



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

**TRANSCRIPT OF PROCEEDINGS**

**PRODUCTIVITY COMMISSION (VICTORIA)**

**MS D. BRENNAN, Commissioner**  
**MR M. STOKIE, Commissioner**  
**MS L. GROPP, Commissioner**

**PRODUCTIVITY COMMISSION EARLY CHILDHOOD EDUCATION AND  
CARE PUBLIC HEARING**

**FLEX BY ISPT (KING ROOM), LEVEL 2, 345 GEORGE STREET, SYDNEY**

**9.01 AM, TUESDAY, 27 FEBRUARY 2024**

**Continued from 26.2.24**

**DAY 2**

MS D. BRENNAN: Morning, everybody, and welcome to today's hearings for the Productivity Commission Inquiry into Early Childhood Education Care. I would just like to begin – I will just begin by acknowledging the traditional custodians of the land that we're meeting on today, and paying my respects to elders, past and present.  
5 My name's Deb Brennan, and I'm a Commissioner with the Productivity Commission, and today I'm with Lisa Gropp and Martin Stokie - - -

MR M. STOKIE: Good morning.

10 MS BRENNAN: - - - and we're leading the inquiry. So this is just a bit of formalities that we go through every day. So I will - - -

MS F. DUNN: Yes. Of course.

15 MS BRENNAN: - - - just do this, and then we will - - -

MS DUNN: Yes.

MS BRENNAN: - - - move over to you.  
20

MS DUNN: Yes.

MS BRENNAN: So the purpose of the hearings is to get feedback on our draft findings and recommendations from the report that we released last November, and  
25 after we – we've heard from interested parties, and read all the submissions that have come in post the draft, we will be considering everything that has been put before us, and putting together our final report that we will hand to Government at the end of June, and everybody, such as yourselves, who have registered interest in the inquiry will be informed when the Australian Government releases the final report, which  
30 will be some time after we deliver it to them.

MS DUNN: Sure.

MS BRENNAN: We don't know exactly when.  
35

MS DUNN: Yes.

MS BRENNAN: We're very grateful to all the organisations and individuals who have taken the time to prepare submissions, and come along and talk with us, and  
40 come to these hearings. Now, in the midst of this formal screech, I will say we actually aim to be as informal as we can during the discussions, but I always remind people that the proceedings are being transcribed – recorded and transcribed, and that a transcription – or a record will go up on our website as soon as practical, and because of the recording and transcription, we can't take any comments from online  
45 observers during the proceedings, but we leave time at the end of the day in case anybody would like to make some comments, or a statement.

People aren't required to take an oath, but, under the Productivity Commission Act, everyone is required to be truthful in their remarks. We don't have any media here today, but media are able to attend. They're not able to tape anything except with permission, but they can use social media to report on what's going on in the  
5 hearings. For those of us in the room, we need to know, if there's an emergency, there's the door, and we go out, and - - -

MS L. GROPP: And run for it.

10 MS BRENNAN: - - - run for it.

MR STOKIE: Keep going.

MS BRENNAN: Follow the instructions of people here. Okay. So with those  
15 things out of the way, I would like to welcome representatives of Playgroup Australia, and I will ask you to – first up, to introduce yourselves, name your organisation for the record, and then we will launch. You can tell us – make some comments, if you wish, and then we will launch into a conversation.

20 MS DUNN: Excellent. Thank you, Deb. So my name is Felicity Dunn, and the I'm Chair of Playgroup Australia.

MS P. O'DONOVAN: Patricia O'Donovan. Chief Executive Officer, Playgroup  
25 Australia.

MS E. NICHOLS: And Erin Nichols, Policy and Research Officer for Playgroup  
Australia.

MS BRENNAN: Great. Thank you, and welcome.  
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MS NICHOLS: Thank you.

MS DUNN: Okay. Thanks, Commissioner. So we're going to start with a – an  
35 opening statement, and, obviously, feel free to interject at any time, and – and I will – hopefully, we will have some time to – for some - - -

MR STOKIE: Sure.

MS DUNN: - - - some great questions. So, of course, I would just like to start by  
40 acknowledging the Gadigal People of the Eora Nation, the traditional custodians of the land here, and to pay my respects to elders, past and present. On behalf of Playgroup Australia and member organisations, I welcome the Commission's draft report, and I welcome the opportunity to provide feedback. I would like to start this morning just by providing you a little bit of information about playgroups, and why  
45 we believe they're relevant for this inquiry. So playgroups are informal gatherings of both children from very early – just to preschool age with their parents, and carers,

and they meet regularly, sometimes in a community setting like a church, in a park, a community centre, to play and learn together.

5 We – there tends to be two types of playgroups. There’s our informal community  
playgroups, which are volunteer led, and then there are supported playgroups, which  
are led by a paid facilitator, and they often have a particular focus in terms of  
supporting children or families with particular needs. Our members and service  
delivery partners deliver or support in excess of 160,000 playgroup sessions each  
10 year. Around a third of Australia’s preschool-age children across 2022/2023  
accessed the playgroup, and playgroups operate in a very wide range of communities  
from inner city to very remote. Playgroup Australia has a growing evidence base  
which demonstrates that children who attend playgroup do better in terms of their  
learning and development outcomes.

15 So, firstly, the recommendations outlined in this report represent a significant step  
towards creating a more accessible and equitable ECEC system. Parents should be  
able to access high quality early education and care for their child when they need it  
regardless of where they live or how much they earn, and we commend the focus on  
reducing barriers to access, particularly for low income families, as well as the  
20 recognition of the importance of supporting vulnerable children. However, I  
challenge the Commission to reimagine how it defines productivity in this space, and  
decide if it wants to invest in Australia’s productivity for the short or the long term.  
An approach that prioritises family wellbeing and connection to community, and  
which honours the importance of children’s need in their very early years for a  
25 loving and secure relationship with their parent and main caregivers.

We must play the long game if we are to deliver sustainable increases in productivity  
in this nation. This means ensuring families have the time and the resources to invest  
in their new role as parents, and it means that they’ve got time to attend playgroup,  
30 and time to offer the serve and return interactions which researchers show are the  
absolute gold standard in terms of supporting children’s learning. Universal ECEC is  
part of the solution, but it’s not the whole solution. We urge the Commission to  
consider the entire ecosystem of services, programs, funding and other policy levers  
available to support families with young children.

35 Access to early education and care is a worthy mechanism, but it’s just one lever, and  
it needs to be high quality if it’s going to yield benefits for children. If it is low  
quality it may be detrimental to children’s learning. Playgroup attendance tips the  
odds in – in favour of children starting school developmentally on track and ready to  
40 learn. According to analysis of the 2021 Australian Early Development Census  
undertaken by the University of South Australia – this is a report that is not quite yet  
released. It’s going to be released probably next week - - -

45 MS GROPP: Okay.

MS DUNN: - - - children who attend playgroup are 47 per cent more likely to be on  
track when they start school across all domains.

MR STOKIE: Sorry. Can you just repeat that. Sorry. If you can - - -

MS DUNN: So children who attend playgroup are 47 per cent more likely to be developmentally on track on all five domains when they start school compared to  
5 children that don't attend playgroup.

MR STOKIE: Good.

MS DUNN: Yes.  
10

MR STOKIE: Very positive.

MS DUNN: It's pretty good. But playgroups aren't just about children. They benefit parents as well. They serve as an opportunity for parents and carers to build  
15 their village through play, reducing social isolation, creating opportunities for peer-to-peer learning, and expanding their informal and formal support networks. Often, these support networks last decades as families grow together in their communities. There is no better social glue than playgroup. Participating in a playgroup contributes to positive mental health outcomes, and, of course, mental health has a  
20 significant burden on Australia's productivity every year, about – as you've found, 220 billion.

So despite all of these benefits, however, there are increasing number of barriers to attending playgroup. Finances and time constraints are the chief hurdles for families,  
25 and after their – after the pandemic, there has been a decline in attendance, but parents returning to work sooner may have also contributed to declining attendance over a number of years. It's important that parents can return to paid work when they and their child are ready for the family's economic security and parental wellbeing, but there is a balance, and we are not quite getting it right as a nation. If  
30 we look at the ABS' General Social Survey for 2020, we see 47 to 48 per cent of females, aged in this 25 to 39, and 40 to 54 age bracket, feel always or often rushed for time. These are the highest of any age group and gender, and I think we know why women are feeling so busy and pressured during this age. Treasurer Jim Chalmers says of the Wellbeing Index:  
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*Improving wellbeing is the job of Government, business and other organisations, as well as Australian communities, and the Australian people.*

And Government can do a lot to improve wellbeing for new parents, particularly  
40 mothers. Adequate paid parental leave, and playgroup leave, allow working parents to reap the rewards of playgroup participation, so these are just some of the recommendations that we – we are putting forward to you. Other levers could include tax settings, and mechanisms which impact on families' ability to manage their living costs while caring for their young children. Importantly, screening and  
45 intervention services are needed for all children, no matter where they live, so that these – those children which – who need additional services receive them promptly

and in adequate dosage. There is a role for playgroups in supporting this critical service.

5 Lastly, we would like to highlight the role that playgroups have to play in supporting the growth of the ECEC workforce. Traits of playgroup volunteers and participants often align closely the most sought after attributes in ECEC employees, and engagement in playgroups can generate a lifelong passion for early childhood education. Our members, drawing on experiences of a partner organisation in the UK with a random control-tested program – now offered here – are currently  
10 exploring ways to sort of actualise this untapped resource. To conclude my opening statement, Playgroup Australia is supportive of the proposed move towards universal ECEC, but challenge the Commission to take a more wholistic view of early childhood and the supports available to families and children in their critical first few years of life.

15 Universal access to high quality early learning without other supports, like better paid parental leave, playgroup, and early intervention services, is like having beautiful, double-glazed windows on a house with no roof and no walls. It's high time this serious business of play and playgroup is baked into the early years policy  
20 landscape in recognition that playgroups stack the odds in favour of children's optimal learning and development and family wellbeing. Some of our members are celebrating 50 years this year. Playgroups have made, and continue to make, a distinct and unique contribution to the nation's wellbeing and productivity. We have population level data which confirms this impact. We encourage the Government to  
25 design an early years policy framework which ensures that this contribution continues for the next 50 years and beyond. Welcome any questions.

MS BRENNAN: Thank you. Thank you so much, Felicity, for - - -

30 MS DUNN: That's all right.

MS BRENNAN: - - - for the – and all – for that introduction to Playgroup, and your response to our draft and our framing of the issues. I'm sure I can speak for Lisa and Martin in saying we all very much value your contribution. One of our challenges –  
35 actually, I've got a – I will just make a comment, and then a question. One of our challenges is around the boundaries of ECEC. Our terms of reference direct us to consider the - - -

40 MS DUNN: Yes.

MS BRENNAN: - - - ECEC system, but, of course, we are also taking into account the early years strategy, and many participants in the inquiry have brought to us the critical issues around the formal ECEC system, and the ways in which some of those other services, in addition to the value that they hold in their own right, provide a –  
45 can provide pathways into ECEC. So we do understand that there are not firm, hard boundaries - - -

MS DUNN: Hard.

MS BRENNAN: - - - around the ECEC system, and we would very much value your comments. I want to ask you about the research.

5

MS DUNN: Sure.

MS BRENNAN: The UNI SA research.

10 MS DUNN: Yes. Sure.

MS BRENNAN: I – and just to – full disclosure, I was involved with Playgroup Australia before this inquiry in that early period of building the evidence base, but I don't know about this particular study, and I would really like to know.

15

MS DUNN: Yes. Terrific. Okay. So, obviously, you know about the Australian Early Development Census.

MS BRENNAN: Indeed.

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MS DUNN: Yes. For the past few years we have been commissioning – whether it's the Telethon Kids Institute, and now the University of South Australia – to do comparison or analysis on those results and playgroup attendance, because there's a question in the questionnaire for the Australian Early Development Census, does the – does the child – did the child attend playgroup, did the child attend long day care, did the child attend preschool, and from that we can actually look at then connections between them and children's outcomes. So for the 2021 we – we saw – that's where the 47 per cent – in terms of an odds ratio, children who attended playgroup are 47 per cent more likely. With preschool it was really good as well, that's a very good investment, I think that was around 78 per cent. Long day care not - - -

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MS BRENNAN: And in combination, so looking at combinations.

MS DUNN: Yes. So that was – it was – it – that was really – what they did at that point was just breaking it down into each. So - - -

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MS BRENNAN: Yes.

MS DUNN: Yes. It – it - - -

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MS BRENNAN: Yes

MS DUNN: You know - - -

45 MS BRENNAN: And presumably that analysis will look at the different jurisdictions.

MS DUNN: It looked at different jurisdiction as well, and we do see – we do see some differences in terms of that impact. It does help – Government investment does help with – with those sorts of programs. So in Tasmania, for instance, there’s a launch into learning, which is where playgroups are often in school settings, and –  
5 and they’re run by a primary school teacher. That has better impact than the less formal sorts of – sorts of playgroups. But, of course, there are challenges with – with that sort of setting because, for some families, approaching a school setting is daunting in itself. So we kind of need to be a broad church with playgroups to really try and reach every family, and that’s what we’re trying to do.

10

MR STOKIE: Sorry, Felicity - - -

MS BRENNAN: Okay.

15 MS DUNN: Yes.

MR STOKIE: - - - I might have misunderstood, and it was kind of Deb’s question, so perhaps I will just ask it in a way that I – in the – in the data you haven’t separated whether a child attended playgroup and ECEC, and – sorry – preschool, and then  
20 their assessment around the AEDC outcome. So you don’t - - -

MS DUNN: Yes.

MR STOKIE: You can’t tell - - -  
25

MS DUNN: You - - -

MR STOKIE: - - - from the research - - -

30 MS DUNN: You can’t necessarily – yes.

MR STOKIE: Well, you can’t isolate - - -

MS GROPP: The marginal effect.  
35

MR STOKIE: - - - is that right.

MS DUNN: It’s difficult – it is difficult, I think, to isolate all of the – the modalities or treatments, I suppose, that - - -  
40

MR STOKIE: Right.

MS DUNN: - - - you know – yes.

45 MR STOKIE: Okay. No, no, no - - -

MS BRENNAN: Okay.



MS DUNN: Yes.

MS GROPP: No. It's fine.

5 MR STOKIE: That's all right. I just - - -

MS DUNN: Yes.

10 MS GROPP: I guess we should - - -

MS DUNN: Yes.

MR STOKIE: - - - I know that's just what Deb asked - - -

15 MS BRENNAN: Yes.

MR STOKIE: - - - but I just - - -

20 MS DUNN: Yes. Sorry. Yes.

MR STOKIE: - - - didn't quite - - -

MS DUNN: Yes. Yes.

25 MS GROPP: And I guess we should wait. It's going to be published soon; is that correct.

MS DUNN: It's going to be published soon. - - -

30 MR STOKIE: Yes.

MS DUNN: Yes.

35 MR STOKIE: Yes.

MS GROPP: That's the - - -

MS BRENNAN: Great.

40 MS GROPP: I guess we should wait. We – but do you know if they controlled for any, like, socioeconomic status - - -

MS DUNN: Yes. And that's taking – the - - -

45 MS GROPP: Yes.

MS DUNN: That's – that's also taking out confounders in terms of the social - - -

MS GROPP: Yes. Confounding factors. Yes.

MS DUNN: Yes.

5 MS GROPP: Okay.

MS DUNN: Yes.

10 MS GROPP: That's interesting.

MS DUNN: Yes.

MS GROPP: But I was going to ask, too, just related to that, and I – is – do they  
15 look at what elements of the service, different services, might contribute – you know,  
what are the differences, whether it's the parental interaction or - - -

MS DUNN: This – with this particular study, it was very population - - -

20 MS GROPP: Yes. Okay.

MS BRENNAN: Yes.

MS GROPP: Okay.

25 MS DUNN: - - - level focused.

MS BRENNAN: Yes.

30 MS DUNN: So it was - - -

MS GROPP: Not sort of the - - -

MS DUNN: I mean, we've got other research, as well, where we know – which is a  
35 little bit more what actually – what are the mechanisms that happen in a  
playgroup - - -

MR STOKIE: Yes.

40 MS DUNN: - - - that – that support child's wellbeing, and parental wellbeing, and –  
and, you know, it's – it's the – the – the distinguishing things about playgroup, as  
opposed to other early, like, preschool or long day care, is, of course, if the  
parents - - -

45 MS BRENNAN: Yes.

MS DUNN: - - - main caregivers are there with the child, and so whether the parent  
knows it or not, they are learning as well, and they're building their parent capacity.

They're also – they're also making friends, and that sort of social glue is incredibly valuable in terms of being able to then be the best parent that they can be, because they're feeling like they've got friends, they're not alone, they're not the only parent that doesn't have a child that doesn't sleep, and those sorts of - - -

5

MS BRENNAN: Yes.

MS DUNN: - - - those sorts of things are really – are really valuable.

10 MS GROPP: Felicity, I was going to ask about children who use – they mainly use ECEC and playgroup, or what's sort of the profile of the users of playgroup.

MS DUNN: Of the users. So it's – it is very diverse. We have – you know, in your inner city environment, you will have families who are accessing both – they're  
15 accessing long day care, and on a – and on a day off they're going to – to playgroup, for instance.

MS BRENNAN: That was me.

20 MS DUNN: Yes.

MS BRENNAN: That was me.

MS DUNN: That was you.

25

MS BRENNAN: Yes.

MS DUNN: Yes. Yes.

30 MS BRENNAN: As a working mother.

MS DUNN: Yes.

MS BRENNAN: And it was a fantastic way to actually get to know parents in my  
35 neighbourhood - - -

MS DUNN: Yes.

MS BRENNAN: - - - because otherwise - - -

40

MS DUNN: Yes.

MS BRENNAN: - - - you're out at work all day, so - - -

45 MS DUNN: That's exactly right.

MS BRENNAN: Yes.

MS DUNN: And that's - - -

MS BRENNAN: That is one - - -

5 MS DUNN: Yes.

MS BRENNAN: One type of view, so - - -

10 MS DUNN: Yes. Well, that's right, and that's a very valuable use, because it – it's just that sort of community glue, sort of thing. So there's that, and then there, of course, in rural and remote communities, often playgroup is the only service available. Sometimes – often, they are actually sprung out from the community from volunteers – from parents who are basically going, "There's nothing here, and do you want to meet up", and that becomes the playgroup. Sometimes it is also where we  
15 are actually – we've got a facilitator or coordinator, and they're – they're setting them up and making sure that they – they happen. So we – yes. We're very, very diverse, and it's – and our coverage from very, very advantaged areas, to very disadvantaged areas, is a thing, but, obviously, with your less advantaged areas, often, you might – you might need a facilitator to help - - -

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MS BRENNAN: So do people - - -

MS DUNN: - - - make those things happen.

25 MS BRENNAN: Do people make a financial contribution.

MS DUNN: Not usually. That's the other thing. They're – they're very – playgroups are incredibly cost-effective as a public – from a – from a Government investment perspective, because they – they're usually – they're – there may be a  
30 gold coin donation to pay for the costs of a venue, for instance, but often even a venue is free. Yes. So - - -

MS BRENNAN: That can be the problem, though, finding the venue.

35 MS DUNN: That can be - - -

MS BRENNAN: Can't it.

40 MS DUNN: That can be the problem, and we were just talking about that sort of need, for instance, for green space, as there was, you know, the research that was in the media this morning about pre-term birth and – and access to – and the dangers of excessive heat. So, you know, we do need communities where there are spaces where it's pleasant to be in, where there's public gathering spaces, and where there is parkland and those sorts of things, because that is really important for the – yes.

45

MS O'DONOVAN: Yes. Our members have commented that the cost of venues is going up. So that, previously, the rent or the access to venues is subsidised by

councils, and things like that, but there – there is concern now that they’re lifting those costs. So that seems to be one of the problems. There’s another piece of work that we’re doing around what does that look like, what does an ideal venue look like, but, again, there’s another sort of anecdotal – a load of information that’s filtering  
5 through around – particularly in Northern Australia – around heat, and what does a venue look like for heat, and the impact of heat on this early development. So can people get there. We’ve learned in the Northern Territory apparently bus stops don’t have shelters for people to stand, and so they are standing out in 40/45 degree heat, with small children, trying to get to a venue that may or may not be air conditioned.  
10 They’re often communities that are quite disadvantaged, and we’re paying particular attention in that – in that sort of space in certainly rural – regional, rural and remote communities around venues, what does that look like, what’s a good venue, and how do people get to these sort of - - -

15 MS BRENNAN: Yes.

MS O’DONOVAN: I consider them - - -

MS DUNN: Yes.

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MS O’DONOVAN: - - - essential services, but – yes.

MR STOKIE: Okay. So funding is predominantly Local Government. Does it – is there - - -

25

MS DUNN: So - - -

MR STOKIE: - - - funding for playgroups from - - -

30 MS DUNN: We - - -

MR STOKIE: - - - the States or Territories, and/or the Federal Government, or is it - - -

35 MS DUNN: So we receive funding from the Federal Government, and our Playgroup member organisations may or may not also receive funding from State – State and Territory - - -

MR STOKIE: All right. So when you say “we” that’s you, as an organisation - - -

40

MS DUNN: Yes. Playgroup Australia. Yes.

MR STOKIE: - - - rather than the actual services themselves, per se.

45 MS DUNN: So – yes. That’s right.

MR STOKIE: Great.

MS DUNN: So Playgroup Australia then distributes funding from the Federal Government to State and Territory organisations, and they provide, in turn, backbone supports for playgroups, so - - -

5 MR STOKIE: Right.

MS DUNN: - - - that includes whether it's paying playgroup facilitators for - - -

MR STOKIE: Okay. Right.

10

MS DUNN: - - - for those areas, or whether - - -

MR STOKIE: Okay.

15 MS DUNN: - - - it's more - - -

MR STOKIE: Okay.

MS DUNN: - - - the supports for playgroups - - -

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MR STOKIE: Right.

MS DUNN: - - - to get up and started.

25 MR STOKIE: Yes.

MS DUNN: Finding venues, that sort of thing, and, I mean, to contrast, as Patricia has sort of mentioned, in our rural, remote, we've got that sort of challenge of spaces that are heat appropriate. In your inner city, we've got that challenge where local  
30 councils are saying the value of land is too much and we can't afford to keep offering these peppercorn rents, or non-existent rents, to – to community services like playgroup. Not in all instances. Some local councils really understand that they – and believe that they have a role in terms of supporting children and families, but some councils don't necessarily take that view, because they've got – they've got  
35 budgeting constraints that they need to manage.

MS GROPP: May I ask what quantum of funding you receive from the Federal Government.

40 MS DUNN: So we – this year, I think it's around 7 million-ish under Community Playgroups Grant.

MS BRENNAN: Is that from social – Department of Social Services.

45 MS DUNN: Department of Social Services.

MS O'DONOVAN: Department of Social Services.

MS BRENNAN: Yes.

MS DUNN: Yes.

5 MS O'DONOVAN: Yes.

MS BRENNAN: Okay. Yes.

MS O'DONOVAN: Yes.

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MS DUNN: Yes.

MS O'DONOVAN: Yes.

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MS DUNN: Yes. Yes.

MR STOKIE: I had a separate question, if that's okay.

MS DUNN: Yes. Yes.

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MR STOKIE: So I don't know whether if there's anything more.

MS BRENNAN: No. Go right ahead.

25

MR STOKIE: You mentioned that – or challenged us to have a perspective around productivity, and a short and a long-term view, and I wasn't quite sure what you meant as it related to playgroup, because you also mentioned that parenting, particularly, but mothers, precisely, are very busy.

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MS DUNN: Yes.

MR STOKIE: If we've very, very successful in our work, potentially, will significantly increase the level of participation and usage of early childhood education and care, and that comes at the expense of time to do other things, like playgroup. Is that what you were getting at for us, which is, you know, don't crowd out or don't – or – I wasn't quite sure where you were actually going, and I -and, sort of, what - - -

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MS NICHOLS: So - - -

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MS BRENNAN: What are your recommendations – or what – what are you wanting us to hear precisely in that respect.

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MS DUNN: Yes. So I think what – what I'm wanting you to hear there is that it – that time with parent – parent and child, in the very early years, is very – is very important. It's not time wasted, but, obviously, we need families to feel like they

have the economic security to be able to spend that time in those – in those very early years - - -

MR STOKIE: Yes.

5

MS DUNN: - - - nurturing that particular relationship. If – if ECEC is – is too much then – or if they're – if families feel like they have no choice, economically, than to put their child into early childhood education and care, even if they feel like that may not be the best solution for their child and for them at the time, I think that would be a shame, and I think that would be a – probably a shame with a – potentially lifelong consequences for – for children's development. The other – the other thing I think that, you know, we've mentioned in our submission, or – and I've mentioned just again, is that need for that early childhood education and care to be high quality, or it may be detrimental.

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15

MR STOKIE: Yes.

MS DUNN: So with that research that we've done from the University of South Australian where we look at modalities, because the – the – the questionnaire has did the child attend playgroup; yes or no. Did the child attend preschool; yes or no. Did the child attend day care, and what we say is 47 per cent more likely to be on track for playgroup, around 78 per cent for preschool, and negative five per cent for day care.

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25

MS O'DONOVAN: So – and I think the other thing there that we really are caring about there is – is time for the attachment relationship to develop, because good attachment equals productive play in small children, which actually impacts the – the developmental domains, and if the child is – and I think there are partners in this, so that this is that serve and return. You don't probably get a lot of that. I have many children services where the ratios are high, and children are seeking attention and/or some sort of intervention from a carer often takes time, and they cease requesting it.

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MS BRENNAN: So this serve and return, Patricia, I think it's worth spelling out - - -

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MS O'DONOVAN: It's - - -

MS BRENNAN: - - - serve and return.

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MS O'DONOVAN: Yes. So that is a child – a child is reacting to something, and wanting somebody to respond to it. So it's a little bit like they – they pick up and throw a ball. The carer and/or the parent picks up the ball and throws it back. There's good eye contact. There's laughter. There's enjoyment. They're relaxed. Everybody is relaxed in that, sort of, relationship. Where if you have the – perhaps the child throwing the ball, seeking attention, nobody throwing it back, there's no – no return of that – of that relationship. So it sort of becomes no time, in – in children services often that happens. It can also happen in homes as well, but it's a bit about

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that – that sort of interaction that promotes really – really good attachment which, in turn, impacts a child’s resilience, a child’s ability to play effectively and in a way that impacts on their development, and then that reduces their anxiety.

5 So you’ve got children who may be anxious who aren’t playing effectively, and we know that a well-anchored child plays really well. You see a lot of that in playgroup where the child has their main carer, their parent, their grandparent who bring them. They play really effectively in that environment. They may go to a different environment where they feel a little bit more stressed, and a little bit less connected, and their – their play is impacted. We also have mothers/parents who go to work, who spend a fair bit of time – they may have dropped off a half-well child to a child care service, and they spend half their day worrying, and their productivity is impacted because they don’t feel necessarily safe, confident, secure that their child is safe and happy, and well enough.

15 So that’s probably what we’re saying, is that that impacts at both levels. It can impact the child. It can impact the parent. The productivity is affected because the child’s development can be impacted by less than optimum - - -

20 MS DUNN: Optimal interactions.

MR STOKIE: - - - productive play and interactions, and the parent’s productivity in the workplace can also be impacted because they’re unable to concentrate and engage at work. So it’s a bit about getting the balance right. It’s a complicated and difficult balance.

MR STOKIE: Absolutely. I don’t – we – we’ve grappled with some of these things in our report, particularly around, and it’s an unfortunate term, dosage – so level of participation – and – and I’m hearing that as well there – there are different ages, from birth through to one, two, three, four, etcetera, and – potentially in the literature – suggests that different levels of engagement by different parties changes as the – as the child ages a little bit. Do you have a view, from Playgroup Australia, around the level of – and in the intensity of playgroup, and at what ages do you think are optimal.

35 MS DUNN: Yes.

MR STOKIE: We’ve drawn a line in the sand, but we’ve put that out there based on - - -

40 MS DUNN: Yes.

MR STOKIE: - - - what we can review of the academic literature on ECEC, but that’s more of a structured - - -

45 MS DUNN: Yes.

MR STOKIE: - - - early childhood education and care forum rather than a playgroup of parents - - -

MS DUNN: Yes.

5

MR STOKIE: - - - as first teachers, and parents as – in playgroups, etcetera.

MS DUNN: Yes.

10 MR STOKIE: So I was just interested whether - - -

MS DUNN: Yes. So in terms of dosage for playgroup, playgroup can really start from day dot - - -

15 MR STOKIE: Right.

MS DUNN: - - - and, in fact, we – we sometimes have – well, we have baby playgroups and prenatal playgroup as well, which is an opportunity for parents to actually get to know each other - - -

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MS BRENNAN: Yes.

MR STOKIE: Yes.

25 MS GROPP: Do they listen to each other’s heartbeats or something.

MS DUNN: Yes. I know. Their – the babies aren’t playing, but the parents – the parents are forming the friendships, right. But from as early as – as possible, parents can gather together with their infants and provide that sort of support, and share their war stories, and children are learning from that point onwards, sort of thing, but they – and they can go right up to the year before – the year before school.

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MR STOKIE: Yes.

35 MS DUNN: Typically, a playgroup goes for about an hour and a half to maybe two hours, and it seems to be a magical sweet spot, to be honest, in terms of there usually – the – there’s a fairly loose and flexible structure where there’s going to be a bit of play, there’s probably going to be a snack, there’s going to be some – at some point there might be an activity, whether it’s reading or making – making some sort of craft activity, or – or something like that, and throughout it all, of course, there’s that opportunity for the parents to – to chat, and – and support their child while they’re – while they’re playing and navigating the – the art of playing with other children.

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MS BRENNAN: Yes.

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MS DUNN: Yes.

MS BRENNAN: Can - - -

MS GROPP: Can - - -

5 MS BRENNAN: You go, Lisa.

MS GROPP: I was just going to ask what proportion of children attend playgroup at some time in their – you know, say nought to five - - -

10 MS DUNN: Yes.

MS GROPP: - - - and then what are the – and of those who don't attend, you know, is it because they don't know about it. What – what are those – what are the - - -

15 MS DUNN: Yes. What are the barriers.

MS GROPP: What are the barriers - - -

MS DUNN: Yes.

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MS GROPP: - - - or - - -

MS DUNN: Yes.

25 MS GROPP: Yes.

MS DUNN: So we think it is around a third of children who attend playgroup at some point, but, to be honest, the data is a little bit tricky to pin down, and we also estimate – and I – and I with some confidence – that COVID has taken its toll on –  
30 on our – on participation, so we are trying to build that up again. In terms of barriers to attendance, there is lack of awareness, and I think that's – you know, that's our job really to make sure that families are aware of playgroup, and – and the benefits of it. Other factors are, to be honest, it's – it's – and I often hear it – it's, "I don't have  
35 time because I'm – I'm working, and the day didn't work, and I just"- you know, and that's – that's probably our biggest challenge, is – is that returning to work.

MS BRENNAN: Can - - -

MS DUNN: Yes.

40

MS BRENNAN: Can I – I would like to hear – I think most – most of what we're discussing at the moment is around community playgroups, kind of general – general purpose playgroups.

45 MS DUNN: Yes. General purpose. Yes.

MS BRENNAN: As you will have seen from our draft report, we're interested and focused on all children, but we're particularly thinking about children in the most disadvantaged circumstances, and, in that context, I wonder if you could say a little bit about supported playgroups, and - - -

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MS DUNN: Yes. Sure.

MS BRENNAN: - - - how they fit into the system, and how they're faring.

10 MS DUNN: Yes. Yes. Sure. So we - - -

MS BRENNAN: And what they are.

15 MS DUNN: And what they are. So a supported playgroup is – is a playgroup with a facilitator. Usually, that facilitator has some sorts of skills in terms of community development, psychology, counselling, early childhood development. We have – our member organisations run a few supported playgroups, such as Playgroup Connect+, which is for children who are displaying the early signs of autism. The – the very special thing about that – that sort of program is that it's not – it's not like you need  
20 to be eligible to come. Your child doesn't have to pass a certain test, and you don't - - -

MS BRENNAN: Right.

25 MS DUNN: - - - need the NDIS - - -

MS BRENNAN: Yes.

30 MS DUNN: - - - assessment. But it provides that – an incredibly valuable support for families when – when they are starting to navigate those systems.

MS BRENNAN: How would they – how might a family find out about such a playgroup.

35 MS DUNN: It's, ideally, through – whether it's their early – early intervention services, whether it's if they're attending ECEC, if they're attending a community playgroup and they realise that perhaps things are looking different, and then they can sort of talk to a – a paediatrician, a doctor, a nurse, but – yes – the pathways, again, they're mixed, and they're an ongoing challenge. I mean, I – I hear of many  
40 families who say, "Thank goodness we found that playgroup", and it has had an – a lifelong impact on – on them, and then there's also families that go, "God. I wish we had had that when we were – I had never heard of it, and what a shame, because that was a very difficult time for us".

45 MS O'DONOVAN: There's also – in South Australia, they've also piloted a number of playgroups with – they're called development assessors who attend. So they are just a community playgroup that is set up and they are funding development

assessors to go in and pretty much have a good look around to see who's coming, and talk to the facilitator who is managing the playgroup, and who has possibly developed a relationship with the attendees who there – are there, and they will say, “You know, it might be a good idea to have a chat with so-and-so. We – they're a little bit concerned”, in that space. So it's all very collaborative and friendly, and all that sort of stuff, but it is with support. We are going to explore that as – and I think we mentioned that – Felicity mentioned that - - -

MS DUNN: Yes.

MS O'DONOVAN: - - - as a – as a – as something that we could really look at as – to support mothers. More recently, I established a – a – a number of playgroups for parents within – who have had very disadvantaged childhoods themselves. So highly traumatised mums - - -

MS BRENNAN: Right.

MS O'DONOVAN: - - - generally, but who are having children, and we did the prenatal playgroup, and they were terrified of having a baby, and then we moved them into a, you know, what to expect situation, and then into teaching them how to actually play and respond, and do, sort of, relaxation techniques when the baby is crying, things like that, how to react and how to settle yourself. So there was a lot of coaching around that. That's another sort of facilitated playgroup. So we've got a variety of different types of ones. The comments from a lot of the parents, who – particularly whose children are showing, perhaps, autistic tendencies, and/or have another disability, we do try and have parents who have got just a – a – a normal little kid coming along, mixed in there, and they have commented on how welcome they feel, and how that they have become part of – part of a community – part of a regular community. They're not – their child and themselves are not sentenced to, sort of, a life of marginalisation - - -

MS BRENNAN: Yes.

MS O'DONOVAN: - - - with particular groups of people - - -

MS BRENNAN: Yes.

MS O'DONOVAN: - - - that they interact with, and so there's this inclusion approach to they're part of the community, how can we work with them.

MS BRENNAN: Yes.

MS O'DONOVAN: So we have those as well.

