



Review of early childhood education  
and care

# Public Hearing 4 Transcript

Tuesday, 16 May 2023

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## **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

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## **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](#).

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# Introduction

**Mr Andrew Nicholls:** Well, good afternoon, everyone. We might make a start and welcome and thank you for your interest in IPART's review of the early childhood education and care sector in New South Wales.

Welcome to today's public hearing, which is for families and members of the community, and it's great to have a number of you joining us today.

My name is Andrew Nicholls, and I'm the Chief Executive Officer of the Independent Pricing and Regulatory Tribunal otherwise known as IPART. I'll be managing the public hearing today.

And so, first of all, just start with a few housekeeping notes. If you could please keep your microphones, muted, if possible, when you're not speaking, just to avoid feedback and background noise but we'd encourage you to keep your cameras on if your internet connection is up to it, and if you're comfortable doing so. If you could also please make sure that your name and if relevant your organisation is showing, and there are instructions for how to do this in the chat box. Also, to help with accessibility, we have turned on Zoom captions, and there's also a message in the chat on how to turn these on.

We will be recording today's hearing, but it will only be for transcription purposes. We don't plan to make the recording publicly available but we will put a copy of the Transcript, and our presentation slides up on the website in the coming days.

It is a public hearing and so any media that's present, or any anyone else who's present today, you're free to publish and refer to what is said during this event. We also want to remind everyone that we have a responsibility to ensure a respectful environment today so that everyone feels safe, and everyone feels confident to be able to share the full range of views that they'd like to raise.

Now a little bit about today, in a moment IPART's chair, Carmel Donnelly will commence with a welcome, then our review team will give a short presentation on the key issues and questions for the review that we're keen to get your feedback on. We'll then open up for a question and answer session, which will give everyone the opportunity to have their say and ask questions.

We really value your comments and feedback on the issues that are important to you. and everyone is encouraged to share their views. We'll also be asking some questions in the background, using Mentimeter later throughout the hearing which you can use on your phone or your computer and I'll explain a little bit in a minute about how to use Mentimeter, but just keep your phone or the computer handy, ready to be able to use that, but for now I'll hand over to Carmel.

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## Welcome and Acknowledgement of Country

**Ms Carmel Donnelly:** Thank you, Andrew, and hello, everyone. As Andrew said, my name is Carmel Donnelly and I'm the Chair of the Independent Pricing and Regulatory Tribunal known as IPART for short. With me today are fellow Tribunal members, Deborah Cope and Sandra Gamble, and we're assisted by the IPART Secretariat team, including Fiona Towers and Jennifer Vincent, and members of the team.

I'd like to start by acknowledging the traditional custodians of the land that we now call New South Wales and pay respects to traditional owners of the land and waters from wherever we are joining in the meeting. Today we pay our respects to elders, past and present, and acknowledge the ongoing connection the Aboriginal people have to the land and we recognize Aboriginal people as the original Custodians. We'd also like to acknowledge and extend our respect to any Aboriginal and Torres Strait Island people who are joining today.

Let me also say that how much you are welcome, and we are really grateful for you making the time to participate today. We value your input into the review, and I am really looking forward to hearing from everyone.

Today we do have a few IPART people here, but what we want to do is listen and understand, and be able to take into account every piece of information and insight from participants today.

By way of background, our role at IPART is to help the people of New South Wales get safe and reliable services at a fair price, and we investigate and give independent advice on services, prices, and other issues across the range of sectors, and commonly in areas where there are services that people can't do without.

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 across New South Wales, and to ensure that the increased investment results in improved outcomes for children and for families. IPART's been asked to review the sector in New South Wales.

We will be looking at barriers to accessibility, barriers to choice, affordability and supply of quality early childhood services, and we will be making recommendations about how to improve these areas across the sector.

In a moment I will hand over to Monica Cusack from IPART, who, as Andrew said, is going to provide a bit more information on the Review, and the key issues that we're keen to hear from you about, and then we will move into some discussion and be very keen to hear from you. So with that I'll hand over to Monica.

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# IPART presentation

**Ms Monica Cusack:** 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 22<sup>nd</sup> 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.

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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 so much, Monica.

