

5 MR de BAKKER: No, we can't service the demand.

COMMISSIONER GROPP: Okay.

10 MR de BAKKER: We don't have enough educators to service the demand, yes.

COMMISSIONER BRENNAN: So can you keep going on – so you've called out that, sort of, routine administrative work as a high burden and given us, you know, some vivid illustrations there. Can you keep going on the list of what it is that's leading to the decline in educators?

15 MR de BAKKER: Yes. I think it's the underinvestment in them. So they're doing hard work and yet we're seeing inclusion support not having an impact. So they're supporting children with disabilities, they're supporting children with different cultural needs, but there just doing it with no additional funding, no additional costal value for the work that they're doing. The top-up payment doesn't work because it means that they lose another income from another child because we just have to exclude them from their service. So it just does not fit our model. So every time a government policy or program comes down, we look at it and we go, 'We're not there. That doesn't fit us', you know, there was a whole lot of professional development funding come down recently. Look at the percentage that we would have accessed that for family day care and in home care, it just wasn't fit for us. I think probably what was a bit of the nail in the coffin would have been what was called the 'relief package' during COVID.

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25  
30 COMMISSIONER BRENNAN: Yes.

35 MR de BAKKER: We call it the 'disbelief package' because when it came down, it had no regard to our operating model. So it was all built around the employee relationship. So educators are independent contractors running their own businesses, but they were forced into something like – I'm just trying to remember what the program - - -

40 COMMISSIONER STOKIE: JobKeeper.

45 MR de BAKKER: JobKeeper when they weren't employees. And so the rigmarole they had to go through with the amount of steps they had to go through to even get JobKeeper. And then we take the whole funding model in that time, you know, that would suit other service types, great, and it kept them afloat, but for us it was tedious and difficult work because we basically changed the whole funding model that we had then overwork overnight to work out how to we pay our educators? Some's coming from here, some's coming from there, and for some of them, they were working almost full

occupancy during that time. We don't necessarily see all of the numbers because the system was turned off, but some of them were working, 70 per cent occupancy, well, certainly more than 50 per cent, and they were seeking the services. And, you know, they had the human element to that.  
5 They had families in their homes - - -

COMMISSIONER STOKIE: Presumably they were charging parents at that point, though, weren't they?

10 MR de BAKKER: No. So we essentially said to them, 'You're getting half of it back'. That was the message that we got, and some services just didn't know how to administer that payment.

COMMISSIONER STOKIE: But surely that's a – like, I have friends who  
15 were charged their full amount even though they weren't sending their child to services to keep open the place.

MR de BAKKER: Yes. Look, in family day care, there's probably things like  
20 food being dropped off, and stuff like that, for educators and whatnot, I don't know of any of those sort of practices.

COMMISSIONER STOKIE: Right.

MR de BAKKER: But I certainly know your parents would get resources and  
25 whatnot because educators couldn't afford to buy resources and those things. So, yes, it was a difficult time and it was a time when they put themselves at probably the most risk.

COMMISSIONER GROPP: Sorry, we're in the dark.  
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COMMISSIONER STOKIE: Sorry, our lights – we haven't moved enough,  
you see. Sorry, I think I distracted you, Jason.

MR de BAKKER: No, you're right.  
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COMMISSIONER STOKIE: What are the other factors at play here, because  
eventually we're going to turn to, well, what are the solutions?

MR de BAKKER: Yes.  
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COMMISSIONER STOKIE: But let's keep diagnosing the problems, that  
type of thing.

MR de BAKKER: Yes. Look, I think probably there's a general sense of the  
45 workforce and not wanting to necessarily do the long hours and to do the type of work that our educators have done for a long period of time. So I think we've got that difficulty in the cohort, and obviously the changes to the qualifications is quite significant because there were a cohort of people that would have their first child and decide, 'I want to stay at home', and therefore

they might retrain, they might have been a nurse, they might have been some doctors, retrain and provide family day care. So we don't have that sort of inlet there yet. So I think we've obviously come from what was, you know, a time of great rise of family day care, and then we've had all of these little  
5 knocks along the way and they just chipping and chipping and chipping.