MS BRENNAN: That's very – very interesting, and, Patricia – or a question for anyone really, you've mentioned South Australia a couple of times, and I know you're a national organisation. It – can you paint – is it possible to paint a quick little

picture about – around the jurisdictions. Like, not – not necessarily every one, but do the – firstly, do the jurisdictions vary greatly in the extent to which they support playgroup, and which jurisdictions stand out for being positive, in your view, or maybe they’re all wonderful.

5

MS DUNN: They’re all – they’re all wonderful.

MS BRENNAN: That’s good.

10 MS DUNN: Yes.

MS BRENNAN: No. That’s good.

MS DUNN: They’re all – they’re all wonderful, and they’re all - - -

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MS O’DONOVAN: They’re quite differentiated, I think.

MS DUNN: The – they – they are differentiated - - -

20 MS O’DONOVAN: Yes.

MS DUNN: - - - and they’re responding to very different things. Like, if you - - -

MS BRENNAN: Yes.

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MS DUNN: - - - think about the Northern Territory - - -

MS BRENNAN: Yes.

30 MS DUNN: - - - you know, the – the challenge for Playgroup NT is the tyranny of distance is one, and the other one, of course, is making sure that they – they know how to interact with the First Nation’s communities in a way, because they know – they know playgroup is incredibly helpful, in – in very disadvantaged communities, but, of course, there – there is a right way and a wrong way to build partnerships and relationships, and support.

35

MS BRENNAN: As well as interacting with First Nation’s communities, can they be the First Nation’s communities.

40 MS DUNN: Absolutely - - -

MS BRENNAN: Absolutely.

MS DUNN: - - - and it’s more – and that’s really what, you know, our – our role is about supporting First Nation’s communities - - -

45

MS BRENNAN: Right.

MS DUNN: - - - I think - - -

MS BRENNAN: Yes, and - - -

5 MS DUNN: Yes.

MS BRENNAN: As – I’m also interested in mobile playgroups, and when you - - -

MS DUNN: Yes.

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MS BRENNAN: - - - mentioned distance, I – I thought of - - -

MS DUNN: Yes.

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MS BRENNAN: - - - well, the Territory is one place, but - - -

MS DUNN: Yes.

MS BRENNAN: Yes.

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MS DUNN: But – well, that’s right. I mean, New South Wales, obviously, is - - -

MS BRENNAN: Yes.

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MS DUNN: - - - a big place as well, and mobile playgroups – also it’s – again, there is – there are costs involved in getting far west if you’re – if you’re trying to get a – a – a paid facilitator out there, unless you can actually find someone within that community – and that’s the ideal, and, hence, you know, we have a very strong volunteer base because that’s often how they come about. People see a need, and they sort of step up, but – yes.

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MS BRENNAN: And that – your mention of volunteers, that might take us to the workforce issue that – that you raised in your introductory comments, and could you elaborate a little bit on how you see - - -

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MS DUNN: Yes.

MS BRENNAN: - - - that connection with workforce.

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MS DUNN: Yes. Sure. So, I mean, Commissioners, you would be – you would be aware that volunteering has declined, particularly over the pandemic, but there has been a – a broader trend, and that – a lot of that is because women are returning to paid work sooner, and there’s less time, and they’re feeling the time pressure as it is, because they’re actually still feeling that pressure to – to volunteer, and there is a – there – there is still a lot of volunteering that – that happens, but it takes its toll in terms of wellbeing, and I think that that, to be honest, is – is a challenge – it – and, you know, from a productivity point of view, it’s difficult because, of course, it

45

doesn't – the volunteering doesn't feature on your GDP. But it's incredibly productive, valuable work for supporting our communities, and supporting community wellbeing. So - - -

5 MS BRENNAN: And, Felicity, were you also suggesting that people involved in facilitating playgroups, or participating, might – that might lead to consideration of ECEC as a potential - - -

MS DUNN: Yes.

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MS BRENNAN: - - - career path.

MS DUNN: And Patricia had just given me a little murmur of, “Don't forget to mention”. So the – the – there is a program in the UK called Peep, which is - - -

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MS BRENNAN: Called.

MS DUNN: Peep.

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MS BRENNAN: Peep.

MS DUNN: Peep.

MS BRENNAN: Okay.

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MS O'DONOVAN: Yes.

MS DUNN: And it – it has been subject to, you know, random controlled trials. So it's – it's pretty good in terms of a – a robust, tested mechanism. What it is is, basically, it is a – it is a training program for parents participating in a playgroup where parents are – they learn about what they're doing well as parents. So it's a very strength-based program which helps: (a) build capacity and confidence, and – and knowledge. One of the things that their – they have noticed in the – and they work with – it works very well in very vulnerable communities. We have trialled –  
35 Playgroup Victoria trialled it here in – Menindee, I think it is, in – in Northern Victoria, after some fire and flood devastation, and this was also a community where AEDC results were poor.

40 That community took – they recognised the problem, and they decided they wanted to – to turn things around. They implemented Peep. They also did a couple of other things as well in terms of strengthening the connections between early years and schooling, but that sort of sustained improvements in children's learning outcomes. So that's - - -

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MS BRENNAN: Okay.



MS DUNN: That's one good thing about Peep from a child's learning point of view. But in terms of workforce, the – in the UK, they've – they've found that – that there is a bit of a connection in terms of playgroup – or Peep graduates - - -

5 MS BRENNAN: Yes.

MS DUNN: - - - and it's a – like, it's a microcredentially-type thing.

MS BRENNAN: Sure.

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MS DUNN: It's tiny.

MS BRENNAN: Yes.

15 MS DUNN: But it – it can trigger that sort of awareness, and that interest, and that passion in, “Wow, what I'm doing is important. The early years are important”, and that has often then led them into whether – into a career change into early childhood education and care. So – yes.

20 MS BRENNAN: Very interesting. Well - - -

MS O'DONOVAN: Yes. There does seem to be correlation there. Just a little bit of context around it. It was set up – Peep was set up in the mid-90s in Oxford. I have just been over to have a talk to the people over there. I just happened to be in  
25 the UK and headed on up - - -

MS BRENNAN: Right.

30 MS O'DONOVAN: - - - to Oxford to - - -

MS DUNN: Yes.

MS O'DONOVAN: - - - to – to discuss it, but it was actually set up in the mid-90s as a – a literacy intervention program.

35

MS BRENNAN: Okay.

MS O'DONOVAN: So it was about supporting parents to develop – they have as big a problem around literacy as we now have in Australia. They recognised it very  
40 early, and they set that up as about – which is about coaching parents around how do you do the preliteracy – or literacy things with your children, and it has expanded from there, and they – it now has a much broader application across all the developmental domains, but it's fairly tight.

45 MS BRENNAN: It's a – it's a – well - - -

MR STOKIE: I'm really pleased - - -

MS BRENNAN: Yes.

MR STOKIE: - - - that you asked – I was going to ask a similar question. I’m  
5 pleased you clarified it, because when I first heard you say it, I thought, “We’re  
going to encourage the facilitator of the playgroup to come across and work in the  
ECEC sector” - - -

MS DUNN: Yes. Yes.

10 MR STOKIE: - - - and that’s just going to cause an issue - - -

MS DUNN: Yes. An issue in playgroups. Yes.

MR STOKIE: - - - but, in fact, it’s – it’s - - -  
15

MS DUNN: No. It’s - - -

MR STOKIE: - - - potentially drawing on the parents - - -

20 MS DUNN: The parents.

MR STOKIE: - - - who are coming - - -

MS DUNN: Exactly. Yes.  
25

MR STOKIE: - - - who have shown an aptitude - - -

MS DUNN: Yes.

30 MR STOKIE: - - - and a keen interest, and that’s - - -

MS DUNN: That’s right. Yes.

MR STOKIE: - - - a much bigger pool of people - - -  
35

MS DUNN: A much bigger pool. Yes.

MR STOKIE: - - - and so I - - -

40 MS DUNN: Yes.

MR STOKIE: - - - I – well, I – I like that - - -

MS BRENNAN: Yes.  
45

MS DUNN: Yes.

MR STOKIE: - - - and I think that's probably - - -

MS BRENNAN: Yes.

5 MR STOKIE: We're – we're very interested in anything that's going to broaden the - - -

MS DUNN: The potential pool. Yes.

10 MR STOKIE: - - - the potential pool for early childhood education and care teachers. There might be a mismatch at the moment in people who are enrolling who don't quite understand what they're doing - - -

MS DUNN: Doing. Yes.

15

MR STOKIE: - - - or what they're going to – getting - - -

MS DUNN: Yes.

20 MR STOKIE: - - - getting into. Those who have shown an aptitude and an interest - - -

MS DUNN: Yes.

25 MR STOKIE: - - - are probably more likely going to - - -

MS DUNN: To stay.

30 MR STOKIE: - - - succeed - - -

MS DUNN: Yes.

MR STOKIE: - - - and stay, and, you know, obviously we need to have – reward them and - - -

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MS DUNN: Yes.

MR STOKIE: - - - career progress, or train them and support them, and all those sorts of things, but it's encouraging the – the people who want to work in the sector - - -

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MS DUNN: Correct.

MR STOKIE: - - - to work in the sector.

45

MS DUNN: Yes.

MR STOKIE: So I think that's a really useful insight.

MS BRENNAN: Really useful. Yes. Well, I think that – Lisa, you've got one more.

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MS GROPP: I've got one more, if – if that's okay.

MS DUNN: Yes. Of course.

10 MS GROPP: You would be aware of the NDIS review, and the recommendation for – in – for – for children who are currently entering the NDIS with some, you know, developmental delay, whether they could access more mainstream services with foundational supports, etcetera. How do you see playgroups within that. Is it something you've been thinking, and what they can offer.

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MS DUNN: Yes. So playgroups has – is already working in this space, to some extent, with – with our supported playgroups, and those things. The other thing, of course, is playgroups – even our community playgroups provide a great soft entry point for – (a) for parents to become aware that there may be something different in how their child is developing, and then also it's the connections to who to speak to, to go, "Did you know that there's this service available and that service available". But it is quite – I mean, with the community playgroups, it's quite informal, so it – it does depend a bit on how well plugged in that – that particular playgroup is – is to, you know, the rest of its local community and services available.

25

MS O'DONOVAN: There is – the – the – the play and learning program that we have is due to – which is sort of loosely connected to the NDIS. It moved into the NDIS when they moved the responsibility for these sorts of things across from social services into the NDIS, and we were the recipients of some funding around that, and it's called the – the PlayTogether Program, or the Play and Learn Program. That is expiring in June next year, and we are a bit concerned that – all these supported playgroups that we have currently been funded for, that we have got quite substantial data on anecdotal – but – but we're trying to get better measures in place now – around – to put a case really that – that, in fact, these are hugely beneficial to the families, to the children going forward, and they're a very cost-effective way of delivering both, hopefully, this assessment plan around it, but also the – the socialisation of those children, and their families, which is – that's the role that really playgroups play.

40 MS DUNN: Play.

MS O'DONOVAN: They're non-judgmental. They are inclusive. They have diverse populations that attend them, and we see them as, possibly, the – the – the earliest entry point for coming into connection with the early learning – the early childhood development and care, sort of, sector really.

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MS DUNN: Sector. Yes.

MS O'DONOVAN: Yes.

MS DUNN: Which – I just want to throw in one last little statistic, too, just from –  
from our report, which is that – that attending – from this University of South  
5 Australia analysis, which showed that participating in playgroup halves the risk of  
starting school with one or more developmental vulnerabilities. So I think there is a  
lot of learning that actually happens within a playgroup, so - - -

MS BRENNAN: No. That's okay. I – I – I just had a little flashback, and so I  
10 thought I would ask you are there still – or does Playgroup Australia support dad's  
playgroups – father's playgroups.

MS O'DONOVAN: Yes.

15 MS DUNN: Absolutely.

MS BRENNAN: Because I'm really interested in - - -

MS DUNN: Yes.  
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MS BRENNAN: - - - that - - -

MS DUNN: Yes.

25 MS O'DONOVAN: Yes.

MS DUNN: So - - -

MS BRENNAN: - - - anything that gets dads - - -  
30

MS DUNN: Dads. Yes.

MS BRENNAN: - - - provides opportunities for dads to be - - -

35 MS DUNN: Yes. Yes.

MS BRENNAN: - - - closely engaged in - - -

MS DUNN: So we – we have a - - -  
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MS BRENNAN: - - - their children's - - -

MS DUNN: We have a real mix in terms of we have - - -

45 MS BRENNAN: Yes.

MS DUNN: - - - we have sometimes a specialised dad's playgroups where it is for dads, but we also have – and we're seeing it increasingly – that your community playgroups are just going to have more dads - - -

5 MS BRENNAN: Yes.

MS DUNN: - - - at them.

MS BRENNAN: Yes.

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MS DUNN: So, you know, and that was certainly my experience with my – my children when they were young, was that it just – you know, I think if we were 15 years earlier, there would have been no dads present, but, instead, you know, by that stage – and I – and it's even more. Dads are saying, "Well, I'm going to take six months off, or I'm going to", you know, so they're – you know, not in all families. We would like more families to be making those sorts of decisions about sharing - - -

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MS BRENNAN: Yes.

20 MS DUNN: - - - sharing that care in those early years, but - - -

MS BRENNAN: Yes. It is - - -

MS DUNN: Yes.

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MS BRENNAN: It is a really positive way of facilitating both – both parents if their - - -

MS DUNN: Yes.

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MS BRENNAN: - - - mum and dad - - -

MS O'DONOVAN: Yes.

35 MS BRENNAN: Having that involvement. There were – I think you're right. There was a period where there wouldn't have been dads. Then there was a period when there was suspicion of dads - - -

MS DUNN: Yes.

40

MS BRENNAN: - - - and dads felt uncomfortable.

MS DUNN: Yes. Yes.

45 MS BRENNAN: - - - and said they would feel - - -

MS DUNN: There – there absolutely was.

MS BRENNAN: - - - really uncomfortable.

MS DUNN: There absolutely was.

5 MS BRENNAN: That it was a women's space.

MS DUNN: Yes. Yes.

10 MS BRENNAN: So you're – you're now pointing to perhaps - - -

MS DUNN: Yes. I think it - - -

MS BRENNAN: - - - maybe some of that, but a new era.

15 MS DUNN: I think we're finally – we're getting - - -

MS BRENNAN: Yes.

20 MS DUNN: I think we're – we're starting to – and, of course, change takes time, but we're definitely getting into the land where it's like, yes, here's – here's – here's the dad.

MS BRENNAN: Yes. Yes.

25 MS O'DONOVAN: He's coming on in. Yes.

MS DUNN: And – yes – and it's – and sometimes it's - - -

30 MS O'DONOVAN: And intergenerational playgroups - - -

MS DUNN: Yes.

MS O'DONOVAN: - - - are, like ..... in it. You will have seen those - - -

35 MS BRENNAN: Okay.

MS DUNN: Yes.

40 MS O'DONOVAN: - - - on the television - - -

MS BRENNAN: Yes.

MS DUNN: Yes. Yes.

45 MS O'DONOVAN: - - - hugely interested - - -

MS BRENNAN: Yes.

MS DUNN: Yes. Yes.

MS O'DONOVAN: - - - and they - - -

5 MS BRENNAN: Yes.

MS O'DONOVAN: - - - certainly have massive impact on the – on the health and wellbeing of – of the – the people in aged care facilities, or the other generations that are - - -

10 MS BRENNAN: Yes.

MS O'DONOVAN: - - - participating, and – and, of course, there's a lot of men in those environments - - -

15 MS BRENNAN: Yes.

MS O'DONOVAN: - - - who never spent any time with their children because they're 60, 70, 80 - - -

20 MS BRENNAN: Yes.

MS O'DONOVAN: Mostly 70 and 80, who are really embracing that, so enjoying the time of playing with these small children that are coming in, but they're – they're offered in a variety of different ways. They're not necessarily all offered in aged care facilities as well. We have different types of things there, but, certainly, we have the dad's playgroups as well, and, you know, people who can come along. So we're inclusive across the board now.

30 MS BRENNAN: Yes.

MS DUNN: Yes. Yes.

35 MS BRENNAN: No. That's excellent. Yes. well, any other issues, questions.

MS GROPP: No. Thank you.

MR STOKIE: No. I just think - - -

40 MS GROPP: That has been excellent. Thank you.

MS BRENNAN: It has been terrific. Yes.

45 MS DUNN: Excellent.

MS BRENNAN: Thank you - - -



MR STOKIE: Thank you very much.

MS BRENNAN: Thank you so much.

5 MS DUNN: Thank you very much for the opportunity.

MS BRENNAN: Yes, and thanks for the - - -

MS DUNN: Yes.

10

MS BRENNAN: I – I think we all really respect the – the effort you’re putting into the – the research base for – for playgroups, as well as your general advocacy.

MS DUNN: Yes.

15

MS BRENNAN: It’s – it’s terrific. Thank you.

MS DUNN: Great. Thanks.

20 MS O’DONOVAN: Thank you.

MS NICHOLS: Thank you.

MS GROPP: Thank you.

25

MS BRENNAN: Good morning, BENSOC.

MS L. HATFIELD DODDS: Yes.

30 MS BRENNAN: Hi.

MS HATFIELD DODDS: Where would you like us. Over there - - -

MS BRENNAN: Yes. Yes.

35

MS HATFIELD DODDS: A just in time entry.

MS BRENNAN: That’s fine. We’re - - -

40 MR STOKIE: You’ve done well.

MS BRENNAN: Well, while you’re just getting settled, we may have had a couple of people join us online. I’m not - - -

45 MS GROPP: Yes. I think – I think there were some - - -

MS BRENNAN: Yes. So welcome – welcome to anybody who has joined – recently joined us online. Okay. We’re all getting ourselves sorted. Getting our drinks of water, and all the rest. Yes. So welcome, everybody. I’m Deb Brennan, and I’m joined by Lisa Gropp and Martin Stokie.

5

MR STOKIE: Good morning.

MS BRENNAN: We have some members of our staff – team in the room with us, and also online, and, of course, interested people are welcome to come along and listen to – listen to these proceedings as well. So I will give you an opportunity to introduce yourselves in a – in a moment to say your names and your organisation for the purposes of the record. So our proceedings are being recorded and transcribed, and the transcription will go up on the website as soon – on the PC website as soon as that’s practicable. We have people listening online, so I just remind you about that, and I think they’re the key things I need to say before we get going.

15

MS HATFIELD DODDS: Fantastic.

MS BRENNAN: So introduce yourselves. Tell us - - -

20

MS HATFIELD DODDS: Sure.

MS BRENNAN: Make some opening remarks, if you would like to do that, and then we will launch into a – into a conversation.

25

MS HATFIELD DODDS: Fantastic. So I’m Lin Hatfield Dodds. I’m the CEO of the Benevolent Society, and next to me – well, you – she - - -

MS T. KJELDSEN: Good morning. I’m Tammy Kjeldsen. Director of Operations, Children, Youth and Families for Queensland.

30

MS BRENNAN: Great.

MS HATFIELD DODDS: And we’ve got another – another colleague who may or may not join us for this hearing. She’s at a medical appointment. Janet Power.

35

MS BRENNAN: Okay.

MS HATFIELD DODDS: Our director of Public Policy and Impact. So she will be here if she can. She will just - - -

40

MS BRENNAN: Okay.

MS HATFIELD DODDS: - - - slide in.

45

MS BRENNAN: Yes.

MS HATFIELD DODDS: So – yes. So I’ve actually got a – a – a statement to – to share with you, and then – then we can go to a conversation, I guess. Would that be – that would be okay, Deb, to - - -

5 MS BRENNAN: That would be great.

MS HATFIELD DODDS: Fantastic.

MS BRENNAN: That would be great. Thanks, Lin.

10

MS HATFIELD DODDS: So, thank you, and Tammy and I acknowledge the Gadigal People of the Eora Nation whose country we’re on this morning. At the Benevolent Society, our vision is to build a just society where all Australians can live their best lives and thrive, and that’s the purpose that drives us in everything we do.  
15 For more than 200 years we’ve supported people at the margins of society: children, young people and their families, First Nation’s Australians, older people, carers, and people with a disability. We were one of the founders – founders of Goodstart, and I know that Ros and her team are speaking with you after us, I think.

20

So we – we know the power – we understand the power of having a clear purpose, and an unwavering commitment to quality, driven through the delivery of ECEC services. So even though we all accept that proposition, the not-for-profit, or for-purpose sector in the ECEC space isn’t growing, and that’s probably a question we want to interrogate a bit today. I would like to take a minute and draw to the  
25 Commissioner’s attention the fact that we nearly didn’t have a Goodstart. If the syndicate hadn’t won the highly competitive and commercial process, the next highest bidder was a commercial for-profit entity, and I can tell you the – the footprint of Goodstart would look really different today.

25

30

A strong not-for-profit or for-purpose sector is vital to achieving the universal ambition of the reforms we’re talking about, so we urge the Commission to make specific recommendations in its final report about the future financing and regulatory settings that would encourage for-purpose growth. The Benevolent Society is a relatively small provider of ECEC services, but we are experts in integrated early  
35 intervention for families and their children. We run several ECEC centres in Queensland and Tammy can talk in – in detail about the operation of those. Some of those offer a kindergarten educational program for children in the year before school, and our Acacia Ridge centre also offers a long day care centre for children between zero and five years of age.

40

So we know what success looks like for early intervention in the early years, and because we’re a multiservice provider offering supports across age groups and cohorts, we have a deep understanding of how systems interact with each other, how funding from different jurisdictions, portfolios and population groups, all of those  
45 interactions come together in some complex – complexity that – that we know how to deal with. We’ve got particular service – particular experience with integrated services, and that’s our focus for today with you. Some of our universal integrated

early years places are co-located with our ECEC kindergarten and long day care services, but are managed under a separate funding stream, and outcomes model more complexity.

5 They're an example of integrated child and family hubs. Families accessing ECEC  
services are directly linked into our early years places and the integrated systems,  
and wholistic wraparound supports including disability, intensive family support,  
10 trauma and other behaviour supports. Each year, we find at least six children in  
every classroom of 30 enter the school system massively underprepared. I am the  
daughter and granddaughter, as it happens, of two primary school principals in the  
ACT system, and I grew up hearing that from my mother and my grandmother. The  
proportion of children, I think, that enter school remarkably unprepared, I think, has  
remained reasonably invariant over the last few decades, and we know when children  
15 start behind they tend to stay behind.

15 These are often children who don't meet one or more of their developmental  
milestones perhaps due to poor health, disability, poverty, family conflict or trauma.  
We're in the middle in Australia of several large reform agendas. ECEC, the NDIS,  
the Care and Support Economy, and these agendas all have the chance to make real  
20 change for those who most need it, but they're going to be most likely to succeed, we  
think, if they're actually speaking to each other. So we wouldn't mind having a bit  
of that conversation this morning as well. And I think our challenge is to  
collaboratively address the social determinants of risk, including poverty and social  
inclusion.

25 For those experiencing entrenched disadvantage, the Australians we care most about  
in the public system, integrated child and family hubs can offer a pathway out. This  
is done through the employment of multidisciplinary staff across a range of universal  
and targeted early child development and support services, as well as partnerships  
30 with other Non-Government service providers, Aboriginal and Torres Strait Islander  
community controlled organisations, and – for our EYPs – the Queensland  
Government. Families walk through the door to a range of services, including child  
health checks, immunisation services or just to enjoy a playgroup with their child,  
but they walk in one door and can access most of what they might need. In our  
35 experience, when a family's urgent needs are met, they're more able to fully engage  
and fully support their child's attendance in ECEC.

So Early Years Places contribute to universal ECEC through these kind of  
40 accessibility and inclusivity approaches. They help families overcome structural,  
relational and family barriers to engagement. Our partners at Social Outcomes find  
the following in their 2022 research report: so around accessibility, two key  
findings, 95 per cent of children who have contact with EYPs go on to attend at least  
one playgroup session. So we're getting them into the system early. 35 per cent of  
45 kindergarten attendees first enter during the Early Years Place system with 100 per  
cent of those children going on to attend at least the minimum dosage of early  
childhood education that evidence suggests is required to have an impact on school  
readiness. So these are really effective interventions.

In terms of inclusivity, seven per cent of playgroup attendees are from a First Nation's background. That's double the amount of children in the population group. An additional 12 per cent come from a culturally linguistically diverse background, and when 11 per cent of the playgroup, and in kindergarten cohorts, are identified as  
5 having a potential developmental delay or disability, nearly 90 per cent of them went on to engage with the recommended supports. Our playgroups build peer networks, breakdown traditional socioeconomic boundaries that can separate families and fragment communities. Families from all backgrounds come together into safe, shared spaces situated in strong communities, hubs that create a bridge between  
10 informal and formal early assistance.

The solution isn't always often found by creating another program or initiative. We think, instead, we need to find new ways to work across traditional boundaries and weave those together, and we know that so many social inclusion initiatives that  
15 State and Commonwealth level have tried this. I think – one of my colleagues, Michael Hogan, who is leading Thriving Kids Queensland at the moment, talks about we don't have a knowing problem in Australia. We have a doing problem in the early years space. It's not that we know everything. We do have significant knowledge gaps, but I think if we started implementing what we know is true, and  
20 actually following the evidence trail, we would make some very quick gains in a very short period of time.

So we think our early years model is successful because of our partnerships across health, education, ACCOs, child safety, early childhood approach and more, and this  
25 – this kind of mix, and these partnerships, look different in every community. So you can't just apply a model. You have to apply an approach and an understanding of what works, and why. From the First Nation's perspective, we also have a responsibility to be an ally. We know services that have the greatest impact for First Nation's families are led and designed by First Nation's communities. So we invest  
30 in local ACCO partnerships, and that's one crucial way that mainstream organisations like ours can promote culturally safe and sensitive services, and, as time goes on, I anticipate Benevolent will exit spaces more and more where ACCOs are building their own capability, and it's – if we're serious about reconciliation, that's the way it needs to be.

35 But there is more work to do. Really extraordinary preventive work can be done where innovative child and family hubs exist. But our 2022 impact measurement framework and report with social outcomes, found there's a – a serious lack of robust data to show why integrated supports work better than fragmented ones. We've all  
40 got views, but we don't have the kind of – the quant data to support that. Measuring the social and economic value of integrated childhood supports in Australia is challenging. However, if we're to realise their full impact and scale them up effectively, filling the evidence gaps has got to be a priority for us as a country, and for all this great work to continue, it needs to endure beyond political cycles.

45

So there's something in that idea about a commission that sits outside that to keep the dosage for the – the length of time it needs. We've each got an important role to play. Government, as a law and policy maker, and crucial funder of so many activities. The for-purpose sector, as subject matter experts and innovators, not just  
5 about what we do with children and their families, but I think we're experts and innovators about what's going on in communities at a local level, and all the myriad of partnerships that families could access in different communities. There is, as I said before, a huge body of evidence about what works and what matters.

10 Our challenge, and one that we hope that the proposed ECEC Commission will advance, is taking the knowing into the doing while being open to sharing, and shifting power with each other, and to families and communities to create solutions and change that can restack the odds for children that will otherwise grow up left out, and missing out. There are community level concentrations of disadvantage that  
15 have got to be addressed as a priority, while also remembering that disadvantage doesn't always fit neatly into place. More impact is possible when we work together for change as we bring our collective imaginations and our humanity to this work. This is how we can make a difference into the future, family by family, place by place, cohort by cohort. Thank you.

20 MS BRENNAN: Thank you very much.

MS GROPP: Thank you. Thanks, Lin. That was fantastic.

25 MS HATFIELD DODDS: So it was just – it was just an attempt to get everything we wanted to say - - -

MS BRENNAN: Yes. No. Well done.

30 MS GROPP: Yes. You – that was – that was really good.

MS HATFIELD DODDS: - - - on the table at the beginning, then you can ask us questions.

35 MS BRENNAN: Yes.

MS GROPP: So I was going to ask you about our proposal for a Commission, but I – you raised it just as I was - - -

40 MS HATFIELD DODDS: Yes.

MS GROPP: - - - thinking I was going to ask you about it, and I get the sense that you think it's – wouldn't be – it's – could – has a very – a useful role to play, and I guess we saw it as – as that – that oversight to ensure - - -

45 MS HATFIELD DODDS: Yes.

MS GROPP: - - - that – that – that the children – particularly the children who are, you know – children accessing it have – they have access to the appropriate services, and it wouldn't – not necessarily just talking about long day care ECEC, but sort of that broader suite of – of – you know, and – and what's – what supports are needed.  
5 So could you just a little – have you been thinking – given any more thought about what could – sort of role it could play, because we're – we've been fairly - - -

MS HATFIELD DODDS: Yes.

10 MS GROPP: - - - minimalist in our – in our draft, I guess, about what it might do. We've got some views, but – yes.

MS HATFIELD DODDS: As it happens, we have.

15 MS GROPP: Great. Fabulous.

MS HATFIELD DODDS: So I – I think our view would be the critical – the – the Commission has to play all the roles you just set out, and – and be that – that oversight body, but I suppose the – the two things we think are critical is that the  
20 Commission sets a couple of early peaks in the sand, and one is leaning into evaluating the effect that current policy, or current changes of policy – sorry, future changes in policy or proposed changes in policy will have on children and their families, on educators, teachers, and service providers. So we're actually thinking, before we make changes, what are the likely impacts, and the – I guess, the positive  
25 and negative impacts – just let's make sure that the positive ones outweigh the negative, but it's developing that kind of evidence base. And the second thing – the second thing is – is implementing – and it's the same – same deal really, but a comprehensive research agenda.

30 So what do we know about the gaps. What do we – what do we know works, what's the evidence we already have. Let's start charging after that. But where are the gaps that we need to develop more evidence, so we move beyond on an instinct, and a we think this is right, and a licking our finger and holding it to the wind, to being really driven by hard data. Because I think – I think what's clear from certainly western  
35 countries around the world is the more we can get the early interventions into children's lives right, the faster we close those gaps, so that children across every decade can reach their potential.

MS GROPP: Because that statistic you cited of the five per cent, and it hasn't  
40 moved, that – it hasn't – hasn't moved in 30 years is pretty – you know, an indictment, isn't it, and so what – you know, despite probably increasing investments in – but it's not reaching those who – who – that's quite – yes.

MS BRENNAN: Lin - - -  
45

MS HATFIELD DODDS: So I think there's – there's something for me – I mean, we – I spent my working life moving between public policy and NGO land, and –

and what I've seen is, particularly in the early years, we tend to – look, it – it's a bit revolutionary in the last 20 years, let's think about children in the context of families. Well, like, there's very few Australian children that don't come wrapped in a context of family, but they come in a context of family, of culture, of place, you know, a  
5 whole lot of things, and – and so I think it's – it – it's – we've got to find policy solutions and policy frameworks that take seriously that every single one of us sits in relationship with a whole other things.

10 Not just people, but our culture, our place, the economy that's around us, and so it's – I think it's thinking about children in place, and – and how do we work with them, and I think some of the success approaches are probably to be found where we're doing well as a country in working with First Nation's leadership in culturally appropriate ways. I think we're going to find ways of thinking through that. Having  
15 said all of that, there – there are still just – you know, with my provider hat on, there are massive cost and pricing issues in this sector at the moment, and I'm – I'm getting really concerned. My – we had a boarding meeting yesterday.

Our whole board is concerned about this. We're seeing high quality purpose driven providers exiting human services all over the show, here in the early years, we're  
20 seeing it in the NDIS space, we're seeing it in residential aged care, and residential out of home care. The risks are too high. The regulation is too onerous. Now, I'm not saying we shouldn't regulate, but we should be regulating proportionately and not because a Minister is worried, because we want to keep people safe, and – and so I think there's something here about market stewardship that's really important. So  
25 it's important, first of all, I think, to understand there is no market for human services in Australia.

What we're trying to do is drive market characteristics through Government-funded human services to deliver a range of different things. In the NDIS it's choice and  
30 control. Here in ECEC, it's around quality, effectively, and efficiency. All of those are fabulous goals, and we – we ought to be going for them. But I think it's just we need Government funders working in partnership, and this is another role I would hope for the Commission, with service providers to have a view about which of the service providers whose fundamental purpose most matches Government's in terms  
35 of leaning into the delivery of public value, and being prepared to – to support that, and then – and then thinking about what proportion of those actors do you need in every space in human services to ensure that there is quality, because funding and regulation and legislation alone don't drive quality, and – and, again, you know, you – you look at the ABC debacle. So – and – and there's – there's 100s of smaller  
40 examples of that across every domain.

So I think there's something, and the Commission, potentially, being able to lead the co-production of not just good policy for children, and that context, but good policy for the actors that are going to be providing the services and supports, and good - - -  
45

MS BRENNAN: Yes. Lin, I think it's really interesting the way - - -



MS HATFIELD DODDS: Yes.

MS BRENNAN: - - - you've – you've introduced various actors in that way, and I noticed, when you were talking about potential roles for the Commission and  
5 evaluation, you – you – you mentioned evaluating impacts on children, families, educators and teachers. Now, that's actually quite – it's quite unusual to hear that. So could you elaborate a – a little bit on that.

MS HATFIELD DODDS: Yes. Tammy, do you want to say a little bit about that.  
10

MS KJELDEN: Yes. Well, I think when we look at how we evaluate policy and process, it's taken into consideration that wholistic approach. So it is about children and families, but it's also about those that delivery those services to children and families. So what then are the flow on impacts to our teachers, to our educators. Are  
15 they resourced enough. Are they supported enough. Do we have enough of them. So when we look at things like Queensland offering free kindy, which is a wonderful initiative, if we don't have the resourcing base and the staffing to support the kindy, we actually can't then support our children and families. So, for us, it's really about wrap around. So how do we support children and families, but support our staff to  
20 be the best they can be to provide that quality care for them. So we don't see it as two different parts. We see it as wholistic, and one in the same.

MS HATFIELD DODDS: It's trying to think – what we're trying to do at Benevolent is disrupt our thinking and our practice a bit. So we're trying to go,  
25 “Okay. We're an organisation that's about people, powered by people, so let's just talk about people”. Some of the people are our staff. Some are our volunteers. Some are – in this space – some are our clients - - -

MS BRENNAN: Clients. Yes.  
30

MS HATFIELD DODDS: - - - the children and their families – you know, and it – it – it – I guess it's thinking through not just having fabulous policy, but having the resources to be able to deliver that really well, and – and that's, I – I think, over the last probably decade, overheads are getting slimmer and slimmer, and it's getting  
35 harder and harder to make any piece of the puzzle work. So, you know, what – what we're doing at Benevolent – and I think the only way you can thrive or survive as a human service organisation, you've got to be at scale, and, ideally, you need to be diversified by jurisdiction and by funding stream, and by – by the population groups that you're engaging with, because – because the variation of – of what's understood to be good funding really varies by jurisdiction.  
40

So, again, I think – I think the Commission having a view on price, and having a view on these things, if we're going to have a quality system, we need to resource the  
45 quality system.

MR STOKIE: Can I take you to some of our broader recommendations. When I – listening to – to the opening statement, I hear a lot of endorsement of what we’re recommending.

