



Review of early childhood education
and care

Public Hearing 1 Transcript

Monday, 15 May 2023

Acknowledgment of Country

IPART acknowledges the Traditional Custodians of the lands where we work and live. We pay respect to Elders both past and present.

We recognise the unique cultural and spiritual relationship and celebrate the contributions of First Nations peoples.

Tribunal Members

The Tribunal members for this review are:

Carmel Donnelly PSM, Chair
Deborah Cope
Sandra Gamble

Enquiries regarding this document should be directed to a staff member:
Jennifer Vincent (02) 9290 8418
Jessica Clough (02) 9113 7744

The Independent Pricing and Regulatory Tribunal

IPART's independence is underpinned by an Act of Parliament. Further information on IPART can be obtained from [IPART's website](#).

Contents

Introduction	1
Welcome and Acknowledgement of Country	2
IPART presentation	3
Q & A discussion	7
Closing remarks	20

Introduction

Mr Andrew Nicholls: Well, good morning everyone, we might make a start. Welcome to today's public hearing for those of you who are from the early childhood, education, and care sector. That's great to see so many of you joining us today. And thank you very much for your interest in this review that IPART is undertaking into early childhood education, and care in New South Wales.

My name is Andrew Nicholls, and I'm the Chief Executive Officer of the Independent Pricing and Regulatory Tribunal, and I'll be managing the public hearing today. I'll just start with a few housekeeping notes. If I could ask you all to please keep your microphone muted, if possible, when you're not speaking to avoid feedback and other background noise. But we do encourage you to keep your cameras on if your Internet connection is up to it, and if you're comfortable to do so. Now if you can, please make sure that your name, and if relevant, your organization is showing. There are instructions on how to do this in the chat box, it just helps us to know who might be speaking on particular topics. To help with accessibility, we've turned on Zoom captions. There's also a message in the chat on how to turn these on if you find that helpful.

We'll be recording today's hearing to be transcribed, but we don't plan to make the recording publicly available. But there will be a copy of the transcript and our presentation slides that will be up on our website in a few days' time. Now, being a public hearing, the media and all that are present today are free to publish and refer to what is said during the event.

Can I just remind everyone that we have a responsibility to ensure a respectful environment for everyone today, so that everyone feels safe and open to share their views. There will be a way of asking questions throughout the course of the event today, or for you to raise points as we go along. We are on a tight timeframe. If you have a reasonable amount of information to provide us, we might ask you to take that offline with one of our staff. We certainly want to make sure everyone has an opportunity to provide the full range of feedback that you may want to give. Now for the people who are dialling in online, when we get to those questions, we might ask you to name yourself and your organization because you won't show up in the participant list.

Now, in a moment IPART's Chair, Carmel Donnelly, will commence with a welcome. The review team will then give a short presentation on key issues and questions for the review and that we're keen to get your feedback on. Then we'll open it up to a Q&A session to give everyone an opportunity to have their say and to ask questions. This session is an important opportunity for you to give us feedback or comments on issues that are important to you and everyone is encouraged to share their views.

We'll also ask some questions using MentiMeter throughout the hearing today, which are some questions that will help shape some of the conversation we want to have. You'll be able to answer them with your phone or computer, so keep those handy and we will to a bit more about that as we go along.

For now, though I'll hand over to the Chair of IPART, Carmel Donnelly.

Welcome and Acknowledgement of Country

Ms Carmel Donnelly: Thank you, Andrew. As Andrew said, my name's Carmel Donnelly, and I'm the Chair of the Independent Pricing and Regulatory Tribunal known as IPART for short. I'm joined today by fellow Tribunal members, Deborah Cope and Sandra Gamble, and also by the IPART Secretariat staff, including Fiona Towers and Jennifer Vincent, and members of the review team.

Now I'd like to start by acknowledging the traditional owners of the lands and waters from which each of us are joining this meeting today, and pay our respects to elders, past and present. We at IPART acknowledge the ongoing connection that Aboriginal people have to this land and recognise Aboriginal people as its original custodians, and we'd like to acknowledge and extend our respect to any Aboriginal or Torres Strait Islander people who are joining us today.

I would like to very much welcome you to this hearing. We value your input into this review, and we really appreciate that you're making the time to participate and attend today and we're looking forward to a very productive hearing. Our role at IPART is to help the people of New South Wales get safe and reliable services at a fair price. Our work often includes investigating and giving independent advice on services and prices and other issues across a range of sectors, particularly for services that people can't do without. So, we will be very keen to be listening to you today as we undertake this review.

The background to this review is that the Department of Education is funding new programs to support more children to access quality early childhood education and care services across New South Wales. And so, to ensure that this increased investment results in improved outcomes for children and families, IPART has been asked to undertake this review. Our review will improve the understanding of the sector, including barriers to access early childhood education and care services, affordability, supply of the services and ways to improve choice, access, affordability, and supply.

Now I will hand over now to Jess Clough, who is going to provide you with a little bit more information on the review and the key issues that we're keen to hear from you about. And then, as Andrew said, we're going to move into question and answers. Over to you Jess.

IPART presentation

Ms Jess Clough: Thank you Carmel.

IPART has been asked to:

- review early childhood services in NSW and report on factors that influence:
 - the supply of services
 - affordability, accessibility and consumer choice
- collect information about current fees, out of pocket costs, and provider costs and revenue
- estimate benchmark prices that reflect the costs of providing quality services to compare fees, and
- recommend ways for the NSW Government to improve the affordability, accessibility and choice of early childhood services.