The regulation, you know, it's overly complex for us to administer the interceding parts of the legislation and policy that don't necessarily match up. And, you know, every time there's a regulatory change or a change in the  
10 NQF, well, there's all of this change plus for family day care we've got three or four new things. No one's ever thought to say, 'We need to take some stuff off them. We need to think about doing them a little bit differently', you know, there's things like within the regs around different things, and we go, 'Well, that just does not have value for - actually, if you think about it - the  
15 well-being of children. Like, it's a paper exercise or we can - - -

COMMISSIONER BRENNAN: This is in the National Quality Standard?

MR de BAKKER: Yes. And it's the way in which, you know, regulators  
20 often will think, 'Well, this is the way in which it needs to be applied' in the context of, you know, family day care. You know, documenting and Pragmatic Practice is one of those things that – our educators know our children innately, you know, they're not using that documentation to handover to other staff or to demonstrate – you could sit down with an educator and ask  
25 them what their planning process, they can talk to you about, we can record it on a phone. There's just different ways we could be doing things other than through paper and, you know, form filling and whatnot. But we're bit slow to innovate like that in some respects, because I think there's just that fatigue and that tiredness from these last, you know, four years. I mean, we really asked  
30 a lot during that time of change, the payment system, we've had the pandemic, we've had two lots of legislative changes/three lots of legislative changes at the regulatory level and then, you know, (indistinct) changes as well, so there's been a constant change.

35 And like I said, they're the ones working 41 plus hours. They're the longest in the sector as well, you know, like, when we get them, we keep them. You know, I'll often go to an educator's farewell and they've done 30 years as an educator. Like, how many professions do people stay in the one job and doing that work for that period of time? Like, it's incredible. But we're losing  
40 them. So I think that demographic of people is wanting to do that sort of work.

The other biggest issue for us is housing. So the housing prices is doubly impacting down because we've got educators that can't get rentals because  
45 landlords won't rent to them because they just see it as being a problem. They actually don't see the value in having a long term tenant that has to look after the property, has to keep it, you know, clean because that's what the regs require of it. So they've got this mismatch view as to the value of it and they can charge more money than maybe what an educator can afford. Then

purchasing and buying into the housing is difficult. The suitable housing that's available may not be there, particularly if you go into regional locations.

5 COMMISSIONER STOKIE: You're painting a pretty bleak picture, Jason. It may come as a surprise, I don't know, but we do see a value in family day care. We think it plays a really important unique role there. It's a choice for some parents, for some children. It will be fantastic. And in certain areas where there aren't existing services, it's an excellent alternative across the board. Given your bleak picture, what do you see as the future then and what  
10 do you want us to hear? We have a series of recommendations, they're probably broader than just a component of the sector. What have we missed, if anything, or is it – yes, what do we need to hear?

15 MR de BAKKER: Yes, and I'd be interested in your insights following this conversation as to what can be done. I think starting with a vision or a strategy or something about where we want the sector to be. Do we want it in decline? Like, what is it that we want to capture and support and invest in for the sector? And then that's something that's agreed between everyone, because we try to fit ourselves under these strategies and these, you know,  
20 visions and where we're heading as a sector, but it never matches, like, it just never matches. And you can go through every, you know, funding program, you can go through every strategy. I'll go through the national workforce strategy and I'll give you one, maybe two, strategies that will have some way of impact because they help the pipeline. But, you know, we're talking in the  
25 margins, but nowhere near to address the issues that we've.

I mean, the issues around us and recognition, it was the subsidy rate that we've been saying for however long was not high enough and we need to fund  
30 outside, you know, non-standard hours. And we've been saying that, but we haven't had traction. And we've even had the evidence for it, and we haven't had traction. So that says to an educator, 'You're not valued'. You're putting in these hours after, you know, 6 o'clock at night', they do it for the children, they do it for the families. But the sector's not saying, 'We value you'. So it's those sorts of things that we have to structurally fix to go, 'We feel recognised'.  
35 We feel valued for the work that we're doing. We're getting, you know, paid the compensation that ought be'. So other sorts of programs just won't match, we've got to fix the fundamentals and then people will feel like they're valued.