5 MS HATFIELD DODDS: Yes.

MR STOKIE: As in we are – and – and – and I put that as a statement, but really as a question, is our case - - -

10 MS HATFIELD DODDS: Yes.

MR STOKIE: - - - because we’ve – we’ve recommended for the lowest 30 per cent of income families that, in effect, it would be free.

15 MS HATFIELD DODDS: Yes.

MR STOKIE: So 100 per cent of the rate cap. We’re suggesting - - -

MS HATFIELD DODDS: Big tick.

20

MR STOKIE: - - - the rate cap get – get - - -

MS HATFIELD DODDS: Yes.

25 MR STOKIE: - - - as – reassessed, so that it’s meaningful against the cost of the service. We’re suggesting supply side funding in – in those areas in particular, but not exclusively. It might be – there might be priority areas for Government. It could be anywhere. It could be a highly urbanised area, and then – that’s a priority area for certain cohorts.

30

MS HATFIELD DODDS: Yes.

MR STOKIE: But particularly we – we know that remote, regional areas are underserviced - - -

35

MS HATFIELD DODDS: Yes.

MR STOKIE: - - - and so there – there’s direct Government support to both build the infrastructure and, potentially, supply. We have a whole series of focus in and around the – you know, and we’ve – we’ve targeted the most vulnerable people in – in at least - - -

40

MS HATFIELD DODDS: Yes.

45 MR STOKIE: - - - those who are missing out, that the literature says will benefit the most - - -

MS HATFIELD DODDS: Yes. Yes.

MR STOKIE: - - - coming. So am I correct in – in – in hearing that’s - - -

5 MS HATFIELD DODDS: Yes. They’re spot on – spot on - - -

MR STOKIE: Okay.

10 MS HATFIELD DODDS: - - - recommendations, and I – I – I think you’re doing this anyway, but I do know from speaking Bruce Bonyhady that the - - -

MR STOKIE: Yes.

15 MS HATFIELD DODDS: - - - NDIS review has been - - -

MR STOKIE: Yes.

20 MS HATFIELD DODDS: - - - very, very strong with the Commonwealth on, “You’ve got to pick up our recommendations as a package. Please do not pick and mix, and take what you think is good, because that will take us part of the way, but not all of the way” - - -

MR STOKIE: Yes. Yes.

25 MS HATFIELD DODDS: - - - and I think – I think in the ECEC space, you guys are in the same position. You want the recommendations to be picked up as a suite.

MR STOKIE: Absolutely, and – and in addition to that is, as – as a sequencing.

30 MS HATFIELD DODDS: Yes.

MR STOKIE: So - - -

35 MS HATFIELD DODDS: Yes.

MR STOKIE: - - - if we don’t - - -

MS HATFIELD DODDS: Yes.

40 MR STOKIE: In – in – in our view – but this is what we’re testing as part of this public hearing process, if we don’t address the workforce challenges within - - -

MS HATFIELD DODDS: Yes.

45 MR STOKIE: - - - the sector - - -

MS HATFIELD DODDS: Yes.

MR STOKIE: - - - we can't do anything.

MS HATFIELD DODDS: Yes.

5 MR STOKIE: If we don't then address, for argument's sake, those families who are missing out, probably first and foremost - - -

MS HATFIELD DODDS: Yes.

10 MR STOKIE: - - - then an expanded service will probably go to those who already understand the system well, in the system well - - -

MS HATFIELD DODDS: Yes.

15 MR STOKIE: - - - have the wherewithal, and those who are most vulnerable, and – and currently missing out - - -

MS HATFIELD DODDS: Yes.

20 MR STOKIE: - - - will continue to miss out, at least for a period of time, and we think that - - -

MS HATFIELD DODDS: Yes.

25 MR STOKIE: So there's an ordering that we think is - - -

MS HATFIELD DODDS: Yes.

30 MR STOKIE: - - - really important, but - - -

MS KJELDTSEN: Yes. Absolutely. I think the - - -

MR STOKIE: - - - we're testing that. We're wanting to hear back - - -

35 MS HATFIELD DODDS: Yes.

MR STOKIE: - - - have we got that right or are we misplaced.

40 MS KJELDTSEN: No. I – exactly that. So I think it is – it's around prioritising the recommendations and then transitioning them in as those priorities are foreseen.

MR STOKIE: Yes. Yes.

45 MS HATFIELD DODDS: So I think it has actually got some principles. You know, we're going after the most vulnerable people first, which is great. So, yes – yes, you need to – you need to sequence – is about – on – on the – on the – you know, you talked about the supply side and the funding, a lot of the families we're

talking about, as – as in the – in the 30 per cent most vulnerable, actually are staff.  
So - - -

MS BRENNAN: Actually, sorry.

5

MS HATFIELD DODDS: Are – actually are staff. So - - -

MR STOKIE: Right.

10 MS HATFIELD DODDS: - - - the human services sector in Australia, the – I was at  
the job summit. The treasurer and – and – and your new Commissioner, Danielle  
Wood, talked about human services being the fastest growing part of the Australian  
economy. So not the largest part, but the fastest growing part, and that’s going to  
15 continue, I – I think, for two or three decades as, you know, aging population comes  
online, all that kind of stuff.

MS BRENNAN: We’re still big – we’re as big as the mining industry, I think, in  
terms of - - -

20 MS HATFIELD DODDS: Yes.

MS BRENNAN: - - - number of employees.

MS HATFIELD DODDS: We’re just not as aggressive, Deb.

25

MS BRENNAN: No.

MS HATFIELD DODDS: We’ve probably got to stop being so nice – nice  
childcare workers, and disability workers, what have you.

30

MR STOKIE: Everybody could just be nice.

MS HATFIELD DODDS: But – so I think – I think that issue, but still our wages  
are so relatively low for what we’re expecting people to do. So in my opening  
35 statement, I talked about the complexity in people’s lives, and so I think there’s a – a  
choice for us, as a nation, do we – do we want to fund at least some actors in – in  
each, sort of, market area in human services to be able to go after that complexity,  
and address that complexity, and you probably don’t need every single actor in. So,  
you know, there’s sole actors here in – in – not in ECEC, but in NDIS services. For  
40 example, there’s, you know, sole practice allied health professionals, that kind of  
thing.

On this space, there would be sole practising social workers and – and psychologists,  
and we need those people in the system, but it’s being aware what different actors  
45 bring to the system. So organisations like ours, that are – that are – we’ve had  
longevity, we’ve – we’ve been investing in – in innovation for a really long time.  
You know, we stood up the Sydney Leadership School for a while – for a couple of

decades. We developed ..... Social Ventures Australia. We – we run a woman’s hospital. We’ve got a lot of embedded expertise in our system, and we’ve always had boards and management as an organisation that really lean into research, development, innovation.

5

So you don’t – you don’t need every actor in a space to be like this organisation, but I think my – and this is where we need a Commission to do the data – my instinct, and it is only an instinct, is that there will be a proportion – 15, 20, 30 per cent, who knows, but of those kind of actors, and if you have those quality actors there, and potentially you fund them differentially, and again, the NDIS review contemplates this. Do you fund them differentially, so they’ve got the resources to invest in innovation and R & D, because, otherwise, we spend all our time chasing fundraising and philanthropic funding, and it’s just – I just think it’s a – it’s a bit of a distraction.

10

15 MR STOKIE: Could it – they be – related to this, Lin, is - - -

MS HATFIELD DODDS: Yes.

MR STOKIE: - - - is a comment you made around the for-purpose sector, and I like positive nomenclature rather than negative ones, so not-for-profit - - -

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MS HATFIELD DODDS: Same, same.

MR STOKIE: - - - and – I like that. But it hasn’t grown, on average - - -

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MS HATFIELD DODDS: Yes.

MR STOKIE: - - - or in total in this sector, and you – you sort of almost indicated that we need – might need to think differently in this space. I’m just wondering if you could expand a little bit more on that. You also then indicated something – I thought I heard you say, but correct me if I’m wrong, something about you need scale, you need multiple funding sources, you need - - -

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MS HATFIELD DODDS: Yes.

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MR STOKIE: - - - multiple representation across different jurisdictions. So you – you need – you need capacity, I suppose - - -

MS HATFIELD DODDS: Yes.

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MR STOKIE: - - - and I posit that in the context of the for-profit sector has grown - - -

MS HATFIELD DODDS: Yes.

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MR STOKIE: - - - and they’re facing the exact same, I suppose, incentives or – or structures of finance, yet they’ve got to raise the capital and payback the capital, and

pay taxes, and all those sorts of things. It – it sort of strikes me as odd that the sector itself hasn't marshalled itself to – to grow, and maybe it's – is it inherently in its – as in the for-profit area, their mission is, you know, we're – we're serving particular markets, or we're serving a particular area. I – I'm – I'm interested because they - - -

5

MS HATFIELD DODDS: Yes.

MR STOKIE: - - - clearly deliver a really positive outcome.

10 MS HATFIELD DODDS: I think about this a lot while bushwalking on weekends - - -

MR STOKIE: All right. Okay.

15 MS HATFIELD DODDS: - - - actually, so let's go.

MR STOKIE: So - - -

20 MS HATFIELD DODDS: So if I go backwards, the scale and diversity piece is around hedging your risk bets, I think, so you – you want to - - -

MR STOKIE: Sure.

25 MS HATFIELD DODDS: - - - know if one Government, or one portfolio and one Government dials down the funding - - -

MR STOKIE: Yes.

30 MS HATFIELD DODDS: - - - you – you can - - -

MR STOKIE: Yes. You're not exposed in that sense.

MS HATFIELD DODDS: - - - keep your staff, and .....

35 MR STOKIE: Yes.

40 MS HATFIELD DODDS: I think – so I'm not an expert on for-profit human service delivery, but I don't think you will find many for-profits that invest to the same degree that the for-purpose organisations do in reconciliation initiatives, for example. Let's take First Nation's gear. So most organisations now have a reconciliation action plan, and that's great, but that should be entry level if you're serious about reconciliation, and so, you know, we – we established last year at Benevolent an internal voice function. So we have a – and the mob named this themselves – our First Nation's staff reference group, but they provide advice to me  
45 as CEO. I can ask them for advice, or they can give me unprompted advice.

It comes to management or comes to board about anything they like, and that's – we – we established a couple of years ago a First Nation's staff network, that we get together every two years, where at – we just hit seven – seven and a half per cent First Nation's staff the other week, and so we invest in bringing people together. We  
5 invest in building our own cultural capability. Benevolent Society is part of a – a collaboration across for-purpose NGOs called the Allies for Children, and we established a – a – last year at the SNAICC Conference in Darwin, we established a First Nation's – our First Nation's advisors were all there, and we established our First Nation's advisory group to the CEOs.

10 That group of First Nation's leaders came back to us a couple of weeks ago, at our last meeting in Sydney, and said, "Well, we're actually happy to keep advising you, but we've become the – the NGO – First Nation's NGO Alliance", which is fantastic.

15 MS BRENNAN: Right.

MS HATFIELD DODDS: So that was quite, "Great. They took that bit in their teeth and ran with it". But what's really exciting is those leaders felt absolutely empowered to – and they just said to us, "You have no authority over our cultural  
20 authority". No. We do not. Fantastic. So we're now in this really interesting dialogue that's a really deep one with – with these First Nation's leaders and our organisations about what does a – a Garma dialogue – a deeply respectful both ways dialogue look like in our organisations – our very operational organisations between cultural authority and organisational authority. Now, that's – that's something you  
25 do when you're purpose driven, and it's not directly related – well, I think it is directly related to ECEC services, but I bet my friends in the treasury would not accept that claim. But – so I think – I think there's – there's – it's – it's really a fundamentally different way of operating. I know that Ros Baxter from Goodstart is going to talk to you about this as well.

30 MR STOKIE: Yes.

MS HATFIELD DODDS: And so, again, I don't think you need – well, in a perfect world, I think every organisation would operate like this, but I don't think – I don't  
35 think the nation needs that. I think we need enough – again, enough organisations in the space of trying to live out what does true inclusion look like. What does a deep commitment - - -

40 MR STOKIE: Right.

MS HATFIELD DODDS: - - - to reconciliation look like. So we are actually transforming not just – because this isn't, in the end of the day, about human services. This is actually about creating and maintaining the conditions for people to thrive, and – and human services is part of that, our tax arrangements are part of that.  
45 That's why most for-purpose organisations are interested in the taxation system. We're – we're interested in transport. We're interested in housing, because all of those is – we're really interested in dental care. You try being poor with crappy



teeth. You know, that doesn't work. So – so – and – and – and what I'm seeing is more and more purpose driven organisations are really questioning whether they can stay in parts or all of human services, because, if it's not possible to do these things that are actually your purpose for existing, anyone – not anyone, but lots and lots of people can deliver Government funded human services well.

The question is are public servants at the State or Commonwealth, or Local Government level capable of imagining and bringing into being the perfect conditions on their own, and the answer, of course, is not in a democracy. You need to be listening to citizens, and communities, and for-purpose NGOs play a really important part in that space. We have got insights and practice wisdom that we – we gain doing that, and it's – it's beyond the service delivery. I don't think there's a single person – well, that's a big claim. A lot of the people we employ – let's go to a more moderate claim. I think most of our staff – more often than not, our staff really lean into a purpose. So when one of our staff turns up to one of our ECEC centres, or the kindy services, they're not just there being a professional, although they absolutely are. They're also there thinking about issues beyond the range of what their profession might require them to do, because we invite them to do that. We try to resource and scaffold them to do that.

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MS KJELDSEN: And I think that comes back to the wholistic approach that we talked about - - -

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MS HATFIELD DODDS: Yes.

MS KJELDSEN: - - - and Lin just spoke then around how we look internally to work with our First Nation's staff. We also do that in service delivery. So within our EYC in Cairns we have partnered with Wuchopperen First Nation's - - -

30

MS HATFIELD DODDS: Yes.

MS KJELDSEN: - - - Health Services. So we find positions within Wuchopperen, which is Aboriginal-controlled health organisation, to work within our Early Years Centre to walk alongside us, and not only be there to support our First Nation's families, but also to upskill our staff to be cultural – culturally safe and culturally competent, and it's working in true integration and partnership, and the children and families network talk about it as the glue, and that's the unfunded work, I think, that the human services and the ..... do, and the glue is around true integration and partnerships, and sustainability, and how we truly walk alongside people, and that's not always down to outputs.

40

So that can take time, and so when we look at what for-purposes do, it's as Lin just said, it's putting in that extra time, it's looking at wholistic – what the child brings, what's the family bring. It's not only the child in front of us, but what are the siblings at home, what do the family structures look like behind that. So I think it's that wholistic approach to all of service delivery that we need to look at, and that for-purpose do.

45

MR STOKIE: Sure.

MS HATFIELD DODDS: The other – and the final thing we do, I think, that’s probably different from for-profits, and I’m sure your – you’ve got some for-profits in the hearing, so maybe – maybe ask them, but I – I suspect the other thing we do differently is we don’t see other actors in this space as competitors. We see them as collaborators. So I say to staff, “I will tell you who our competitors are. It’s racism, homophobia, exclusion, poverty, ill health” – you know, like, you – they’re those structural barriers to people being able to thrive, are our competitors. Everybody else are collaborators, and – and, I mean, what we do know about complexity is it requires collaboration to solve it, and because we live in a, you know, volatile, uncertain, complex and ambiguous world, collaboration is really critical, and so, you know, we’re part of multiple for-purpose human service NGO collaborations across the country that I think are – are hugely beneficial to outcomes for Australians on the ground.

MR STOKIE: Thank you.

MS BRENNAN: Well, it has been very, very comprehensive, very enlightening. Are there any final comments, or any – any issues you have with recommendations that you’ve not covered yet.

MS HATFIELD DODDS: I guess I would just say the – the – it might – it might be worth just thinking about the – this is such an important piece of work, and you will know that some of the States, particularly South Australia, are kind of in this space as well, but at the Commonwealth level, you know, there’s the – there is the – the NDIS review, and treasury has got the taskforce that’s now called the Care and Support Economy Taskforce – guide from PM&C, and so I think maybe having a bit of a look at where those bits of work are going, and how do you shore that up, when you’re in the political class, as we all know, you’re bandwidth is very narrow. You know – you know, people always say, “Don’t waste a day being a Minister”, but no one is wasting a second being Minister reading documents in - - -

MS BRENNAN: Yes.

MS HATFIELD DODDS: - - - huge detail. So if we can - - -

MS BRENNAN: Yes.

MS HATFIELD DODDS: - - - if we can integrate some of that before it gets to them, that would be great. But I - - -

MS BRENNAN: Yes.

MS HATFIELD DODDS: - - - we will see.

MS BRENNAN: Well, thank you for that – that – that – that reminder - - -

MS HATFIELD DODDS: Yes.

MS BRENNAN: - - - Lin.

5 MS HATFIELD DODDS: Have you got anything else, Tam.

MS KJELDSEN: No. I'm okay. Thank you.

10 MS BRENNAN: Here comes Goodstart. Yes. Well, I think - - -

MR STOKIE: Thank you, Lin.

MS BRENNAN: Thank you.

15 MR STOKIE: Thanks, Lin.

MS HATFIELD DODDS: Thank you.

20 MS BRENNAN: Thank you both very much. That was a – a really useful discussion. Thank you also for your submissions.

MS HATFIELD DODDS: Can I just say one final thing. I'm not sure I said it really overtly, but we back in everything Goodstart's saying, so rather than - - -

25 MS GROPP: You haven't heard what they've got to say yet.

MR STOKIE: You haven't heard - - -

30 MS HATFIELD DODDS: - - - as I know, Goodstart - - -

MR STOKIE: You haven't heard them yet.

MS HATFIELD DODDS: - - - would back in everything we have just said.

35 MS BRENNAN: All right. Well, thank you – thank you - - -

MS HATFIELD DODDS: But the – the backing in is very serious. We're part of the syndicate - - -

40 MS BRENNAN: Yes.

MS HATFIELD DODDS: - - - that established Goodstart, and - - -

MS BRENNAN: Indeed.

45 MS HATFIELD DODDS: - - - are still in a very close relationship - - -

MS BRENNAN: Indeed.

MS HATFIELD DODDS: - - - so – yes.

5 MS BRENNAN: Yes.

MS HATFIELD DODDS: Thank you.

10 MS BRENNAN: Thank you.

MS GROPP: Thank you.

MS BRENNAN: Thank you, Lin.

15 MS HATFIELD DODDS: Thanks for your time.

MS BRENNAN: Thank you, Tammy.

20 MS KJELDTSEN: Thank you.

MS GROPP: Thank you.

25 MS BRENNAN: We're actually going to have a – welcome, Goodstart. We're going to have a short break and – for – actually till 10.45. So for the benefit of those online, as well as those in the room, and then we will resume our hearings then. Thank you.

30 **ADJOURNED** **[10.31 am]**

**RESUMED** **[10.45 am]**

35 MS BRENNAN: Right. Okay. Thanks, everybody. We are going to resume our public hearings for the inquiry into early childhood education and care, and I would like to welcome Goodstart.

40 DR R. BAXTER: Thank you.

45 MS BRENNAN: Just before you start, I'm going to remind you that we have observers in the room from our – from our team, and more generally, because people are welcome to come and observe the – the hearings. We have people online, and I know you know this, but I'm going to say that our – the conversation is being recorded and will be transcribed, and what I would like you to do in a moment is to introduce yourselves, each of you, for – for the – for the record, and the name of your

organisation, and then it's over to you to open with some remarks, and then we will move into a conversation with you.

5 DR BAXTER: Thank you so much, Commissioner. I'm Ros Baxter from – I'm the CEO of Goodstart Early Learning.

MR J. CHERRY: I'm John Cherry. I'm the Head of Advocacy at Goodstart Early Learning.

10 MS K. JEBB: Kelly Miller – Kelly Jebb, National Social Policy Manager, Goodstart Early Learning.

MS M. GEDDES: And Myra Geddes, General Manager of Social Impact at Goodstart Early Learning.

15 MS BRENNAN: Thank you very much.

DR BAXTER: And thanks so much for the invitation, to start off. We will join ourselves to your acknowledgement of country from earlier in the day - - -

20 MS BRENNAN: Thank you.

DR BAXTER: - - - and we will pay our respects, in particular, to all of those children and families who send their children along to us each day, and trust us with their children. Look, we really want to thank you. We want to welcome your report. We want to thank the amazing work you've done, and also acknowledge the Government's commitment to building a truly universal early learning system. You have recognised and you have recommended a universal entitlement to early learning for all Australian children, and we agree with that generational ambition. We think that early learning, done right, has great transformative potential. It really is about maximising human potential, as well as economic productivity.

We also think, though, that if you do it wrong, or we get it wrong, it could mean directing really crucial investment into those who already have the most opportunity, whether that be children and families or particular business models. So we have been clear in our submission what we think that this universal entitlement to ECEC could look like. First, we think it needs to be a system that provides high quality education for all children, but especially those children who need the education the most, and I think this is a really important point that affordability does matter, including for middle class families, but the strongest investments in affordability need to be directed to those children who benefit the most from access to early learning, and who are currently the least likely to attend, and we've charted in our report who those children are.

45 Secondly, we need centres where high quality educators stay, where they continue to educate the children with whom they have established those really strong attachments. When we talk to our families, they say that this is the thing they want

most of all, and we know from our data that educators stay when they feel respected, professionally recognised and appreciated, and, of course, when their pay reflects that. Thirdly, we need to make sure that when centres are built – new centres – they go into the places that make sense. We don't need more suburbs with brand new half  
5 empty centres on every block that look beautiful, but that have got poor quality educational outcomes.

We don't want to see suburbs where centres compete for children and find it hard to remain commercially viable, so they increase their costs, and they compete for  
10 educators – a limited pool of educators, so that staff are constantly switching up trying to, understandably, get the best deal. Instead, we want to see new centres built or opened based on transparent and trusting conversations between funders, providers, and communities. We want to see services in locations where we can sustain a market or where Government recognises that we can't, and supports that,  
15 and we want to see families in every community having a choice of high quality, affordable and inclusive not-for-profit provision.

We want there to be no excuse to turn children away because people don't know how to deal with them, or because they can't afford to meet that child's inclusion needs, and, finally, we think that Australian children need a preschool system where every  
20 child has access to two years of preschool that meet their needs, but also meet their family's needs. It's really important that we understand early learning as a continuum, and we know that that's what works best for children, thinking about their whole journey. At the moment, what we see is that some State Government  
25 systems privileged children whose families can manage sessional preschool, and we know not all families can manage sessional preschool.

Just to give you an example, an average preschool – an average Goodstart Preschool in Victoria receive \$125,000 in preschool funding support to support three and four  
30 year old programs and 2023, and an average South Australian Goodstart Centre received \$12,000 to support those families, and that inequity of funding extends to fee relief for families. So you see the same patterns in looking at the fee relief that families get. It has a real impact on families. So that's what we need. I guess, the question is how do we get there. There's a lot that we loved in the PCs report.  
35 There's a lot we – we really felt you got right. You recommended reforming the activity test. We couldn't agree more.

In Goodstart, we've lost approximately 2000 children from the lowest income, lowest activity families over the last three years alone. That's three-quarters of our  
40 CCS ... families that we've lost. You recommend 100 per cent for low income earners. We agree. We know these are the children who benefit most from early learning, and we also know low income parents are the most responsive to price signals. You also found that the demand side subsidy system works well. Not just in – just not in thin markets, and that accords with our experience also, and I think you  
45 also agree that subsidies, like \$10 day approaches, or 90 per cent across the board, are probably not the right investment for right now.

We know that most funding would go to the top 20 per cent of families, and we know that they're the least responsive to those price signals. So there's a lot to love in your report. There's – there's three areas where we think you could go a little bit harder. We would have loved to see you make some commentary. The first one is  
5 you do recognise the need for a better paid workforce, but we at Goodstart firmly believe that the PC has a role in calling for a policy solution, and I can't underline this firmly enough. This is really at the core of fixing the system. The number 1 priority. It doesn't matter how affordable a system is if there are no workers to deliver it, and, really important, when I ask Government about its views on the  
10 longer term solution for wages, it refers me to the work that you're doing. So it's looking to you for that solution every time.

MR STOKIE: There's a circulatory there.

15 DR BAXTER: They're very much in the business of thinking about a temporary wage instrument that may or may not emerge, but that's not a long term structural fix, and when I ask them what is, they tell me to talk to you. So that's what I'm doing today.

20 MS BRENNAN: Yes.

DR BAXTER: Two, I think what you propose on funding really matters, and the system that you propose should be so clearly fed by the tremendous work that has been done to build the best evidence base we have ever had. I think, potentially, the  
25 PC, and certainly Government, are likely to be tempted by the calls that we're hearing for \$10-a-day early childhood education and care, but the data does show that that would be both expensive and regressive, meaning that those who earn the most, benefit the most, and I know from experience, while that might seem like an attractive thing, that the first senate estimates, after that is introduced, the  
30 Government will be asked how much subsidy will a family on \$100,000 per annum get compared to a family on \$600,000 per annum, and the answer will show the inequity of the model that results, because families on half a million dollars or more will save a great deal of money, and low income families, in some cases, will end up paying more.

35 They will also be asked why Toowoomba got supply side funding for 431 early childhood places instead of 595 for children in that community. They will be in the business of having to decide where places should go, what reasonable wages will look like, how to maintain progress under the NQF, and how to ensure inclusion for  
40 all children, and they're just not best placed to do those things. I think it's also likely that the PC, and Government, will be tempted by an average efficient cost approach. I know Lin Hatfield Dodds, when she was here, talked to this in some detail, but I think it's important that we understand that that does mean signing up for extremely resource-intensive and complex negotiations on an efficient cost with a highly  
45 variable mixed market that has just never had to do that before.

Negotiations that won't be like health and hospital funding between a Commonwealth Government and eight State and Territory Governments. It will be between a Commonwealth Government and, potentially, eight to 10,000, you know, different services, or whatever we're looking at in the market at the time, and I think  
5 if you ask those who negotiate health and hospital funding about this complexity, they would say that hasn't worked, and, certainly, I have been involved in those negotiations from previous roles that I had. I think the idea that there is truly an objective, value free, efficient price does not reflect the reality of how those negotiations take place.

10 ECEC, in particular, has variable quality, it has cost variations, and, in our experience, higher costs in early learning generally reflect higher quality and better inclusion. We know, for example, in Goodstart that last year alone we spent an extra \$5.6 million to top up ISP provision, so that children had access to the hours of  
15 support they needed for the hours that they needed them. So in that context, implementing average cost punishes providers who are committed to child outcomes and development. We would instead see a focus on a model that has largely worked, demand side, with tweaking to reset it in line with costs, and then supplementary supply side subsidies where they're needed to bolster either provision or quality.

20 Thirdly, we think that we need a plan to ensure services – new services in particular – are high quality and inclusive, and that can constrain fee growth, and we think the ACCC data was very clear about how the objectives of not-for-profit providers align with public policy objectives. I won't go into them here. I – I'm sorry, Martin. I  
25 made you look at my diagram in the break, but we certainly have that data in our submission. Cheaper - - -

MR STOKIE: Thank you.

30 DR BAXTER: - - - high quality, pay staff more, as a result are better at keeping them, go to places that are hard to service. The real question I want to put, and it's probably the last main point I want to make today, the real question is what happens if we don't grapple with the reason why not-for-profits have found it hard to keep their share of the market. 10 years ago, we were more than 40 per cent of the market.  
35 Now, we're about 30 per cent. Almost all new growth has been in for-profit provision. Goodstart, I think in the 13 years we have been around, has only increased in net of 33 centres since its inception, even with all of the resources that we have at our disposal. The real question is does that matter.

40 Some of the for-profit providers will come here and say that they offer high quality, and that's true, if you look at A&R results for some of those providers. Would it matter, over time, if not-for-profits were lost to the sector, because the data really – clearly shows that's the trajectory we're on. But I would ask the PC to consider this, that not-for-profits, and Goodstart as an example, will deliberately make decisions  
45 that are counter to their commercial interests. Goodstart will not turn a child away because of their inclusion needs. Goodstart will actually actively seek to enrol children who may take more, require more and cost more.



One per cent of children in early learning access ISP, and almost three times that percentage are supported by additional educators in Goodstart, many off our own dime, and those parents tell us time and again that they were refused entry at other services and told that they could go to Goodstart. So I think the question is does  
5 having that force in the market matter or does having that force relegated to simply hard to service areas matter. What would happen if we weren't there. We argue, in our submission, that stewardship should be a real living practical process whereby trusted providers have got a structural seat at the planning table, and both sides, Government and providers, offer radical transparency about demand, costs and  
10 quality.

So I will finish now, so – I'm tempted to take the whole 45 minutes, having a rant, but I won't. I just want to say it's a really exciting time. Everyone has a view. Some of those views are inherently seductive. It's really tempting to try to do  
15 everything, and I might be completely off base, and the Government might decide to do everything, and fund everything, but on the off chance that they don't, I think we should be clear which things are mission critical, and what needs to happen first. So for us, number 1, no show without punch, you've got to build a strong, skilled, able workforce through a clear wage-based funding instrument.

20 Two, you've got to make sure that those who need early learning the most can get it. Abolish the activity test, which is my preference, or, as a first step this year, give all children a minimum of two days a week subsidy, 48 hours a fortnight. Three, make ISP a truly demand driven program. There are definitely analogies in Government  
25 you could look to, and increase funding to at least that which could pay a diploma educated educator. So 38.14 an hour. Remove the caps. Index it properly. So I commend our submission to you and I'm happy to take questions.

MS BRENNAN: Thank – thank you – thank you very much, Ros, and, more  
30 broadly, thank you to Goodstart for your highly constructive engagement with the inquiry, and for the effort that you put into your submissions, and to all – all of your engagement with – with us. I feel there's going to be a lot of questions. I'm going to – I'm going to jump in first. I would like to know a little bit more about your proposal around wages, because you've suggested, and we've heard this too, there  
35 could be a – a temporary wage solution offered, but you're saying that we need a – a long term structural solution, and I would like to hear a bit more about what that is, and I'm going to jump in with my second question, too, just because I know my colleagues, and that is when you're discussing prices, Goodstart calls for radical transparency and I'm not sure what that means, and I would like you to say a little bit  
40 more what it means, because it sounds like it's something pretty significant for the largest provider in Australia to be offering and calling for radical transparency. So I would like to know more about both of those two things.

DR BAXTER: Thank you, Commissioner, and I definitely will call on my friends,  
45 particularly my friend to my right, as talk about some of the recommendations that we have made around wages. What we would say is that wages need to be part of the structural funding instrument that governs the sector. So we absolutely agree

with our friends in the union, and many who have made representations about an interim and immediate wage subsidy of at least 15 per cent to try to arrest the decline that we have seen in the sector. But, over time, we need to have both a largely demand driven subsidy system with the improvements I have suggested, but we need  
5 to have a number of instruments that sit alongside that that manage some of the pieces that go to quality and provision, and wages are one of those. So we need to look at what does it cost to properly fund wages in this system, and to deliver quality. John, what would you like to add.

10 MR CHERRY: Just in terms of the instruments, Commissioners, in the short term, in terms of if there is a multi-employer bargain and single enterprise agreement bargains like ours – which hopefully will be offered the same level of funding – the only mechanism the Government has is grant-based funding to do that for the short  
15 term – for the three years, or whatever it is, of this multi-employer bargain. In the longer term, we believe that there should be a new funding stream created within the whole funding super structure for ECEC, and that’s the thing we think – we think was missing from the original report, and that funding stream, in our view, can be based on actuals. With – with the – the child care subsidy, you have a third party  
20 provider which collects all of the attendance data, reports that to Services Australia, and funds us.

For wages, we could do something similar, because all providers in this sector have a third party software provider that does their payroll. Organisations like SAP and Xero do that. You could actually report actuals through that to Services Australia  
25 and get directly funded for those actuals back in some form. So the – the – there is an IT solution which creates the funding mechanism. The question then is what is the policy objective of that funding mechanism, and the policy objective of that funding mechanism should be to ensure that there is, initially, the increase funded that Ros talked about – at least 15 per cent – then, ultimately, there may be a – a  
30 further need if there is, like, you know, a work value case, or a – or an equal remuneration order from the Commission, which takes the rates up further, and even potentially, longer term, the wages component of fee increases could be funded through that mechanism once you’ve established it based on actuals to payroll, which would actually produce fee increases longer term.

35 MS BRENNAN: So – so would this – would this be an effort to – to – to address the fact that different providers have different proportions of their revenue going to - - -

40 MR CHERRY: Very much so.

MS BRENNAN: - - - wages. So you don’t want it just going through the CCS, for example.

45 MR CHERRY: The CCS is not an efficient way to deliver - - -

MS BRENNAN: Yes.

MR CHERRY: - - - wage increases. Like, when – when I looked at this, if you have a very high fee, low wage provider, and there’s plenty of them - - -

MS BRENNAN: Yes.

5

MR CHERRY: - - - the wages share is probably 40 per cent of their – of their fee. You look at a – a – a low fee, high wage provider in the not-for-profit sector. The wage share can be as high as 95 per cent, and you’ve got – so the CCS is an incredibly inefficient way of – of dealing with – of – the wage increases.

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MS BRENNAN: So it delivers windfalls, and – and it – it potentially delivers windfalls.

MR CHERRY: That’s exactly right, and - - -

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MS BRENNAN: And - - -

MR CHERRY: And – and – and under subsidises those very – those – those people with high wage shares, like, around the 90 per cent mark.

20

MS BRENNAN: Okay.

MS GROPP: So – so, John, this is really – but this is, sort of, converting it to a supply side funding kind of model - - -

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MR CHERRY: Yes.

MS GROPP: - - - essentially, though, isn’t it. But I thought - - -

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MR CHERRY: An – an – an element of it.

MS BRENNAN: An element. Yes.

MS GROPP: But – but it’s the biggest element of the cost structure really.

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MR CHERRY: Well, only if – well, only if – if you were doing the wage increase part of it, Commissioner. You – we’re not - - -

MS GROPP: Call me Lisa.

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MR CHERRY: You – you could conceivably put - - -

MS GROPP: Over – over time - - -

45

MR CHERRY: - - - all the wages through that.

MS GROPP: - - - it – it would, sort of - - -

MR CHERRY: But – but if you did that, that – that is a pretty fundamental change, and we think Government might be concerned about that, because then they’re, effectively, becoming, like, the employer or something like that.

5 MS GROPP: Underwriting the wage - - -

MR CHERRY: Yes. But if you’re – if you’re only underwriting the wage increase component, then, potentially, the employer is still responsible for the wage cost as it is now, and they still have incentives to be efficient with the use of that – that labour,  
10 and so forth.

MS GROPP: Do you think – yes. I guess, when do you think there’s argument – I guess, under the current structure, essentially, if – if the cap is adjusted to reflect, you know, broadly - - -

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MR CHERRY: Yes.