Well, I mentioned Mentimeter before, Menti works a little bit like a live poll where you can answer questions from your computer or your mobile device. Now, to access Menti you either go to the link that we posted in the chat or enter the code that you can see on the screen. So you enter [www.menti.com](http://www.menti.com), and then type in the code that you can see there. Alternatively, you can simply point your camera at the QR code, and it'll take you straight to the questions there.

I'll just give you a minute to open up Menti but I thought I'd to point out that all of your responses are anonymous. We can't see who has responded to which questions or any specific individual's response so feel free to give us feedback through the Menti process in full confidence. Once you're into Menti, we'll have a go with answering the first 2 questions. As I said, these are icebreaker questions, so it's just to get you a bit familiar with using Menti, but also to give us a bit of a sense of whom we've got in the audience today.

So the first question is about where do you live? So just type in your suburb or your local government area and we'll get that up on the screen so you can get a sense of who else is here with you today at this public hearing.

Somebody from Shepparton, Victoria ... Northern Beaches, that's where I'm coming to from today.

How are you going with Menti? If you've answered that question it'd be great if you could give us a sense of which part of the early childhood education and care sector you engage in or your children might be attending and just to give us a bit of a sense of who we've got here.

Okay are people finding Menti okay to use? Looks like we've got a few responses. Great to see a rep at least from each one of the different areas. That's fantastic.

Thank you very much for that. That gives us a real overview of the people we've got here with us today. Now, we're just going to give a short presentation on the areas of focus for our review, and then we'll open up to Q. A. So, there'll be plenty of opportunity for you to raise your thoughts, comments, or questions, but I'll hand back to Monica.

**Ms Cusack:** 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.

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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,



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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.

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## Q & A discussion

### **Mr Nicholls:**

Thanks Monica. Well in a moment I'll open up discussion to the floor, and I want to encourage everyone to share your views, ask questions or make comments. We'll be using the chat box in Zoom. So please feel free to put comments in the chat box, or ask some questions there.

We'll be recording all of those comments so even if we don't get a chance to cover all of the points that are raised in the chat box, please be assured that we will be using all of that feedback as part of our review process.

The other way of engaging, of course, is through raising your hand, using the relevant button on Zoom, when you're ready to make a comment.

Now, just before we jump into the discussion, we'll just do a quick Mentimeter to poll on the issues that you'd like to focus on today. So if you can just open up Menti again, and if you can't remember the code or the QR code it's up there very briefly on the screen, and you'll see the code number is also on the top of the Menti slides, so that you can access those.

So here's a chance for you to just rank, which you think of the things that you like to focus on today. It's not necessarily the most important issues. They're all important issues but the things that you'd like to talk about today just to help us shape the discussion a little bit .... supply of services, affordability, accessibility, Any other comments coming through on Menti?

Affordability. Supply. All right, we might keep moving along.

They're all important issues, but certainly supply services and the affordability of services are critical issues that would be great to have a conversation about.

So who'd like to go first? Who'd like to ask question or make a comment or make a statement.

Thank you, Miranda, appreciate it.

**Ms Miranda Edwards:** Hi! I'm Miranda Edwards from SNAICC, the Secretary of National Voice for Aboriginal children. I'm the one that put Shepparton, but I'm actually a national workforce adviser, so I work across Australia with SNAICC and currently in Sydney. So it works out, very good to be part of this, and listening to what you guys are doing. So I just wanted to raise that I also ran an Aboriginal early childhood service in Shepparton for 15 years so definitely I'm quite well aware of the impacts of what it is to run a service, and what our families deal with, the cost of living the cost of childcare.

When I ran a service we were funded by block funding where we charge a small amount. Then we went to the childcare subsidy system so my question is, so sorry to get there, in a long way, is around the activity test, and how other people feel about that, because I feel that it needs to be removed. I think it definitely discriminates against a lot of people's, circumstances, and what they have to deal with on a daily basis. So a lot of our families need childcare and not necessarily fit the activity test requirements. So that's my question.

**Mr Nicholls:** Right? Thanks for that Miranda. And what do others think about this question? Carmel?.

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**Ms Donnelly:** I will just say, Miranda, we this is the fourth discussion we've had and in some of the others it's been mentioned as well, and for the review I think it'd be really helpful, for IPART to have some examples about how it impacts on a family and makes it difficult for them to access to services that children need or transition to work, so I'm not sure we've got the answers or heard all the answers yet, but we certainly had it raised, and we'd like to understand more about what the problems are. So if you've got some examples that it'd be fantastic.