40 So I think that having some goals and some measures, that governments can be held accountable so we can be accountable too, that we share, that we say, 'This is actually what we want for family day care', and that then focuses around the program development that needs to happen. I think that's core, because - - -

45 COMMISSIONER STOKIE: Do you see family day care catering to specific needs or competing and providing an alternative to existing arrangements? So like, for instance, you're talking about outside the standard hours. Well, in some respects, only family day care could probably reasonably do that in a way that parents would be comfortable. Perhaps in regional areas or areas

5 where there are low services, it's a relatively lost cost weight to start up a service to cater for people culturally, linguistically, or for special needs, it may be a very specific area that caters for it. But everyone that I've just outlined there, they're almost an alternative to, you know, their specific need and that's almost a natural capacity and natural market for family day care as opposed to trying to compete with the C&K service next door.

MR de BAKKER: Yes.

10 COMMISSIONER STOKIE: I don't know, I'm just – like, where do you say – because that's partly where we see, and if the service can also then provide an alternative that people (indistinct words), but there is a natural constituency for family day care in our mind.

15 MR de BAKKER: Yes.

COMMISSIONER STOKIE: And we wouldn't want to see it disappear.

20 MR de BAKKER: Yes, absolutely. And some brooding as well. I mean, we've got some research briefs at the moment sitting around kindergarten and family day care because, you know, we can hit a market there where there are children not necessarily accessing kindergarten or they would be better off having that program in a family day care environment. Some of the work that our educators to, the teacher qualified educators, is phenomenal. I mean, it's 25 absolutely children-led and it's amazing and incredible work, but they're not getting paid for it, they're not getting the extra supplements because you can't do kindergarten in FDC even if you're a teacher. So again, another, you know, devaluing of the workforce and the profession.

30 So I think there's some dangers with pigeon holing family day care in that it probably doesn't really go to the heart of what we are, which is community, you know, we live in community and we're engaging around those children that are in our care and providing, you know, flexible and responsive services to them. So I wouldn't want us to be seen as, well, we're just the ones that are 35 doing this part of the care, because we can do it all, and families will choose to come and use family day care. So we've got to make sure that, in the whole, it's supported to do that work.

40 COMMISSIONER STOKIE: Okay.

COMMISSIONER GROPP: Jason, in our earlier consultation rounds, we've heard that applications for new family day care services are getting knocked back, is that something that – you know, at quite a high level, is that 45 something that's continuing or is that correct?

MR de BAKKER: Yes. No, well, it certainly – and for in home care, we just haven't had any at all. And I understand that's some of the reasons why we haven't had some approvals with the in home care services. But, yes, a lot of it is around the policy issues for FAL and the requirements. I think all those

services have been pushed in a direction that maybe they want to send legislation, so far as the way in which fees are being collected and whatnot. But there is certainly a heavy onus on providers needing to have knowledge and experience of operating in early education and care that, 'Am I being told and I don't know, because I'm not across the other service types'. That probably isn't as stringent in other service types where you may have an approved provider that's not as engaged in the service or might be, you know, more operating in a business sense than from an early childhood space, so - - -

5  
10 COMMISSIONER BRENNAN: So what's the requirement in family day care?

15 MR de BAKKER: The feedback I'm getting is more around the policies and procedures in the way in which they're designed and they run, and so they're being very specific as to these policies or, 'Are they going to meet the law or not necessarily meet the law?' But I don't know if it's always completely accurate in that sense.