MS GROPP: - - - you know, whatever, I guess, it’s the – the risk – the risk of increases or the cost of increases in costs, whether it’s – and particularly wages is  
20 kind of shared between users and the Government, essentially, through the - - -

MR CHERRY: Yes. The - - -

MS GROPP: - - - through the subsidy - - -  
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DR BAXTER: We would be happy to – I think whether that’s material we’ve shared previously with the Commission, John, around how it would work if you - - -

MR CHERRY: There – there’s a little bit in our submission on it, but we can  
30 provide - - -

MS GROPP: Yes.

MR CHERRY: - - - more information on it.  
35

MS GROPP: Okay.

MR CHERRY: And – and - - -

40 MS BRENNAN: It’s a really important issue - - -

DR BAXTER: We’ve run quite a lot of data about how it would look.

MS BRENNAN: I would certainly like to understand it - - -  
45

MR CHERRY: Yes.

DR BAXTER: Yes.

MR CHERRY: We - - -

5 MS BRENNAN: - - - as thoroughly as possible.

DR BAXTER: We have done some pieces for the Government - - -

MR CHERRY: A lot.

10

DR BAXTER: - - - about this, and we could look at those and share those - - -

MR CHERRY: Yes.

15 DR BAXTER: - - - with the Commission. John, I think that's probably the most - - -

MR CHERRY: Yes. Yes.

20 DR BAXTER: - - - helpful way to get the numbers on the record.

MR CHERRY: We also make the – the point in our submission that the funding system itself, as it stands, through the CCS, is one of the constraints on paying decent wages. For – for us to match school rates for educators would require us to put our – our – our wages up by about 20-odd per cent, which would require us to put our fees up by about 13 per cent, and that would knock us out in the marketplace significantly. So – so – so that the market-base system, and the – and the – the funding system, in the wages space at least, is one of the things – one of the structural things preventing wages being paid fairly in our sector.

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MR STOKIE: It - - -

MS GROPP: But you – I was going to say but you're also proposing that the cap be, sort of, a average fee plus, plus sort of a - - -

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MR CHERRY: Yes. Yes.

MS GROPP: - - - a – an uplift factor. So would – would – but if that were the case, would that give you head room to – to increase wages sufficiently.

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MR CHERRY: Only if everyone else did it, and – and even then you're still saying that parents are paying a significant proportion of that increase in wages, and one of the principles we argue, if you're moving to a system that's based on – on early childhood education, then if 100 per cent of a teacher's wages is being paid for in schools, then why isn't a significant proportion – a high proportion of a teacher's wage being paid for in our sector. So if you're moving to an – if you're recognising that the fundamental driver of – of – of child outcomes is quality, the fundamental

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driver of quality is the workforce, the fundamental driver of workforce is – is stability, and qualifications, and skills, and – and that means you come back to the whole wages question.

5 DR BAXTER: Can I – can I go to radical transparency.

MS BRENNAN: Thank you.

10 DR BAXTER: Would you like - - -

MR CHERRY: Yes.

DR BAXTER: - - - me to go there.

15 MS BRENNAN: Thanks, Ros.

DR BAXTER: So I think the first thing we would say is that Goodstart has always been on the record saying that with greater investment comes greater responsibility, and we're absolutely happy to step up to – to thinking about what does that look like, 20 what does it mean for us, what should it mean for other providers. We would also say that – and, you know, it's a really important starting point that the ACCC did find that fees have largely grown in line with cost increases. So you haven't necessarily seen some of the issues that we might have expected to see when we opened this issue up. There's – there's not necessarily an efficiency problem.

25 That being said, we know there are some outliers, and they're the ones that we really need to try to address, and we really need to look at how do we make sure there can be public trust and public faith in the investments the Governments are making. We would say that that transparency needs to go to ensuring that everybody in the market 30 – you know, Governments, providers, and in particular families – are able to see in a like-with-like way what providers are charging. So that not only needs to be in real time, so it could absolutely be a system that's connected up to the CCMS, which we know within about four weeks has the information pretty much up-to-date, but it also needs to have some really clear rules about how that is reported.

35 So what we see is we see packages being bundled up when fees are reported, or particular things being stripped out alongside the lag. We need to find a way to describe units in like-with-like ways, so that families understand what it is they're buying. They also need to be able to see and understand the quality provision that 40 they're purchasing, and what that means, and that needs to happen in a much more real time way as well. If you take that more broadly, what would radical transparency look like, we as Goodstart, and we think some others as well certainly in the not-for-profit sector, would love to sit at the table in a structured way alongside Government and say, "You have a provision problem. Let's work with 45 you on that provision. Let's open our books about what it costs to open new centres" - - -

MS BRENNAN: Right.

DR BAXTER: - - - not just in terms of the build and the problems we have – we have talked in our submission, and with you previously, about around accessing capital, but things like what does it really take to grown in a quality way. It’s one thing to open a bunch of new centres in a two or three-year process when you’ve got  
5 a particular ambition driving you to do that. It’s another thing to make sure that you have high quality, you know, strong teaching pedagogy in the centres, and the things that we know make a difference to children’s outcome. It takes a lot – it takes a lot in terms of the capability of the organisation as well.

10 So we would love to sit with Government and say, “Where do you want to go, you know, what is your funding envelope for that. Here’s what we can tell you about our demand, opening up our books from an occupancy point of view, opening up our books from a cost point of view, and how do we reach a common understanding  
15 about how do we go to these places, and how do we do it in a reasonably structured way”. We’ve made some recommendations around stewards in the submission, and stewardship is an absolutely underpinning piece of this radical transparency. When you have trusted relationships of an earned autonomy nature where providers have proven themselves to be interested in the same objectives that Government’s interested in – quality, inclusion, affordability – then you can have conversations  
20 which, you know, we know – we see happen in some other markets where you can work on that provision together.

So we think there’s a radical transparency piece looking outwards towards our family and our community, and then there’s a piece about how do we, together, build  
25 provision in a way that’s fair and reasonable.

MS BRENNAN: Thank you.

MR STOKIE: I thought where you might have been going with that – I don’t  
30 disagree with anything you’ve said there – but was perhaps more radical transparency for parents.

MS GEDDES: Yes.

35 DR BAXTER: Yes.

MR STOKIE: I – what I was hearing was very much a radical transparency within the planning process, within Government - - -

40 DR BAXTER: Yes.

MR STOKIE: - - - within the steward – within the ECEC Commission, etcetera, but I actually wondered whether you have a view around, well, what – what do parents – should they reasonably expect in - - -

45 DR BAXTER: Yes.

MR STOKIE: - - - understanding – well – why their fee is their fee - - -

DR BAXTER: Yes. We – we certainly do. Yes.

5 MR STOKIE: Where a change is coming from, or why and how - - -

DR BAXTER: Yes.

10 MR STOKIE: - - - and not just for yourselves, but for the sector as a whole.

DR BAXTER: For the sector, and I might ask Myra – to this a little bit, but, certainly, where I began at the beginning about talking about how we represent fees and fee prices really does go to the existing starting blocks, and how it doesn't - - -

15 MR STOKIE: Yes.

DR BAXTER: - - - provide that kind of transparency for families. I know it's something Myra has thought and worked about over a long period of time, so I might just ask Myra to present her vision of how that could look.

20 MS GEDDES: Thanks, Ros, and, yes, absolutely, the – the parent facing part of this is a really big part of it, and it's really crucial to underpinning all of the structural reform that we've sort of suggested in relation to the payment. So our vision is that, within any market, any one of us in our local communities can very easily get their  
25 hands on transparent, comparable information about the quality, affordability and inclusion of the services within their local market. Exactly what is provided with some sort of comparison ... rate. We thought the ACCC might have gone to something like that, making those sorts of recommendations, but I think that's  
30 certainly something that the Productivity Commission could recommend, so that families can truly compare what's on offer within their local markets, and not as a one off.

So I think that's the other part of the radical transparency, is if a fee for a service wound up being radically out of step with their local market – at the moment, there's  
35 no way a parent would know that. So they could be part of that, sort of, communication, saying, "Did you know that, in fact, your fee is now, you know, statistically" – you wouldn't say, you know, "two standard deviations outside the mean", but you would have a methodology that would make sense for families, that you would communicate to them.

40 MS BRENNAN: It's way out of whack.

MS GEDDES: Way out of whack.

45 MR STOKIE: Quite. Indeed.

MS GEDDES: You're way out of whack.



MS GROPP: Off the charts.

MR STOKIE: So - - -

5 DR BAXTER: Kind of heat map.

MS GEDDES: Absolutely, and did you know - - -

10 MR STOKIE: A stats explanation package on the side.

MS GEDDES: That – that’s right. Exactly. Exactly. But that sort of – and – and when we think about technology, and we think about the way other markets – other sectors communicate with their consumers, we’ve got a lot to learn. So it could be as simple as saying, “It looks like this is out of whack. Did you know there were 10  
15 other providers in your local community that have comparable quality who, in fact, might pay their people more, or have better inclusion that you might like to explore”.

MR STOKIE: Because one of the things that’s exercising our minds, and maybe we need to come back to yourselves in a separate conversation, is around the complexity  
20 of the system. The ease with which parents can understand what is it that they’re being – that they’re being asked to pay – well, they probably know what they’re being paid, but what are they being subsidised, where is it, when is it, and to your point, John, I can see the – the – there’s a – there’s a challenge around the sort of structure of the current system for the CCS, a focus on wages, and coming back to  
25 Lisa’s point around what the rate cap, how is that defined, the interplay with parents, and the taper rate, and – and so there’s a – there’s a – it – it’s not just one part.

You actually almost have to solve for the entire part with a view about, well, how would any of that be easily explained to parents around what’s happening behind the  
30 scenes. Is the duck gliding along the pond - - -

MS GEDDES: That’s right.

MR STOKIE: - - - effortless and a lot of effort happening behind the scenes or is it  
35 all the sausage – it’s all – I’ll mix all my metaphors here – but is it all exposed in any way?

MR CHERRY: And if you think where a parent likely accesses information, it’s through the internet. I mean, the vast bulk of our inquiries increasingly come  
40 through our internet portal. So if you get the presentation – the information – information right for a new parent – and that’s why we’ve said a lot about StartingBlocks, because we think it’s just so not fit for purpose in its - - -

MR STOKIE: Right.  
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MR CHERRY: - - - current form. But if you get that right – and radical transparency for me is making sure that what is being presented to parents online is

an up-to-date quality rating, an explanation of what that means; an up-to date fee, an explanation of what that means, so it's truly like for like, and – and up-to-date information on sessions, so that's truly like for like, so they can make a decision on the basis of – of understanding costs, understanding quality, understanding the offer,  
5 and they can do that almost in the privacy of their own home before they even go out and look at a centre. That, for me, gives parents so much more power. If we can get it to a point where we've got online engines driving this for parents, where they can get that information in their hands, and then make their decisions, and we don't have that at the moment.

10 DR BAXTER: I would – I would just put a footnote to that, and I'm just going to ask Kelly in a moment to talk to, in our stewardship model, how we've then seen, you know, what might be the role of government in consequences if some of the outliers - - -

15 MS BRENNAN: Okay.

DR BAXTER: - - - do happen. So we've talked about what might be some of the powers under that stewardship model for - - -

20 MR STOKIE: Sure.

DR BAXTER: - - - governments to call out. So I might – in a moment I'll ask Kelly to talk to that. But the little footnote I did want to put on this conversation we were having about simplicity and understanding, that matters, that's important, but I think it's important also to remember that's just one good and one value that's important in the system. So - - -

30 MR STOKIE: Sure.

DR BAXTER: - - - we would certainly think that that's a very important thing, but there are a hierarchy of other values that are important around inclusion, high quality and some of those pieces, and I say that, and you probably know why I'm saying that, because there are some models - - -

35 MS BRENNAN: Yes.

DR BAXTER: - - - that are proposed that are very seductively simple, and a family would understand that. Let's take \$10 a day. What they wouldn't necessarily understand and be able to see from that is what all the implications of that are in the services and systems - - -

MR STOKIE: Yes.

45 DR BAXTER: - - - that sit behind it, including for the wages of their very valued educators and including for quality over time which we have seen in other markets. So I think it's - - -

MR STOKIE: Yes.

DR BAXTER: - - - the balance. Absolutely we need a system that faces families and is fairer and where, you know, governments can have a great deal of community  
5 certainty in what they've provided, but we can't have simplicity at the risk of poor outcomes for children. Kelly, would you just mind talking a little bit to a couple of those powers we've envisaged that would help if there are, then, those – particularly fee outliers in the system and how we might deal with them.

10 MS JEBB: Yes. Absolutely. I think the important point is that radical price transparency is accountability to government and families. We have talked about the outliers in markets where fees that are outside of the – the average in the market, providers are required to be accountable to families about that – provide advice about that. The – the justification should be to those families and to the funder. I think if  
15 you've had a look at StartingBlocks – and I encourage you to – it is – it is very difficult.

MS BRENNAN: Yes.

20 MS JEBB: Your – your report goes to the complexity of the CCS calculator. It's actually very difficult to use the CCS calculator when the daily fee published on StartingBlocks doesn't tell you how long that session is or what's included in it, so it is very difficult for families to make informed decisions. And we really see, I think, the – the challenge with a highly fragmented federated system is that there's no one  
25 sort of being the glue, and that's really what stewardship is about, and it is system stewardship, not market stewardship in isolation, and so there's absolutely a role for stewardship in looking at fee outliers and requiring providers to show cause for those excessive fees.

30 MS BRENNAN: What's that distinction you're making there between system stewardship and market stewardship, Kelly?

MS JEBB: Well, we think there's a really important role for market stewardship, and that's about supply and demand and price. I think system stewardship looks  
35 more at – about quality, about the – the – you know, things like the role of not-for-profits and the unique role that we play. It's just a broader approach - - -

MS BRENNAN: Okay.

40 MS JEBB: - - - than just market.

MS BRENNAN: Thank you.

DR BAXTER: And we also think that stewardship – and this is – I'm going to make  
45 sure I get this in before we run out of time – needs to be underpinned by broad central Commonwealth powers. So, you know, many of these reforms – you've seen it, no doubt, in the work you've done – have been implemented through rolling series

of negotiated NPAs between the Commonwealth and the States, and that's where we end up with this fragmentation across the system, the dilution, and we also end up with really long lead times on key reforms, like those in preschool being correct and – and sustained - - -

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MS BRENNAN: Yes.

DR BAXTER: - - - for our children over time. We'd love to see some really clear legislation about what a universal entitlement looks like, with some of those features grounded in legislation, and then if we do have an agreement piece, that that becomes a national agreement, so an enduring national agreement rather than rolling series of NPAs that we have not found to be an effective way to protect the rights of children and consumers.

15 MS BRENNAN: Okay.

MS GROPP: Ros, can I take you to inclusion support, and I took from what you were saying it's about recognising your contribution and so that there's – well, there's funding – explicit funding for that. Can you take us through what model you'd like to see. We've made some recommendations about the ISP, but just getting your thoughts on where we should go further.

DR BAXTER: Yes. Thank you. So I guess in our submission and in my opening comments we were really clear that fixing the ISP is quite an immediate concern for us and for many families. So there is a piece of that that goes to the current entitlements for children and families that need to be fixed. So as a – as a very basic measure we simply do not have the number of hours that children require for additional educators to be funded, and they aren't funded at a rate that someone would have the right skills to work with children with complex needs. So at the moment, you know, I think it's \$23 an hour. We think it needs to be around the 38, 40, which is funding for an educator who's diploma qualified for the right number of hours.

We think it also needs to be demand driven, like ... programs are, so that you don't end up kind of at the end of the year going, "We've run out of money, and we need to start rationing in a different kind of way." So that is the child piece. But, in our submission – and I'll ask Myra to talk to it in some more detail – we really proposed a system that looks at three layers of inclusion, so there is that layer around the child, what does an individual child need. We in Goodstart have experimented a lot with this, alongside the additional money we've put into ISP. We've also had programs that look at NDIS partnerships so that children can access NDIS services in our centres. We know that that's a very successful form of trusted provision that allows children to stay with their peers, have all the benefits of a peer effect while getting the extra help that they need, and we've experimented with a range of other add-ons for children with additional needs at that – at that child level as well.

We also think there needs to be a level that operates at the centre level. We know that once you have centres where you have, you know, numbers of children who might have additional needs – we see this frequently in our centres that have very high needs – they might be drawn from extremely high needs communities – there is something extra that is required at the centre level to make sure that educators are properly trained, appropriately qualified, have the extra supports they need at a general centre level. And then there’s the piece that operates at the community level, and I think you might have been chatting in the conversation before this about the kind of broader interconnected set of needs that children and families have. We think early learning needs to recognise that. You can’t consider just a child’s individual needs in isolation. Myra is there anything you wanted to add?

MS GEDDES: Well, I think that was a fabulous overview, Ros, and thank you, Commissioner, for asking this question, because it is so crucial to achieving the universal entitlement ambition. There are just two additional points I’d note is that sitting alongside that would be, in line with our stewardship approach that we’ve discussed, annual monitoring and analysis to look at who is coming and who isn’t coming, which children come and stay, and which children come and then drop out, and then intervening to try and turn that around. And I think, then, also that idea, in line with NDIS review, about what does the whole system kind of look like around a child.

DR BAXTER: And I can tell you how seriously an organisation like Goodstart takes this. Next month I will have been the CEO of Goodstart for a year, and one of the early experiences that I had – it was maybe three months into the job, and we had a situation come up where a – it appeared that a child had been excluded from one of our centres. 700 centres we have if we count our – our Big Fat Smile component as well – approximately 700, and one child, it looked like, may have – somehow something had gone wrong, and a child – one of our 65,000 children had been excluded from a centre.

I cannot tell you what that caused in our organisation around examination of why that had occurred, what might have happened, what had gone wrong, what extra supports could have been provided. It really spoke to me in that first couple of months about how deeply seriously that this was taken at every level of the organisation. Not just at the centre where it occurred; in all of the centre support office staff that wrapped around that, in head office, in our inclusion teams; what did we need to learn from this thing that had happened to one child out of 65,000? And it’s a really telling – well, it was a very telling anecdote for me, and it’s the thing that can’t be captured when another provider might say, “Look, we have really quality ratings.”

We know that for Goodstart we are more likely to be in areas of low socioeconomic advantage. We are more likely to take on children with high needs. We are more likely to take on children with disability and extra-developmental needs. We are more likely to take on First Nation’s children. You can’t compare saying, you know, we might have high quality ratings in a very affluent and advantaged suburb, and

you're not able to see this invisible exclusion that happens every day in so many centres across the country. And, yes, I just – I found that – sorry to indulge me, but I found that one anecdote just so telling about what it caused in terms of processes in our organisation.

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MS GROPP: Thank you for that. But I was just going to build on that too, because I've no doubt you've looked at the NDIS review - - -

DR BAXTER: Yes.

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MS GROPP: - - - and the proposal recommendation that children – some children who are currently going into the NDIS, an alternative pathway, if you like, through mainstream supports, with foundational supports, some of those child centres are others broader, but have you looked at – given your experience caring for children with disability and educating children with disability, what do you think – what sort of – have you sort of thought about how this might work in your - - -

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DR BAXTER: Yes.

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MS BRENNAN: I bet you have.

DR BAXTER: Yes, we absolutely have, and we have - - -

MS GROPP: You know, because it's all a bit high level at the moment.

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DR BAXTER: We've had lots of discussions, and I'll turn to Myra to talk specifics. I mean, we have had lots of discussions with the NDIS review team, including at the beginning. We have also, and I'll put it on the record here as well, said to government we would really like to see the outcomes of this review, the NDIS review and a couple of the other key reviews that sit around this really thinking together about how could those recommendations be implemented in a joined up way. We absolutely know the answer for children is about, as much as possible, being able to access the help they need in the one spot, preferably in a trusted environment.

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Part of the reason we have such an interest in preschool provision is because we are disappointed when we see the child's continuum of learning being fractured across a number of different learning locations, particularly for disadvantaged children where we know that experience of trust is super important.

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MS BRENNAN: Can we stick with that or come back to that, Ros - - -

DR BAXTER: Yes, we can.

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MS BRENNAN: - - - because I think that preschool issue is something that we have a huge interest in, so - - -

DR BAXTER: We can. But let's – Myra has had the most recent conversations with the NDIS about how some of this - - -

MS BRENNAN: Yes.

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DR BAXTER: - - - is likely to look. She also led the experiments we did about NDIS - - -

MS BRENNAN: Okay.

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DR BAXTER: - - - provision in our centres, so she's got a really strong sense of the commerciality's of this as well and what we've done to make it work. Myra.

MS GEDDES: Thanks, Ros. Yes. So, like you, we are also grappling with how do you kind of bring the NDIS review together, and I think at its core what the NDIS review has identified is that for children with disability and additional needs, what has happened is that it's get an NDIS package or nothing. And so it's the – “or nothing” is the part that we need to fix. And in our model, what we're proposing is that that service level and community level support is what would generate the investment to build capability for services to include all children, particularly children that have an additional need or disability.

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The children who need an NDIS package will continue to have access to that package, and as we do today at Goodstart, those children can receive their services when they come to early learning, the places where they regularly go, which is what families show they want, and which is what has been recognised to deliver more on the types of outcomes that children and families want for their children. So they're not therapised off somewhere else. It's the usual setting, which is the technical term.

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The investments that we've talked about in terms of supply side top-ups build that kind of underpinning capability within services, and then by leveraging the existing inclusions support program agencies that we have across the country, you can increase that access to – and this could be – it can be equipment, so particular things that you might need for a particular child who doesn't need an NDIS package but does need additional support. It would also allow you to deliver better professional development and capability upskilling.

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At Goodstart today I think we've probably got about 600 children that have been diagnosed with autism, in particular. We don't need to deliver autism training to our 15,000 staff. We need to deliver that training to the educators that are working directly with those children. But next year those educators might not have a child with autism. That child will be somewhere else.

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So you need to build in that system capability which, as we've proposed, could be delivered broadly in two ways. So one through the kind of inclusion support agencies and really beefing them up to deliver those tier 2 supports that the NDIS talks about, and then the service level and community level supply side funding that

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we've talked about. This model has worked. The Victorian model of school readiness funding provides a pretty good template that we think you could use - - -

MS BRENNAN: Yes.

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MS GEDDES: - - - because the other thing that lets you do is leverage efficiency of large providers like Goodstart. We have one infant mental health specialist that has presented at world forums, because she's so good at her job. We - across the time that I've been at Goodstart we've probably had 150 children who experienced the most horrific trauma that you could imagine for a child under the age of four. Every one of those children has been able to benefit from her specialist expertise, because we have one person who can reach out and connect across the organisation.

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So the model that we've proposed is really about trying to drive that efficiency across the nation so that you can build capability in every service where a child happens to go, and then in the context of stewardship and growing not-for-profit provision, you make sure that you've got a really strong sector of those providers who care deeply about how do you lean in and meet the needs of those children.

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DR BAXTER: And it does go a little bit to the conversation we had about the add-on around wages, or the sort of supplementary supply side bit around wages. I know we're probably - I forgot to ask at the beginning about how long we had, and I know we're probably butting up against the edge of that, but we are happy to spend some more time with you out of session or at another time talking about how we see this, you know, perhaps not the most simple, but quite simply able to be explained system where you have a demand side subsidy at the core, and then you have these interlocking pieces that sit around the edge that are supplementary around inclusion, around workforce, that work to fill these pieces. They may not need to look exactly the same everywhere, but they are certainly pieces that drive the system as a whole, and we could spend some time talking about how that could look.

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MS BRENNAN: I think - I'm sure we will come back to you for further discussions, Ros, but there are a couple of things that I'd like to cover before you leave us this morning. One is preschool. We haven't really got onto that yet. And there are some other really big ones for now. The Commission - you've touched on - - -

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MS GROPP: You've touched on the Commission.

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MS BRENNAN: - - - Commission, but there might be a little bit more there.

MS GROPP: Is there market supply side - - -

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MS BRENNAN: And then - let's give ourselves another 10 minutes, say, if that's okay.

DR BAXTER: Okay.



MS BRENNAN: Preschool, you used a very interesting phrase at the beginning about some states privileging families that can manage the short hours of preschool. As you can imagine, we've been to every jurisdiction - - -

5 DR BAXTER: Yes.

MS BRENNAN: - - - and we've explored the models of preschool provision with - - -

10 DR BAXTER: Yes.

MS BRENNAN: - - - state officials in each of them. We are – I don't even know what I was going to say. Well, we've – we are very aware of how tightly held models of preschool provision are in particular jurisdictions, not necessarily bearing  
15 any relationship to what families need, but at the end of this we've got to come up with some suggestions about preschool provision, and we are very keen to have a vision about every child – the sort of fundamental entitlements for every child.

MR STOKIE: And the only thing I'd add to that is that – and it's changing.  
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MS BRENNAN: And it's changing.

DR BAXTER: Yes.

MR STOKIE: So where we are today is not where the – at least the states would like to be in 10 years time. All at the same time the whole of the ECEC sector needs to hang together and cope with and adjust with the almost unilateral decisions at the state level around where they wouldn't want to go on terms of each of their  
25 respective preschool arrangements for four or three year olds.

30 MS BRENNAN: Yes. So we are asking some very big questions, including should we have preschool – a separate - - -

DR BAXTER: Yes.  
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MS BRENNAN: - - - thing called preschool.

DR BAXTER: Yes, yes.

40 MS BRENNAN: So we're very open to your thoughts.

DR BAXTER: I mean, whether or not it's called preschool is probably not something we've waded in on other than to say that there is a continuum of early learning and preschool is part of that. The idea of chopping it out in a separate way  
45 is artificial. It's not necessarily how families or children experience their journey, and they do at the moment because they have very radically different subsidies and things that are available to them. As a starting point we would say that every child

should have access to two years of quality preschool, and they should access that in a setting that suits not only their child but their family's needs.

5 You've gone a little bit Deb to – Commissioner, to some of the issues that are really significant there. So we know, for example, if you are a low income working family you might not necessarily have the flexibility to be able to attend sessional preschool which generally operates within limited hours. We are seeing more models of wrap-around care around that but still is, in some ways, not necessarily as convenient for that type of family as a long day care preschool model might be. And, you know, we  
10 say that having the utmost respect for our preschool and kindergarten colleagues and the quality of what they'd offered and built over time. So absolutely at the foundation for us is two years of quality kindergarten. The fee relief that families - - -

15 MS BRENNAN: Two years of a particular number – sorry to interrupt you, Ros, but do you have a notion about the appropriate number of hours in the year before school and the year before the year before school?

20 DR BAXTER: I'll – I might ask Myra to go to that in a moment, to some of the - - -

MS BRENNAN: Okay.

25 DR BAXTER: - - - the recommendations that we've made. What I would say is that the number of hours and the model needs to suit the family. So - - -

MS BRENNAN: Yes.

30 DR BAXTER: - - - for example, if you look at some of the things that have happened in Queensland, we know some families would consider a full day of preschool at long day care to be their preschool day. That is how they understand it. That's how they understand the affordability of it. The efforts that we've seen to sort of cut up part of the day to be the preschool day, that's not really how it is experienced by children and families who are accessing that, including around  
35 affordability.

The second thing I'll say before I go to Myra on dosage and hours issues is that we do need to find a pathway to that. You know, you're absolutely right that we're not there now. It's very different. It's going to be very difficult for us to get to, but what we have done in the past has not worked.

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MS BRENNAN: Yes.

45 DR BAXTER: So even when governments have attempted to come in with, you know, quite a – a kind of heavy fist on some of the funding follows child staff, for example, through a series of NPA negotiations, that has not eventuated. So we know we have at least three states where the funding does not follow the child, and there really haven't been the repercussions under the NPA that one might have expected to

see. And that's why we would say you need to set this on a legislative and national agreement negotiation journey where you move over time towards ensuring consistent dosage, consistent fee relief for families, so that they're able to access the mode that suits them, and consistent quality of provision.

5

There is a separate issue around how do you deal with – you know, what – what might need to happen for a long day where families access that and they might currently be accessing a short day. It's probably a little – not quite enough time to go into that here, but I think there are real issues around what we know about moving children between providers that some of the models – current funding models really encourage at the moment just simply does not work for children. Myra, did you want to talk to ideal dosage?

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MS GEDDES: Yes. And so I think sort of consistent with the direction of travel of the Commission, I think what you'd ideally like to see is that all children can access at least three days of preschool with up to five days available for the children that need it the most, so children with identified vulnerabilities, and that's consistent with the direction of travel of the South Australian Royal Commission. And part of why I think that as a pathway in terms of dose is, well, unless we're very deliberate about ensuring that children and families experiencing vulnerability are getting a higher dose, we'll – we'll continue to see what we're seeing in the evidence, which is, it's not closing the attainment gaps that we would like it to see, because advantaged children are coming more and getting higher doses, even if it's across multiple settings.

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MR STOKIE: Sorry, Myra.

MS GEDDES: Yes.

30 MR STOKIE: You mean full days and for the full year.

MS GEDDES: Yes. So that's how families think about it. They think - - -

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MR STOKIE: Exactly how the family – it's not how preschool is delivered - - -

DR BAXTER: No.

MS GEDDES: No.

40 MR STOKIE: - - - unless it's delivered within a broader setting. That's why I'm asking - - -

MS GEDDES: Yes. No.

45 MR STOKIE: - - - because - - -

MS GEDDES: Apologies.

MR STOKIE: And this is a challenge. We keep hearing language, and it's used repeatedly that means different things to different people.

MS GEDDES: Yes, yes.

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DR BAXTER: So if you use - - -

MR STOKIE: And you're saying it the way we would think about it - - -

10 DR BAXTER: Yes.

MS GEDDES: Yes.

MR STOKIE: - - - which is good, and I'm - - -

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DR BAXTER: If you use the example of some jurisdictions, and I won't go into talk about particular jurisdictions here, but if you use the example of some jurisdictions where the fee relief and the - you know, some of the great initiatives that have been undertaken are really just for a part of the year, which is a traditional sessional school - - -

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MR STOKIE: Yes.

DR BAXTER: - - - or kindergarten year, you know, 40 weeks - - -

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MR STOKIE: Yes.

DR BAXTER: - - - so perhaps 15 hours a week - - -

30 MR STOKIE: Or 600 hours.

DR BAXTER: - - - our experience is that families then say to us, you know, "We thought it was going to" - "we were going to get more fee relief" or "We thought it was going to be free."

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MS BRENNAN: "We thought it was free." Yes.

MR STOKIE: Yes.

40 DR BAXTER: And we say, "That's only for the - - -"

MR STOKIE: "What do we do during the holidays?"

DR BAXTER: - - - you know, "the kindergarten component." And they will say, "Well, what is that?" because their experience is they go for two, three, four longer days and that is all preschool. They experience high quality provision. We do a lot of work to make sure they do. They have access to an ECT. They have all of the

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markers of preschool that you would expect to see. We're working very hard to achieve that. So there is absolutely a disjuncture between what people who have worked a long time in this system consider to be preschool and what the community now expects preschool to be.

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MS GEDDES: And I think part of achieving that goal is about setting what the vision is. What is the goal that we want for all children, where are all the different states at now, where are different providers at now, and how do we move towards that pathway together? It's also why the wages component is so important, because the pay and conditions that sessional preschool teachers were – have been hard fought, and what we wouldn't like to see is that moving backwards - - -

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DR BAXTER: No.

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MS GEDDES: - - - as part of this reform. It's about how you lift everybody up so that we achieve that kind of parity with schools.

MR CHERRY: Yes. And I just wanted to just touch on that issue you raised, which was the issue of days and hours and what it means - - -

20

MR STOKIE: Yes.

MR CHERRY: - - - in different contexts.

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MR STOKIE: Yes.

MR CHERRY: It is so important, because 30 hours in a long day care context is three days.

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MR STOKIE: Yes.

MR CHERRY: 30 hours in a preschool context is probably five.

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MS BRENNAN: Could mean five. Yes.

MR CHERRY: And we have – and we get hung up often in discussions between the two sectors on hours rather than days, and whereas we are talking in days, and I think that's an important consideration when you think about how you - - -

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MR STOKIE: Yes.

MR CHERRY: - - - present these things.

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DR BAXTER: But there are very real outcomes from how some of that funding has worked to date. So if you consider the data point I used in my opening statement about the differences between Victoria and South Australia in terms of funding for kindergarten and preschool, what you've seen is there a resultant impact in terms of

things like staffing waivers. So in Victoria you have very, very low levels of staffing waivers. I think it's about two - - -

MS BRENNAN: It's tiny. Yes.

5

DR BAXTER: - - - two or three per cent.

MS BRENNAN: Two point something.

10 DR BAXTER: In South Australia you've got almost a quarter - - -

MS BRENNAN: Yes.

DR BAXTER: - - - of - of long day care centres - - -

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MS BRENNAN: Yes.

DR BAXTER: - - - that are having to have those staffing waivers. So, you know, that has a real impact on quality as well. But I would say it is very, very difficult to take a system - a federated system where everybody is starting from such a different place and move it, but it is not impossible, and we are seeing the government do a similar thing at the moment around public school funding, and there are ways to have these conversations - - -

25 MR CHERRY: Yes.

DR BAXTER: - - - and do this work. They are not easy, but if they are important in schooling, how much more important are they in the early years where you are laying down that foundation for later schooling, and we know how much of the horse has bolted by the time children even get to school.

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MR CHERRY: And - and if I could make one more point about your recommendations. The 100 per cent CCS, plus the activity tests being replaced by entitlement three days, is halfway there to a common experience across settings for preschool, and that's what's so powerful, because what - what we know from our parent surveys is if you took costs out of it, and you took quality out of it, parents would then decide what setting suited their child on the basis of the relationships with the educators, you know, all the things that - that they consider, but if you leave costs in it, then parents will go to cost. And one of the reasons why we often see parents choosing, you know, to squeeze into a sessional preschool hours is because it's free.

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But if - but with a 30 per cent - 100 per cent CCS and three days, then - that then allows parents more genuine choice about what setting suits their child, and the principle, we think, if you're thinking about a universal entitlement across all settings, should be that parents and children should get a comparable experience,

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whether it be from costs or quality, regardless of setting, and that's an aspiration to work towards.

MS BRENNAN: Indeed. Okay. Thank you.

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MS JEBB: And important for the children. You know - - -

MR CHERRY: Yes.

10 MS JEBB: - - - I think we – we rightly focus a lot on transition to school, but when  
we have the fastest growing proportion of families – families attending multiple  
services in the year before school – it's nearly 14 per cent of children are now  
attending two services, and I think that – that complexity of multiple peer groups,  
multiple educators, multiple attachments at a time when transitions are so  
15 important - - -

MS BRENNAN: You make that point really well in your submission. I think when  
you make the comparison with the schooling system, would we accept that in the  
schooling system? No. Well, thank you very much, Ros and John and Myra and  
20 Kelly, for this morning's discussion but also for all the work in the submissions. I'm  
sure, as we've mentioned, that we will be engaging with you further and very much  
appreciate what you've brought to us today. Thank you.

MS GEDDES: Thank you.  
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MR STOKIE: Thank you.

DR BAXTER: Thanks for the opportunity to appear, and to my team.