**Ms Edwards:** Oh, definitely, I can definitely share a couple now, but I'm sure reaching out to our 110 Aboriginal early childhood services across Australia. You're going to have many more examples of the impacts of what the activity test, as well as the child care subsidy system is for Aboriginal and Torres Strait Islander people or low socioeconomic people that are. on the poverty line.

So just off the top of my head. One young mum that wants to return to work just had a second child, doesn't fit any of the criteria, sorry she does fit with returning to work, but can only access one day a fortnight and can only afford one day a fortnight at the childcare centre. Now, single Mum has no one else to watch the kids. How do you do all your appointments that you need, whether it be jobseeker or Centrelink requirements, shopping, that one day, away from the kids is also a day of her wellbeing and getting her to have a break from the kids. So not only that, one of her children has autism. So having a break from little one, is so important to for her and the children. When I talk about the Aboriginal childhood services that we provide, a lot of our kids need that cultural safety and cultural education to be in our services, and can only access one day a fortnight. So that's just not enough. That's just a small example, but I'm sure that we could get many more examples from the sector as well as parents.

**Ms Donnelly:** So can I just ask Miranda so for that particular clients of yours, it's getting one day a fortnight.

This might be a silly question, but I do want to make sure we're really clear, so she can only get one day a fortnight, because she's not yet found permanent or full time or part time work, and so it's a bit, I suppose you could say chicken and egg that's to get to find the work she's only got one day a fortnight and she won't get more until she's ...[inaudible]

**Ms Edwards:** Yeah she can't afford the full day cost of other days, and I think there is availability in most of our centres for these families but then we're looking at the cost of running services which we know that there is a shortage in the workforce as well. I'm actually coming from running a service perspective here and advocating for families. So yeah, but we do know that it is a definite issue around the activity test and understanding the childcare subsidy system.

So I've been at SNAICC for 12 months, but before that, working alongside families to understand the system, because a lot of our Aboriginal early childhood services: were funded by Budget Base Funding, so we didn't have to be connected to Centrelink, and all that. So now the current system that tends to put up some barriers with families with engagement to Centrelink and the process.

**Mr Nicholls:** Thanks, for that. Michele, you put your hand up, and I see you made a comment in the chat as well on this issue.

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**Ms Michele Carnegie:** Yeah, Thank you, Andrew. Look, I fully support what Miranda is saying in the position of SNAICC. I'm from Community Early Learning Australia, and I was around when this was legislated. Unfortunately, at that stage I wasn't around the table. Maybe you weren't either, Miranda, but things just changed for vulnerable kids, and for so many other children on that day that was legislated. And I look at this point in time, this has to be changed, and we all, as representatives of early education, we have to be very careful going through these processes that we solve these problems upfront. Because when everyone was around the table making decisions about Medicare, they said, don't worry about dentistry, we're going to deal with that later. When they're around the table dealing with childcare subsidies, they said, don't worry about [inaudible] we'll deal with that later, let's just get this through the legislation. So my call out in this space is, let's not leave anything outside of this this time.

We need to deal with these big problems because there are so many children since that point in time that have missed out on early education, and have missed out on so much because of that. And Miranda has raised some very good examples of families who are trying to access work and look for work, and don't have the care that they need. There are also many vulnerable families who simply can't work, they cannot work, and they have children, and their children need to have the early intervention of early education and care so as their development is fostered, and they are in environments outside of the home as well as the home, and the support that they need to access early education and care to best support their children.

**Mr Nicholls:** Great thanks very much, Michele. Maurita I see you've made a comment on the chat about the role of the buffer. Is there anything you want to add about that, building on what others have mentioned, Miranda and Michele?

**Ms Maurita Cavanaugh:** Yeah, hi Andrew. My name is Maurita Cavanaugh, I'm from Thryve of New South Wales. I'm the senior programs and policy advisor, and I guess that this is the thing that I'm always seeing missed in discussions about early learning is that we're not looking at it from a holistic perspective in terms of the buffer that services provide for families, vulnerable families and children, and I think that our funding models need to reflect that, that they need to be flexible enough to provide that support for those families that are most vulnerable, and the children so that they can get the help that they need.