20 COMMISSIONER BRENNAN: Sure, yes.

20 MR de BAKKER: And, look, if there was someone looking from above and actually going, 'What are we doing about this sector?', because that's where I'm lamenting and thinking, 'I don't think there is', because if we think about those numbers and we look at all the information we have from the various  
25 places, which is part of the puzzle that I think with family day care we don't have. So we don't have good research, we don't have any in home care, we don't have the level of investment into the evidence that says what works, what doesn't work. Because it's got to come from the sector, it's got to come from the people, because it's so complex and it's so detailed, we don't have  
30 that level of investment. And so – where was I going with that?

COMMISSIONER STOKIE: Well, you rightly pointed out earlier, Jason, that one of the things we're thinking about from a ECEC Commission is to have that broader stewardship perspective, a perspective on the sector as a  
35 whole. Some have suggested that it's a grand planner, I'm not sure that we necessarily agree with that. But there's an element of, 'Who's thinking about the sector and all its interrelated parts, and how are they fitting together and are there gaps or challenges or things slipping through? So potentially – and we do see it – as I said, and we haven't talked about in home care, but we do  
40 see a role for family day care and in home care, and it's not an unreasonable challenge from you to us, or all, to say, 'Well, what is the vision for family day care? It is just there to fill the gaps', or, you know, 'If it can provide a service that meets the standard, fine. If it can't, too bad', or is it something that needs to actually be explicitly considered as part of a policy mix – and it  
45 doesn't seem unreasonable a question to ask, since it can provide very unique services, but it might also provide broader services that are very much in demand. It's almost an anomaly looking – it's this – I'm looking at it (indistinct words), I'm not sure what's happening here?



MR de BAKKER: Yes.

COMMISSIONER STOKIE: Parents like it, the children like it, it provides a service that works well, why is it in decline?

5

MR de BAKKER: Yes.

COMMISSIONER STOKIE: So Deb said to me, 'What's happening here?'

10

MR de BAKKER: Yes.

COMMISSIONER STOKIE: And some of it might be demographics of the teachers and the age and others, and they haven't come through, I don't know, maybe there's just additional burdens. We know the integrity issues that Lisa raised have been raised with us, and I'm yet to hear anybody from the sector properly, sort of, argue, 'No, we've got on top of that. We're addressing that here. This is how we're doing it', because we still hear that the approvals are still taking a long time, and maybe that's a way of - - -

15

20

MR de BAKKER: Yes. Well, and it could be a disproportionate, you know, approach that. I mean, we've got the same issues happening in the other service types. You know, it's not like we're exclusively just in our service type. And I mean, some of that stuff was shadow sector, right. So it wasn't actually people within the sector that had those practices. They were people that were deliberately in there to have unscrupulous action and to defraud the government as there is in any investment, right?

25

COMMISSIONER STOKIE: Yes.

30

MR de BAKKER: But we shadowed the pain of that. And, you know, one of the strategies could be the steward to do, 'Do we really need this in the paper all the time?' Like, if we're doing the work – and, I mean, governments need to be open and transparent and communicate, but do we actually need to communicate to the community in the way in which we do, and in the volume that we do, and/or not counter that with the other stories, an investment in the other stories of the promotion?

35

COMMISSIONER STOKIE: Can I maybe ask you a separate question then, Jason. Like, we have a series of recommendations including increasing the amount of the support to families, particularly lower income families would be paid at 100 per cent of the rate cap, we remove activity – we're making it easier to effectively access, and potentially funds to help support and grow services and that shouldn't, at least in my mind, preclude family day care from being part of that expansion of services. How do you read our recommendations as it relates to the family day care? Is it complimentary, supportive, indifferent, or competing? I don't know, how do you see it? How do you read what we've written?

40

45

MR de BAKKER: Yes. Well, my mind goes to how are we still not going to repeat the same problems? So I think the intention of the policies are correct, absolutely, but it's in the design and in the roll-out about how they apply in the context of in home care and family day care. That's the part we haven't quite  
5 got right. And I think it's about codesign, we really need to be working with the sector to codesign these solutions. Because every time a funding package comes out, it just doesn't match us.

COMMISSIONER STOKIE: So what would you like to see in our  
10 recommendations?