30 MS BRENNAN: I think we'll move straight onto - - -

MS GROPP: Yes. I think - - -

35 MS BRENNAN: - - - Cheyanne and Mel. So you're very welcome to stay, but if  
you're heading back, thank you very much.

MR STOKIE: Thank you.

40 MS BRENNAN: And I think I saw Eva joined us online a few moments ago. So –  
Eva Cox – so I'll just say – and she may not be the only person who's just joined - - -

MS GROPP: There's a few people who have joined.

45 MS BRENNAN: - - - and welcome to you too. Yes. Just to say to everybody that  
we are unfortunately not able to take comments during the hearings, except from the  
people presenting, but there is an opportunity at the end of the day for anybody  
who'd like to make a statement or a comment on the day's proceedings. But we're

moving on now to hear from Cheyanne. Cheyanne, would you and Mel like to sit together?

5 MS CARTER: I mean, you're more than welcome to move.

MS BRENNAN: Come and sit up together. Yes. And thank you – see you, Ros. Yes. Thank you so much for coming along - - -

10 MS CARTER: Thank you.

MS BRENNAN: - - - Cheyanne, and bringing the perspective that you're going to share with us today, and you too, Mel. Sit wherever you like, wherever you're comfortable. Yes. You've probably been sitting in a bit, so you've seen the process. In a minute I'll just ask you to say your name for the record and the organisation or  
15 group that you recommend – represent, and then you could make some opening points, and then we'll just move into a discussion together.

MS CARTER: Yes.

20 MS BRENNAN: Over to you.

MS CARTER: Cool.

25 MS BRENNAN: Yes.

MS CARTER: My name's Cheyanne Charter. I'm not with any particular organisation.

30 MS BRENNAN: Yes.

MS CARTER: I'm just representing as an independent and a bit of a representative for educators across the sector. One thing I did want to point out as a person with ADHD and autism, I think it's incredibly important for everyone to have that training, and not just for educators, but for the – also the educators who have it  
35 themselves in the services. It's really important for the team to be able to communicate and collaborate effectively, and some of the most efficient and brilliant educators I've met in my time are neurodivergent, and if other educators can understand and learn what that means and how to support children, I think it will just impact everyone positively, so I just wanted to point that out.

40 MS BRENNAN: Thank you.

MR STOKIE: Thank you.

45 MS CARTER: But, firstly, I want to thank you for having me here today and I apologise if I slow down or speed up a little bit. I just will take a bit to kind of re-collaborate myself.



MS CARTER: Actually, we do - - -

MR STOKIE: You take your time.

5 MS BRENNAN: Yes. And, actually, we should make sure she has got a glass of water.

MS GROPP: Yes.

10 MS BRENNAN: So I think we – thanks, Miriam.

MS CARTER: Thank you.

MS GROPP: Thank you.

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MR STOKIE: It's a very formal setting, but we're actually wanting a very informal conversation.

MS CARTER: That's okay.

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MR STOKIE: So we're very keen to hear what you have to say.

MS GROPP: Thank you.

25 MS CARTER: Awesome. Now, as a seasoned educator, I want to articulate to the Commission what educators mean when they say "better pay and working conditions" - - -

MR STOKIE: Yes.

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MS CARTER: - - - and provide additional insight into my submission to the draft report. I will be drawing on my 13 years of firsthand experience as an educator, a nominated supervisor, and in my current role of business and operations consultant for approved providers across Australia. So just on a side note, separate to what I have got here to discuss, if you have questions about profitability, wages, expenses, operational costs, I can answer those as well.

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MS BRENNAN: Okay.

40 MS CARTER: And as well as my experiences and comments, I have included comments from educators across Australia sourced from direct interviews, surveys, or posts from early childhood community forums. My discussions today reflect not only my professional insights, but also the voices of those directly impacted by the current challenges within the sector and, while the Commission's report on early  
45 childhood education is both thorough and admirable in its scope, I would like to discuss the additional factors of wage theft, absent leadership, and psychosocial hazards that are contributing to the mass exit of quality educators in the profession.

But addressing these factors and your recommendations, I truly believe that we can salvage and grow a sustainable workforce dedicated to nurturing and educating our younger citizens.

5 Commission, I stand here before you 13 years into my profession and to help you articulate my argument I wish just for a moment to share a short story. In 2011, I had the incredible opportunity to complete my traineeship at a purpose-built centre on the CSIRO site in Black Mountain, ACT. As a 21 year old motivated and eager educator, that service drove a passion deep within me to serve our most vulnerable  
10 community. We participated in weekly yarnning circles, bushwalks, built a love for storytelling, and I was surrounded by established educational leaders, many of whom were in their late 30s, 40s and 50s. Now in hindsight, I truly understand how your first centre can really shape you as an educator.

15 A few years in, I decided to make the move to Sydney. Excited to continue my career in early ed, I began as a casual until finding the perfect role. Culture shock is an understatement of what I began to experience. You see, I went from a world of passion, education and child-first approaches to a dog-eat-dog world, fighting to get a lunch break, always wondering if you were going home on time, judging the mood  
20 of your classroom based off the mood of your room leader, and the children herded like sheep just to get through the day. I wasn't in Kansas any more. Many educators will tell you that, depending on the centre, depends on how passionate you can be or what practices you can implement, especially as an assistant.

25 The more power you have, the more control, right? I was scolded for cuddling an upset child too much, forced to restrict a child to their bed who did not want to sleep, knowing full well the psychological impacts. You might be asking did I raise this with anyone. Yes. But the mentality of that was a trickle-down effect and I was the one who ended up in the office having my performance reviewed. I must note here  
30 that, just like it's not all men, it's not all centres, but I can contest that most educators have had these experiences. These types of behaviours drove me towards a new passion. If I could have more power, I could create more positive change. Boy, was I right and wrong. As I progressed up the ladder, there were new bullying tactics, bosses competing, directors against other, who can get the highest occupancy, who  
35 can get the lowest wage to revenue, no training and leadership, HR or people management, and I can quite confidently say I burnt a few bridges.

Next came the dynamic of customer satisfaction. My first week of being a director, a child from our service had passed away, not in our service or related to our practices,  
40 but, of course, the media didn't paint it like that. So here I am, first week and being abused by countless families who are rushing in to collect their children, calling myself and my fellow educators murderers on the way out. Luckily for me, my boss organised some well-needed training in sales – yes, sales. We had a week of tour training, enrolment training, and how to turn any no into a yes. It was at this point I  
45 truly started to question, “Will I ever get to make a difference? Will I ever get to lead and provide the same support I received at CSIROCare?”

Now, I didn't want today to be all about my story. I wanted you to hear from the many other educators like myself, who came into this industry with a real passion for education and supporting children. So in preparation for today, I shared a survey online to educators across Australia. I will be referencing this survey throughout and can provide a copy to the Commission at the end of the hearing.

MS BRENNAN: Thank you.

MS CARTER: But today I would like to be that leader and a voice, and first start with the initial point in my submission, operational disengagement. A significant concern is the detachment many providers have, particularly those licensed to more than one service. Their lack of involvement in day-to-day operations, and in some cases their physical absence from the State where the service is located, creates a cognitive dissonance. This detachment often leads to underfunding, inconsistent operations, and insufficient support for leadership, forcing a team to operate in survival mode. As a director, if you come from a large organisation you have the support of an area manager and head office. As varied as they are in quality of support, there is capacity to seek guidance.

Directors who are employed with smaller providers, however, often do not get this benefit and are left to their own devices. It was Vygotsky who once said, "A mind cannot be independent of culture" and John Maxwell who claimed, "Great leaders are willing to sacrifice their own comfort for the good of the team". Every single day I see and hear directors make sacrifice, but who's leading them? Who's creating positive culture or providing direction? The dedicated are leaving and for good reason. Commission, to add fuel to this flame, aspiring educators who apply for director roles are whipped up quickly by cost-cutting providers who lack the foresight to fill experienced gaps with training.

The most common recommendation I write in all my consultation reports for providers wanting to understand why they're not making money is, "Train your director". High staff turnover, CCS submission errors, overcharged families, compliance risks, allergy exposures, it all costs money. The eager new director tries to seek help, but the provider doesn't know either. Gets frustrated, pushes harder, and the cycle continues. The blind leading the blind is a major contributor to small operators experiencing low returns. I would like to interject here by adding to what the Benevolent Society touched on earlier by mentioning that during my time in the director role I have consistently had to fight to keep neurodivergent children in care due to owner perceptions that it's easier to expel a child rather than inform families and professionally develop educators.

I was fortunate enough to keep these children in care until preschool graduation, however, not all directors have this success. The sector needs providers who are not only financially invested, but also actively engaged in the operational excellence of their services. Currently, there are no logistical limitations that prevent providers from residing or working from different states. There is also no legislation or minimum requirements for the weekly engagement providers must have in the day-

to-day operation of a service. An example of this can be seen in a recent anonymous post on an ECE Facebook group, which asks:

5           *Who do I contact when the owner refuses to answer any communication? We have unpaid taxes and super, as well as struggling to access funds for food, shopping, maintenance, resources, or anything. We have tried contacting them via email, phone, social media, different people at different times, but nothing back.*

10       From my own experience as a consultant, I have interviewed a director who notified me of a similar situation in which they had to seek food from the local church's foodbank just to ensure there was enough food to feed the children in their care because they could not get in contact with their provider and had no access to funds. In my own experience as an educator and director, I have needed to buy provisions  
15       for the service with my own money due to the lack of access on funds on numerous occasions. There is an additional cost aspect that ties into this consideration and is becoming a new profiteering avenue developing from the ECE sector.

20       In the past five years, there has been an increase in external management companies offering operator services such as fulfilling the person in management control role, external compliance monitoring, administration and CCMS duties, and I do believe that this does provide service directors a level of support and reduction in workload. However, I would like the Commission to take these services into consideration  
25       when reviewing operational expenses and realise the purpose of an approved provider in its entirety. While the licensing process has improved, the current system which primarily relies on a knowledge test is insufficient.

30       Getting providers to understand the importance of addressing business needs such as maintenance requests, allocation for program planning, or investing in safety provisions is exceedingly difficult. This lack of action on vital elements of the service not only undermines the quality of care, but also the morale of the team. An educator posted only two days ago on an ECE community group, saying:

35           *Coming from a well-resourced, organised centre in New Zealand, I'm finding it hard adjusting to the poorly resourced classroom here in Australia. There is no transparency in classroom budget. I can only choose to teach with minimal resources and wait for the order with no clear ordering date, or purchase the resources myself for the program.*

40       I appreciate the process varies state to state, however, it only encompasses an initial face-to-face interview or evidence of the completion of the ACECQA modules, which is a recent addition to the process. This is commendable, however, the modules are very surface level, can be easily achieved, and does not demonstrate in-depth knowledge of the provider requirements or NQF, two key criterias to be  
45       considered fit for purpose under the national law. I do have to note that Victoria has done exceedingly well in the last six months. I've noticed an increase in conditions

on new provider approvals, ensuring that providers do actively seek further engagement with professional development before they have service approval.

5 Many directors like myself initially driven by a passion for education find themselves trapped in a cycle of cost-cutting and enrolment pressures. This shift from an educational focus to a business orientated approach depletes their passion and reduces the role of educators to mere supervisors, rather than teachers and caregivers. The industry's culture of undervaluing educators' time outside direct supervision is detrimental to both staff morale and the quality of education. An  
10 example of this is demonstrated in a query that was raised in another ECE community which asks:

15 *Just wondering how many directors are teaching in ratio. Do you get guaranteed office time? I am struggling to get all the jobs done when I am in ratio every day. I'm lucky to find maybe a spare one hour a day to complete some admin tasks, which is usually just the day-to-day things that come up, and find everything else building up. Upper management just expects me to find time and prioritise tasks.*

20 Another member states:

25 *I am doing my best as a manager, but I feel like it's never good enough to my boss to the point I feel like I'm being bullied. Constant emails about, "Do this, do that", even though she knows I'm on the floor all day, and then she calls asking why I haven't actioned things. I want to quit. I feel like this is exactly what she wants. Several managers have told me she talks rudely about me behind my back. I am thinking of reporting this to Fair Work, but don't know if this will make things worse.*

30 From my surveys, 62 per cent of educators reported feeling overwhelmed by high workloads, 68 per cent of educators reported experiencing time pressures, unreasonable deadlines and expectations, and 82 per cent of educators reported encountering tasks that severely exceeded their capacity due to lack of necessary training, resources or skills. The sector is rife with wage issues, including unpaid  
35 overtime, and allowances being incorporated into the hourly rate, often dropping it to below the award rate. January this year, I received an anonymous report from an educator who stated that the centre they did a casual shift in had a team made up of 18 to 19 year olds being grossly paid under the award.

40 This ongoing wage theft, coupled with the expectation of regular unpaid work, is alarmingly normalised. Educators often face moral dilemmas, choosing between unpaid work to maintain ratios or compromising on the safety and care of the children. Examples of wage theft that I have experienced or observed in services include unpaid allowances, unpaid overtime, unpaid meetings, unpaid attendance for  
45 open days, unpaid evening and weekend work for assessment and rating preparation, unpaid working bees which focus on repairing and cleaning classroom environments, unpaid time spent working from home to meet documentation requirements.

In addition, 88 per cent of the educators I surveyed stated they faced challenges in utilising leave entitlements, and 54 per cent of educators stated they often have purchased with personal funds the necessary tools or resources required to perform their job properly. When asked to estimate their average yearly amount spent, the  
5 median amount educators reported was \$745 annually, quite a lot for a cohort that is in one of the lowest paid industries. Please note these figures do not include reimbursed amounts. During my time in the sector, there has always been a culture to do more for less in hopes for career progression or, simply put, job retention.

10 Safe Work Australia describes a psychosocial hazard as anything that could cause psychological harm and can include job demands, poor support, inadequate reward and recognition, lack of role clarity, bullying, harassment, including gender-based harassment, poor workplace relationships and poor conflict resolution. Safe Work  
15 Australia states that long-term exposure to these hazards may cause harm such as anxiety, depression, post-traumatic stress disorder, and sleep disorders. I personally have spent the last four years recovering from anxiety, depression and a sleep disorder due to the conditions I was exposed to in the workplace. I am yet to work a full 12 months in a full-time role.

20 When I informed my direct supervisor of my mental struggles and sought guidance, I was directed to HR and placed on a performance and improvement plan. From the survey, 40 per cent of educators reported experiencing unpredictable working hours daily, 63 per cent of educators reported difficulties recovering between periods of work, 48 per cent of educators reported rarely receiving additional support during  
25 high periods of demand, and 88 per cent of educators surveyed reported not receiving adequate training to meet the demands of their role effectively.

When I reflect back through my roles, it is evident that we as young women enter the workforce and are exposed to a generational trauma that weighs heavy on the  
30 shoulders of leaders who are inexperienced in people management, Fair Work legislation, and are operating from a, “This is the way it has always been” mentality. I encourage the Commission to reflect how could this be impacting the safety of children in our care. An anonymous comment from the survey states:

35 *I have been denied an opportunity to seek medical attention when I hadn't felt my baby move because of ratio during a high-risk pregnancy.*

Again, I would like to take a moment to clarify, just like it's not all men, it's not all centres, but I can contest that most educators have had these experiences. Many  
40 services are operated by individuals with little to no interest in learning about the sector that they are a part of and not from an educational background. This lack of personal interest and accountability leads to a disregard for the basic health and safety standards for both children and employees, instead viewed as financial burdens rather than essential operational components of quality child care. The  
45 sector is too often seen as an investment opportunity with a key focus over profit rather than quality.

In my role as a consultant, I have been engaged to complete simple tasks such as updating a policy and advise why non-compliance notices were given or continued. Through my consultation, I work with providers to gain an understanding of why they seek the support in the first place. In both these occasions, the providers did not  
5 have sufficient knowledge to complete the delegated tasks, which resulted in their evidence being rejected by the department. This demonstrates not only a lack of sector interest, but clear examples that yet again demonstrate they are not fit for purpose under the national law. An anonymous comment made in the survey states:

10 *I've seen an exceeding centre overpopulate their capacity, move children to their sister centre a few streets away during assessment and rating to avoid penalty for going over the capacity, and lie to parents, saying "Trial this new sports program we're implementing. Be the first to trial this new program".*

15 I argue that there is no educator staffing crisis. There is a commitment crisis. With increasingly more recruitment agencies popping up noting large, casual pools, it is clear that educators do not want to commit to an employer in fear for their own safety and wellbeing. Z Recruitment, for example, who only established in 2019, now boasts a pool of over 5000 educators. An anonymous comment from my survey  
20 adds to this, stating:

*I changed to casual at multiple new centres before leaving the industry entirely. I believed being casual would feel like less pressure and be able to take a break when I needed. There was still really no flexibility and I was so mentally  
25 affected from my last permanent role that I found it too hard to continue working in ECE. Each centre I visited as a casual had similar cultures that were not hard to pick up on. It helped me to realise it was everywhere.*

30 Through the lens of my own journey, and in conjunction with many voices of educators in the field today, the stark realities of the early childhood sector come into sharp focus. It is a sector in crisis where disengaged providers and toxic environments threaten the wellbeing of educators and the quality of care provided to our youngest citizens. As we confront these challenges, it is imperative that we heed the voices of educators and take decisive action to rebuild a sector that is worthy of a  
35 passion and dedication of those who devote their lives to nurturing and educating our children.

Therefore, I would like to add the following additions to the recommendations from the draft report. Draft recommendation 3.1, reduce barriers to educator upskilling.  
40 Provide financial support directly to students undertaking supervised professional experience requirements associated with completing early childhood qualifications to mitigate providers from misappropriating funds. Implement and regulate record keeping requirements for approved providers and professional development hours provided to their employees.

45 Draft recommendation 3.7, improve the ECEC workforce strategy. Implement an anonymous reporting tool through ACECQA for educators to make notifications on

safe work risks, Fair Work practices and/or regulatory non-compliance. Implement an employee safety hub through ACECQA for educators to seek resources, guides, information on safe working practices, Fair Work rights and award entitlements, and implement and regulate record keeping requirements for approved providers on programming and documentation hours provided to employees.

Draft recommendation 6.1, monitor rises in fees and out-of-pocket costs. I recommend to implement strategies to align how services charge families to better align with how CCS is delivered to families by incentivising providers who offer families ability to pay a per hour scheme or a two three-hour block technique. Not only would this allow families to utilise allocated hours more effectively and reduce their out-of-pockets costs without any additional funding, but would also provide opportunities for educators to engage in more flexible working arrangements. Thank you.

MS BRENNAN: Thank you very much, Cheyanne. We have met with a number of educators and teachers since we've been visiting services and met with unions as well, but we've not had an extended one-on-one discussion with any other educator, so we really, really appreciate you coming along, even though the material that you brought to us is very disturbing. Most of it is very disturbing. We have had other people talking to us about educator and teacher concerns in services, and I'd like to understand more about what options you perceive there are for educators to report concerns because I thought – well, yes, for example, what about state regulators, is that an avenue that educators try?

MS CARTER: Absolutely, and I completely get where you're coming from. This was something that I also questioned myself, and it wasn't until I was – I started having more of these conversations with directors and educators to understand why they weren't seeking these avenues, and I honestly think it's a, "Where do I go?" It's a lack of information. It's a lack of – "Well, who do I go for what?" And so, you know, even knowing just their basic rights and how to read the award, simple things like that I'm finding that they do not know how to access this information, what number to call, and where to go. And so something I do in my personal time is I create content around that for educators. But I think if ACECQA had something on their website that allowed – a one place, kind of one-stop shop, it would encourage educators.

An additional element to that is there is a deep-seated fear – and this – I don't know where it started, it's just kind of a culture that's kind of occurred – is there is a fear of reporting to the department. There are instances where – and I've experienced it myself – where the anonymity of a report is not adhered to and services are advised if it is an employee that has made an anonymous report, and that can just be dependent on the person that's investigating the query and it's something that the department really needs to look at, and so that fear does play into things. So there's that element of – like that, that comment mentioned, "Am I going to make things worse? Am I going to lose my job over this?" because there has been such a lack of safety in previous history.



MS BRENNAN: Okay. Thank you.

MS GROPP: Thank you, Cheyanne. In your experience and from your survey, do  
5 your have any line of sight into where – is there a preponderance of these services in  
certain areas? Are they lower fee or higher fee? You know, have you got any - - -

MS CARTER: I did ask in the last question if they felt comfortable to name the  
10 services where they felt – that their experiences came from, but, in all honesty, it's  
varied.

MS GROPP: Okay.

MS CARTER: It's very much varied. And so when you look at the large providers,  
15 whether it's not for profit or for profit, your experience as a director or educator –  
and I use the word “educator” to encompass both – is very much directly related to  
your area manager. So depending on how supportive that person is, it really impacts  
how you experience that. And when it comes to the small and medium providers, it  
really depends on the owner.

20 MS BRENNAN: Right.

MR STOKIE: I think I had a similar sort of question to Lisa, which was around do  
25 you see a distinction between these challenges in the for profits and not for profits  
and/or the size that larger organisations - - -

MS CARTER: I guess – yes.

MR STOKIE: - - - conceptually have the capacity to deal with some of these things.  
30 Whether they are dealing with them, I'm not sure.

MS CARTER: The - - -

MR STOKIE: And so I'm just – you know, is – it sounds systemic.

35 MS CARTER: Yes.

MR STOKIE: But is there some characteristics, some areas that you observed  
which are more prominent than others?

40 MS CARTER: Absolutely. Yes, absolutely. So for larger providers, it's more of a  
cultural element, so you'll find more, like, the bullying or, you know, inequality  
around policy implementation and things like that, so it's more kind of soft type  
events, where I find the small to medium providers that don't have that cushion, that  
45 financial cushion, it comes down to cost, and so that's when you see overworked  
teams and not being paid. I've experienced educators who've been waiting on their  
super from last year, or, you know, are having to consistently take out from their  
pocket just to keep their service alive, and have no access to their owner.

And, again, a lot of that comes down to – because, like, I work a lot with profit and loss and this is why I think there’s such a big importance for providers to be actively engaged in their service because when I look at their statements it’s very easy to see why they’re not making money, and if they understood the business that they were  
5 running they wouldn’t have a lot of these issues. They wouldn’t have to spend thousands a month to hire people like me or management companies if they actually took the time to read the book that they chose to, you know, operate under where, you know, the larger corporations they have that cushion, that financial cushion, and so it’s more of a cultural kind of impact.

10 Yes, there are still wage issues and there are, you know, still – you know, and that’s where that competitive element comes in. You know, I have worked in one of the large corporate companies and it was very much, you know, “Get your numbers up”. You know, the higher profit you make, the more you were kind of promoted – not  
15 promoted workwise, but promoted, I suppose, to your team and those sorts of recognitions were put in place. But, again, it created that toxic kind of competitive environment and I myself reflect back now and realise that I put my colleagues in compromising situations simply because my boss asked me to reduce, you know, costs for that month. And I think because it’s such a – it’s a wide-set issue, a lot of  
20 these educators, it takes a while to become aware of what’s right and what’s not.

MR STOKIE: Right.

MS CARTER: Yes. And so I would say a lot of these directors wouldn’t even be  
25 aware that what they’re doing is not okay, or have the strength or confidence to speak up on it.

MR STOKIE: Sure. Thank you.

30 MS CARTER: That’s okay.

MS BRENNAN: Well, thank you very much, Cheyanne. You mentioned that you had a survey.

35 MS CARTER: Yes, yes. So I have survey results. I can email them to Michelle.

MS GROPP: Yes, yes, Michelle.

40 MR STOKIE: Yes, I think that would be worthwhile.

MS BRENNAN: That would be great. Yes.

MS CARTER: Yes, absolutely. They’re still open now, so there’ll probably be  
45 more people.

MS BRENNAN: Okay. Yes. Well, thank you very much for your contribution and for coming along and - - -

MR STOKIE: Just out of – sorry, I beg your pardon, Deb.

MS BRENNAN: Sorry. Yes.

5 MR STOKIE: But how many educators have responded to the survey?

MS CARTER: So from last night there was 36.

10 MR STOKIE: Great. Okay.

MS CARTER: And so it was anonymous and Australia-wide, so it has – the states in there as well.

15 MR STOKIE: Yes.

MS CARTER: But I made sure to only include in my discussion things that I knew were widespread - - -

20 MR STOKIE: Sure.

MS CARTER: - - - so not like incidental things.

MR STOKIE: No, no. That’s okay.

25 MS CARTER: Yes.

MR STOKIE: Thank you.

30 MS CARTER: Thank you for listening. Thank you for - - -

MR STOKIE: There’s some good ideas. That’s what we want to take on board - - -

MS BRENNAN: Yes, yes. Thank you.

35 MR STOKIE: - - - and particularly providing an avenue for educators to raise issues because educators shouldn’t feel that they’re on their own and they should be - - -

MS BRENNAN: And educators shouldn’t be buying food or taking it from charities either.

40

MR STOKIE: No.

MS GROPP: Could I ask – actually, there’s one question I wanted to ask, but I forgot, sorry. We were asking about the – what’s your impression of – I mean, these services are assessed for ratings, but there are also compliance reviews.

45

MS CARTER: Yes.

MS GROPP: What are they missing? I mean - - -

MS CARTER: There was a reason I didn't go to profit because I could speak for  
another half an hour on this side of things. But I would encourage the Commission  
5 to reflect on the influx of middle management that medium to large providers have  
increased prior to the notifications of both ACCC and PC Commission come out, as  
well as what that reflects with in quality as you'll note that there's been reduction in  
meeting and exceeding their services come the latest A&R assessments. It's  
incorrect investment of funds, yes. There's a lot of middle management for no  
10 reason.

With the middle management that some companies are, like, encompassing, you  
would expect a lot better outcomes for the most recent, say, 12 months of A&R  
results. Yes. And, again, it's very clear when you put it in a timeline from when the  
15 notifications occurred to, you know, the additional roles that have been created to  
what those outcomes actually look like for services. Another thing I would look at is  
when these reports and these profit and loss statements are coming in, when they talk  
about wage costs and things like that, exactly what do those wage costs look like for  
in service employees compared to head office overheads and things like that.

20 MS BRENNAN: I think that's a really important point, yes. Yes.

MS CARTER: Absolutely. Yes. I can talk on that for - - -

25 MS BRENNAN: And director's fees, too?

MS CARTER: Sorry?

30 MS BRENNAN: And director's fees.

MS CARTER: Yes.

MS BRENNAN: Yes.

35 MS CARTER: Yes.

MS BRENNAN: Okay. All right.

40 MS CARTER: Awesome.

MS BRENNAN: Thank you very much to you both.

MS CARTER: I appreciate it.

45 MS BRENNAN: Okay. So we are about to break for lunch. We'll – are we happy  
with 1 o'clock - - -

MR STOKIE: Yes, yes.

MS BRENNAN: - - - or do we want a bit more?

5 MR STOKIE: No, 1 o'clock is fine.

MS GROPP: Yes, 1 o'clock is fine. We'll - - -

10 MS BRENNAN: We'll resume at 1 o'clock and see you all then. Yes. Thank you.

**ADJOURNED**

**[12.20 pm]**

15 **RESUMED**

**[1.01 pm]**

20 MS BRENNAN: All right. Are we on? Okay. Okay. Well, welcome back, everybody. We're going to resume our public hearings now. Welcome to people online as well as in the room. And especially welcome to you, Michele. It's good to have you back. We were just chatting outside and we think you're probably the person we've met with the most frequently because of the different contexts that we've met with you. And - - -

25 MS M. CARNEGIE: I appreciate the opportunity. Thank you.

30 MS BRENNAN: Yes. So our system is that, in a moment, I'll just ask you to say your name and your organisation for the record. So – and also to mention that – well, you know that we've got observers online and in the room. Hi, Eva. And we've got – we're being transcribed and the transcription will go up on the website in due course. People online and in the room have an opportunity to comment or ask questions at the end of the afternoon's proceedings, but, yes, so we'll just get you to say your name and your organisation and then lead us off with some opening comments and then we'll just move into a conversation with you.

35 MS CARNEGIE: Thank you. Thank you, Deb. My name's Michele Carnegie. I'm the CEO of Community Early Learning Australia. And thank you, Commissioners, for the opportunity to share CELA's views as part of – part of this significant process. We very much appreciate the opportunity to present to you in person. Community  
40 Early Learning Australia is a peak body representing community-managed, not-for-profit, government and privately owned small providers of early education and care across preschool, long day care, outside of school hours care, mobiles and family day care services. CELA supports over 1800 members, employing 27,000 educators and teachers.

45 Nationally – and we deliver support, a wide range of supports to our members in resourcing them in their ability to operate quality early education and care,

professional development and high-level advocacy promoting the value of early childhood education and care across State and Federal Government. We are also currently acting as an – an employee bargaining representative in the negotiations for the first ever national multi-employer bargaining process which is seeking a  
5 government-funded 25 per cent wage increase for educators and teachers in the long day care sector. We are driven by our vision for all Australia’s children to have access to quality early education and care, regardless of where they live and how much their families earn.

10 We are pleased that the Productivity Commission draft report on early education and care reflects this vision to deliver a universal education and care sector. Recognising that when we meet the children – the needs of children first, the full benefits to family, the economy and the – and society will flow. We must put that focus on children and everything else will flow from that. CELA has made an extensive  
15 written submission in response to the draft report, so I am going to focus on matters that can add further information and insight on the key matters covered, and in particular three areas: the value of investing in community-managed services; what works to expand services in underserved and unserved markets; and addressing workforce shortages. So I’m going to start with the value of community services.  
20 It’s where it all began.

MS BRENNAN: It is.

MS CARNEGIE: It is. Community services are a critical part of the early education  
25 and care market. Growth has been outstripped by for profit services, but there are lots of reasons for that. Community services drive quality improvement. They invest in their workforce and they best respond to community needs. And I can’t stress to you highly enough that community-managed services have stood the test of time. They have adapted to the wide range of change that has come and gone with a  
30 steadfast commitment to shaping service delivery to the context of the community in which they operate. They are well positioned to take on the brave reforms that we hope are ahead of us as a result of this inquiry.

The community sector can best expand through access to capital funding, reform to  
35 the CCCF, operational and sustainable – sustainability funding and a – and centralised business support to support the government’s model, in particular. In relation – in relation to addressing access in underserved and unserved markets, including regional areas, CELA has directly worked with regional communities across Australia in this space across many years, and, in particular, the last 12  
40 months. And we’ve shared some case studies in the submission most recently sent to you. And there’s a common formula for success when setting up services in these areas. You need a champion to identify community need.

You need a backbone organisation to make it all happen and bring it all together with  
45 really strong processes. You need land and you need capital funding to be able to build, and proper capital funding to build what’s needed instead of cobbled funding that means that it’s just too hard for communities to pull it all together. You need

governance. You need sustainability funding for low populations and you need centralised business supports to – to – to support community-managed services governed as effectively as they possibly can in these changing times. And we have seen success across Australia where Local Government have played an enthusiastic lead role in enabling access.

My third point is workforce. It is a well – it is well established that low wages and poor conditions are driving workforce shortages. Addressing this as a priority step to delivering universal access to education and care is absolutely essential and it is urgent. Multi-employer bargaining is an opportunity to do this right now starting with the largest part of the sector and that will – also contribute to work – workplace conditions. It is very clear that government has a role to fund improvements to wages and conditions and to ensure continued affordability and accessibility of early education and care. And I welcome any questions that you might have.

MS BRENNAN: Thank you very much, Michele. I don't know whether – yes, I don't think you were here this – no, you weren't here this morning, Michele, when we were hearing from Goodstart, but you may have seen their submission. And they're distinguishing between a short-term wages solution that might flow from the multi-employer bargaining process that might go for a few years and a longer-term structural solution. Is that something that you've considered or am I taking you right outside your realm?

MS CARNEGIE: I think by going into the process that we're in now and continuing that process with it being a government-funded wage increase, that provides the continuum. So the continue - - -

MS BRENNAN: Okay.

MS CARNEGIE: The continuation is under the agreements that are made through the multi-employer bargaining process, and what's essential to that is the continuation of the government funding.

MS BRENNAN: Okay. And I know you're primarily here today with your CELA hat on - - -

MS CARNEGIE: Yes.

MS BRENNAN: - - - in any case. So, Lisa.

MS GROPP: Thanks, Deb. In terms – you know, yes, providing services in underserved markets which – and the different models and different – you know, how to perhaps leverage community run services, and you're talking about different sort of funding supports, etcetera. Are these – so these would be new supports, or they're examples of them out there now, or you're - - -

MS CARNEGIE: Yes.

MS GROPP: - - - envisaging this would be because we've made a recommendation around expansion of the CCCF, for example - - -

MS CARNEGIE: Yes.

5

MS GROPP: Is that what you're envisaging there about what – and we sort of talked about different models, and, in some cases, it might just be capital funding and others it might – coupled with CCS or something like that, and others it might be more block funding - - -

10

MS CARNEGIE: Yes.

MS GROPP: - - - approaches.

15

MS CARNEGIE: Yes. I – look, I think it probably goes a little bit further than that. If you're thinking about – if you're think about who plays what role, then I would say the Federal Government can play a really strong role in enabling that capital funding through infrastructure funds, and that could be a regional infrastructure fund that's already existing or it could be an expansion of the CCCF. And where it's

20

needed, then ongoing flexible operational funding that enables the service to adjust to changing circumstances. And that – that is really critical. It has to also support quality provision and low fees which enables equitable access and inclusion.

25

And that's why I think it's quite important to look at that in the context when you're thinking about growth of the not-for-profit sector. It's in the context of the other roles that organisations or people are playing. So that local champion role, that's engaging – their role is to engage expertise, so they need to – they need to understand what the community truly needs. And this could be a blend of services as well as long day care. So it could be allied health. It could be multiple things that they need,

30

or it could just be long day care.

MS GROPP: I mean, the community-based model needs the community to - - -

MS CARNEGIE: Yes.

35

MS GROPP: - - - sort of drive – sort of - - -

MS CARNEGIE: Yes.

40

MS GROPP: - - - drive it. And, I guess, that – but there'll be instances where maybe the community doesn't have that - - -

MS CARNEGIE: That's right.

45

MS GROPP: That capacity. And I guess what happens in those situations because we've talked - - -



MS CARNEGIE: Yes.

MS GROPP: We've talked about offering navigator services to help communities, but, yes, I mean, some communities may not have that capacity to do that, and so - - -

5

MS CARNEGIE: I think it's the role of the Commission then.

MS GROPP: Yes. Okay.

10 MS CARNEGIE: Yes, which we're - - -

MS BRENNAN: And - - -

MS CARNEGIE: - - - very much in favour of.

15

MS BRENNAN: Yes. And we have talked about some support for communities where that hasn't just arisen organically. And we know from our history, because we've got a history of community-based child care - - -

20 MS CARNEGIE: Yes.

MS BRENNAN: - - - and, indeed, of government saying, "Let's leave it to the community." And that didn't work very well. We actually needed to have - we needed to have those champions. We needed to have the old community  
25 development officers. We needed to have people who could actually galvanise and work with people in a community. So I think in many areas, that is likely to be the case.