**Mr Nicholls:** Right. Thanks for that.

All right. Any other comments about any of the aspects of our terms of reference or anything else that you'd like to raise. What about affordability, that came up high in the in the voting. Any comments about affordability, or any particular issues or things that you think should be changed, or things that you think would be a good outcome?

**Ms Cavanaugh:** I think, in terms of affordability, Andrew. In my opinion, I was also a Director of an Aboriginal early learning service for 10 years. And I just think that there needs to be a context-based funding model. We have so many different services. We have long day-care, we have preschools, family day-care, and we're all in different communities, and I think that our funding models need to reflect that.

**Mr Nicholls:** Great. Any other comments?

We just got a statement up there from Michele [inaudible]

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**Ms Cope:** Maurita I just wanted to explore a little bit more with you, because I agree, a 100% that the benefits for children in early care, particularly children in vulnerable situations of the experiences you get outside the home, your family may not be able to afford engagement activities in a broad range of areas, and therefore this might be the option that you've got to get kids exposed to other children in that more formal environment, but can you just talk to me a little bit more about how you'd articulate what those broader benefits are to make sure that we're talking about them in the right way.

**Ms Cavanaugh:** I think that we're learning to flip the lens, and value for money, I mean, there's a monetary social dollar return on children attending early learning. That's just mainstream. But what about these services that provide wraparound supports like our Aboriginal services, like the [inaudible] one stop shop, for Allied health supports, like cancer counselling or family groups, and sometimes we have intensive programs to support families staying together, and I think that if we just really consider how much, we will gain in return for those benefits in our most vulnerable families. That is what's going to make the biggest difference. Instead of looking at the outlay ... thinking long term.

**Ms Cope:** Yeah and how does the child care services fit into that matrix are they a lead service, are they bringing people to you that can then potentially access the other services, or people coming in through the other services, and then accessing the child care or is it a bit of both?

**Ms Cavanaugh:** I think what you'll hear, that's a bit of a general situation that happens across Aboriginal communities is that families have gone through some tricky stuff and whatnot will attend services that are culturally safe, and it's there at these services early learning centres, that other services attend. For instance, in my community in Lismore, in northern New South Wales, none of the families were attending, [inaudible] their medical appointments at the AMS, there are lots of families not getting immunised getting their children immunized, and not understanding the importance of child development, and I guess through the partnerships of a culturally safe space, these places are where families access all of those other specialist supports. It's the bridge, and it's often the first place of contact for our vulnerable families.

**Mr Nicholls:** Thanks very much.

Michele, I notice that you've put up a comment online, and you put your hand up so I might throw to you.

**Ms Carnegie:** It would probably take me half an hour to get through that, and I'm really conscious that there are probably parents on in this forum as well, and so I'm keen to hear from them. But if I can just say one experience in terms of affordability. It is the experience very much of our members, that the level of funding is tied to fees, and fees, of course, is tied to affordability and accessibility. For some services they are sufficiently funded. Let's take preschool, for example, they can have lower fees, or no fees as a result of that. And that's fabulous for children and their families, and accessibility for other services, and they often in the most vulnerable areas. The cost of delivery is really high.

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The cost of delivery is high because of the context of where the service is operating. They may have children with significantly high needs. They may have families with significantly high needs, and to be truly effective for the children and the families, the service invests a great deal more money into improving outcomes and they're the communities that can least afford the higher fees. So there's no means by which to recover that cost effectively. So my message is that in terms of funding tied to affordability, everything is not equal across service types, and I agree with Mauritia, services must be funded to the context of the community in which they working, and that may include allied health, it may include higher ratios, it may include liaison, and that cost isn't able to be passed on to the families in those communities.

There's lots of other areas there in terms of block funding. Block funding is only successful. We are, in terms of our Productivity Commission recommendations, we are recommending 30 hours of funding, which could be termed as block funding, but that block funding will only be successful if it is contextualized to the community, it is able to be modified, and moved up and down, depending upon the changing communities' needs. That's particularly the case in regional areas and other funding additions are possible for that block funding and examples of that could be allied health, it could be liaison, it could be high ratio, depending upon the community in which people are operating.

**Mr Nicholls:** Right thanks for that, Michele.

Any other questions, or comments?