In doing this, we must consider the diverse needs of families and children, and variety of services in the sector, including across different children and family groups, geographies, types of services and providers, and other issues set out in the Terms of Reference for the review.

We've not been asked to develop, investigate or recommend price regulation or price setting mechanisms.

As part of our review's public consultation process, we published an Issues Paper in April, outlining key issues and questions we're seeking feedback on.

As well as today, you can give feedback on our Issues Paper until Tuesday, the 22nd of May, through our website or NSW Have Your Say with options to:

- complete our survey
- map your experiences
- tell your story, and/or
- make a submission.

We are also engaging directly with the sector, so please feel free to get in contact if you'd like to meet with us, or if you think your region would benefit from a more targeted workshop or site visit with IPART.

The NSW Department of Education monitors, supports and regulates more than 5,800 early childhood services across NSW.

Our review focuses on services for children aged 0 to 12 years, including:

- long day care, family day care and occasional care for children aged 0-5 years
- NSW Department of Education preschool, community and mobile preschool for children aged 3-5 years, and
- out of school hours care, including before and after school care and vacation care for school children up to 12 years old.

These services are provided by for-profit companies, not-for-profit organisations, local councils and the NSW Government. And they're funded by a mix of fees, Commonwealth Government subsidies, and state and local government subsidies through a variety of programs.

I'll now hand over to Andrew for a Menti ice-breaker.

Mr Nicholls: Thanks Jess – we'll just pause here for a little MentiMeter ice-breaker exercise.

For those who haven't used it before, Menti works like a live poll where you can answer questions from your computer or mobile device.

To access Menti you can either go to the link we have pasted in the chat and enter the code shown on the screen, or you can scan the QR code with your mobile device. And that'll take you to our questions.

I'll just give everyone a minute to open up Menti, and I'll just point out that all answers through Menti are anonymous, and we can't see who has responded or any specific individual's response.

Once, you are into Menti, have a go at answering the first 2 questions.

So we can see what areas are represented today, the first question is about what location or area you represent –you can just type in the suburb or local government area.

We're getting a few responses up on the screen now. We've got some people with 'national' or the whole of New South Wales coverage, as well as some specific locations right around the State.

And, for the next question, we're keen to know what types of services you are from or represent. You can select more than one type if you represent multiple services.

I can see we have people from long day care, mobile preschool, Department of Education preschool, out of school hours care, vacation care, and other. I think that people can come from more than one. So, it looks like we've got a good cross section today, doesn't it? Which is terrific.

Thank you everyone, that's really helpful to get an idea of where everyone is from and what services you represent. I'll hand back over to the review team to talk a bit more about key issues for the review.

Ms Clough: Thanks Andrew. The first key area we are seeking feedback on is accessibility and choice of services.

Accessibility is about several complex and overlapping factors.

Consumer choice is also closely related to accessibility and is about making sure that families have a meaningful choice about early childhood education and care, including that there are a variety of high quality service providers and types to choose from.

Our review is investigating whether early childhood services are accessible and if families have adequate choice about which services their children attend.

We want to hear about experiences:

- accessing services
- accessing information about services
- inclusivity of services, and

-
- experiences of discrimination in the sector.

We're also seeking feedback on the affordability of services.

What is and isn't considered affordable will be different across families in NSW. Even families who are in similar financial situations may have differing ideas about what they consider to be affordable, and the amount a family pays for services can vary greatly by service type, provider type, location and the number children attending and number of hours accessed.

As part of our review, we're looking at affordability in terms of:

- the cost of using early childhood services as a percentage of household income
- the cost of using services compared to the additional or potential income that could be gained by using them, and also
- parent perceptions of affordability given that parents consider financial and non-financial factors when making decisions about whether or not they will return to work and/or use early childhood services.

We'll analyse available data on services' fees and subsidies as part of our review, but we also want to hear about what families are paying for services, including other out-of-pocket costs.

As part of our review, we'll estimate benchmark, or standard, prices that reflect the costs of providing quality services and can be used to compare early childhood service fees in NSW.

Estimating benchmarks in such a diverse sector is a complex task. There are no 2 providers that are exactly the same, and a variety of factors can influence total costs of service provision. Some factors we'll consider when we estimate benchmark prices include the:

- types, quality and location of services, and
- age groups and needs of children who attend services.

We want to know what factors are important to families when they compare service prices and think about whether they get value for money for the fees and costs they pay.

We're also seeking feedback on the supply of services.

The majority of early childhood services in NSW are located in major cities. However, the situation in regional, remote and very remote Australia is vastly different, and there are areas where there is a substantial undersupply of services.

As part of our review, we're investigating specific areas in NSW where service supply is either currently falling short, or may do so in future, to better understand the causes and make recommendations to improve the situation.

Cost, demand and workforce availability are 3 key drivers of the supply of early childhood services,

However, drivers of and barriers to supply can differ between service types, for example between a centre-based service and a family day care service, or depending on the type of service provider, for example whether the provider is government-run, for-profit, or not-for-profit.

We want to know more about what drivers of, and barriers to, the supply of services impact a provider's decision to establish or expand a service.

Lastly, we're also seeking feedback on provider costs and revenue in delivering services.

Providers incur costs to deliver early childhood services and generally set their fees to recover these costs. However, different providers may spend different amounts of money to deliver the same service for many reasons, such as the location or the size of a service.

Common cost categories include:

- labour costs
- rental costs
- property maintenance and capital investment costs
- administration and compliance costs, and
- purchases and consumables such as educational material, food, nappies and toys.