25

MS CARNEGIE: That's right. Not all communities have the skills to be able to -  
30 to mobilise need as well. They might identify it, but they can't mobilise it. And I think that is very much the role of the Commission to - to move into those nuanced areas where - where there isn't localised ability to action or identify.

30

MS BRENNAN: Does CELA have other views about the Commission that we've  
35 proposed?

35

MS CARNEGIE: I - we - look, we are strongly in favour of the Commission. We think it's the great - the greatest opportunity to be able to play a very different role to ACECQA, to play that role where - where there is a body that can step in where  
40 there is a need because there will be things as a result of the Productivity Commission. There will be things that, throughout the implementation process, that can be applied broadly, but there were things that just can't be. And that's where the Commission can step in to be able to work on those issues and solve those problems along the way so as it enables success for everybody because what we don't want is  
45 anybody missing out. So somebody has to be able to sweep along and - and solve those problems with high-level expertise.

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MS BRENNAN: Thanks, Michele.

MR STOKIE: I had two things. Firstly, I personally have benefited and my family has benefited from the community-led early childhood. I've been a community-led  
5 commissioner and a – sorry, a treasurer, I beg your pardon, and I think it's a fantastic part of the sector. We've spent a lot of time talking about growth. I've got a few questions about that, but I wanted to come back to are there things that are needed now to support the sector as it is now to continue to deliver what it is delivering now as opposed to what it could be, or growth, etcetera. And I just wondered whether  
10 you wanted to comment on some of those things. We do see, for arguments sake, a bit more effort around, I don't know, coordinated governance structures that are outside of the immediate, say, parent-led division. There's changes in the way local councils are focusing it around the infrastructure or leases and rents and – but what's critical from your perspective today - - -

15

MS CARNEGIE: Yes.

MR STOKIE: - - - for this part of the sector today?

20 MS CARNEGIE: I think what is critical right now, what I see is that there are too many areas across Australia that cannot access early education and care for their communities - - -

MR STOKIE: Sure.

25

MS CARNEGIE: - - - because they can't access sufficient capital. And in areas of low population, the CCS model doesn't work. And having been in that space for quite a long time, we can't look the other way in Australia on low – the needs of low population communities. We have to step in and – and serve those communities. So  
30 in that case, we need to be able to have sufficient funds to build without cobbling together. So that's an immediate thing. That could be through the Regional Infrastructure Fund being prioritised towards the social infrastructure that's needed in communities, that is, early education and care. And it may be sustainability funding to be able to support the services that may have 15 to 20 children, maybe up  
35 to 30 children, attending where the per child rate just isn't enough to be - - -

MR STOKIE: Sure.

40 MS CARNEGIE: - - - able to make that work. And they're the communities where everybody misses out.

MR STOKIE: Yes. Okay. We have a series of recommendations in around some changes to the funding arrangements, an expansion of the Child Care Subsidy for lower income families, potentially drawing on supply side funding for that direct  
45 investment particularly into markets where it doesn't – where those services aren't sufficient at the moment and also providing the sustainable funding if there are – is concern around its viability. I'm just wondering from your perspective if – what

changes do you think need to happen to the CCS around that supply side, because at the moment the CCS has embedded in it not just the operating expenses, but the capital expenses.

5 That's how the not-for-profits are able to expand. They make the investment. They incur the debt or equity. They build it and then they use the CCS to help offset that in covering both. Do you think that needs to separate out? If, for instance, there's a direct investment around the capital, does it require a change around the other funding sources or is it just a complete move to a more supply side driven, almost  
10 block funding approach in your mind?

MS CARNEGIE: I guess it comes down to the transparency of where funding is going and what it's being used for in communities. So if I look at communities that are receiving the full cohort of the current CCS funding, and they have got really  
15 complex needs within their communities, it's only – it's barely wiping the face - - -

MR STOKIE: Yes.

MS CARNEGIE: - - - for that service, so they don't have a lever to pull. So if  
20 you're in an area where you've got really – you've got good demand. You don't – it's not a particularly complex - - -

MR STOKIE: Yes.

25 MS CARNEGIE: - - - community and you're able to access workforce reasonably well, not that anybody can really at the moment, then you're probably okay on CCS. But then there are areas where services are receiving the full cohort of CCS. They're – they have such complex communities that they need to be able to resource their service with expert staff. They need to really spend a lot of money building the skills  
30 and expertise within their staff, and all of that is very expensive. They can't pull a lever on fees because their community can't afford that.

MR STOKIE: Yes.

35 MS CARNEGIE: And this is where I see a huge impact all across Australia in the failing of the CCS.

MR STOKIE: And I presume you would suggest that programs like the Inclusion Support Program just aren't adequately addressing any of these additional complex  
40 needs; is that - - -

MS CARNEGIE: Again, it is – it is certainly serving – it is integral within services. They are very much reliant on their Inclusion Support Program and they all ask for more. And I guess that's the other thing that we can't look away from, is the impact  
45 of COVID and how long that is going to – to go on in our communities, you know, the needs are rising in children. They're not decreasing, it appears. So the input is

not necessarily keeping up with that for inclusion support as well as other needs of children across services.

5 MR STOKIE: Do you have a view around the nature of the service that's desirable in areas that are underserved? We've heard from some around using in-venue care or family day care in areas perhaps as an alternative, but providing some flexibility about how that operates as opposed to, I suppose, what we're talking about at the moment. It's almost like a centre-based day care, but supported under the Community Child Care Fund-type arrangement. We have recommendations to that effect, but I was interested in your thoughts around the suite of possible services.

15 MS CARNEGIE: I think if you look at what you – what you want and what you need for children, then that kind of answers that. And not all services require a full cohort of many different additional things, but if you – if you – if a service is driven by the needs of their community, then – then what they need will evolve. And what they need should be – it should be funded because at that critical stage of a family, that's when – when a family enters a long day care service or enters a preschool, but let's take long day care as – as the example, when they enter that space in a community, it's often their first and only connection with support that can help them as parents. That can recognise needs within their – within their child.

20 That can provide social supports around domestic violence and all other things that are happening that are great and that are really challenging in families lives. This is the point where you can have amazing early intervention that prevents so many things that happen in the future. And some people refer to it as the off-ramp. So if we look at that, if we look at the child and we want the child to be successful, then we need to be able to support the family that sits around the child and that's what determines the type of service provision that needs to sit in the long day care service. And that might be allied health services. It might be counselling services. It could be maternal support services. And there are ways that communities that are – they're already engaging these services alongside their long day care provision quite successfully.

35 MR STOKIE: Okay.

MS BRENNAN: Michele, you will have seen in our draft report our recommendation about extending CCS to pre-school or kindergarten providers for extended hours. I wondered if you had a response to that; is that a well-designed recommendation? Are there – does it go far enough? Are there – what do you think of it in general?

45 MS CARNEGIE: Yes, look, it's certainly – it is certainly something that it's really challenging. Again, let's put the child at – at the centre of this, and what does the child need throughout the day. And it can be really challenging for families to be able to choose preschool if they're not able to accommodate the drop-off and pick up because of their work circumstances. And I would like to see – and – and I think many others would like to see – a resolution around that. A way that preschool can

be a choice for every family and that not being a barrier. I think we do have to be careful in how that is rolled out and look at what is in the interests of – of children and – and program that and support that accordingly, given an extended day program could be quite possible. We have seen it work very well in areas and we have seen  
5 where it maybe hasn't worked quite as well.

MS BRENNAN: So, I mean, this question about preschools becoming a little more like long day care if they're extending their hours in the day, potentially extending their weeks in the year as well, and long day care offering preschool and children  
10 being deemed to participate in preschool if they attend long day care. We are seeing some kind of a convergence in the service offerings, but not in the subsidies, not in the fees that parents face, you know. As you know, if you wanted to – or you had to access your preschool provision in a long day care centre, even in states that offer free kindy, you're still faced with a substantial bill for the other hours of the day, but  
15 do you think we should be moving towards greater convergence of those models or should we kind of protect the existing fundamental architecture?

MS CARNEGIE: Look, I'm very much in favour of – of maintaining the architecture of preschool, but we have to strike a practical balance and we also have  
20 to strike a balance between what the requirement is of – of the community that the preschool serves. So having the option to be able to broaden that provision I think is sound and I think it's important, but there needs to be decisions made around the appropriateness of that for communities and the community in which the service is operating and the needs of the families and what is – what is – what is right for the  
25 child.

MS BRENNAN: Okay. Okay. Thank you. Thank you.

MS GROPP: Thanks, Michele. Now, you raised workforce shortages and you've  
30 talked about the bargaining process that's underway, but – and obviously wages are an important – very important factor in dealing with workforce, you know, the attractiveness to workers, but we've made a number of recommendations around sort of dealing with the pipeline training, mentoring, professional development. What do you see are some critical non-wage factors for addressing workforce shortages?  
35

MS CARNEGIE: Well, you know, it all comes back to – it all come – so taking anything in isolation is really challenging when it comes to workforce. And you have – I think you just have to see it – you have to see the whole system. So attracting and retaining is the – the main thing that we have to do, and to do that we  
40 have to provide a professional wage to educators and teachers. It needs to be to everyone – everyone. And once you do that, then you're increasing the numbers of people that are in the sector. And once you've got a number of people to have a strong, sustainable sector, then you've got the ability to operate under better conditions.  
45

And those conditions that are so important to retention are often having enough people to do the work for the cohort of children that you're working with. You've

then got enough people to be able to allocate suitable time to do mentoring, to do coaching and to build the professionalism of the people around them. And so I think that anything that is put in place without a professional wage, you're still trapped in that time space where you just don't have time to be able to mentor, to coach and to  
5 build the teams that are required to deliver the quality professional program that is needed for children. So until we solve that I don't think we can solve anything else.

MS GROPP: Okay. Thank you ..... increasing the stock rather than sort of - - -

10 MS CARNEGIE: Yes.

MS GROPP: Otherwise, you just get this flow through of - - -

MS CARNEGIE: You do and then you've got this really incredible intent and  
15 desire for – for – for people in services to be able to support other people in the service or to bring other people in, but they don't have time to take them off the floor. They don't have time for themselves to be off the floor to support other people and we see it all the time and probably one of the things that we hear from services just so often is how they see the need to be – the need to support certain individuals  
20 within the service but just not have the time to do it. So the skills and the capability, it's all there, but they just don't have the time. Time comes with more people on the floor and that comes with retention and recruitment, which is – they key factor of that is a professional wage.

MS BRENNAN: And, Michele, thank you for that. Do you have any particular  
25 thoughts about the existing pre-service training for educators and teachers? We've heard quite a bit about this over the course of the inquiry with some concerns being raised about whether the preparation of educators is adequate for those educators to be able to deal with the highly complex children and family situations that are  
30 increasingly part of our world. And in relation to teachers, of course, we've got – leaving aside for a moment the wage issue and the wage disparity between teachers – early childhood teachers in different settings, there's the question of the different degree programs that the teachers might have participated in and, you know, the nought to five, the nought to eight, the nought to 12. You've got a really big birds  
35 eye view of a lot of educators and teachers, so do you have any thoughts about those issues - - -

MS CARNEGIE: Yes.

40 MS BRENNAN: - - - to share with us?

MS CARNEGIE: Yes. Absolutely. Yes. We certainly hear the same challenges and we also hear the side of the universities where they are trying to – to include a huge amount in – you know, through throughout the course of their degree delivery  
45 and when you look at what – you know, what a degree looks like, what would you take away in favour of something else? I think, you know, in that first year – that first year and that second year of a person's career, wouldn't it be great - - -

UNIDENTIFIED MALE: .....

MS CARNEGIE: - - - wouldn't it be great if we had – if we had people being able to be part of a postgraduate program within service? And I know looking at other  
5 sectors how much is invested in that with their new graduates. You know, they might go into a graduate program and that means that they the experience of lots of different areas. In the context of early education, perhaps it's different age groups, different rooms, it's specialisation. I think that is probably a north star where we have that first year as a graduate program may be able to resolve some of those –  
10 some of those tension between what we – the importance of delivering the content of the – of a degree with the practical knowledge that comes with it that really comes when you're actually working on the ground and, you know, encouraging students to be working in early education services and for them to be part of ratio as well - - -

15 MS BRENNAN: Okay.

MS CARNEGIE: - - - would be supportive of good quality outcomes for our graduates.

20 MS BRENNAN: And you'll have seen we've put some recommendations around supporting alternative pathways and different modes of delivery, recognition of prior learning, etcetera, but we – I've just been looking through some of the submissions. We can – also, there can be push back. Well, you know, you're trying to get people through faster, people who aren't prepared, the quality of the training isn't good  
25 enough, etcetera.

MS CARNEGIE: Well, I guess that's – look, we have a really big problem with qualifications and having enough qualified people. So we're going to have strike that balance. That's just the harsh reality of it.

30 MS BRENNAN: Yes, yes.

MS CARNEGIE: We need qualified people, but your qualification or your ability to do your job doesn't end with the minute you get your qualification, so it's being  
35 really – having that conscious direction around what's next after getting your qualification to enable you to do the job really effectively for children.

MS BRENNAN: Indeed. I thought I felt a question coming from you, Martin.

40 MR STOKIE: I do have a question, which is that's – over – we're trying to not only think about the sector today and what the needs are, but over a very long period of time and where do we want to be in five, 10 years time. Increasingly, there's – well, there's very strong evidence around the relationship between the educator and the child and the – almost the primacy of that relationship. There's an increasing amount  
45 of time that children are spending in early childhood education and care, which means if you want to promote that primacy of that relationship, the educator needs to have more time in the service, particularly say – we talked a little bit earlier about

preschool, which is looking to expand the amount of time. So I'm just wondering, in your view, over time do you see the capacity for conditions rather than wages to sort of evolve towards that relationship or putting to the primacy of that relationship between educator and child and how do you – I'm not sure how I can – I do the math of that amount of time.

You know, you could go to 30 hours and there's an amount of time of non-teaching hours and suddenly these people who are already working very long amounts of time are expected to work even longer amounts of time and the only way to do that is have multiple educators, but that breaks down some of the relationship between the child and the educator. So I don't – it's a long question of saying, perhaps, over time what do you see as the – let's assume we can resolve and progress towards resolving wages as a critical challenge. What are the terms and condition challenges that we need to grapple with over an extended period of time?

MS CARNEGIE: Keeping people in the sector. Yes. So - - -

MR STOKIE: So we can mandate that, can we?

MS CARNEGIE: Well, they may be encouraged to stay in if they're paid - - -

MR STOKIE: Sure.

MS CARNEGIE: - - - paid a professional wage.

MR STOKIE: Sure.

MS CARNEGIE: But you've mentioned - - -

MR STOKIE: Yes.

MS CARNEGIE: - - - Martin, that that's solved, so we're going - - -

MR STOKIE: Well, we - - -

MS CARNEGIE: - - - that's - - -

MR STOKIE: - - - we would hope - - -

MS CARNEGIE: If we're looking at - - -

MR STOKIE: We would hope - - -

MS CARNEGIE: - - - the time - - -

MR STOKIE: - - - we can manage - - -



MS CARNEGIE: Yes.

MR STOKIE: - - - and move in the right direction because we agree, it is – and  
5 we've made a comment in our – well, more than a comment – a series of statements  
that - - -

MS CARNEGIE: Yes.

MR STOKIE: - - - it is the most critical factor that must be addressed or else  
10 nothing else can be addressed.

MS CARNEGIE: So if we look at that point in time when we do have that solved,  
then I think it's – I think it – it – it's what keeps people in education. You know, it's  
15 having – what keeps people in any job. You know, it's the rewarding and purposeful  
work. It's that true deep connection to children and understanding - - -

MR STOKIE: Yes.

MS CARNEGIE: - - - that they are doing the most important thing in the life of that  
20 child at that very moment.

MR STOKIE: Absolutely.

MS CARNEGIE: And I think for educators and teachers to be in that position  
25 where they get that great sense of reward, they need to know how to do their job and  
that's a combination of things. So that may be – that's definitely professional  
development. I think it's specialisation. I think we need to see specialisation in the  
sector. We need to give people opportunities to be able to take on leadership roles.  
30 We have to sort of move away from these flat structures so as people have the  
opportunity grow their professionalism and provide leadership and to really build  
that richness of professional satisfaction which absolutely then translates to –  
translates to the quality of early education for children, but you raise a really  
important point around the length of time children are in long day care. So it – some  
35 services now are doing four day weeks, which is really quite attractive to many  
teachers and educators.

MR STOKIE: Four day week for the educator and the teachers rather than the  
service, is it? I presume - - -

40 MS CARNEGIE: Yes.

MR STOKIE: - - - they're not - - -

MS CARNEGIE: Yes, yes, yes.

45 MR STOKIE: I presume the service isn't shutting down on the fifth day

MS CARNEGIE: No, they're not. No. It's for the employees - - -

MR STOKIE: Yes.

5 MS CARNEGIE: - - - are doing a four day week - - -

MR STOKIE: Yes.

10 MS CARNEGIE: - - - which is enabling that length of time - - -

MR STOKIE: Yes.

MS CARNEGIE: - - - to be with the child throughout - - -

15 MR STOKIE: Yes.

MS CARNEGIE: - - - throughout the day and to provide them with that continuity and I think those types of conditions and considerations are possible when we have a sufficient number of people to create that level of stability - - -

20

MR STOKIE: Yes.

MS CARNEGIE: - - - within the sector.

25 MR STOKIE: And that's why I ask what's that longer-term because I don't think you can do that as easily now. We don't have enough people. We're not paying them appropriately or the remuneration for educators and teachers isn't sufficient, but longer-term what should be the ambition and what can we aim for?

30 MS CARNEGIE: Well, I think - - -

MR STOKIE: Should we be aiming for.

35 MS CARNEGIE: Yes. So I think that is – I think that is the ambition once we're on the other side of – once we're in a position of sustainability, then we can – then it will create an environment where conditions – better conditions are possible because we have more people to do the work.

40 MR STOKIE: Okay. Thank you.

45 MS BRENNAN: Michele, I've got a couple of other areas that I hope we can spend a bit of time on. We've only got a few more minutes, but one is we've got an information request about the appropriateness of the NQF for out of school hours care. I don't know whether that's something that you would like to comment on and the other is I think in your post draft submission but maybe your earlier one you've expressed some views about services that don't meet the regulatory standard over –

and particularly those that don't meet it over a period. So in our few minutes I wonder if you could say a little bit about those two topics.

5 MS CARNEGIE: I might leave the NQF one to when Julie is in - - -

MS BRENNAN: Okay.

10 MS CARNEGIE: - - - is in next week. Look, I – it deeply concerns us that services can stay in a position of working towards despite many, many interventions over a long period of time and, again, we have to look at what the issues are with those services and what can – what can be overcome to put them into a better position of being able to meet the National Quality Standards. And, unfortunately, some services after an enormous amount of intervention can't make it and so in our submission we suggested the possibility of looking at an administration type model  
15 that is funded by the service after all of the interventions have - - -

MS BRENNAN: All the supports.

20 MS CARNEGIE: - - - been put in place – all of the supports have been put in place. It is really a last resort. So – and I guess it's a little bit similar to Local Government when they go into administration mode. The service continues to operate. The ratepayers continue to receive everything that they expect to receive. So families and children would have that expectation as well. But a group would move in and they would start to run the service and build up the quality of the service and in doing so  
25 provide better outcomes for children and leave the service in a more sustainable position after a period of time for either the previous management or other management to come back in and to continue.

30 MS BRENNAN: Okay.

MS GROPP: In your experience, Michele, what is the driver of these perennially poor performers? What's – you know, what – is there any particular constant factor that you observed or is it a variety of things?

35 MS CARNEGIE: It is a variety of things and for some of the services it's beyond their control. Often they're in – it could be location. It could be the communities in which they're operating. There are many services that ebb in and out of meeting, not meeting.

40 MS GROPP: There is a – is there sort of a core - - -

MS CARNEGIE: But there are some - - -

45 MS GROPP: - - - some that - - -

MS CARNEGIE: - - - that stay there.

MS GROPP: - - - that have been there for more than – a small number but enough - - -

MS CARNEGIE: Yes.

5

MS GROPP: - - - they've been there for sort of 10 years or more.

MS CARNEGIE: That's right. So maybe it's time to have an intervention with those services to – beyond what we've done in the past, something along these lines.

10

MS BRENNAN: Well, look, thank you very much, Michele. I hope we've given you an opportunity to cover all the topics that you wanted to raise with us. Is there - - -

15 MS CARNEGIE: Thank you, Deb.

MS BRENNAN: Yes. Nothing burning that you'd like to just get in before we wrap up?

20 MS CARNEGIE: Look, I think that we – the – the most important thing that we have to solve right now is a professional wage for our early educators and our teachers and for every single – every single one of them and let's start with long day care because that will make an enormous difference within the sector, but I think the main point that I really want to leave you with is the strength of the community-  
25 managed sector. We are very strong. We sustain – we sustain change, we survive change and not only do we survive it, we thrive in it and it is a – it is an incredible space for children to be in early education in community-managed services and it's certainly the space where we see the highest quality, we see the greatest conditions and remuneration for our teachers and our educators and we are really looking  
30 forward to the future and the changes that are likely to come from this inquiry.

MS BRENNAN: Thank you.

MS GROPP: Thanks, Michele.

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MS BRENNAN: Thank you.

MS CARNEGIE: Thank you.

40 MS BRENNAN: Thank you very much, Michele.

MS CARNEGIE: Thank you very much.

45 MS BRENNAN: So been waiting there very patiently, Jennifer. You're welcome to stay, Michele, or if you need to head off, we understand. Welcome - - -

MS J. KOUTOULAS: Hello.

MS BRENNAN: - - - Jennifer. I know you've been waiting very patiently today and - - -

MS KOUTOULAS: No trouble at all.

5

MS BRENNAN: - - - heard lots of the - - -

MS KOUTOULAS: Thank you for having me.

10 MS BRENNAN: - - - the discussions that we've had throughout the day, so we've very much looking forward to hearing from you and since you've been here I know you do know the drill, but I'll just say first we'd ask you to say your name and your organisation, make some opening comments and then we'll move into a discussion with you.

15

MS KOUTOULAS: Thank you. My name's Jennifer Koutoulas and I'm representing Early Years Intercultural Association. It's an Australian registered charity, very young and been operating since 2018. The charity evolved from some outreach work that we had done. We consist of allied health, early childhood education, myself, and research and we work towards supporting refugee and humanitarian and migrant children to have the wellbeing and support that they can when they arrive in Australia and we work with families during that settlement period, but we also work with stakeholders. We focus on a model of adding on to what already exists. We have wonderful organisations we heard today and so many that out there that are community-based.

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We look to any areas that might need some extra supports. If there are any programs and particularly, we work with organisations. You mentioned before Food Bank is one our partners, Diabetes Australia, New South Wales Health and now just recently Services Australia. We create programs, community engagement type programs and in our time, we've found the gaps that are existing and the stressors for the families and particularly that trickle-down effect onto the children. In our submission we focused primarily on access because we have worked with other charities and they've given us information. We've tried to place children. We know there's some wonderful community organisations such as Uniting, Goodstart and many others that are subsidising the fees which are due to attend these services because we have families when they arrive in Australia they have to go through a process of their applications being approved for Medicare.

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40 When they go through that application, there's a time wait and what we're finding is the time exceeds one year. Now, we've received information and – and Service Australia have said to us, “It could only be one piece of information that we need, but we can't approve that family until we have that information.” But in that time the families – and we're talking about vulnerable, low socioeconomic families.  
45 We're not talking about families who are high ..... those families are struggling and we have noticed and know in 2022 – and I'll provide you – I haven't got consent from this organisation, but I can give it to you later – identified there were 32

children who were not receiving early childhood education or care and they were dependant on charities to support that. That has increased to 173 and that's only just - - -

5 MS BRENNAN: So these are children – what's the context - - -

MS KOUTOULAS: So - - -

10 MS BRENNAN: - - - of these children?

MS KOUTOULAS: These children are coming from humanitarian backgrounds - - -

15 MS BRENNAN: Right.

MS KOUTOULAS: - - - or they're coming from socioeconomic backgrounds and they're newly arrived migrants.

20 MS BRENNAN: And are they engaged in a service but not being funded or they're just not engaged?

25 MS KOUTOULAS: They're not funded and they're not funded because their Medicare has not been approved and they're on visas. They might be on bridging visas, so they might be families who have come from countries where there is war and they haven't had time to get their paperwork and they've come over on bridging visas. They might be families who are just migrating over here and they're wanting to live and to work and they can't work because of - - -

30 MS BRENNAN: No.

35 MS KOUTOULAS: their conditions and even those that can work, they're still waiting on that Medicare approval, and this is why we're focusing on that area because we really believe that's where the barrier is. And the organisations that we speak to – and they're all community-based – have all expressed that these barriers trickle down to family stress and we know research has stressed that as well. This is where our advocacy for the families is too and these are the only ones we identify. There are many others that might – are going through the gaps that we're not seeing, but we truly want those children, every single child, to have equal access. In the ACCC recommendations you mentioned all children. We look to overseas models, particularly when we look to the UK, Ireland and the European Union, there is a very short period of assessment in order for the child to receive funding to go into a preschool model of care and that actually happens through the local – their local councils.

45 So when we look at that and what's happening and here these families are waiting for such a long time. So we believe that we would like to recommend that the ACCC considers maybe using a terminology of children living in Australia, as it is overseas,

as the language they're using. That also reduces confusion because there are – there could be somebody coming over here that might be here for a non-working holiday. This way you reduce that confusion for them.

5 MR STOKIE: Are there examples where children or families are able to access government services of any sort but they still haven't had their Medicare approved yet, they're still going – so, for instance, if the child was six or seven, we'd be potentially talking about school - - -

10 MS KOUTOULAS: Yes.

MR STOKIE: - - - rather than early childhood. So is that an example where even though they haven't been approved, they're still going through the internal process, they can access school or they can't and I just wanted to - - -

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MS KOUTOULAS: They can access school, but they cannot access early childhood.

MR STOKIE: Right.

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MS BRENNAN: So they can access school even before all their documentation has been - - -

MS KOUTOULAS: Yes. Exactly right.

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MS BRENNAN: - - - accepted.

MS KOUTOULAS: Correct. School does not have that discrimination on the family. It doesn't matter. But also too - - -

30

MR STOKIE: Right.

MS KOUTOULAS: - - - education is also available.

35 MR STOKIE: Okay.

MS KOUTOULAS: So if we're looking at early childhood, that access is not there for them.

40 MR STOKIE: And I presume you're asking us to – I – well, what are you actually asking us? Maybe I - - -

MS KOUTOULAS: Just in your - - -

45 MR STOKIE: - - - won't put words in your - - -

MS KOUTOULAS: - - - terminology just to – to have that terminology be very clear and accurate. It then provides that information that it is for children living in Australia and we appreciate because we know that move from Australian children to now in Australia and we’re suggesting to use the term living in Australia - - -

5

MR STOKIE: Yes.

MS KOUTOULAS: - - - to reduce confusion. That also reduces confusion for early childhood education care and my own background, I – I’ve got a Master in Early Childhood and I’ve worked in not-for-profit and for-profit as director – and exceeding services – so I’ve got that knowledge and I know those barriers there as well and - - -

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MR STOKIE: So how would you see that working then? For instance, if Goodstart is offering or other – usually, I presume not-for-profit, but others through philanthropic elements are offering the child so they’re able to attend, but they’re not being subsidised under the current system, but the current system requires some determination of parents’ income - - -

15

20 MS KOUTOULAS: Yes.

MR STOKIE: - - - and/or we’ve suggested using the healthcare card as an indicator for low income families.

25 MS KOUTOULAS: That’s - - -

MR STOKIE: But if they haven’t been approved for Medicare, they wouldn’t have a healthcare card.

30 MS KOUTOULAS: That’s exactly right.

MR STOKIE: So I’m just interested in – it’s one thing to determine that - - -

MS KOUTOULAS: Yes.

35

MR STOKIE: - - - classification, but it’s the interaction with all of the other elements. How do you see - - -

MS KOUTOULAS: So when you - - -

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MR STOKIE: - - - what you’re proposing working?

MS KOUTOULAS: - - - look at how it works now, charities receive funding through grants to be able to subsidise and support.

45

MR STOKIE: Right.



MS KOUTOULAS: And where that area of funding goes, then it will go through a system, but also what you mentioned before regarding, say, Goodstart providing and Uniting – and Uniting too - - -

5 MR STOKIE: Well, and I don't know. I'm just taking what – you know - - -

MS KOUTOULAS: No. That – no, no, no, it is.

MR STOKIE: I don't wish to - - -

10

MS KOUTOULAS: No, it is correct. It is, it is. You have to understand, where is the freedom of choice for the family? The family should be able to choose where they would like their child to go. They would like – need to choose that opportunity, but being able to depend on a charity is not only not dignified, but it's not giving  
15 them the choice and the freedom to go where they would like to go and we're not suggesting to change – to put them into that childcare subsidy model. We're really focusing on those 30 hours or three days.

MR STOKIE: Yes.

20

MS KOUTOULAS: Because you did mention in the report that part-time work is something that has become more popular with the parents. I personally was also part of the – the research many years ago when early childhood was being reviewed and they were discussing with Dr Joy Goodfellow and discussing how early childhood –  
25 what the trajectory would look like and so I have seen a lot of changes over the years, but I do believe providing what happens overseas here is going to benefit every child. Giving every family that opportunity to be able to choose where they would like to send their child and take the burden off charities and off wonderful not-for-profit organisations – and I must say there are some standalone profit  
30 organisations also helping out, so it goes on both sides. It just depends ...

MS GROPP: What I'm hearing though, Jennifer, and just following on from Martin's question, but you don't want them in the CCS either.

35 MS KOUTOULAS: Well, we would love families within the CCS, but if it's a barrier, we would be so happy that at least it would be a step towards them having that access to preschool. We believe that and there's the other issue too is the NDIS, the inclusion support. They're not entitled to inclusion support. If we look at a child  
40 having access to say the Start Strong funding, preschool funding into – in an early childhood education care service or long day care, they're not entitled to the inclusion support because that family is not entitled to Medicare and you need Medicare to have the inclusion support.

MR STOKIE: But presumably we're just talking about the period of time in which  
45 Medicare is being assessed. Is that not correct or are we – we're just trying to – you're just trying to make a –

MS GROPP: An interim sort of - - -

MR STOKIE: Have an interim solution – is that right – until the formal processes have run their course. Is that - - -

5

MS KOUTOULAS: Well, we're - - -

MR STOKIE: - - - correct?

10 MS KOUTOULAS: - - - looking at access. That's what we're looking at.

MR STOKIE: Sure.

15 MS KOUTOULAS: So whether it be an interim or when it is we're looking at access and we're suggesting those – the 30 hours and we would suggest a three day component would then enable the opportunity for access - - -

MR STOKIE: Right.

20 MS KOUTOULAS: - - - and funded access, would then enable the opportunity for inclusion support. Whether the – and in our submission, our letter just recently we suggested to pull out if there's a possibility – I don't know – to separate the immunisation from Medicare because, of course, to go into – to be accessible to an early childhood and care service centre, you need to have your immunisation.

25

MR STOKIE: .....

MS BRENNAN: Do you mean to remove that requirement or - - -

30 MS KOUTOULAS: Well, I would suggest if it – well, we're suggesting if we do remove that requirement from Medicare, then that would provide an opportunity for access and to be able to benefit to the three days.

MR STOKIE: But are you saying they - - -

35

MS KOUTOULAS: It wouldn't impact the CCS because that's a completely separate component because that works on other factors - - -

MS BRENNAN: I haven't - - -

40

MS KOUTOULAS: - - - but if we're looking at - - -

MS BRENNAN: I haven't quite got the – I'm so sorry.

45 MS KOUTOULAS: That's okay.

MS BRENNAN: I haven't quite got what's actually meant by removing the - - -

MS KOUTOULAS: Well - - -

MS BRENNAN: - - - immunisation requirement for Medicare - - -

5 MS KOUTOULAS: Well - - -

MS BRENNAN: - - - as distinct from the CCS.

MS KOUTOULAS: - - - currently, previously - - -

10 MS BRENNAN: Yes.

MS KOUTOULAS: - - - families would take their immunisation details - - -

15 MS BRENNAN: Right.

MS KOUTOULAS: - - - to the centre.

MS BRENNAN: Right.

20 MS KOUTOULAS: And then it was the State through Department ..... in New South Wales - - -

MS BRENNAN: Okay.

25 MS KOUTOULAS: - - - would come and then would check the immunisation. Then that system changed and it went into Services Australia.

MS BRENNAN: So they have to satisfy Services Australia.

30 MS KOUTOULAS: That's right. So their - - -

MS BRENNAN: Rather than - - -

35 MS KOUTOULAS: - - - application is - - -

MS BRENNAN: - - - the service.

MS KOUTOULAS: That's right. Exactly. The application consists of their assessment for Child Care Subsidy, but the immunisation is part of that application.

40 MS BRENNAN: I don't know anything about that. I'm wondering whether there were integrity concerns around the documentation that centres or services were accepting. Do you know - - -

45 MS KOUTOULAS: No.

MS BRENNAN: - - - why that was changed?

MS KOUTOULAS: No. I think it might have been to reduce the burden on centres.

5 MS BRENNAN: On the centres. Okay.

MS KOUTOULAS: Yes. To reduce the burden. Yes.

MS BRENNAN: All right. Okay.

10 MS GROPP: And I guess immunisations are all centrally on Medicare.

MS BRENNAN: If you've had it in Australia.

15 MS KOUTOULAS: Yes. So then that - - -

MS GROPP: In Australia. I guess - - -

MR STOKIE: Is your - - -

20 MS GROPP: - - - if you've had it overseas is the issue.

MR STOKIE: Is your suggestion then to put that burden back onto the centres?

25 MS KOUTOULAS: Well, I'm not. I'm – no, no, we're not, you have other departments. You have the Health Department. You have other – other systems that could come into play. There could be an electronic system. I know a representative from Goodstart talked about all the wonderful things - - -

30 MR STOKIE: Sure.

MS KOUTOULAS: - - - that are happening now. There could be some type of system. You also then would reduce the risk of any falsifications of immunisation statements.

35 MR STOKIE: But presumably you're not recommending removing the requirement - - -

MS KOUTOULAS: Not at all.

40 MR STOKIE: - - - to be immunised.

MS KOUTOULAS: We're not recommending - - -

45 MR STOKIE: Right.

MS KOUTOULAS: - - - to remove it at all. We believe that's a priority. We're just trying to reduce the burden for these families in the waiting times because it's - - -

5 MR STOKIE: Right.

MS KOUTOULAS: - - - one year.

10 MR STOKIE: And is that – and, presumably, you've looked at what is the hold up.

MS KOUTOULAS: It's administration. It's the processing.

MR STOKIE: Right.

15 MS BRENNAN: It's a slow bureaucracy, is it? A slow bureaucracy.

MS KOUTOULAS: A slow bureaucracy. You could say that.