Kate from Camden Council I see you put some comments in the chat. Do you want to talk to those.

**Ms Kate Ellul:** Yeah, just that I'd add, I don't work as an educator or provider. I work as a community development officer, and one part of my role is conducting community consultation to understand the needs of the community for children and families. And look at how do we as local government address that?

However, one of the biggest challenges is lack of access to childcare placements and preschool placements, as well as some other department of education matters with our local primary schools. So we are a really fast growing LGA. We've been marketed as a family friendly LGA with affordable housing options. You can actually buy a house in Camden LGA, with land which is very different to the rest of Greater Sydney.

However, our long day care placements, and preschool placements don't really reflect that growing population. So I've given an example. We have 140 community preschool placements in the Camden area. However, we have 4,500 four to five year olds. We have 11,000 zero to four year olds, just to give a snapshot. I think the only other LGA that has these kind of large figures would be Penrith LGA in Greater Sydney.

So what we know from the reports from families through our community consultation is that the average wait list for them to get a long day care spot is about 12 to 24 months for a placement. They don't often have a choice, so they're often picking a childcare centre that isn't necessarily located to their house close by and many, many mums saying that they're having to either change jobs, or change positions, or change their day of work based on what they can get at child care.

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And the other challenge that we see is that many mums are going back to work before 12 months, because of the cost of living, however, we know that baby rooms are smaller in childcare centres, because our ratios are higher for staffing which makes sense. But we continue to see childcare centres specifically, development applications coming through with no more than, say, 12 babies in one room and no multiple babies rooms, and so that even limits it even more for those that need to return before 12 months and need a baby placement in a long day care centre.

So yeah, that's really just a snapshot of what we're seeing out here in the Camden LGA. And this is something that's really impacting the families out here.

**Ms Cope:** You said that you've getting some development applications through. Is it a timing problem? Or you think there's a fundamental problem that needs ...

**Ms Ellul:** Yeah, it's a really tricky one. I review development applications on my end for all childcare centres in the Camden LGA to ensure that they are up to code and legislation. That's obviously a really council-wide process. It's not just me. It's your engineers, waste, environmental offices, food safety, it's a really big approach.

The DA application process is lengthy, and from my understanding from land acquisition for a development developer, through to turning that key and operating that childcare centre is, on average, a 6 year timeframe. So even if in the last year and a half, I've probably reviewed about 36 childcare centre Das, that doesn't always mean all 36 will be built because there's a back and forth process, as we know, some don't get built at all for a range of reasons. Maybe the community has challenged it, or it hasn't gone ahead for some like engineering purposes. But those that do go ahead, and we still won't see them for the next 2 to 3 years, despite having been reviewed and approved. So that's a lengthy process in itself. The planning controls can be quite lengthy and quite expensive for developers.

The other challenge is not all developers have a lease agreement with an operator. So they go and develop a childcare centre. And while it might meet legislation, an operator might not actually feel that it's a usable space for their day to day running.

So that's a really big gap there as well. So I often ask developers, do you have someone like a provider that's keen to run this to see if we can look at an operational management plan so that two years down the road when the childcare centres is nearly built we're not facing this issue, but that's a tricky one, because we don't have a legislation to back ourselves up. It's just a recommendation, if anything.

**Mr Nicholls:** Sandra, I think you might have a question.

**Ms Gamble:** So, Kate, I'm really interested in the work you do to identify the needs of the community. Other than places, is there any other gaps that you think are evident in your area.

**Ms Ellul:** Do you mean other than childcare placements or other gaps that might be happening?

**Ms Gamble:** I'm talking about in the childcare space, other than just places, the type of services people are looking for, the cultural appropriateness, special needs, those sorts of things. What is striking you in your role?



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**Ms Ellul:** Yeah, I think inclusion and I guess, inclusion of children with additional needs. So, prior to this role, which probably complements it, I was a senior social worker in New South Wales Health at the Child and Adolescent Mental Health Unit and we worked with children from 0 to 18, and something we see increasingly with children in childcare being put on reduced hours, or even asked to leave the centre, because the centre was not able to cater to those children's needs.