We expect costs to vary across providers and services of different size, type, quality rating, location and the age and needs of different groups of children.

We're keen to better understand what costs providers face in providing services and how they may vary or be impacted by other factors.

That brings us to the end of our presentation, thank you for listening. I'll hand back to Andrew to move onto the discussion.

Q & A discussion

Mr Nicholls:

Great, thanks Jess. Well, we're now moving on to the question and answer session, which is where we really want to hear from you. You may have questions you want to ask, but also I would particularly be interested to hear from you if you have things that you'd like to raise with us or things you'd like for us to consider in the course of our review.

Now, in a moment I'll open the discussion, and I'll be encouraging everyone to have an opportunity. We'll be using the chat box in Zoom, so let us know if you have a question by entering your name and organization in the chat box, and then we can come to you, or you can virtually raise your hand. When you ask your question, if I can ask that you please say the name of the organisation you are working with. So that everyone has a chance, if I could ask for each person to be relatively brief, make their key points, and if you have a more substantive statement that you'd like to make, then we'll make an arrangement for a staff member to speak to you after the session.

But first, though we're going to go back to Menti to do another poll. So we'll just pop that up again on the screen, for those of you who still got Menti open it should move on to the next question, if not instructions are there again to work Menti. So, there's a QR code that you can hold your phone up to and access it that way. Or go to www.menti.com and enter 4318 4180 and that will take you to a few questions that will help us focus our questions today.

So, if you think about the things that we just heard from Jess, you could perhaps indicate which are the most important for you and therefore the ones that you'd like us to spend most time on today. At this stage we've only had a few people come in, so I might wait to call it. Now, if there's something in the 'other' category that you'd like us to discuss, type in what you want to discuss in that section, that'll just help us focus our discussion today. 27 people so far, that's a good number. 'Accessibility and choice' seem to be well out in front, followed pretty closely by 'providers' costs and revenue'. Certainly, a good showing for the 'supply of services' and the 'affordability' question as well. They look like they're each of considerable interest.

And you who responded 'other', what else would you like us to discuss? So, as I said, just drop that in here. Are there any other burning issues that you'd like us to discuss? Something that may have been on one of the previous slides? Something that we didn't cover? Drop those in here. "Service, quality and flexibility"... workforce is the biggest concern is something that's coming through in the chat... "national and state alignment"... so what's happening federally and in other states.

Ms Donnelly: I might make a comment on that, Andrew. Certainly, you know, there's a lot in this area to discuss which we might not cover it all today, but we will be able to talk with people offline. But we are linked into what is happening nationally we'll be talking with some of the organisations nationally like the ACCC and the Productivity Commission, who are also doing some reviews, although our review will focus in more detail on New South Wales. So, we certainly will be considering that as part of the review.

Mr Nicholls: So, we just see that some people are making some comments in the chat, which is terrific because we want to encourage some discussion. Some comments from Anne O'Brien and Debbie Swanson about workforce. Would either one of you like to raise the points that you'd like to make about workforce?

Ms Anne O'Brien: Yes, I'm happy to. I'm from Port Macquarie, we at St Agnes' Catholic parish in Port Macquarie have 3 early education centres. And the biggest concern... we have a waiting list of 200 so our service is quite good, but we have one of our centres with 5 rooms and one isn't open because we don't have staff. The biggest problem we've had is our teachers moving to primary school, where they can get paid more, work less hours, seemingly that's what it looks like to them. And keeping our early education centres... we're just on the ratio. Sometimes we're having to close and disappoint our parents because we can't open, obviously, if we are not on the ratio.

So that for me is the biggest concern, I guess advocacy for our staff to be paid. Particularly with teachers there's an inequity. Our early education centres... there's a fence between them and the primary school, and it looks much better over the fence, and that's a big deal for us. Last year we had ongoing closing rooms, this year we just didn't open some because we didn't want to do that to families. Therefore, we have a waiting list of 200. Thank you.

Mr Nicholls: Thank you very much. Debbie, did you want to add anything?

Ms Debbie Swanson: So, I'm in Kempsey, just close to Port Macquarie, I run two Aboriginal preschools here, and it's the same for us with workforce. Both our preschools are running at 50% capacity because we don't have the workforce. I could open up the extra days, but we just can't do that. And we don't have the Aboriginal educators that our services need and want as well. So, it's a huge issue for us at present.

Today, you know, I was late on to the meeting because of staffing. As a director, I'm on the floor as much as I need to support our kids. Our kids' behaviours... we're on ratio, but we need to be over ratio to support our kids, to provide the best education and care for our children. We've got some big behaviours and lots of trauma. So, workforce definitely.

Mr Nicholls: Thanks Debbie. And I can see we've got a number of updates coming in on Menti for people wanting to talk about workforce shortages. So, I certainly encourage as much conversation about that. Monique Beange, you raised a point about parent perceptions and funding. I was just wondering if you'd like to talk to that as well.

Ms Beange: Certainly Andrew, thank you. I think this has come up in respect to this year with the funding changes, the 2 different streams of funding, that ECECs are receiving. That application of those different streams of funding is obviously driving how we're setting fees and covering the cost that we need to. But families are finding it very difficult to understand how the funding comes to be for a particular service and the application involved.

So, I've had a number of parent meetings just to try and alleviate their anxiety as to why we have to raise fees now that there's a that there's a gap fee involved as well. And you know, the funding application to the 2 days of preschool only which they're finding very difficult because they want to have more than 2 days, but then it's costing them more. I think a bit more information which is targeted at parents would be very useful to have, so that we're not on a continuous discussion with them about how this works.