20 MR STOKIE: Right. Because there's not that many children that you're referring to, so - - -

MS KOUTOULAS: No, there's not. Well, if we're talking about 173 in Sydney that have been identified, we don't know nationwide.

25 MR STOKIE: Right. Okay.

MS BRENNAN: It's Sydney. Okay.

30 MS KOUTOULAS: That's only Sydney.

MR STOKIE: Right.

MS KOUTOULAS: That's only Sydney and that's south-west Sydney.

35 MR STOKIE: Right.

MS KOUTOULAS: Two regions.

40 MR STOKIE: Okay.

MS KOUTOULAS: So, you know, we don't know who's missing out - - -

MR STOKIE: Right. Okay.

45 MS KOUTOULAS: - - - and – and those 173 are the children on humanitarian bridging visas. And this is why we believe that offering a model and we look to

overseas and what they're doing and to consider some type of way that can reduce that burden.

5 MS BRENNAN: Well, we look forward to receiving any further information or documentation that you're able to share with us in due course - - -

MS KOUTOULAS: Most definitely.

10 MS BRENNAN: - - - Jennifer. Is there anything else that we haven't covered yet that you'd like to bring to us?

15 MS KOUTOULAS: I think you discussed just earlier regarding mentoring and regarding the – I was actually an interim director last year in a not-for-profit, excellent and amazing service and introduced a mentoring program and we were able to utilise the Start Strong funding in order to offer that and the barrier, yes, most definitely is staffing because of the fact that it's not accessible and so that is the barrier. I also had introduced the same model in a not-for-profit too and it worked again. Again, going back to what everybody ..... says is what everybody is saying is professionalism for early childhood is important and I think the most priority is to –  
20 to really equate those wages like they are at school and I think that if we can do that and give rise to the quality and expertise of early child education and care teachers, educators, directors and so forth, I think we might move forward in a better direction. If we can provide opportunity for greater access for children, all children, then we might have parents choose early childhood as one of their future careers. Yes.

25 MS BRENNAN: Well, thank you very much - - -

MS KOUTOULAS: Thank you.

30 MS BRENNAN: - - - Jennifer. Thank you for coming along and for your engagement with the inquiry. As you say, you're not speaking about a huge number of children, but - - -

35 MS KOUTOULAS: No.

MS BRENNAN: - - - we are speaking about a universal system, our aspiration for a universal system and in that context, that does mean every – every child, so - - -

40 MS KOUTOULAS: It means every child - - -

MS BRENNAN: - - - thank you.

MS KOUTOULAS: - - - and every child living in Australia.

45 MS BRENNAN: Thank you.

MS KOUTOULAS: Thank you so much.

MS GROPP: Thank you.

5 MR STOKIE: Thank you.

MS BRENNAN: So we are going to have a break. Yes. Let's – we'll come back at 2.20 and if we're able to start a little earlier then, we will. Otherwise – yes. We'll keep you posted, but we'll be back at 2.20. Thank you.

10

**ADOURNED**

**[2.06 pm]**

15 **RESUMED**

**[2.20 pm]**

MS BRENNAN: Okay. Thanks.

20 MR STOKIE: Thanks, Michael and Andrew for coming in. Just for your benefit and for others, we are recording a transcript and relatively shortly I will ask you to introduce yourself and your organisation and, if you wanted to, you're welcome to make a short statement or give us your comments. We're particularly interested in feedback on our recommendations and areas of asking for additional feedback. But  
25 you might have some very specific things that you wanted to raise or matters that we haven't raised in our report that you wanted to raise with us now. It's a public hearing, so we're happy to take that on board. So I will hand over to yourself and if you wanted to make a statement, you're more than welcome.

30 MR PATERSON: Great. Yes, thank you very much. Thanks for the opportunity to be here today. We have prepared a statement which addresses some of the recommendations and speaks to some sort of broader contextual issues relevant to the Productivity Commission inquiry. So, as you know, my name – well, my name is Andrew Paterson, I'm CEO of Family Day Care Australia. Michael Farrell is our  
35 advocacy and engagement manager. And Family Day Care Australia is the national peak body for family day care. We represent around 9500 family day care educators and around 380 approved family day care services. Over 40 years ago our sector pioneered the sharing economy, leveraging the capacity and capabilities of communities to deliver a unique and innovative approach to supporting the diverse  
40 ECEC needs of Australian children and families. What evolved was a thriving network of early childhood education and care professionals, mostly women in small business. That was the global benchmark in home-based ECEC approaches.

45 However, sadly and until more recently, through more than half a decade of neglect, blunt instrument, compliance-focussed regulatory reform and inequitable market intervention from governments our sector is in crisis and without direct and immediate attention, the implications for children and families could be severe.

Despite common misconceptions, this decline is no longer a function of governments justifiably cancelling the approvals of unscrupulous operators but is, in fact, the demise of many of our sector's oldest and most respected services. As both the Commission's draft report and the ACCC childcare inquiry final report have  
5 identified, the family day care sector has experienced a sustained period of decline with a loss of over 6000 educators, that's 41 per cent, since the introduction of the childcare package in July 2018. As would be expected, the decline in educator numbers correlates with a comparable decline in the number of children and families able to access family day care.

10 However, the decline is not a product of waning demand. In fact, demand for family day care services has never been higher. As noted in the ACCC childcare inquiry final report, the decline in availability of family day care services has reduced flexibility and options in the market, particularly for households that are culturally  
15 and linguistically diverse, in remote areas, in areas of disadvantage or for those that work non-standard hours. FDCA urges the Productivity Commission to thoroughly investigate and make recommendations on what specific programs, policies, funding and/or support structures may be implemented by the Australian government that will assist in immediately arresting the decline in the number of family day care  
20 educators, shift the support structures available to create an environment that systemically addresses family day care's specific viability issues and creates a favourable environment for sector growth.

With regard to thin markets, FDCA strongly supports the Commission's draft finding  
25 5.5: family day care can be an effective solution to addressing thin markets. This cannot be understated and FDCA urges the Commission to fortify this finding through dedicated recommendations that specifically support growth and viability in the family day care sector, particularly in thin or underserved markets, to incentivise entry into the sector and ensure approved services are adequately supported to grow and remain viable. In relation to the recommendations associated with supply-side  
30 funding, FDCA supports a refinement of draft recommendation 5.1, to incorporate references to family day care specifically including a model that couples up front, targeted supply-side funding structures designed to incentivise family day care educators to enter the sector, for example startup grants, with an ongoing supply-side  
35 funding mechanism for approved services that is tied directly to actual sessions of care provided.

In relation to funding support to incentivise non-standard hours care, it should be noted that we would also define non-standard hours care as a thin market, that is, a  
40 market that is not adequately being served. Therefore, FDCA is extremely supportive of draft recommendation 7.3 that the Australian government should introduce a higher hourly rate cap for non-standard hours in relation to family day care specifically. The current CCS hourly rate cap for family day care is not adequately recognising the actual cost of delivering family day care in non-standard  
45 hours and as such is disincentivising provision of this type of care. However, it is also clear that the CCS hourly rate cap for standard hours family day care is inadequate. In essence, the lower fee cap for family day care is an inequitable



market intervention that puts family day care at a competitive disadvantage and affects educators' ability to be appropriately remunerated which has flow on effects to educator attraction, retention and hence service viability. Additionally, at each indexation of the cap the gap between family day care and centre-based care widens.

5

As the commissioners are aware, this is supported by findings and recommendations in the ACCC's final report which state, "the family day care hourly rate cap is also unlikely to be sufficient to adequately cover costs and recompense educators". This leads to recommendation 2(a) which, in summary, states "the family day care and in-home care hourly rate cap should be reviewed and consideration given to increasing them". As such, FDCA urges the Commission to amend draft recommendation 6.2 for the final report to specify that the CCS hourly rate cap for family day care should be amended immediately to more accurately reflect the cost of providing family day care rather than waiting for another review.

15

In FDCAs response to the Commission's draft report, we have made recommendations that address specific shortcomings in the existing regulatory funding and program frameworks that contribute to the matters the Commission has been tasked to address. However, creating long-term sustainable capacity requires thinking outside of the current parameters. As such, in line with the Commission's draft recommendations relating to market stewardship and an ECEC Commission, we must request that the Commission's final recommendations challenge the Australian Government to look beyond a homogenous strategic vision for the ECEC sector as a whole and rather to identify and address specific needs and capabilities of the various care types and develop tailored, long-term, interdepartmental action plans that have clear KPIs.

Family day care has specific and unique capabilities and strengths that are underexplored, underfunded and underutilised. For example, underutilisation of in venue care models, particularly in regional and rural areas. The potential for educator pairings that extend the capacity of individual venue – of an individual venue and/or premises; a family day care specific traineeship program to address the challenges of the changes to the certificate III requirements. It is important for FDCA to acknowledge and applaud the fact that the Australian government recently released a request for tender for the family day care capability trial. While the outcome of the tender remains pending, the trial represents an important commitment to building sector capability and equally is a strong and positive indication by the Australian government of the value and importance of our sector. But broader and systemic change is needed and needed quickly.

40

In closing, when seeking solutions to enhance access to non-standard hours care, increasing supply across regional, rural and remote Australia for specific cohorts of vulnerable and disadvantaged children and families, those with additional need and those from CALD backgrounds and importantly in ensuring that all families have choices and options that meet the unique and diverse needs, family day care must be central in the future planning of governments. There is no one size fits all model. For many families, family day care is their only choice. For many more, it is their

45

option of choice. A truly universal, accessible ECEC system that meets the needs of children and families is unattainable without a robust and growing family day care sector. Thank you.

5 MR STOKIE: Thank you. There's a lot in there.

MR PATERSON: Apologies if it's too much, but - - -

10 MR STOKIE: No. No. Well, it's not too much.

MR PATERSON: - - - I think it reflects our – it reflects our submission for the most part.

15 MR STOKIE: Yes. Are you happy for us to drill down on a few of those points?

MR PATERSON: Yes, please do.

20 MR STOKIE: I was interested in your comment about the – I suppose the decline of the sector - - -

MR PATERSON: Yes.

25 MR STOKIE: - - - or the number of people in there and it's not – no longer – I think what I'm hearing you say it's no longer an integrity - - -

MR PATERSON: Yes.

30 MR STOKIE: - - - or an administrative issue, that there's something more systemic going on.

MR PATERSON: Yes.

MR STOKIE: Did you just want to expand a little bit more on that?

35 MR PATERSON: Yes.

MR STOKIE: And you mentioned the number of 6000 educators that left - - -

40 MR PATERSON: Yes. Yes.

MR STOKIE: - - - and my, sort of, mind goes to, “well where have they gone”. Have they just left the sector entirely or are they leaving family day care per se.

45 MR PATERSON: Yes, for sure.

MR STOKIE: So I just – what's actually driving - - -

MR PATERSON: Yes.

MR STOKIE: - - - perhaps now as opposed to maybe a couple of years ago or even, you know, a little bit before that when specific measures were taken - - -

5

MR PATERSON: Yes.

MR STOKIE: - - - I think by the Department - - -

10 MR PATERSON: I think it's a great question. And I think if we – we sort of take out the period where we saw the huge increase and the demise of those that should never have been there and if we go back to like, what would it be, 2014 - - -

MR FARRELL: 2013.

15

MR PATERSON: 2013, I think it was around – what how many?

MR FARRELL: 14,000 educators.

20 MR PATERSON: Around about 14,000 educators as a reference point before any of that happened. We're now sitting at about nine-and-a-half, 10,000. So there's a whole lot of stuff that's happened between 2014 and now where you can remove all the other stuff. And I think, in essence, I could probably summarise it by saying that it has been – in the labour market, being a family day care educator is not as a  
25 competitive choice as it was previously and that's a factor of less money for more work, essentially. So the factors contributing to less money, it's not as financially viable. So obviously there's issues around the CCS rate cap. There are also issues around the cost of running a family day care service.

30 So previously services have received operational funding. The only way for a service to derive revenue now to support its function in monitoring overseeing educators and as a co-regulator is by way of levies, per child per hour levies as part of a total fee. So someone has got to pay that. It fits within the total fee. It comes out of, effectively, how much a parent can pay and how much the educator can draw  
35 as their own income. So in the – in the absence of the operational funding, the viability of the educator role has actually decreased because services have to pay their way. Now, the work of the service has also increased dramatically because of a whole lot of regulatory reform. So you've got a service that has less money that has to do more work so it's facing viability pressure.

40

Then if we – we go back to our original point around becoming less competitive in the labour market, less money for more work, there's a huge administrative burden and a regulatory burden on educators. That has come as a result of reg reform that, in many respects, has been warranted because of some of the experience with  
45 fraudulent operators but also to a lens, I guess, around an educator being a centre and they're different things. So the amount of work that an educator has to do for the amount of money that they get has become – it's not well aligned. So that has placed

a lot of pressure. I mean, obviously we're in the middle of a, you know, workforce – serious workforce challenge across the board.

5 I think it's not just in ECEC, it's broadly. There are other factors. You know, things like housing affordability, for example. It is harder for a person to get into a home that's appropriate to run a family day care service and, you know, a young person is highly unlikely to be in a position to run a family day care service. And I think that's why, you know, we need to look more innovatively at what family day care is or could be. And, you know, the application of – a better application of in venue care, 10 for example, in regional, rural, remote – there's some absolutely fantastic examples of young people running services in venues supporting regional communities, rural communities. I think that can be done better.

15 MR STOKIE: Yes. We've heard this from other stakeholders as well, particularly in remote and regional areas, seeing buildings that aren't being used and services that could be provided and they're asking why – why couldn't they have access to it.

MR PATERSON: Yes. Sure.

20 MS GROPP: And just on that, because I think it's a really interesting sort of potential model, and just – but what are the barriers? Because we – to – the regulatory barriers, I guess, to doing that and – as well as the – there's infrastructure issues, I guess, and what – what facilities you have to have. So can you perhaps just explore that a little bit more?

25

MR PATERSON: Yes. Do you want to touch on that one?

MR FARRELL: Yes. I think – I mean, under the NQF there's provision for venue care. We know that – that that exists within the regulatory framework. I think 30 there's a variable capacity or appetite across the different jurisdictions to lean on in venue care as a model. Some particular jurisdictions will be reluctant to utilise it unless it's in an emergency capacity, for example there's floods and there's an existing family day care educator that might be able to transfer that existing service into a community hall or similar whereas there's other jurisdictions that definitely 35 have a higher proportion of venue care and a higher propensity to actually approve that type of care because they're balancing, you know, the needs of those communities against this sort of maybe semi-archaic view that we don't want to create mini centres. There seems to be – in conversations we've had in the past, there's a reluctance to step beyond what the original intent of enshrining venue care 40 into the family day care model under the regulatory framework. So I think there's just that varying capacity. You will find some jurisdictions will get quite on board and they have a higher proportion and others not so much. So the regulatory framework is there. There's not necessarily those barriers. I think there's probably a need to explore in more detail what those barriers are and – and get more consistency 45 across the jurisdictions.

MR PATERSON: And I think we could probably improve and expedite the processes by which a venue is approved as well.

MR FARRELL: Yes.

5

MR STOKIE: Can you explain a little but more on that?

MR PATERSON: Yes, sure. So at the moment a family day care service needs to make application to the reg authority to have a venue approved. I don't think it's  
10 beyond the realms of possibility that that power could be extended to the service who currently makes assessments of whether a premises is suitable to run family day care.

MS BRENNAN: All right.

15 MR FARRELL: Or that the process – the defined time limit by which they should make an assessment should be – could potentially be less.

MR PATERSON: Dramatically reduced.

20 MR FARRELL: Yes. I think it's 60 days currently that there needs to be a response made to the application. And a rural service in New South Wales that we visited, we asked them what their biggest challenge is, if we could fix one thing and it was about getting venues approved in a – in an expedited fashion.

25 MR PATERSON: So often it's a perfect storm where there's a venue, there's an educator and over the course of two months those things shift and, you know, one or the other of those drifts away and that opportunity is gone.

30 MS BRENNAN: Can you tell us just a little bit more about how in venue care works in practice? So would it typically involve – is it like a form of occasional care or is it more regular or - - -

MR PATERSON: No. In venue care is essentially exactly like any other family day care operation but instead of being in the home of the educator - - -

35

MS BRENNAN: So it's just – yes. Okay.

MR PATERSON: - - - it's in a – it's in a venue, a community hall - - -

40 MS BRENNAN: Yes.

MR PATERSON: - - - you know, like examples of, say, preschools that are – gone belly up and not operating any more.

45 MS BRENNAN: Yes.

MR PATERSON: Using – utilising community facilities to run family day care in exactly the same way it would run in the person’s home.

5 MS BRENNAN: So it doesn’t – okay. So there’s not an occasional care - - -

MR PATERSON: Not really.

MS BRENNAN: - - - component in it, no. Okay.

10 MS GROPP: So is it usually only one – one educator? Or what’s the - - -

MR PATERSON: Well, this is another thing that I think, you know – if we’re going to think outside the box a little bit and look at actually meeting the needs of communities, there’s a bit of evidence coming out of South Australia in  
15 conversations with communities down there that suggest that a model that sits around the eight children on any given date - - -

MS GROPP: Two – two - - -

20 MR PATERSON: - - - two educators, effectively, could be really a big solution for those communities where it’s relatively small need, eight children, you know, on any given day. So I think that we should challenge ourselves to think beyond one educator, four children in a premises that may very well be suitable for two educators to operate together. And there are a whole range of ancillary benefits that come with  
25 that out of educators having, you know, a network, not working in isolation. There is a whole range of benefits, I think, that could come from that.

MR STOKIE: Have you done work around the cost differential between family day care and other components of the ECEC separately? You’re effectively saying, “we  
30 need a different cost base and a different access to the subsidy” and I’m just interested in – in the underpinnings for that.

MR PATERSON: Yes, sure. I might just answer that in broad terms initially. When we go back to the introduction of the child care subsidy and the differential  
35 treatment of family day care being a lower fee cap, there were a number of rationales put forward at the time. You know, lower overheads – I can’t even remember what they – there was lower overheads – there were about three or four of them. They’ve all since been proven to be defunct or no longer accurate because – so overheads, for example, whilst you might not have the capital building to house the venue, the  
40 service has – has to have a venue, a premises. But you’ve also got this two-tier, two-level model where the service has its operational costs and the educator has their operational costs. And I think it was a very simplistic view at the time. Whilst there is probably more agility in the – well, there definitely is more agility in the model to get education and care into a community quickly by getting a family day care  
45 educator in there, the overall costs structure is similar to, equivalent to if not the same if not more than running, you know, your traditional early childhood education care centre. Did you want to add anything to that in terms of - - -

MR FARRELL: Yes. I mean, I think you're right. The reasons that were given by the Department at the time were that there was – there was the large proportion of services that were fraudulently claiming CCS at the time and that was one rationale and that was fair at the time but that's no longer necessarily applicable at a broad  
5 scale. It was around the length of sessions of care for family day care being 10 to 12 hours long when they're not, they're actually between six and eight hours on average. And the fee charge for non-standard hour care were lower than that charge for standard hours care. So there's a range of rationales that were leaned on at the time and this was in 2016 when the drafting of the omnibus bill was coming in to the  
10 introduction of the childcare package in 2018 that certainly no longer apply. And if you look – I mean, if you just look at the fee data, the average hourly fee data that the Commonwealth releases, family day care was – has been comparable with that of centre-based care for quite some time now. I think centre-based care has is just recently slightly higher, the average fee, but it's – it's certainly been, you know,  
15 comparable - - -

MR PATERSON: On par.

MR FARRELL: - - - for quite a long period of time which should be a fair indicator  
20 of actual costs of delivery.

MS GROPP: The ACCC made some commentary around it as well.

MR FARRELL: Well, maybe.  
25

MS GROPP: Sorry, the ACCC made some commentary around this as well, didn't they? Looked at that report, presumably, and relative costs of – do you have any comments on the – what they found? I they were somewhat saying similar things.

MR FARRELL: Yes, absolutely. The recommendation – the findings that  
30 essentially the rate cap is not adequate to – to remunerate educators appropriately, we certainly agree with that part of that finding and the recommendations around raising the rate cap we certainly agree with as well.

MR STOKIE: Where does – like, where are the educators coming from? Are they  
35 still coming from – for yourselves, are you recruiting in from existing services and educators who are wanting to leave centre-based day care but not leave early childhood education and care? Or is it a different source now or - - -

MR PATERSON: Yeah. I mean, the – the target market, if you like, the pool of  
40 potential educators has been impacted by changes to the certificate III requirements no longer working towards.

MR STOKIE: That's right. Or they have to be completed, yes.  
45

MR PATERSON: Yes. So I – you know, that is an issue that I think needs to be understood and considered when – when we look at creating a talent pool of

educators to come into the sector. And, you know, by way of recommendation, I believe that there should be a program that pairs a working towards educator with educator, an expedited certificate III training option and a mechanism by which that person can be paid for their time working with that educator. And we should be  
5 thinking innovatively around the fact that that pairing could, in fact, have more children in care and increase the capacity whilst creating a talent pool. To your question – sorry, did you want to - - -

MR STOKIE: I did. I was just going to ask what – what does that look like? Like,  
10 in a centre-based day care you can easily see a situation where you have an educator working side by side - - -

MR PATERSON: Yes.

MR STOKIE: - - - on a daily basis with a qualified, trained educator or teacher and  
15 – and they’re getting the – on the – in the moment experience and the sharing and – but how would you see that pairing working in family day care?

MR PATERSON: Yes. I would see a qualified family day care educator with the  
20 relevant requisite experience and premises would be paired with effectively a trainee.

MR STOKIE: Does pairing mean physical colocation is kind of what I’m getting at.

MR PATERSON: Yes. Yes. yes, exactly.  
25

MR STOKIE: Because I don’t – I was – yes.

MR PATERSON: No. No. Colocation, working together.

MR STOKIE: So they come in – they come in to the – the family day care, the  
30 home and they work side by side with the family day care - - -

MR PATERSON: Yes, absolutely. Yes.

MR STOKIE: - - - with, okay, the educator.  
35

MS BRENNAN: So this is the traineeship model that you were alluding to earlier,  
or part of it?

MR PATERSON: Correct, yes.  
40

MS BRENNAN: Yes.

MR PATERSON: A traineeship-type – not traditionally a traineeship model but  
45 effectively a student and an educator pairing working together during the period in which the trainee completes the qualification. And the intention would be that



person would then move on to become an educator in their own right and you're building cumulative capacity over time.

5 MR STOKIE: Sure. And they would accelerate the certificate III qualification process, is that right?

MR PATERSON: I think that would be one of the objectives that we would seek would be to actually be able to accelerate the certificate III program.

10 MR STOKIE: Right. And that experienced educator would be provided by yourselves as a coordinator ..... is that right? Is that how you see it, or - - -

MR PATERSON: No. The experienced educator would be just a regular educator registered with a family day care service.  
15

MR STOKIE: Right.

MR PATERSON: And – I mean, there's a whole lot of parameters that need to sit around it all but effectively they would be willing to put their hand up to take on a  
20 trainee or a student educator. Servicer would probably, I would suggest, place the trainee with the educator. So for the period of the traineeship, the educator may or may not be employed.

MR STOKIE: Okay. So the trainee would come in to an experienced family day  
25 care - - -

MR PATERSON: Into the service and be placed with - - -

MR STOKIE: - - - service – an existing service - - -  
30

MR PATERSON: Correct.

MR STOKIE: - - - as opposed to the experienced person going to a new service with a - - -  
35

MR PATERSON: Yes. No. No.

MR STOKIE: Okay, sorry. I was trying - - -

40 MR PATERSON: No. Yes.

MR STOKIE: Just trying to understand how you saw that working. Okay. So - - -

MR PATERSON: So all within the existing framework.  
45

MR STOKIE: So an apprenticeship model, basically.

MS BRENNAN: Yes.

MR PATERSON: Yes.

5 MR STOKIE: Yes. Okay. Okay.

MR PATERSON: Essentially an apprenticeship-type model, yes.

MR STOKIE: Yes.

10

MR PATERSON: But I think what – what I think is also exciting about that, you create a talent pool of educators coming in, you build cumulative capacity over time. But I think we can also look at the opportunity to almost immediately increase capacity if that pairing is able to look after more children because you’ve got two

15 educators in the same premises. Now, I don’t suggest doubling the – the actual ratio. Those things would need to be worked out in – in a bit of detail.

MR STOKIE: How long would you see that that training would take place for them? How long would they be coming in for?

20

MR FARRELL: That would depend. I mean - - -

MR PATERSON: Yes.

25

MR FARRELL: - - - as part of the cert III you’ve got to do 160 hours of a prac component and part of that practical component needs to have certain parameters attached to it. You need to have been educated in care from children from different age cohorts as an example. So you wouldn’t necessarily be able to do that entire practicum at – at family day care residence unless it ticks all those boxes. But they –

30 they could go between other service types as well, potentially tick off those boxes. And it would depend – and it would depend on how many days a week they were potentially working, you know - - -

35

MR PATERSON: I mean, simple – simple answer to your question, I think between six to 12 months would be the traineeship period.

MR FARRELL: Yes.

40

MR PATERSON: And it may well be the case that if – if a number of additional children came into that premises because of the – the pairing that when that educator moves to become an educator in their own right those – those additional children go with that educator and they can then bring additional children into their environment to get their four children under school age.

45

MR STOKIE: Sure, okay. Well, we’re interested in innovative ideas around - - -

MR PATERSON: Yes. Sure.

MR STOKIE: - - - trying to solve the workforce challenge and - - -

MR PATERSON: Yes. And the lack of supply. I think those two things go - - -

5 MR STOKIE: That's what I mean.

MR PATERSON: Yes. Yes, sure.

MR STOKIE: Yes. Exactly.

10

MS GROPP: I'm interested in the capability trial. And I know it hasn't – it hasn't really happened yet.

MR PATERSON: Yes.

15

MS GROPP: You haven't awarded tenders. But – and you mentioned that it will incorporate some of the elements of the recommendations that you would like to see in terms of supports, etcetera. Could you just – what will it – what's it – what's it going to try to do? I mean - - -

20

MR PATERSON: Do you want to talk to that one a little bit more?

MR FARRELL: Our understanding of the capability trial is that it's seeking to couple up the – some of the existing payment integrity objectives of the  
25 Commonwealth in terms of making sure that the integrity of the system is tight in relation to family day care specifically and that has a number of quite specific components attached to it. And it is also about testing a number of different funding and support options to try and incentivise educators into the sector and support approved services to bring those educators into their service. And it reflects – there  
30 was an educator startup grant system that was in place for family day care specifically prior to 2011 and as a result of an audit by the Australian National Audit Office that was no longer carried forward. But we know anecdotally from talking to longstanding services that it was the best mechanism to bring educators into the  
35 system and there was a differentiation between the startup grant amount for educators from metropolitan areas and those from regional and remote with a higher loading being .....

MS BRENNAN: So what sort of things was it used for that made it so effective?

40

MR FARRELL: Well, there's – under the NQF now, so it wouldn't have applied necessarily in the same way back then but, you know, you need to meet – educators need to meet minimum standards in terms of fencing, glass requirements, there's a number of potentially capital works that need to be undertaken to get their home up to scratch to comply with the – the national regulations.

45

MR PATERSON: Educational resources, business expenses.

MR FARRELL: Yes. Yes.

MS BRENNAN: Right. Okay.

5 MS GROPP: So why do you .....

MS BRENNAN: Yes. I was going to ask that, too.

10 MS GROPP: ..... think otherwise if it was working, what – what was – what were the concerns of the auditor general?

MR FARRELL: Well, I think it wasn't necessarily seen to be bringing educators on at scale but perhaps it was working at localised levels where certain services may have been utilising it, you know, particularly well.

15 MS BRENNAN: Right.

MR FARRELL: It was also – it was quite a different landscape in the family day care landscape that – back then. It would have been a higher proportion of council services, for example. So it would have been a number of different factors.

MS BRENNAN: Okay.

25 MR FARRELL: But I – my – without, sort of, knowing off hand, I think the – it was – it wasn't hitting that scale - - -

MS BRENNAN: Yes.

30 MR FARRELL: - - - in terms of what they wanted to see.

MS BRENNAN: Okay.

35 MR STOKIE: You mentioned startup grants, is that what you're referring to in terms of those – that type of expenditure or – or what did you mean by startup grants when you were - - -

MR PATERSON: Yes. I think, you know, on a broader scale that it would certainly be a recommendation from FDCA that that is a funding mechanism that should be applied in terms of bringing new educators into the system.

40 MR STOKIE: So it's for the educator or is it for the facilities for the home?

45 MR PATERSON: I think it's a combination of both, to be honest. I think that there are really specific costs that go to a service bringing on a new educator around induction, orientation, training, getting that educator up to speed. I think we have some data from services that said that the cost to bring on a new educator through dedicated time and resources was around \$4000 at the service level. Then obviously

there's – you've got the costs at the educator level as well. So we – in our view, there is a two-tiered system that incentivises a new educator to come in to the system partly at the service level, partly at the educator level.

5 MR STOKIE: All right.

MR FARRELL: And I think – I mean, if you look at other Commonwealth government funding and training programs like, you know, the boosting apprenticeships commencement program, the launch into work program, there's  
10 other existing funding programs of a similar type that can apply well in an employment-based model but family day care, at the educator level, they're not employees; they're independent contractors that own their own business. So there needs to be consideration given to the specific factors that, you know, are relevant to family day care which is not an employment model at the educator level.

15 MR STOKIE: Do you think that that will change over time? Like – well, you're a representative, but association with your representative coordinators and services as well as the – like, is the ownership structure or that corporate structure element going to – you're in this part of a sector if we do nothing else is in decline. We've had  
20 others have said, "well, it's just going to keep going". I don't know whether that's true or not, I would be interested in your views. At some point, when does – when do you as a sector of this think about how do we – do we change? You know, do we have to change?

25 MR PATERSON: Yes. I – we've actually done some work with Deloitte some time ago just looking around this issue of the contractor model and how it – how does it impact the sector on the whole. And the findings were very strong around the fact that it is really inherent to the viability of the model itself. So – and if – if you were to speak to any service, I think they would tell you that if they had to transition to an  
30 employment model, they would close their doors tomorrow because, for one, the actual cost interactions associated with running that model are very different but also you lose some of the core inherent flexibility that comes with educators running their own business that are some of the key benefits of family day care in terms of the way that educators can operate, the hours they can work. It's all governed, essentially, by  
35 the educator as a small business owner and not sort of tied up in a lot of industrial relations law that would make a lot of that stuff very, very difficult.

MS BRENNAN: So what about the South Australian approach?

40 MR PATERSON: Yes. It's quite unique. You know, in South Australia, for the most part, the Department of Education has run the family day care program down there, although more recently there have been a number of private providers come in to South Australia and the – you know, South Australian government and the sector more broadly has welcomed that. It has not been an issue by any stretch. But I think  
45 it is a really unique model. It – it certainly comes with some really obvious benefits in terms of you have the infrastructure and supports of – of government. But it comes with its challenges as well. It's less – perhaps less agile at times and, you

know, I don't think that the South Australian Department would begrudge me saying that that, you know, over the time – over the years they've had their challenges sort of being able to – to respond and react quickly because of - - -

5 MS BRENNAN: Sorry.

MR PATERSON: - - - bureaucratic – bureaucratically run - - -

10 MS BRENNAN: Do you know if they've had the same level of decline in educators?

MR PATERSON: It's – it's very similar.

15 MS BRENNAN: It's similar.

MR PATERSON: Yes.

MS BRENNAN: Okay. Yes.

20 MR PATERSON: Yes.

MR STOKIE: What's driving the approval process at the moment from your perspective? We hear it's very slow but I don't really understand what's going on and why for new services - - -

25

MR PATERSON: Yes.

MR STOKIE: - - - and new family day care.

30 MR PATERSON: Yes.

MR STOKIE: I can imagine five – however long, many years ago that was probably a very intensive - - -

35 MR PATERSON: Yes.

MR STOKIE: - - - focus in around integrity. Has that just continued or – or what's happening?

40 MR PATERSON: Yes. It certainly – it certainly was the case for quite an extended period and, you know, I think justifiably so the – yes, service approvals obviously happen at the state and territory level, childcare subsidy approvals at the Commonwealth level. And, you know, you would – you would sort of think that if you're fit and proper to get a service approval that would sort of flow through to the  
45 childcare subsidy approval at the Commonwealth level but there are a number of additional elements around, you know, governance and the administration of the subsidy itself that did – sort of, those two processes weren't as aligned as they may

have otherwise been. I know there has been a lot of work to line up the processes between service and CCS approvals. It was still moving very, very slowly until quite recently and we've now seen – we're now seeing a number of new family day care services coming in to the market.

5

MR STOKIE: What has happened recently, then, to affect that?

MR PATERSON: I think it has probably been the – (1) the joined up approvals processes I think have been - - -

10

MR STOKIE: Right.

MR PATERSON: - - - one thing. And I think that the CCS approvals processes and the team being far more, I think, aware of what the requirements are and being – being a little bit more confident, I suppose, to actually approve family day care services for the purpose of childcare subsidy in addition to, you know, regulatory reforms that have made the system more inherently – have more integrity in the system that has given confidence, I guess, for them to make those approvals.

15

20 MR STOKIE: Yes, okay.

MS GROPP: I was going to ask – just change tack a bit and ask about the inclusion support program and how it works or maybe not so well with - - -

25 MR PATERSON: Sure.

MS GROPP: - - - family day care. And just as a – take us through what some of the issues are because I understand that if you get it, it can actually mean a reduction in the number of - - -

30

MR PATERSON: Yes.

MS GROPP: - - - children that you can have in your centre.

35 MR PATERSON: I think – I mean, I think we can lean pretty heavily on the review that was done by the Australian Institute of Family Studies, the 2021 review and the recent – more recent Deloitte review. There's clear recommendations in there around family day care. I think it was really that – the family day care top up payment was just poorly designed at the time. I don't think appropriate levels of  
40 consultation took place when that was designed because, as is often the case with family day care, it's often an afterthought that gets slotted in and, well, "what can we do for family day care" and that was what was decided. And it was – it didn't work well. I think in the most recent review you could see that there was between 30 and 35 educators accessing the family day care top up payment in a given year which is  
45 obviously, you know, in a sector that has 80,000 children in it is just absurd, really, and just it speaks to the fact it's just not well designed.

But those two reports pretty clearly indicate that in our response to the questions in the draft report we would just lean on those recommendations and suggest that appropriate consultation needs to take place to make sure that it's – you know, the design is, you know appropriately made. I mean, there's no – there's no incentive  
5 for really either an educator or a service to do that. The service doesn't get any recompense for what they need to do to make the application because they're the approved provider and an educator has to lose one of their places to get what is essentially a payment that could be comparable to what they would get. So there's  
10 no – there's no real incentive to do that. So our response to that particular draft recommendation was that, you know, we should just ensure that adequate levels of consultation took – take place.