I still see that to this to this day. So that's a large challenge. And even when I've met with some educators or directors, they have acknowledged that is not a strong suit of this is being able to provide these provisions for children with additional needs on a day to day basis in their centre. Whether it's staff training, staff availability staff feeling equipped and comfortable, and I empathise, I've worked with many children with additional needs, and it can be very hard if you're not feeling equipped or supported that and having a team around you.

So that is a challenge. Something we're working on is some capacity building of the sector, so providing some opportunities through each, and the inclusion agency to support the sector in our local area. To learn more and be able to connect with other educators who might be doing well in that that area, and learning more skills and tools and hopefully providing training opportunities. But we're one small piece in in this large kind of picture.

**Ms Gamble:** Can I just ask a follow up? Then you mentioned training opportunities. Are there training opportunities available in places like Southwest Sydney

**Ms Ellul:** There is. Yes and No. Because Southwest Sydney is a very large area. Southwest Sydney goes from Bankstown to Bargo. Camden itself is such a huge area. So for myself to get to one end of Camden to the other end of Camden. That's a 30 minute drive.

I could get to Alexandria in 30 minutes, so that just gives you a bit of scope of how big Southwest Sydney is. So the opportunities are there but whether or not they're necessarily local, is another debate, and whether or not they're actually accessible for the educators to be able to attend is another debate as well.

**Ms Gamble:** Right. Okay, thanks, Kate.

**Ms Ellul:** Thank you.

**Mr Nicholls:** Okay. Some really interesting comments there Kate, which is really all connects to the challenges around supply. Are there any other comments on supply of services?

**Ms Gamble:** Can I ask another one? Please. Sorry, Kate and please if others have a different view on this as well or the same view so that I'm not just picking on Kate. You mentioned Kate that you're also dealing with development applications, I would imagine, and I know Camden is an area where the particularly high proportion of young people in it, are you getting development of applications coming in fast and thick or, are they not coming in fast enough? Are there any challenges or impediments to the development of new centres, does the Council feel like they need to intervene? What's the dynamic going on there in terms of the provision of new centres? And, as I said, a really happy for anybody else to chime in on this one.



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**Ms Ellul:** Yeah, really good question. Council is very supportive of the DAs that do come through for childcare centres because we are, we're aware of the need. Obviously they need to also comply with a range of other things, and also be appropriate. So there's a lot of new development where there might be a pub and we've had to say unfortunately, we don't think that's a good location for a childcare centre nearby, however, here's an alternative location. So there's some ideas to kind of work around it.

I'd say they're coming in steadily from my experience in terms of the DAs for childcare centres. Any quicker, and we're probably not going to be able to maintain our record of responding to those DAs.

Camden Council has some of the best DA results in New South Wales. I think our average DA return is 55 days and so we do very well to be able to, it's a very well oiled machine across multiple teams across Council to be able to get that out. So like, yeah, I think if we would be looking at an influx of DAs we'd look at maybe that that process is not as smooth, because we wouldn't be able to keep up and maintain. But in saying that they are coming through quite steadily, because people can identify the need. However the first DA is not always the one that gets the tick of approval. It could be 3 amendments back and forth before you're ready to roll for a range of reasons, like I said, it could be environmental, it could be food safety, it could be myself. The room size could be inadequate and not compliant. So yeah, it could be while you got a DA come in in February, you might see it come back again in December for a revision and amendment before anything's kind of approved and moving through. Yeah.

**Ms Gamble:** I was just going to open it up to anybody else on the call whose got a view about what might be helping or hindering the development of new centres.

**Ms Gamble:** Michele.

**Ms Carnegie:** Thank you so much Sandra. I'm going to just raise 1 point out of my comments. It's one additional point actually. There's very little encouragement for community based early education and care, preschools or long day care, to be moving into areas, and we know that what we know is that community based services will generally be high quality. They will generally be paying their staff more, and the whole investment that comes from government is invested into children, the delivery of quality programs and lower fees for families. So they are very effective investment. One of the barriers is bringing together committees to be able to govern these services and for communities to understand how they can access the capital works, to develop the services.

And there's also a need, then, within community-based services, to have a degree of governance support as well, to make community-based services more possible in terms of expansion in areas of need. And the type of Governance Board means that the community, the Community management committee, their contribution to the governance should be proportionate to the skills that exist within that community committee, and other things should be funded to be outsourced, such as the business management, HR, conflict resolution and a range of other things that often is, not within the time capacity or the expertise capacity of the Volunteer Committee, and it's then passed on to the director which then overwhelms the director.