MR de BAKKER: Well, when I think, I think the vision or the goalsetting around the sector needs to be the core because that should drive everything. And then it leaves this understanding of why, and maybe it's a research piece,  
15 but it's also a way of we need to do business differently, we need to do policy design differently that takes that into account. And how you do that, I don't know. I mean, I've often thought, 'Do you have tsars in the departments?' or you go, you know, you always have to have a family day care person in there with deep knowledge of family day care that you run things past. From the  
20 comms, you know, because the comms come out and that doesn't even speak to us because they use difficult language. You know, they talk about employees and they take about staff that we go, 'Well, we can't see how we fit in that', so you have a person to do the paths on that, from a language  
perspective. You do, 'Someone do the paths on it from a funding perspective',  
25 the paths on - what's this actually doing to mean if they change this regulation? Like, did we actually do those calculations correct? When we do those correct changes, this is the impact. So people within government, they can advise on that and it's part of the process.

30 Because I think if you speak to government, they would probably say, 'We struggle with it too', because they're not in the business necessarily every day and there's churning staff, you know, staff will move through so you build some knowledge and then bang, you don't have something. We have had advisory groups set up within governments, but they haven't necessarily  
35 always gone ahead, you know, for some reason they've been established, we've seen this need, I would need to talk more to the different service types because, you know, Kylie would probably echo similar, similar experiences in, 'She's not just in relation to family day care'. So I think it's that we just got to do the business a little bit differently. You know, when we're doing these  
40 sector wide strategies or sector wide policies, they've got to have that element of, 'This is how it's going to play to the sector', and, 'This is what's going to be differently'.

45 And probably my other request is, we do need to invest in the sector – well, I think getting us to the point of when, you know, other reforms will come in or decisions will be made by government, is that concern. Like, when I looked at that trajectory, and I will share our stats, we may not have – you know, in home care, I'm not quite sure about that. They've been traveling along okay for – like, they're under pressure and they're under stress, but we can deal with

the workforce stuff, we can probably get through that periods, it's the family day care services that we won't. So we need some sort of intervention there, but we need support of the sector.

5        Because we're so small, we don't have the resourcing for, say, big bodies like  
us. Like, it costs us probably four times what we make in our membership to  
run our peak, and we're not even doing half of what our members would want  
us to do, and we could do so much more. So we're duplicating a whole lot of  
10        work across the sector. So all of those, you know, 400 service in Australia,  
they will rewrite those policies, they're going to have to do a whole lot of  
work that essentially peaks should do, but we don't have the resources to do it.  
But the main investment we need is around the infrastructure. So we've got a  
whole lot of funding that goes into, you know, capital and program areas, but  
15        we need the IT to be able to support us, we can't pay for it ourselves. So that's  
going to solve the biggest problem. Because as it does in all other industries  
where you modernise and you bring in technology, and smart technology, it  
will free up those educators for the stuff that they're not interested in - - -

20        COMMISSIONER STOKIE: So presumably the IT you're talking about is  
mainly from an accountability and reporting basis, is it?

MR de BAKKER: No, on everything.

25        COMMISSIONER STOKIE: Or are you saying for - - -

MR de BAKKER: Everything.

30        COMMISSIONER STOKIE: What, lesson plans or something, or parent  
communication, what - - -

MR de BAKKER: Everything.

COMMISSIONER STOKIE: Right.

35        MR de BAKKER: Everything, yes. To the health and safety to, I've got to  
my daily safety checklist. So, you know, I've got to record a fire evacuation  
to, 'This is what that's child's learning', and, 'Oh the child's cut their finger',  
and we need to write the incident form. Like, the computers should be able to  
do nearly all of that that they're having to do manually. So, you know, I'll use  
40        an example off – yes, you have a child that's, you know, hurt themselves. So  
you go, 'Siri, Johnny's cut his finger', and goes, 'Okay, how bad is it? Did  
you have to put a Band-Aid on?', or whatever, 'Yes, I did', 'Okay, does he  
need to go to doctor?', 'No', 'Okay. Well, I won't call the ambulance', or 'I will  
call the ambulance for you', 'This is the address, this is where we are', 'I'll send  
45        a text message to Mum', the service will be notified about that.