Mr Nicholls: Great, thank you. I might go to Galia Urquhart for your comment about the value of educators and teachers.

Ms Galia Urquhart: I just think we're undervalued. Teachers and educators, we're undervalued and underpaid, so I agree totally. I'm certainly losing educators to other professions because they're getting paid and valued, and it's really challenging to try and keep them within our budget and the resources that we have. So, I feel that's one of the biggest challenges, to try and encourage staff to undertake teaching degrees. But they go, well, what's at the end of it? What do I achieve by doing that?

Mr Nicholls: Thank you. Great comments coming in. Melissa you also have got a comment up there about workforce. Was there something you'd like to raise with us in addition?

Ms Melissa Messina: I think only that we're competing. It's a bit of a hunger games with early learning and early childhood, there's not enough of them to go around. So, some services can afford to pay to attract more staff to their services, and other services, who are perhaps not for profit, can't necessarily do that. And that's adding to the stress of the sector, the turnover in the sector, and it's not seen as a career of choice anymore. And that that's a really disheartening thing for the people who have worked in the sector for a long time.

I'd love to see us address the workforce issue as a priority, and perhaps leveraging off the aged care increases that the Commonwealth are funding. You know, perhaps doing something similar for the early learning sector. When you can't operate all your rooms, it impacts the service being able to operate at a viable financial level. It has these huge flow-on effects, and it all starts with staffing the service with quality educators who can deliver quality care for children.

Mr Nicholls: Great thanks for that Melissa. We're certainly hearing a strong theme about workforce. We might actually go to a Menti...

Ms Deborah Cope: Andrew, before we go to that I had a question I'd like to ask, please. I'm Deborah, I'm one of the Tribunal members, and I just wanted to get a little bit more detail around the issue with staff shortages. So, obviously increased pay is something that will attract more people to the sector. But I'd like your insights on whether you think that's going to fix the problem. Is it just a pay increase? Or are there are other things that are affecting the number of people who are going into the sector, or who would be available? Particularly in the medium term, are there other things that need to be addressed from your point of view as well as just the pay issues?

Ms Messina: I think the pay issues are foundational. I think perhaps, if we address the pay issues, it would attract some of the people who have left the sector back to working in early learning. That would be a great outcome for children because you've got experienced professionals out there not currently working in the sector, and it would leverage existing workforce and tap back into that for sure. But yeah, we definitely need to be recognising the value that these early learning educators are adding to our profession, to the workforce, to enable parents to work, the roll-on effects are huge.

Ms O'Brien: Yeah, I agree. During Covid there was so much about aged care, rightfully so, because people were dying in our aged care facilities. But early education centres, childcare centres, were just expected to keep being the front-line workers and look after stuff, but they weren't really acknowledged. And it's a media thing, it's a press thing. And yeah, maybe it's not true, but the profile of all those important people needs to be raised. You know we're giving all this money, so the parents have more affordable long day care, early education, but we're not really giving credit to the staff. I feel 100% that it's about the salary because they can work at Bunnings or Coles and get paid the same.

And yes, you work because you love your job, but money makes the world go around. People need to pay their bills and they're family people. So, I feel that the big advocacy should be acknowledgment of the wonderful job that they do and its importance. People can't go to work if their kids aren't being educated and cared for. That's just not out there in the media, aged care has taken over. We have aged care services here in our parish as well, they're both important, but they've kind of heightened. And there was like a 'poor cousin' mentality of our staff in early education, which was perhaps media driven, but it's been a very difficult time for them in the last couple of years, and they're really feeling that.

Mr Nicholls: Thanks. There are a few hands up. Sandra, I think you might have had your hand up to ask a question?

Ms Sandra Gamble: Thank you. I wanted to ask a similar question to Deb. Oh, and by the way, I'm Sandra, I'm one of the Tribunal members, as well. Similar question to Deb, but taking it at a slightly different angle, for those that have been in the childcare industry for a long time, has this always been a problem? Or is this something new, something different, something more acute, in terms of workforce availability? I know it's about pay, but what has changed over the last decade or so that has potentially made this more difficult?

Mr Warren Jacobson: Look, I think that that question is a natural flow-on from the last question that was posed. I think that whilst pay is a hygiene factor and is critical, and something that we need to address, the last speaker placed considerable emphasis on this idea of community recognition and perceived value, which I think is another factor. But I think amongst the most significant factors, is actually just how more challenging the role of an early childcare educator has become.

So, like health care employees, like employees in the hospital system, early childcare workers were very much at the front line through the pandemic. They didn't have the luxury of working from home. Centres remained open to care for vulnerable children, children of emergency services, workers who also were at the front lines of the impact of the pandemic, and that took a considerable toll on frontline workers. And it's against that backdrop that they consider alternative options. Many of those frontline workers who left, what they did was a calling, but they left because of the challenge.

I think the speaker before the last one talked about the increased incidence of behavioural challenges in services, the challenge to get additional funding to support children with particular needs and to enable inclusion support. And so, I think that there are a lot of factors that have made the job and the conditions of being an early childcare education worker more challenging than ever. I think frankly that addressing pay and pay alone... if the debate is centred around the idea of pay being, you know, the silver bullet that will address the issue, I think we're actually going to miss a lot of these underlying issues.