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But really there's 2 points there. One is that communities should be encouraged and potentially that could be through local government, we work with a lot of local government areas who want to do this throughout Australia. And the initiative comes from the local government area because they've identified the need, and the State Government can fund the service and provide the additional support for governance.

**Mr Nicholls:** Thanks very much Michele. Anyone else want to respond to Sandra's question?

**Ms Gamble:** I just want to say, Michele, that point about governance in relation to community based services, is it's come up before so it's interesting that it's coming up a few times.

**Ms Carnegie:** It's super important, because we've got to remember they are volunteers. And the other thing to remember for IPART is you need to cost their time because compared to for profit services, that's all funded within the for profit service. There are paid roles that undertake those activities.

**Ms Gamble:** Yeah do you find too that community services are a much smaller scale. It might be in one or 2 centres rather than a big for profit organisation that runs 50 or 100?

**Ms Carnegie:** Well, the ones we represent tend to be standalone, so the single standalone services with the community managed committee providing governance, and they are absolutely integral in in the regional areas that they operate, and within communities that they operate across urban areas as well. We don't have that 'way back when' motivation when a group of mums, said, we've all got to go back to work, and our children need education and care, or we just know, our children need education and care, and they get together and they build a service. Those days are gone so in some way that's falling back to local government.

**Ms Gamble:** And you mentioned the quality of care within community services. Is there independent evidence that we can look at about that? And also, I guess I'd be interested to know what the causal fact is. What what's driving that performance?

**Ms Carnegie:** I can tell you. It's my favourite topic. So I'm fortunate to have a consultation on Friday, so I'll make sure that that report and evidence is available for the people that I'm meeting with. The drivers are that number one, the service delivery is contextualized to the community. The services are higher in ratio, so the work conditions of the educators and teachers is better because the ratio is higher than the minimum ratio. They are generally paid more, the service invests professional development to build program and capacity of the workforce to deliver quality programs for children.

The investment of all of the Government funding is into the services in terms of resources, in terms of professional development and in terms of quality, of the things that drive quality. And what we found prior to Covid, and most of the services are still sustaining, they had very stable workforces. Very, very stable workforces, and that is a key driver to quality because of the consistency in the program and the recognition of the needs of the children within the service.

**Ms Gamble:** Okay, thank you very much.

**Mr Nicholls:** Thanks. Any other comments or responses, those questions.

Workforce availability. You touched on Michele's key issue, and that's certainly come up as a thing in a number of workshop workshops in the last couple of days. Anyone want to comment further on those?

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**Ms Cope:** I have a question, and it's sort of related to that issue around the workforce. One of the things that's come up time to time again, and I think it's also it was mentioned in the in the chat was the recognition of the workforce in the sector, and being demonstrated that people in this sector are valued, and that they they've got a really strong influence on the future of the children, and people understanding that, and valuing them as a profession. That's a really tricky sort of nut to crack. Has anybody got any ideas on what needs to happen other than getting a magic wand and waving it for the dial to shift, so that we do get that recognition and value placed on the workforce in the sector.

**Ms Edwards:** I'm going to say we need that magic wand, because we've got a workforce that is tired. I go out in the sector and, [inaudible] with 30 plus years with really valuable knowledge of the sector, and they just have had enough. They've had enough of not being valued in the position of pay increases, ratios, the workload, children's high needs behavioural issues. Just the sector in general not being supported, and well for the bit of work that I'm doing around the country around, advocating for pay rises and better childcare subsidy system. It's about being able to afford to be able to even keep your doors open at the service.

When I ran a service, and obviously I did the calculations, I needed 31 children in a day to be able to have enough staff to cover ratios. And I was going to shut my doors after 3 years of having childcare subsidy in, and just not being able to get the children in 31 in the day. I had to let go staff.

So I think we need to work out a better way to support our staff, whether it be increase in wages, more staff employed to help with ratio covers, time off the floor. You can see the drain in their faces. One story I heard in New South Wales up in Nowra was one particular worker, was getting a loan to buy Christmas presents, because she couldn't afford from her wage.