MS GROPP: So what then happens in terms of the numbers of children, perhaps, who would otherwise be eligible for the top up? You know, are they not being – are  
15 they not accessing family day care? Or what – what is the proportion of children with - - -

MR PATERSON: We – I don't think we have any numbers off hand in terms of – we don't access data in relation to – as a member-based organisation in children data.  
20 We can conduct surveys and things like that but – which suggests that, you know, when you look at the model there are particular – and we know from consultation previously with services that family day care is a fantastic option for a lot of children with additional needs and particular additional needs. However, it's – it's a challenging job for an individual educator to do that and without probably  
25 appropriate levels of incentive to take on that potentially extra work, it's not necessarily extra work but, you know, it would suggest that the levels of what – the capability of the sector, it wouldn't be hitting those capabilities in particular when you get that really low take up of the support structures that are in place.

30 MR STOKIE: You haven't mentioned local government and I just wondered whether local government was a big issue for family day care, perhaps more so than other types of early childhood education and care or – or if it's just sort of par for the course and nothing to – no challenges .....

35 MR PATERSON: Do you mean local government in terms of the provision of family day care or just generally?

MS BRENNAN: .....

40 MR STOKIE: Well, probably more – I was thinking more from a regulatory sense - - -

MR PATERSON: Yes. Yes. Sure.

45 MR STOKIE: planning approval sense. But there might be other – other factors.



MR PATERSON: It's actually a good point and it was on my list and I didn't actually – when you spoke earlier about the factors that have influenced the decline, it is a complicated interaction of a whole lot of variables, one of which is, at times, inconsistent and problematic interpretations by local government of what a family  
5 day care service – educators, service is and treating it, at times, as a centre and – and thereby making it almost impossible to establish a family day care service educator in their home in a particular local government area when really I think it's probably unnecessary. It's an unnecessarily skewed view of what a – what an educator in their own home is by comparison to a family – sorry, to a long day care centre.

10 MR STOKIE: How would that manifest itself? Like, some examples of - - -

MR PATERSON: Do you want to give some examples?

15 MR FARRELL: Yes. Good example, we see in Victoria that certain LGAs with their – the developments scheme, the local planning scheme, still have a provision in there that speaks to any premises that is providing education and care for children that is more than five children is deemed to be a child care centre and that doesn't align with the national regulations at all. The national regulations and the national  
20 law very clearly differentiate between what family day care is and what a centre-based service is and therefore some of these local councils will apply that provision to an educator that's seeking to get approval to – and have to meet the same requirements that a centre-based service has to meet in terms of getting development approval which can cost a lot of money, let alone actually, you know, meeting  
25 specific – other specific requirements. So there's just – in Victoria in particular we know.

MR PATERSON: New South Wales is the bushfire zoning issues.

30 MR FARRELL: Bushfire zoning. That's, yes, a slightly different issue that can present barriers in particular areas where there's obviously a need for – for family day care and it may be a better service to respond in those more regional areas than a centre-based service. But yes, they're facing barriers in terms of bushfire approval. Whereas that particular issue when it's applied in Victoria has been applied in a more  
35 practical way which doesn't necessarily – it takes more of a risk mitigation approach when, you know, you get into those catastrophic fire danger days as opposed to just a blanket sort of ban on anyone from a particular area that meets a certain bushfire - - -

40 MR PATERSON: Threshold.

MR FARRELL: - - - threshold. So those are two really tangible examples of .....

45 MR PATERSON: Yes. Good – good question, actually, because it is – does have an impact.

MR STOKIE: I think we had also heard things like parking.

MR PATERSON: Yes. Parking, traffic flow - - -

MR STOKIE: And then food - - -

5 MS BRENNAN: Kitchens, industrial kitchens .....

MR STOKIE: Food .....

10 MR PATERSON: Yes. The food one is another good example. Thankfully for the most part there has been a fairly practical, pragmatic interpretation applied on the food safety one. But it did have the potential to become just another excessively onerous administrative burden on a – on a service that really is not a commercial food operation. So that – it’s something that, you know – and you face such a diversity of interpretations and impacts that it’s – it’s almost impossible to stay on  
15 top of it. And unless you get some coordination at the state government level, which we have seen, actually, on that food safety one.

MR STOKIE: Thank you.

20 MS BRENNAN: Okay.

MR STOKIE: Okay. Was there anything else that you wanted to raise? I think we’re pretty much out of our questions. We have your submission. We’re grateful for your time.

25 MR PATERSON: No. I – I think we’ve – both through the opportunity to make our submission and present here today I think we’ve covered, you know, both – both a number of micro issues that I think require immediate attention and touched on some more macro issues that I think require, you know, a broader strategic vision across  
30 governments, both level of governments and interdepartmental. So I know it’s a lot, no doubt a lot to take in. But I would like to acknowledge the – the recognitions and the acknowledgments of family day car throughout the draft report. We were really, really pleased to see - - -

35 MR STOKIE: We think it’s an important part – part of the mix. And for certain families it’s the preferred, as you say, and sometimes it’s the only choice, as you say.

MR PATERSON: It’s the only, yes.

40 MR STOKIE: And – and particularly in areas where we’re looking to expand, it may well be a very effective way of getting that level of service quickly, we just have to manage all the other expectations and other challenges.

45 MR PATERSON: Yes, of course.

MR STOKIE: And so it's – you know, we appreciate you taking the time to, sort of, make suggestions in and around our recommendations which would then mean that we haven't excluded family day care. It's never our intention to do so. So - - -

5 MR PATERSON: No, not at all. I think, to the contrary, you've done a good job with that. Thank you.

MR STOKIE: Thank you very much.

10 MS GROPP: Thanks for that.

MS BRENNAN: Thanks, Andrew. Thanks, Michael.

MR STOKIE: Thanks, Michael.

15

MR PATERSON: Thank you.

MR FARRELL: Thank you.

20 MR STOKIE: Thank you very much. Cheers. No worries.

MS BRENNAN: Thanks.

MR FARRELL: Thank you.

25

MR STOKIE: Thank you very much.

MS BRENNAN: .....

30 UNIDENTIFIED MALE: If there's anything you want more information on, feel free to come back.

MR STOKIE: Appreciate that

35 MS GROPP: Thank you. Thanks both.

MR PATERSON: Thank you very much. See you later.

40 MR STOKIE: We now come to our online guest Eva who has been very patient for the majority of the day joining us and we welcome you, so thank you. You have no doubt listened enough to hear from other stakeholders who have come along the – for the record, if you could just state our name, background and we would happily hear your comments, statement or take questions. We're a little bit in your hands as to what you would like to talk about. So over to yourself, Eva. You're on mute at the  
45 moment.

MS GROPP: You're on mute.

MR STOKIE: But you will take yourself off and then we can hear you very shortly.

**ADJOURNED**

**[3.09 pm]**

5

**RESUMED**

**[3.21 pm]**

10 MS BRENNAN: Yes.

MS E. COX: I can see you. Can you see me?

MS BRENNAN: Yes.

15

MR STOKIE: We can see you - - -

MS GROPP: We can - - -

20 MR STOKIE: - - - and we can hear you. So welcome.

MS GROPP: Welcome.

MS COX: You still can't hear me and we've - - -

25

MS GROPP: Yes.

MS COX: - - - gone through all of that.

30 MR STOKIE: No, we can.

MS BRENNAN: Yes, we can.

MS GROPP: We can hear you loud and - - -

35

MR STOKIE: We can hear you.

MS GROPP: Loud and clear.

40 MS COX: Separately than the phone?

MS GROPP: Yes.

MR STOKIE: Yes, that's correct.

45

MS GROPP: Yes. The phone can go now.

MR STOKIE: You can hang up the phone.

MS COX: You can actually hear me now?

5 MS GROPP: Yes.

MR STOKIE: Very good.

10 MS COX: Can you hear me now?

MR STOKIE: Yes.

MS GROPP: Yes.

15 MS BRENNAN: We can.

MS GROPP: Yes. Can you hear us?

20 MS COX: Okay. So do you want me to start talking?

MR STOKIE: Sure.

MS GROPP: Yes, please.

25 MR STOKIE: Just – again, for the – sorry to do this.

MS COX: Yes, just give yourself a bit of time to sort it out. Yes, I must say it's very interesting, listening to all of these things, because there seems to be an awful lot of attention to the minutiae and not too much for the broad construction of what sort of childcare services are. I mean, one thing – and I acknowledge – it's like politics. The constant interpretation and discussion of it as a market – it's not a market. It's a whole collection of different forms of setting up, and a market implies competition, and that's really not what the role of the Federal Government is in this area.

35 I think it is fundamental that services are available, not to set them up as competitive businesses. And I think the fact that, during a discussion, lots of people sort of refer to things as – you know, as markets and “this market” and “that market”. And I think that's part of the confusion because what are we dealing with here: are we  
40 dealing with something that provides a service, or are we dealing with something selling something? What is it? You know – and I think that needs to be sort of done.

That's the sort of whole area – just before I sort of go into other things, another thing that I think is quite interesting is that there's a very strong emphasis on  
45 qualifications. Now, admittedly, qualifications are extremely important, but one of the things I've been aware of, being around the early children's services – and probably not so much in the early child care stuff because that's always had a fairly

rigid system of doing things. I mean, one of my ex-students – I used to teach at UTS  
– teach social sciences – who had ..... who went to Victoria and was trying to retrain  
as an aged care person. They made her go through an entire TAFE training-type  
stuff. They ignored the fact that she had two children with disabilities and they put  
5 her through all of those things plus her honours degree in sociology.

And there were some things she learned but it strikes me that one of the things that  
we've never really dealt with is that qualifications are a piece of paper that you have  
– and hopefully it's backed up by certain skills that you have – but we have a large  
10 number of women whose own experiences gives them higher levels of skills and  
capacities and they've never really set up a system which actually measures those  
and doesn't insist on them going and doing two extra years in TAFE or something  
like my ex-student student had to do of the sort of – you know, the sort of TAFE-  
type stuff, which wasn't really relevant to the care-type stuff. And we really do need  
15 to set up something which checks whether you've maybe got children with  
disabilities or young children and are particularly good with children, and be able to  
get them to move into it by picking up the things they don't know, not having to  
repeat the things that they do know at a TAFE and coming out with a lower-level  
qualification.

20 So I think that's something that needs to go on the agenda, because what we're really  
talking about with people doing the right thing is that they have the skills. Now,  
some of those skills will come from qualifications. I got partway through an early  
childhood course many years ago and a lot of it did not relate to the sort of things  
25 that we were doing with the children. We were doing sort of other things. So, I  
mean, you've got to work out some way of mixing the skills we have by experience  
and the skills that we have by qualifications and how we can mix them more  
appropriately to make use of the skills that there are in the community – you know,  
men have some of them too I acknowledge, that can be used because the people  
30 know how to do them and probably want the fancy names to find out what they do.

And you may well end up with some very experienced and competent workers, who,  
at the moment, are working in low-scale jobs because they haven't got the formal  
qualification. So I'd like that to be put on the agenda, that we try and measure the  
35 skills. I mean, they had some systems, the TAFE's and things, of recognition of prior  
learning, and I think that that could be expanded out to include all the things one  
learns from one's own family situation, if one's had a group of kids with particular  
problems and you've learned a lot about them, or other ways of sort of taking care of  
children and taking care of adults and various other things without qualifications but  
40 thinking of them as skills that are equal and sometimes better than the skills - - -

MS BRENNAN: Eva - - -

MS COX: - - - that you get out of qualifications. Does that make sense to people?  
45

MS BRENNAN: Yes, and I'm sure – I mean, we want to let you have your say, but  
that's an issue where we really agree with you and when you've – and we'll certainly

come back and maybe say a bit more about what we've recommended in that area, but, yes, I don't think you'd get any disagreement from us on that.

5 MS COX: Yes. And there hasn't been mention, as far as I can see, about things that I've been looking at. There's the constant use of the word "qualification". I remember standing up in a group when I was doing something on skills, at one stage, and I said, "How do you learn to communicate?" and a young man put his hand up and said, "I went to TAFE." So, you know, people get so tied up with the qualification that they don't realise they were communicating long before they went  
10 to TAFE; they just got sorted into a different way of doing it. And I think that was – well, it was an indication to me that particularly – and this is a gender issue because a lot of women have to learn skills in housekeeping, child care, aged care, all of those things, because they still get dumped on them. They don't count it – they don't get counted in gross domestic product unless they're paid, and it sort of falls out of the  
15 system and I think it needs to be put back in, and child care is a very good idea to put it back in.

In terms of other sort of things that I'm concerned about – I was interested in the family day care, home care stuff, but it's never sort of struck me that – do we really  
20 know what the quality of the sorts of care things are if we sort of put them back in the household. Maybe we need to get more connections between family day care and group care and various other things so children get those types of experiences, and work together rather than working separately.

25 I think the issue around wages is really important because, for a lot of people, particularly, you know, today – I think the stuff came out pointing out that feminised jobs are always underpaid, and we really do need to do something about those sorts of things. But they really should ..... to deal with today is – when I was reading through the – you know, the outlines and the various reports, what struck me is the  
30 fact that there is no constraint. I mean, I don't like for-profit groups that basically park their childcare centres where they're going to make money out of the real estate rather than the childcare centres, and there's quite a few cases of ones that have sold theirs to overseas and so on.

35 But if we're going to have to have for-profit-type of services, I think we've got to also make it compulsory for them to set up, organise – internal organisation things, if they're running these sorts of services, that represent the parents and the locality. These are social programs, and the term "social" does not get used very often, but they are. They're for families – they're for children who don't have necessarily  
40 siblings at home where they learn to deal with other people. They're really important. I was involved in sort of setting up childcare centres, you know, in the early stages, and I was part of the Women's Electoral Lobby and we were working on the ALP child care ..... and it was very much the idea that the services provided a sort of back-up to parents and to sort of society and that.

45 And I think I'd like to see much more discussion of the social side of child care, which tends not to get used, because, first of all, if you had small children, they do learn a hell of a lot of social skills by coming into child care. They learn how to treat

other people. And the way – the ambience of a childcare service is obviously a good way of getting children who have difficulty making friends and becoming part of social groupings. They learn a hell of a lot from the childcare centre. That somehow or other doesn't come through from some of the sorts of discussion. But also the  
5 management tends to be left to whoever has the – whatever it is, the authorisation to run that childcare centre.

And I think somewhere along the line the Commonwealth is going to consider funding larger amounts of money to the private sector. Sometimes ..... community  
10 sector type services, but there are rules about ensuring that the users of the service are consulted and involved in the management of the service, so that acts as some sort of measure, that they will represent the needs of the service rather than the needs of the shareholders, to balance it off, because they will make sure that the money is being spent on that and not necessarily being sent off to the shareholders.

15

MS BRENNAN: Eva - - -

MS COX: There's a lot ..... and also to make sure that when they buy extra things, they don't buy them on the ground that they're going to be able to sell them at a  
20 greater rate in about 10 years' time in that particular area because of the real estate grant. I mean, there's various things like that that need to be written into the thing so we don't have the sort of money-making that's happened on a large scale overseas childcare agencies. But I think one of the ways it could be done, that every centre over a certain size should have in its contract the fact it must set up an advisory  
25 group of parents, local residents, some local professionals and people who are in the area, and decisions that are made for the expenditure and the setting up and the changing of the staffing and so on need to be referred to – this should be one of the conditions of funding, and I don't think there's anything like that in the funding.

30 You know, you've got the government and then you've got the person that's – you know, the people that are running it, the government in many cases. And I think it would be quite healthy for a lot of the community service areas to have that too because one thing that I know from my own early experiences in the area – also I was one of the people who set up the very first after-school centre in New South  
35 Wales because I was a single parent with a child who was in the lower stages of early – of primary school and there were no – nowhere to leave them.

So we set up Glenmore Road, Paddington, the first federal-funded – they foolishly ran an ad in the paper, saying they were going to give – hand out grants for people to  
40 take – to do research, and I was a researcher, teaching research methods and various other things. So we took the \$8000 and used it to fund the childcare centre and I gave them a free research project on the – research report on the whole thing, and that became the basis of the Whitlam after-school care stuff, because I got rung up by people from Canberra at that particular stage, saying, “How many staff did you have?  
45 What did it cost you?” You know, “What were the ratios and who paid?” And that was used as a basis, so I had some experience with those sorts of things.



But I think – what I know about childcare services is that they are – the ones that work really well are the ones that are integrated into their local community. I think we – that’s why I object to the term “market”. Children’s services are seriously part of communities; they’re not part of market forces. They’re there because their  
5 existence, their involvement, their delivery of services are valued by the community. And if they value the community, they take it on and you occasionally get the ABC doing weird things like introducing old people into childcare centres and other things like that.

10 But there’s a very strong importance for children’s services, both to give parents a chance to meet up with other parents and with others who are local people and also to integrate with other sorts of social services, venues, parks and other things within the community. And it’s around very much of dropping kids off at the door, pay your fees, and we may have a service, you know – once a year for you, but don’t  
15 expect too much more. You’re not going to get the parents creating the network unless they happen to be living next door to each other, know each other, and not networking themselves into the sort of local suburbs, communities, towns and things, and that way I think a lot of these services in some of the outback areas, which are some of the desert areas, because they’re small, can be run communally with the  
20 Local Government.

And also Local Government, when they started privatising child care, offloaded a lot of what they did, and I think they should be encouraged to get back to the partial involvement in local childcare systems because they’re the people that know their  
25 community best. They know what has – they know what needs to be done. And also, to some degree, limit the number of services that some of the big companies can have because nobody can keep those really rolling and they are just investment in real estate in most cases, which are paying back fairly well.

30 So I think if we’re going to have the amount of money that’s spent on early childhood services, we have to recognise that it is a social service. It is not goods that you are buying, things like getting your nails polished. They have an education factor. Not just an education factor but a social factor insofar as they bring the adults together, they bring the children together, and they become part of the community.  
35 And they won’t do that unless that gets written into the criteria of government funding.

So I just wanted to sort of really say that if you’re going to keep going with this – and we’ve had quite a lot of scandals already with some very large privatised centres  
40 and we know that they choose places not on the basis of those things. I mean, when we set it up, we were always thinking that the childcare funding to an area should be calculated by the Federal Government on the number of children of a certain age group and the number of women in the – of workforce age and in those areas, and that was the money that went to the childcare services in those areas. Now, that was  
45 sort of briefly looked at, but I still think that that needs to be – go back to it so that there’s a – Local Government and the ABS and various other people have a string on how much child care is needed in an area, or it could be travelled to and used in an area so we don’t get reports about deserts where there’s no childcare services.

These days a very large number of families need child care because, yes, mothers do go to work, often paid work, and also the children benefit from that because there's often families with one or two children and the mother in the workforce and things like that. They need to know other children, but the parents need to know other  
5 parents as well. We've got to recognise that they're part of the social fabric, not part of the commercial fabric, even though they might be commercial in some cases. And I'm not going to say "abolish it", much as I've intended to, but it was set up originally and Keating accepted it on the basis that in those days commercial  
10 childcare centres were local private centres, where somebody, who had the qualifications to be a childcare teacher, would fix – add to their house or build on something and run a private childcare centre. There were very few and they were not going to damage things, but as soon as the commercial stuff came in, John Howard opened it up set it all off and we had ABC Childcare and the various other things.

15 But I still think for an area which is – you will be looking to increase the funding, but if this is going to work, a lot of things you'd be discussing. And some of the things I've been mentioning here – and I'd be quite happy to sort of put some of this down, to get the idea, that if you're going to set up children's services, they have to relate geographically, socially, physically to the areas they're in. And if you've got  
20 particular areas where there's a high level of children of indigenous background, that will show up differently. If you've got ones where they're multilingual, that needs to be picked up and shown up differently. They need to be part of creating good societies. And, at the moment, a lot of the stuff is far more dealing with the money-making than the – than the education per se but not necessarily the social education,  
25 which I think was the important part of the social connectivity. Does that make sense?

MR STOKIE: Yes.

30 MS BRENNAN: Absolutely.

MS COX: Or am I being too much a ratbag feminist, whatever?

35 MR STOKIE: No, no. If you were going to blow the system up, we might – but you're not saying that. In fact, we would – we've internally had those exact same conversations, which is, with ever-increasing levels of government support comes a level of – greater level of accountability on behalf of the service providers.

40 MS COX: Absolutely.

MR STOKIE: I really like - - -

MS COX: And not just financial. It's got to be people in the area saying - - -

45 MR STOKIE: Well - - -

MS COX: - - - they're doing a good job.

MR STOKIE: Indeed, and I was just about to say - - -

MS COX: Yes.

5 MR STOKIE: - - - and I wrote down myself, which is parents' advisory or parents' engagement with the providers. Now, with some of them, the not for profits or community groups, they have that. They have parent - - -

MS COX: Yes.

10

MR STOKIE: - - - committees, but there isn't anything on the – as far as I'm aware, on the private operators to have more accountability and direct engagement back with the parents, other than individually as parents of children. I'm - - -

15 MS BRENNAN: That's right.

MR STOKIE: And it's an interesting idea which at least we might need to think about more - - -

20 MS BRENNAN: Yes. I - - -

MR STOKIE: - - - which is - - -

MS BRENNAN: Yes.

25

MR STOKIE: - - - what level of additional accountability do we wish to provide on these service providers. And I agree with you. They are – it is a service, even if we're talking about segments of that service area rather than segments of a market. What expectations do and should we have on those people - - -

30

MS COX: Yes. Well, I - - -

MR STOKIE: - - - who are purporting to - - -

35 MS COX: Yes.

MR STOKIE: - - - provide those services or wishing to provide or wanting to expand into those areas.

40 MS BRENNAN: Yes.

MR STOKIE: But – sorry, Deb, but - - -

MS BRENNAN: Yes.

45

MR STOKIE: Yes.

MS BRENNAN: No, I completely do agree with that, Eva. I think that – and we have had some discussions on this topic. There’s a little bit of a requirement within the National Quality Standard about - - -

5 MS GROPP: Yes, there is.

MS BRENNAN: - - - services engaging with families and communities.

MR STOKIE: Yes.

10

MS BRENNAN: I’m not convinced that that is very effectively done, from my observation, but we would have to think carefully about – because I know that you know this better than me. It can be very hard to get families to engage with services. It really – the – it depends how it’s done because even the community-based services  
15 have said to us they increasingly have difficulty putting committees together. Now, that’s partly because of the higher level of legal responsibility that falls onto members of community-based management committees.

20

So that doesn’t tell a simple story that families don’t want to be engaged. I’m not falling for that, but I still do think it’s a complex matter and you have to make it – you have to make families’ engagement real. You have to make it about things that matter to them. I mean, I know from my own experience the best services I’ve been engaged with engage parents in decisions about hiring new staff, for example, or major changes to programming. Now, services vary in their willingness to do that,  
25 but I think, in terms of aspiration – the vision of the system that we want, that’s very consistent. And I know you’ve been online a lot today and you’ve heard a lot of our discussion.

30

I think – one thing I say about that is today we discuss things that people bring to us, and we have – we let the discussion be led by others, but in our – I mean, you’ve probably – I know you will have looked at the report, but I know you will know that it’s massive. You know, it’s nearly 700 pages. So we really do pick up – I would actually say that we do pick up on some of that – those questions about the big vision. We mightn’t do it perfectly, but we are certainly trying to – I would say not  
35 to see early childhood education and care services as siloed off from communities, and in fact certainly in our – we might come to this, but certainly in our thinking about where government might invest in supply, we’ve specified that that must be in consultation with communities. So I think there’s actually - - -

40

MS COX: I think it’s a little bit – yes.

MS BRENNAN: Pardon?

45

MS COX: Bit clearer, yes.

MS BRENNAN: What’s that?

MS COX: That's better, yes.

MS BRENNAN: Not so good, the audio?

5 MS COX: Yes, again - - -

MS BRENNAN: Sorry. No.

MS COX: .....

10

MS BRENNAN: Just to say that we - - -

MS COX: Sorry. No. Can I just say I think one of the important things is, yes, I know it's difficult to recruit parents onto something, but first of all if you actually get them to be nominated and put onto it rather than asking them to volunteer, they might – may be more likely to do it.

15

MS GROPP: Conscription always works.

MS COX: If you turn up with a good bottle of wine that they can all have ..... In other words, make it something that is not, "You're going to have to do" – that you're going to have to do this as your duty to the childcare centre. You know, "We want you because you've got good ideas", you know, rather than the idea – I mean, quite often people would get called to meetings and they'd say, "I haven't got time for that" because they know damn well nobody is going to really listen to them at meetings. They go about – so people know that they're elected, you know, for the next term or the next two terms and, you know, that it's done in a way that the people – you know, that it's a respected thing. Maybe you get a couple of people, maybe somebody from the local council on as well. So there's a sense that this is an important thing, not just a - - -

25

30

MS BRENNAN: Yes.

MS COX: A meeting. So I think a lot of people go to lots of meetings and come out of them thinking, "Why did I bother?"

35

MS BRENNAN: Yes.

MS COX: And the – and it also means those people running it have to set up an agenda of, you know, "Do we need an extra teacher for this?" You know, "Do we want to split this class down the middle?" You know, "Do we want to split this class down the middle, you know, do we want to shift the ages around on this that or the other, finding ways of cleaning –" you know, have things that are actually going to affect their children and questions that they have to – that they are getting their opinions on. They don't necessarily have the right to make any decisions but they do have a right to put up an opinion, that that could have to be recorded, and that should be enough to sort of give them the sense that they're doing something useful.

45

MS BRENNAN: I think that's right. And we are – as you've said, we are dealing with very large sums of public money, and - - -

MS COX: Yes.

5

MS BRENNAN: I think, you know, just as we expect schools to have – or require schools to have P & Cs and so on, I think that's a very reasonable issue to raise.

MS COX: Yes, and I do think that that way you know more about what's going on in a childcare centre. So, you know – so if the parents know before about how it works and what's happening, it means that gives them also a bit more influence on it and so if they're doing shortcuts .....

MS BRENNAN: Well, I - - -

15

MS COX: .....

MS BRENNAN: I think - - -

MS COX: You know, they feel that they can do something about it.

20

MS BRENNAN: I think – that's interesting too because I think – I think there's a lot of individualised feedback about “my child”, “pictures of my child” - - -

MS COX: Yes.

25

MS BRENNAN: “What did my child do today?” But the collective wellbeing of the service, I think that's actually potentially diminished in the service landscape as – or parents' – opportunities for parents to engage more broadly with the service, I think may well have diminished - - -

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MS COX: Yes.

MS BRENNAN: - - - in the sector as a whole.

35

MS COX: They're very important, yes.

MS BRENNAN: They are important.

MS COX: Rather than they get invited to chuck the fees in and not to say too much, you know. I think that might be the attitude a lot of them feel, “Oh I pay them all this money why should I bother sort of going to tell how to run the place?” Well, because you met – you're paying the money and you have ideas that they'll need, you know, to try and get the sense of ownership, that it's not the same as dropping your kid off into a local picture show.

45

MS BRENNAN: Yes.

MR STOKIE: We have a few more minutes, Eva. Is there other things that you wanted to raise with us today?

5 MS COX: Just looking down the list, yes, there's local planning, so that they  
actually need the local planners to be part of the process as well, and they need to be  
able to talk about whether – what they're planning to do. So I think putting a  
responsibility on people doing it to get involved in local planning might – you know,  
also part of a contract, that they should be seen as good local citizens. And maybe  
10 just sort of to try and make sure that there's a bit more of a regional connection  
around other areas, particularly where there's very sparse centres, you know, that  
there's some funding available for a – you know, for once-a-year or twice-a-year  
meetings or services around the area, so that there's more of a sense to what else  
goes on in the areas and maybe keeps a service a bit more aware of what the other  
15 people are doing because I think it's important that the centres themselves see  
themselves as part of a society because they are social beings; they're not just ..... to  
dump your kids in when you have to try and go off to work, sort of thing, you  
know - - -

20 MS BRENNAN: Yes.

MS COX: I mean, that's a rude way of putting it, but I think that quite a lot of it is  
..... these are important.

25 MS BRENNAN: Yes.

MS COX: socially to the area, and I think if we're going to keep childcare services  
going, they have to look as though they're part of the community, not just a place  
where you stash your kid so you can keep up your jobs. And I think that that's an  
attitude that a lot of people have ended up with. It also might mean that some of the  
30 nasty things that go on in some of the private sector things might also be a bit more  
noticed if there's more people going in and out. And I just think, you know, we put  
an awful lot of time and care into the setting up of the children's services. When you  
look at these huge international services where they're shovelling large amounts of  
money off to the shareholders overseas, they can't be interested.

35 We know they're selling at higher prices because they're picking areas to build in  
because they think the land is going up. I mean, that sort of stuff, I think, needs to be  
– you know, the Commonwealth need to be clear that funding ..... because I  
remember when we sat down, we set up – and it could well be done again. For each  
40 Local Government area, I think it was, or some sort of ..... account of the number of  
children, which if you get into the census-type stuff, and those sorts of collections, in  
the age where they would be, you know, looking for it, the amount of women that are  
labelled as going into the workforce and the ones who are volunteering – don't forget  
– because they also need time away from the children, and on the basis of those,  
45 would estimate a potential budget for the areas that was based on the people that  
lived there or were around there or used those particular areas. So you couldn't go  
into an area where the land was valuable but there weren't too many kids around and

build a childcare centre and, you know, hope to hell that you were going to make money out of it.

5 And I think that we need something to sort of say, “This is an area with lots of small children, lots of young families. You know, this is an amount that we’re allocating for you to sort of seriously think about this.” “And, no – sorry – that’s an area where all the families are older. Most of the children are in high school. What the hell do you want” – you know, “funding for a childcare centre in that area if there’s practically no children under the age of five anywhere nearby?” You know, to sort of try and get people to recognise that the status, workplace status and the living status and the age statuses, to be sort of set up and the thing saying, “Okay. This is the amount of money that should be made available.” I think a lot of the private sectors are buying the areas that they hope will grow, making money out of the land .... Does that make sense with what you know?

15

MS BRENNAN: Well - - -

MS COX: .....

20 MS BRENNAN: We certainly – because our – what we’ve put forward in the draft report is about universal – you know, access for every child, and we’ve recommended the establishment of an Early Childhood Education and Care Commission that would bring together certainly the states, territories and - - -

25 MS COX: Yes.

MS BRENNAN: - - - the Commonwealth. And although we’re still thinking through exactly what all the roles of that commission might be, we certainly do have in our minds and in many of the submissions that have come to us the idea that that planning to ensure – and our – I think our highest priority would be how do we get supply into areas where children are currently missing out because we – the Commission has done quite an extensive preliminary, anyway, mapping exercise which – and I remember the work you did, Eva, the very first work that you did, mapping provision against population. We’ve done a modern, contemporary version of that with computers and all that sort of thing, but that idea is definitely built into what we are thinking about for the future and - - -

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35

MS COX: Good.

40 MS BRENNAN: And really our highest priority is on the children and the families who are missing out, and that does mean addressing areas like rural, remote, regional and - - -

MS COX: Yes.

45

MS BRENNAN: - - - indeed isolated children, and that’s really front and centre in what we’re recommending.



MS COX: And then those areas where you've got things like Indigenous areas, you know, the Indigenous people would set up the services.

MS BRENNAN: Absolutely.

5

MS COX: And they are doing it very well in lots of areas now, but you've got to also be able to sort of meet those – have local control of those sorts of things - - -

MS BRENNAN: We – indeed.

10

MS COX: - - - in those sort of areas.

MS BRENNAN: Indeed. And we've - - -

15

MS COX: Set up – yes.

MS BRENNAN: - - - had a lot to do with SNAICC and with - - -

MS COX: Yes.

20

MS BRENNAN: - - - other organisations representing First Nations communities, and we do have some strong recommendations around support for Aboriginal community-controlled organisations. So I think, yes, we're in tune on that.

25

MS COX: It's improving, but I think it's got a long way to go, particularly in some of the areas of the Northern Territory where there isn't enough sort of structure within the Aboriginal community to run them at the moment - - -

MS BRENNAN: Yes.

30

MS COX: - - - and where they need more support to get things going. And, again, there's some Northern Territory areas which ....., you know - - -

MS BRENNAN: Yes.

35

MS COX: - - - with lots of things and childcare would be an important one to sort of try and make sure they feel they own it or they control it because otherwise it won't work.

40

MR STOKIE: Well, thank you very much, Eva, for your time today and thank you for sitting through the earlier sessions.

MS BRENNAN: Yes.

45

MR STOKIE: We could see you there and it's a public hearing; we're very pleased to hear and see everybody come and join. I might conclude our discussion now, if that's okay, and just recognise that we're at the end of our formal process for the

sessions today but also we did comment at the very beginning of potentially having an opportunity for anybody who was online to make any other comment or statement if they wished to. And so in that respect I might just be silent and see if there are any other comments.

5

MS COX: Can I just say that, you know, it would be good if you tried to remove – a lot of people are talking about “the market”, “the market”, “the market”, and I think the more we can just detach children’s services from the market, the more it will get respect as a social service - - -

10

MS BRENNAN: We have had a lot of discussion - - -

MS COX: - - - rather than markets - - -

15

MS BRENNAN: We have had a lot of discussion about the term “market” and, you know, where we – where it’s a recognition of reality and where we actually don’t need to use it and we could use another term. We have had active discussions about that. So thank you for the comment.

20

MS COX: Well, good luck with it all.

MS GROPP: Thank you.

MR STOKIE: Thank you, Eva.

25

MS COX: I shall leave you to have your discussion, unless you want me to sort of say anything else. And I’d be interested to see where and when, but I’ll sort of try and put together something which puts – because I just think, you know, having seen the beginnings of child care and the explanations about it and then now looking at sort of the ..... in so many areas - - -

30

MS BRENNAN: Well, we would - - -

MS COX: I do - - -

35

MS BRENNAN: We would value that, Eva, and you – we haven’t had anybody else engage with our inquiry who’s had a more extensive history in the sector than you have.

40

MS COX: Good.

MS BRENNAN: And so we acknowledge that. Thank you.

MS COX: Okay.

45

MS BRENNAN: Yes.

MS COX: Well, good luck with it all and I'll be watching closely.

MS BRENNAN: Thanks a lot. Thanks, Eva.

5 MS GROPP: Thank you.

MS BRENNAN: Thank you. Bye.

MR STOKIE: Thank you, Eva.

10

MS COX: .....

MR STOKIE: Just in case there was anybody else online who wished to make  
comment - - -

15

MS COX: I think they've all fled. Yes.

MR STOKIE: Well, in that event, we might adjourn for today. We have our next  
public hearing on Monday, and that will be in Melbourne. I think there's a  
combination of online and in person again. Is it Monday or Tuesday?

20

MS GROPP: Monday.

MS BRENNAN: Monday.

25

MR STOKIE: Monday. Sorry. I beg your pardon.

MS GROPP: Monday and Tuesday.

30 MR STOKIE: Well, Monday and Tuesday. Anyway, so thank you for joining us  
today and we'll adjourn and be back again - - -

MS BRENNAN: Yes.

35 MR STOKIE: - - - next week.

**MATTER ADJOURNED at 3.57 pm UNTIL MONDAY, 4 MARCH 2024**