None of the parents have got to text, you know, parents have got to go onto  
the portal for the service and fill in the child's name and do an incident report  
and then send that off and then they've got print that out and get that signed

and then – no, like, all of that stuff should be able to be automated. Yes, it should fit in within the integrity issues and the payment issues, but all of it should be linked up. We've got multiple different systems because we've had to build this stuff ourselves to be able to record, but it's cumbersome, it's  
5 difficult. I mean, when I first joined the organisation, we were still doing paper timesheets, and we're talking five years ago. We were still processing timesheets because we hadn't been able to move on to other systems. So it's just that sort of stuff that - - -

10 COMMISSIONER BRENNAN: Yes, it's very compelling, I must say, what you're telling us.

MR de BAKKER: Yes. Well, no provider will want to invest in it. We're not big enough to be able to make that much money from.

15 COMMISSIONER BRENNAN: Yes.

MR de BAKKER: And we're complex, right. Like, it's, 'Oh, you've got to do this and that', and it's - - -

20 COMMISSIONER BRENNAN: Is the decline in educators that you're talking about, is it consistent across Queensland, are there areas – no areas where - - -

MR de BAKKER: Yes, I don't have the stats by different areas.

25 COMMISSIONER BRENNAN: Okay.

MR de BAKKER: Although, we could probably start to get some of that together because you put it against the children in care data that you'd  
30 have - - -

COMMISSIONER BRENNAN: I don't want to send you off on a busy work task at all, definitely not.

35 MR de BAKKER: Yes. And look, I could probably even just get anecdotal information from our members. And that's why I say, we can't necessarily - - -

40 COMMISSIONER BRENNAN: But it's not even just the numbers, it would be – because I would have gone on to ask, you know, what are the characteristics of the services or what can we look at, can we see any patterns, et cetera.

45 MR de BAKKER: Yes. And look, I think they're the questions we need to be asking, because I don't necessarily have all of those answers yet. You know, there might be an optimal size to run family day care services actually, the most efficient and whatnot. I don't know what that necessarily looks like. I know from our services, you know, I mean, we've got educators who are up in Cooktown down south to Warwick. So we've got our risk management plans

5 on crocodiles and guns and a whole range of different things on them that we have to contend with. And I've got a large State we have to cover. My quality systems are going to be far more than the smaller crew provider that can actually going and see their educators and touch them and, you know, it'd be in their environments. So they don't need the sort of systems that we do and the overheads that I have.

10 COMMISSIONER BRENNAN: Yes. So it's interesting because the picture you're painting is sort of as a sector that's operating in some ways as still as cottage industry, you know, without very much support, with individualised educators, but with this whole level now of compliance and (indistinct) regulation and financial accountability, and so on, that's not matched by - - -

15 MR de BAKKER: No, I think there's certainly a level of sophistication in the services that exist.

COMMISSIONER BRENNAN: So where does that come from, and who - - -

20 MR de BAKKER: Yes.

COMMISSIONER BRENNAN: Because a lot of what you're talking about, a lot of was technological and I imagine expense initial set-up costs, but then you roll it out and - - -

25 MR de BAKKER: Yes. Well, for me and that technology – because we've obviously lent quite a lot into our technology. We still lose a lot of manpower just on the duplication because the systems are talking to each other. So you've got one system for child care subsidy that you need to enter all your educator information into, and your blue card information, and it all goes up (indistinct words). But then we've got to, you know, keep another register for our regulators to give them the information for when they require it. And then I'm also keeping stats on when educators are leaving and the demographics about them so I can understand them and we can manage them in the way which we want to manage them, so we've got another system for that. So the educator's name is in a 1000 different places, we have to update all of that different information so it's in the manpower and actually – I mean, that's much more sophisticated than what we first had with the paper timesheets, but it's not all joined up together.