I know a lot of people have left the sector. Yes, pay would have been a nice hygiene factor, but they didn't leave because of the pay, they left because of the conditions. Maybe in the sense that the pay didn't match the conditions, but the conditions were the straw that broke the camel's back and just how difficult the roles become.

Mr Nicholls: Thanks for that for Warren. So, Kate and Verena, I think you were next.

Ms Damo: Hi, we're from the IEU, so this is a particular area of interest. From what we see it is a combination of factors. Definitely Covid is one, workload is enormous as well, pay and recognition as professionals is another one, and administrative burden. And there's a lot of burnout from people who, you know, are finding it hard to keep up and are doing work from home.

So, it's a physically and emotionally demanding job, and then there's not enough time for our teachers to perform those duties that they need to in the hours that they are given. The pay doesn't compensate for the out of hours work that they do, and we know a lot of our teachers who are taking work home and working up to 10-hour days. Addressing this is more non-contact time for teachers, mentoring and support for teachers who are new to the sector, and who experience burnout quickly and leave the sector. It's teacher-wide as well. It's admin, workload, pay, recognition as professionals.

We do our enterprise agreements with good employers who do manage to keep their teachers and retain staff by putting in the correct supports that they need to perform the difficult and complex work that they do. And I think it's around having those supports, as well as the pay to do what they have to do.

Mr Nicholls: Thank you Kate and Verena. I think, Michael, you had your hand up next.

Mr Michael Abela: Thank you. I'm also joining Warren from the OSHC sector, and mirror some of the words with the other speakers so far. One of the really big challenges that we do have is the regulatory and administrative burden on staff. So, a lot of the people that come into the sector are obviously nurturing by background, but the regulatory burden adds a burden of risk, and we see a lot of staff leaving the sector because of the questions that are asked of our staff.

We need to find the right balance, particularly within OSHC, which is regulated effectively to the same degree as long day care, when the children have a greater sense of agency in themselves. We often have greater regulatory burden after 3:30pm than when the children were at school during the day. We need to get that balance right, otherwise we're going to continue to lose our staff. We also need to recognize that part of the staff turnover that we've all seen in the sector over the last several years has also impacted the management level. So, we're bringing in a whole lot of new staff when some of the management structures that we have, have also been burdened. We need to look at ways of making sure that we have appropriate mentoring and support of new staff coming into the sector.

Mr Nicholls: Great, thank you Michael. That's a really interesting perspective on that. Just before I move to the next person, our Menti questions are on in the background. There are a number of questions about workforce. So, while you're listening, you can also jump on and answer those questions. Isabelle, I think you're our next speaker.

Ms Isabelle Arrabalde: Hi, I just wanted to answer the question that somebody asked a little while ago, about have staff shortages increased. They have increased a lot since the qualification requirements in 2014. Previous to then, we had a lot of backpackers that used to work for our centre. They used to come in with so much passion and energy and fill in casual roles and help out. But with this energy and enthusiasm, we don't get these people entering the sector because they have to give me a qualification. If they are only here temporarily it's a big financial commitment.

So, to be able to live in Sydney, for instance, and pay for their qualifications and try out a new career, that is a big commitment. If there was like a short-term moratorium or something on qualifications, requirements, or if each centre could perhaps have a certain number of unqualified staff that could contribute to the ratios for a certain timeframe, until at least they could see what it's like to work in the sector. I think that would help alleviate staff shortages in the meantime, because what I'm finding is staff who have been... while I think wage increases would serve to retain some people in the sector, we really need to improve the conditions.

Mr Nicholls: Thank you for those comments, we appreciate it. Mary H is our next speaker.

Ms Mary H: We're currently doing a salary review for all of our staff. We were grossly underpaying everybody when compared to KU Children Services and others, and we're trying to rectify that. We've done some things towards that, but not enough. We went through the process of having to justify people being paid during the school holidays. So, I worked through and determined how many hours staff were working after hours, and that by far exceeded any gains that they get by having school holidays. So that was a bit of a wake-up call to our employers.

What we do that helps our staffing levels here is that we employ extra staff so that we don't need to employ people when somebody is away, because we've got an extra staff member in every room. We can only afford to do that because we don't pay rent, we're managed by a council, and a lot of our costs are taken care of by them so we can invest more in our staff. We really need everybody to be paid better. Nobody believes that preschool teachers and long day care teachers and assistants are being paid adequately.

One of the things that I think we need to do is recognize the qualifications of teachers who have been trained in other countries. They've been trained in England, America, Canada. Surely, we can recognise them. You know, we want all of these trained people to come to Australia, but then we don't recognise their qualifications which I think is insane. Secondly, I've got diploma trained staff here, who over the years have learned to be excellent teachers, but I can't employ them as a teacher because of their qualifications. They need to do another 2 years of university study to be qualified. I think we need greater recognition for what people learn on the job, I think that's a really important thing, and I think we need cooperation from the universities for that.

Mr Nicholls: Thanks Mary. I notice a few comments about the university sector on the chat, and please do keep the chats coming in. We're recording all of those, even if we don't get to everybody who's made a chat comment. But I see, Angela, you made a comment about uni scholarships as a possible solution, I'm just wondering if you wanted to talk to that. No? Alright, if that's the case I might go to Jenny.

Ms Jenny Stevenson: Hi, Jenny Stevenson from Royal Far West. We obviously work in rural and remote areas, helping a lot of preschools with kids that have developmental challenges. Someone did ask, I think it was Deborah, about the changes in the last 10 years. I do think that the kids that are being referred down to us, and the feedback we're getting from educators, is that the complexities and the trauma are getting a lot more at a much younger age. So, educators are having to deal with a lot more in that area and are needing a lot more assistance.