40 Now, if I went and spent 200/300/\$400,000 in doing that, I could that. But it's a lot to invest in these times when we just see those educator numbers going and, well, can I keep investing? Can I keep putting money into this? And that's the thing. Like, the outlook for services is not good. So why would you want to invest extra money in those system improvements, you wouldn't because you just see declining revenue.

COMMISSIONER STOKIE: So presumably you've had conversations with the regulators and the Commonwealth departments, et cetera. What have you

said and what have they said in relation to these, you know, quite critical issues?

5 MR de BAKKER: Like, I haven't been just around the dates. I mean, I have been. I've been saying it and the figure actually hasn't changed really. Like I said, it's been on the batch trajectory, we're just closer to it. And this was just really a good opportunity to go global and think what is it? You know, because I'm probably part of the problem too in that I will go to the regulator and, 'We've got this issue', you know, 'We need to deal with that', and we'll  
10 address it on that particular issues. I'm not going, 'Hey, let's zoom out a little bit', 'A little bit now'. I mean, we had a resignation from a long term FDC manager over Christmas because they got a FAL audit before Christmas and then they got their assessment and ratings thereafter. And pretty much within a three week period, over the Christmas period, they had an audit and their  
15 assessment ratings. After what's been a pretty intense six months of changing policies, and they're a large service, a 100 educators, she resigned. She's, like, 'You know what? I just can't do it anymore'. Like, that level of microscope that was happening, and there's services that want to be compliant. Like, when they get a breach or if they get pulled up by something from the  
20 regulator, they take it to heart, like, they really genuinely are upset by something that might have happened that – it's natural, you're going to have non-compliance, you're going to have issues, but they genuinely always want to be as compliant as they can, and so it's just another knock for them. So we've just put them under a lot of pressure for too long, and obviously  
25 COVID's probably exacerbated that, and the workforce stuff is obviously just underlying it because they're not getting the number of educators through. So, you know, their job security's in question.

30 COMMISSIONER STOKIE: Presumably, the workforce for family day care come from existing services. So we hear a lot about the workforce issues that are in the sector, but it's about getting additional and new people into centre-based day cares and preschools, et cetera. So it would be educators go on to be a diploma level or become teachers, and then presumably, historically,  
35 some of those would bug out of that and into running their own service within their own family perhaps when it was aligned with their own children at least. This is a fair flow, is that the standard - - -

MR de BAKKER: Well, certainly now it is, yes, that's right.

40 COMMISSIONER STOKIE: Okay.

MR de BAKKER: So, yes, you'll those cohorts that will be happy with their children and to that, and then most of that just – I mean, there is a bunch of people here capturing – and we're not capturing that well – but are leaving the  
45 sector that potentially could be an in home care. So we - - -

COMMISSIONER STOKIE: Is there any formal engagement that you have with centre-based day cares or other providers and their educators, how do they come to become – is it just word of mouth, a friend has started one, they

start one, or they actively quartered, you know, is it a regular email coming in, 'Have you thought about coming across?'

5 MR de BAKKER: Yes. Well, that's occupying a lot of our time in thinking about we do that, and how we engage. I mean, obviously for services it's quite different for them to have conversations with their staff around them leaving, and then what happens if you leave. You know, 'Okay, you're going to give us your resignation, well, here, have the family day care preparation', that's ultimately what I'd like to be happening. Because they don't want to  
10 promo it necessarily as an encouragement, as a, 'Let's go over here'.

COMMISSIONER BRENNAN: Yes, yes.

15 COMMISSIONER STOKIE: I get that.

MR de BAKKER: But, I mean, look, I do work with colleagues, I chair the Queensland Early Childhood Australia in a committee. You know, we're in constant dialogue. I mean, we're a good bunch of people that genuinely are focused on what we need for children. So I don't think we've cracked it yet. I  
20 mean, I thought about, 'Do I go to the unions and give them an incentive?', you know, because they're leaving the unions, right, because they don't need to be a union member anymore if they're not an employee, so do I give them an incentive? You know, like, how do I get in front of those people because there is a cohort that I think ECA did some study that there was a cohort of  
25 educators that were leaving the sector and they didn't get new jobs within six months. So it says a little bit, like, they're just tired and they just need a break.