That is particularly the case, I think, not only due to Covid, but a lot of natural disasters... droughts, floods, have all impacted. I don't think we've seen the extent of those impacts through those last AEDC figures. That is definitely the feedback we're getting from the many preschools we're working with, and that definitely has an impact on educators, their professional development, their support... you know, kids that need help with their developmental challenges. So, I would very much add that to the pay parity. Other influences in country areas, housing is a big impact on attracting and retaining staff, that is some of the feedback we're getting as well from the preschools we're working with.

Mr Nicholls: Thank you. Kate and Verena.

Ms Damo: I just want to make a comment about the qualifications and diploma trained as teachers. Diploma trained are not teachers, it's a very different qualification. Teaching is a teaching degree, a 4-year teaching degree, and it should be recognised as that, as a professional. Diplomas do get experience, but you know... and there are qualifications that you can get, you can get a diploma of teaching, which is recognised by ACECQA as a teacher.

But we've got to be very, very careful about watering down qualifications and the professionalism of our sector. We don't want to go back to having unqualified people. We want to promote this sector as professionals, and therefore with degrees, with the proper qualifications that they need to do these jobs. So, I'm very nervous about just filling the workforce with people who are not qualified, and watering down ratios as well.

Ms H: I totally agree with you. What I'm suggesting is that they need some recognition for some of the things that they've learned.

Ms Damo: Yeah, they do. There is that now with Swinburne online, they're doing this and there's a few doing this. I also think Wollongong Uni are doing it. But my concern with that model is that you've got some people that might come out of university with the certificate... I mean not out of university, but out of high school, and they're 18 and going to a centre, and it might not be a centre that is of high-quality education. And they can move through from a certificate to apply that to do that diploma of teaching all in the one service. So, the only experience that they're getting is from, what might be, inadequate practice and things that are going on. So, they're not getting out and seeing a broader perspective and what quality might look like in another setting. So, it's got some questions there for me.

Mr Nicholls: Thanks for that Kate. Sandra, you had a question.

Ms Gamble: Yeah, thanks, I just want to dig into this a little bit further. Can people on the line give us some insights into the extent of which all teachers should be university degree trained? And what structure is more appropriate to have with paraprofessionals also working in centres? To what extent can we apply a leverage model which has, you know, different grades of qualification? You know, we have some that are degree, or perhaps even masters trained, and the extent to which we then have diploma trained, or TAFE trained – can you just talk a little bit about that mix?

Ms Damo: Look, that comes down to ratio, it is covered under ACECQA ratios, so it depends. I can't give you the ratios off the top of my head, somebody else who's currently working in the sector might be able to give you those. But you usually have got 2-to-1 with a degree qualified teacher, and then you will have diploma and certificate trained, so, there is a mixture of those qualifications. Usually in a centre of about 20 children... or is it just over 20? Needs one teacher...

Ms Heron: Not full-time.

Ms Damo: Yes, not full-time. So, it depends on the amount of children you've got. If you've got a 4-room preschool with up to 80 children, 4 teachers have to be on site at all times, but it does vary. Generally, the ratios are more certificate and diploma trained educators than there are teachers. I don't know if anyone in the sector wants to make any further comments on that around ratio, did you Verena?

Ms Heron: The only thing I would say is the reason that you have qualified teachers is for the quality that it brings to the children. And I mean, there's been numerous studies that have shown that the higher qualified staff that you have, the better the outcomes are for children. So, I guess what we wouldn't want to see from any of this, is the diminution of the number of qualifications that people should have when they're working with children.

Associate diplomas do get recognition for their qualification and their experience when they're going to universities, so they're not studying 4 years full time. They usually get 18 months to 2 years recognition, so it is a way forward for them as well. But I'd be really concerned if we're lowering the requirement for teachers in any way.

Ms Gamble: Yeah, I think what I'm really trying to get to is, is the scarcity of teachers across the board? Or is it more the degree level that there's a shortage in? Or is it, you know, right across the spectrum that there's a shortage of early childhood educators?

Ms Heron: At the moment there's a shortage of early childhood educators, whether they be teachers, or associate diplomas, or cert threes. I think one of the reasons is pay and conditions, and you know, the stresses of the of the job and the lack of public recognition of the work that they do. People will say, "oh, you work in early childhood, you're not a teacher". You get that from high school teachers frequently.

Ms Gamble: Thank you.

Mr Nicholls: Thank you for those great points. Michael Abela, I wasn't sure if you had your hand up again?

Mr Abela: Yes, I did. A couple of points, we've got a very broad representation of people on this forum, and I think that IPART does need to just take a view of the different representation. So, the requirements in OSHC are very different from the requirements of long day care, and other parts of the sector. In OSHC we need to recognise that the children have already been at school for the day, right? That's where they've had their learning. So, we need to look at the roles that care plays in each of the different components of the sector that we're looking at across this review.

Within OSHCA, so we're a peak body for large providers in OSHC, we do want to focus your attention on the fact that OSHC is there to support working families. It's also there to provide a leisure-based environment for children. So, you need to look at qualifications in respect of that role. I'd also suggest that IPART, as part of this review, look at the difficulty of people in Australia undertaking early childhood qualifications and actually finishing the qualifications. The dropout rate is huge, so we need to look at actually building a pathway.

Qualifications don't always work for everybody. I saw stats that showed something like 60% to 70% of people that start an early childhood qualification actually don't finish it. And that correlates to the fact that we've got massive gaps. We need to find career paths, and particularly within OSHC. A lot of the people in this in the broader sector start within OSHC and then move to other parts of the sector. So, we need to look at building career paths. Qualifications are definitely part of that career path, but they don't necessarily need to be the be all and end all

Mr Nicholls: Thanks, Michael. Now I might go to Warren and then I might change topics slightly to question of accessibility, because we've got about another 15 minutes left.

Mr Jacobson: Thank you so much. And Michael has eloquently made all of the points that I was going to make. I would make one additional point, and that is certainly as it relates to OSHC, and as a provider that is a multi-jurisdiction provider that works across boundaries, we are subject to quite different, both ratio and qualification requirements in the various states in which we operate. And so, I would just say to the extent that we think about qualifications and requirements... certainly, there would be from a business administration and staff mobility perspective, there would be advantages in harmonisation.

But the second point that I would make is, as the speaker prior to Michael made, is that as a national provider that operates in all States and Territories other than Tasmania, despite the differences in qualification requirements, the national regulations that we need to satisfy is consistent across all states. There is no discernible advantage in quality, compliance, quality, scores, or in fact, parents' satisfaction, between one state or another. Well, certainly it is not discernibly higher in those states in which qualifications are higher. I'm not making a call to reduce the quality burden or qualification requirements. But I make that point to say the considerations are much more nuanced and they need to be considered at a nuanced level.

Mr Nicholls: Great, thanks Warren. Now Monique, you had your hand up.

Ms Monique Beange: Just as I hear the conversations around quality, the qualifications, and the requirements under the regulations, all of those things that keep, you know... it's a bit of a movable feast. All of this will impact parents, the fees that parents are being charged. Because ultimately the cost is going to come to the provider, the provider then needs to make some assumptions around how they can run a viable service with the increase in staffing costs. You know, what has to give. And the parents are probably the ones that are going to be hit with it, because that's really our only lever that we have.

I don't know what the answer is. I just think it's really important that we don't have these conversations in isolation or in silos, because everything connects together. So, if we need to be paying more wages, then there needs to be more funding that comes through from both State and Federal depending on the service type. And we want to keep the quality of our staff there, I think it's highly important that we have trained ECTs in our services, and the diplomas, they are the backbone of what happens in those classrooms.

If we want well trained staff, so again, that the university component comes in, we have to be looking at what they're actually teaching the students in university. How are they making it attractive for people to come in and do an early childhood degree? Yes, it's paid, but it's also about the knowledge that they're getting. Do we need to look at the birth to 12-year-old degree? Now that they look at it, it's such a wide age group. How on earth can a student make a decision about where they want to go? And at the end of the day, it might be money that causes them to leave the ECEC sector. So, I'm just saying, everything really needs to be looked at holistically. We can't really talk about it all separately, and that's including OSHC and family day care as well.

Mr Nicholls: Great, thank you. Carmel you've got your hand up.

Ms Donnelly: Yes, I thought I would acknowledge some of the points that have been made and reassure you that we are looking at the different types of services and understanding that there are different requirements and different drivers and objectives.

Also, Melissa Messina, you've put in the comment a number of other reviews we are very much aware of, and we're meeting regularly with the Australian Productivity Commission and the Australian Competition and Consumer Commission that are doing reviews. Ours is a bit different, but we are actually working with them with the same information that could be used for the different reviews. We'll of course, tailor ours to New South Wales. We're looking at a broader scope of children's services and we can look in more detail at what's happening in different parts of New South Wales.

And thank you very much for putting those links in there. I want to reassure you also that while we're having these public hearings, we are doing a lot of work linking with people outside of these hearing meetings. And obviously, we're looking at engaging with other experts and other reviews, so we will have a very broad and nuanced approach. That's probably all I need to say. I think we need to move on to talking about accessibility.

Mr Nicholls: So, just in the remaining 10 to 15 minutes, it'd be good just to change gears slightly and talk about accessibility and supply issues in the industry, if you've got any queries or questions about those things. And there's some MentiMeter questions on supply as well, if you go into your MentiMeter there's some of the questions that you might want to respond to. You can see some of the results on workforce shortages there, pretty strongly correlated to the concerns about workforce shortages that we've heard.

I might move on to accessibility. There's somebody online called 'Laptop' who has made some suggestions about mistreatment. I'm just wondering if they might want to speak to that.

Shea: Hi, good morning! It's Shea here, also known as 'laptop'. Look, I've worked for quite a variety of different organisations, large, small, medium, not for profit, for profit. What I can identify in terms of patterns is... even as an educator, I remember having to spend hundreds of dollars per month, just to be able to conduct my program for the kids. You know, we would have owners come in and visit us in the service, and it would be like pulling teeth just to get some coloured paper into our classroom.

So, one element of that, yes, is wages, in terms of the difficulties of recruitment. But also, there's an element of you know, educators that have been traumatised, especially emotionally. And you think of the cognitive dissonance that it creates when educators are spending 8 hours a day with 30 kids around them, all expressing their needs. It's a very emotionally draining job. And so, when you're getting asked to work for hours that you're not getting paid for, you are having to pay for your own resources, and you're not being recognised properly by the people that you're serving, why would you want to come back?

You know, like I spent 3 years post Covid just coming out of burnout. I have literally just gotten a full-time job back again after spending that whole time recovering my nervous system, because I was overworked to the bone by my provider. I don't blame educators that don't want to come back, because I've seen how people have been treated. Unfortunately, until providers are given that responsibility and are held accountable for the way they have mistreated staff, people aren't going to be interested. And it's unfortunate, because there are amazing providers out there who treat this stuff incredibly well, and it's the few bad eggs that kind of ruin it for everyone. And it looks like those few bad eggs also monopolise the market as well.