30 COMMISSIONER STOKIE: Yes.

MR de BAKKER: And, you know, that's their passion and they're not going to go do something else. And, yes, we need then within the homecare and we need them in family day care.

35 COMMISSIONER STOKIE: Perhaps this is the time. We've nearly run out of our allotted time, but is there anything else you wanted to raise with us, Jason, any questions you have?

40 COMMISSIONER BRENNAN: Comments on our recs.

MR de BAKKER: Yes. Look, I mean, I think they go to that issue of the policy design and whatnot. I think, when looking at things like inclusion support, like, it needs a whole rethink about how that works in family day care. And you heard from Kylie as well around the OSHC and we see a lot of  
45 Kylie's children come through our services and into home care because they can't fit in the OSHC services. And we don't have any inclusion support in home care. So I think just reframing maybe those recommendations and think about, 'Well, what does it mean from the child's perspective and the level of investment that we've got going in to make that work', so that would probably

be my challenge is a check to go, 'Have we got a family in child day care?', so they're not getting investment from a community child fund because that's only – you know, only 1 per cent of that's going to family day care and they're 3 per cent of the market or whatnot, and I don't want us to be limited by the size of the market either because we need to test the value, what's the value of what we do, and that's the level of investment that we have, not necessarily the size, or the level of investment matches where we want the size to get to to meet those gaps in the market. Yes, so I think it's nuancing and it's about understanding the depth of, 'Okay, is that going to work in the context of our service types?', and sometimes it's not always clear. Sometimes you have to sit on it for a while and you have to see it in practice, you have to pilot it to go, 'That's not going to work'. Because we try stuff all the time, we go, 'Didn't work, fail. We've got to go back and do something different', because it's just in our rule book, there's no playbook written around what does well. And we as a sector need to actually share more. I think when the boundaries come down from the sector – so when services will, because they only operate in a certain area, the level of sharing of resources and knowledge and information was plentiful. It was the strength of the sector. And I still think it is the strength of the sector, we did it during COVID and that really helped us. But that lessening of the boundaries added more competition and the way in which we're structured doesn't help that competition. So educators basically will choose (indistinct words) they go to often because of the cost of the levy and the support that they receive. But if they're a high functioning educator, they're not really even worried about the support. It's just the cost of the levy. So we have this race to the bottom around levies because we're not underpinning the services in the costs of compliance and monitoring and whatnot. We're expecting educators to pay for something that they might not necessarily see the value. So all of that then adds up to the issues that we have.

30 COMMISSIONER STOKIE: Thank you very much for your time, Jason.

COMMISSIONER BRENNAN: Thank you, Jason.

35 COMMISSIONER STOKIE: We very much appreciate it.

COMMISSIONER BRENNAN: Yes.

40 COMMISSIONER STOKIE: A lot of food for thought for us and particularly as we respond to the family day care as part of our recommendations.

COMMISSIONER BRENNAN: Yes.

45 MR de BAKKER: Great, thank you.

COMMISSIONER BRENNAN: Thank you.

COMMISSIONER STOKIE: Thank you. I think that brings to head our formal meetings for the day. But potentially, if there are any other comments



from – well, the floor, but more so online, we are open for other points? Lou, is there any other comments from the online community?

5 Nobody has indicated that they would like to talk.

Okay, we might give two more seconds or a few more seconds.

10 I think we're good for today. We are having a number of other sessions over the coming days, and people are welcome to join those. And if there were questions that they have, then again they're welcome to ask those at the end of those sessions on those days. Otherwise, I might thank you everybody that has attended today. Obviously, Jason, yourself is still her in person, but everybody else who attended, and we'll call to end today's session and we'll  
15 resume, I think, on Wednesday morning as part of an online engagement and discussion. So thank you very much everybody today. Have a good night.

MATTER ADJOURNED