Mr Nicholls: Thank you very much for those comments. So, accessibility – we've got some questions up on the screen. But if I open a general question about accessibility, what do you think are the biggest sort of barriers or issues relating to the accessibility of services? Or the supply of services?

Mary, you've got your hand up, and I'm not sure if Melissa, yours is a new hand or legacy hand, so I'll go to Mary, and then I'll check in with you Melissa.

Ms H: Hello everyone, I truly believe that if you're going to say that your service is an inclusive service, you need to be providing those specialist services within your centre. We want to track children who have additional needs. We just ploughed through and employed an inclusion support teacher who is here 5 days a week, so that she can work with the teachers and support the teachers who are here. And we have an additional staff member in every room, so that we can adequately, well not just adequately, we can well cater for the needs of children with additional needs.

And I think that there needs to be funding in all services to do that. You can't expect services to apply for funding after the child has arrived, that just doesn't work. You can't possibly provide for these children in an inclusive way unless you have the staff already in place. So, I think we need to be looking at funding all services to do what we're doing.

Mr Nicholls: Great, thank you Mary. Melissa?

Ms Messina: Yeah, thank you. I just would like to throw out some steps in terms of our service in the Northern Beaches. We have a high level of children who are supported and enrolled, who have inclusion support needs. The funding we receive from the New South Wales Government and the Commonwealth Government is inadequate. It's \$23 an hour from the Commonwealth, and \$24.27 an hour from New South Wales Government. That doesn't cover the costs of casual loading and it barely covers an entry level Certificate 3 qualified person.

This creates an enormous funding gap. We currently have, across our 13 early learning and vacation care services, 66 children who are funded. And because the funding is so low, it's created a funding gap of \$284,000 this year, and in '23/'24 it's \$386,000. That funding has to be found, and the only way we can find that funding is to increase fees for all children who are enrolled in our services.

Inclusion is supported across our services because it's in our philosophy, and it's the right thing to do, and it's every child's right. But every parent pays for that with their daily fee because the funding gap is inadequate, it's too high. And it means that a whole bunch of services don't take children, or don't enrol children, who have additional needs. And then they knock on our door, "we've been kicked out of our other service, can we enrol our child in your service?"

Mr Nicholls: Thanks, Melissa. Sandra, you put your hand up.

Ms Gamble: Yeah, I do. I think I want to take shameless advantage of having such a great brains trust with us today. Melissa, or potentially others, can I just ask a bit of a rookie question and ask you, what does what does inclusion support actually look like? What does that mean at a practical level? I'm ashamed to say that I'm not really clear on that.

Ms Messina: There are levels of children who have different levels of disability. We have children who are peg fed, or children who are immobile and are unable to take care of their own physical needs. And so, for those very high needs children, we need one to one staffing level to provide inclusion, because you can't be one of 10 children in a service and still expect to have your needs met.

So, in order to cater for children who have a disability and an inclusion need, you need to fund it correctly. And sharing educators... you might get funding for 5 hours, but the child comes for 10, so how does that work? It's a really flawed system, and it really needs a huge look at to make it more fair and equitable.

Ms Gamble: So, you're talking here about kids with special ability needs, you're talking about kids that have language needs, a whole range of different types of needs?

Ms Messina: Yeah, absolutely, and from vulnerable backgrounds, or children who are fleeing domestic violence. So, it's enrolling children who have come from highly emotional and volatile backgrounds. They might be in grandparent care instead of parent care, they've been moved out of their home, they've been moved away from their primary carers. There are some children who have serious vulnerabilities that we're not looking after.

Mr Nicholls: Thank you for that. We're almost out of time, any final comments? We need to wrap up in about 5 minutes, and we just want to go through a couple of points about next steps in a moment. Any final comments about any burning issues or things that people wanted to get out? If so, drop that into the text. And please feel free to contact us through the submission processes as well as with your input in a forum like this. It's a shame to wrap things up, because I think we've got such a terrific range of views here. But we really do want to hear from as many of you as possible, and we will go through everything in the chat in a lot of detail.

So, on that note I will close the Q&A session and will now hand back to our Chair, Carmel Donnelly, to close the hearing.

Closing remarks

Ms Donnelly: Thank you. On behalf of IPART, I would like to thank you all very much for your participation in today's proceedings and your valuable feedback. A transcript and link to the recording of today's proceedings will be available on our website in a few days.

As mentioned earlier, we are also seeking feedback on our Issues Paper until Tuesday, the 22nd of May, which you can provide through our website or NSW Have Your Say. We'll consider all feedback received today and on our Issues Papers to inform the next stages of our review and our Interim Report, including our draft findings and recommendations, which we'll publish in August 2023.

Our review process will involve ongoing engagement with the community and sector, including opportunities to provide feedback on our Interim Report, and at a second public hearing, before we make our final recommendations in December 2023. If you would like to talk to someone at IPART about our Early Childhood Education and Care review, you are welcome to contact Jennifer Vincent or Jessica Clough, whose contact details are on this slide.

We are also interested in any feedback you have about today's sessions and will put up a quick poll about how our online public hearings and consultation could be improved for you. So, if you can stick around for another minute or two to complete that, that would be much appreciated.

We hope today has been as helpful to you as it has been to us. Thank you.