So she was going into debt. And I just was extremely sad for that person to come to that. She couldn't afford to buy her family presents from the wage that she was on. So she had to go seek a loan. So yeah, and there's probably many more stories.

**Mr Nicholls:** Thanks Miranda, and Michele, you've got your hand up. I'm not sure if you're going to offer the solution or the magic wand or you want to add to the debate.

**Ms Carnegie:** It's very clear that there needs to be an entire system change here and intervention across the whole system in terms of professionalization of the sector. We are feeling that the enterprise bargaining process is likely to provide a solution for that. It will provide a suitable remuneration. A successful process will provide a suitable remuneration. It will provide professional development that's required to help the professionalization of the sector. We need to also be looking at how we can have less of a flat structure so that people can see a strong career trajectory through their qualification, and through a range of leadership roles and opportunities through the career in early education. It is tied, as Miranda said, to money. It simply is.

And we hope that the enterprise bargaining process will see that. But look, there needs to be a fundamental change here. There needs to be change across the whole sector so there is recognition that early education is education for children and that educators and teachers are the drivers of that as the highest level professional that is working with children every day. And it's that shift away from we have childcare, and we have a preschool, because parents need to work.

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We need to move away from that. And we need to put a focus on the children and the professionals that work around those children and so as they have value, the value is seen, and that is very much a fundamental change in Australia.

**Mr Nicholls:** Thanks, Michele. Maurita did want to add to those comments?

**Ms Cavanaugh:** Hi, yeah, I just wanted to add that, both the women before me, were absolutely spot on, and I really think that there's a there's a bit of a difference in the way that our State regulatory bodies present early learning and Federal government. So I think if we reframed it. I think Federal Government really pushes the childcare, the productivity side of things. And if we flip that to early learning and the importance of having children at services, and the developmental impacts that it has not now, but also lifelong impacts.

I think we just really need to reframe it and that might just provide a bit more dignity to the educators. The educators know that. But it's like the rest of the country doesn't really understand it.

**Mr Nicholls:** Right. just coming to your points about other states, and luckily we've got a couple of people here who have a national focus, do other States do something better than New South Wales, are there things that we could be learning from what others might be doing [inaudible]?

I'm getting a nod from Michele, so I'll go to Michele and then open it to others.

**Ms Carnegie:** Just quickly VECTEA. The arrangements Victorian Government have where the enterprise agreements are in place and funding is tied to those agreements. There is a very strong commitment to professional development and leadership. And leadership is something that we haven't called out, I think so far, there's been enormous investment in leadership. The turnover of leaders is significant, and we've got a lot of new people in roles who are going to be leading the quality of this sector.

And we need to really invest in there. But if we look at Victoria, I think we can learn a lot of lessons, there as well, potentially around governance and their alternate model of governance, albeit I think we can learn a lot from it but it should be different in New South Wales.

**Mr Nicholls:** Alright, Thank you. Miranda, what do you think?

**Ms Edwards:** Well, I'm definitely like Michele, the way Victoria has set out the bargaining. I think if we could, maybe have a look at that and work across all the nation to see how we can work better. But look, we've got 110 Aboriginal early childhood services across the nation and we've got a lot of Aboriginal early childhood workforce, too, and they just bring this layer of expertise that are not acknowledged for the work that they bring.

So I'd like to see some more recognition of what it takes for an Aboriginal person community member, our jobs don't drop 9 to 5. When we're in community we work all weekends. It's just what you do, because you love your community. So I'd like to see something with the training side of things and just better professional development around to better support our Aboriginal early child workforce to improve that retention and access, maybe getting out there to the secondary schools, and really speaking to students that are just coming out of school or university, or whatever it might be.

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I'm talking about the value of working in early childhood. We need to be doing that. We need to be doing a lot better at the, how do I word it, it's saying that this is a really great field to work in. And like Maurita shared about changing the language definitely, I think that it needs to be reframed about how early childhood education is so important. I just think the value in what we teach and provide each day for our families. They trust us, they trust the services and what we provide. So yeah, that just needs to be a better wrap around service.

But I agree with Michele. Victoria is in a really great position at the moment. But as for the rest of the nation, I think as a whole, I'm hoping with the people that are in place in government at the moment. We've got a minister, Minister Aly, that's very passionate about early years that we've got a great opportunity. It's great timing at the moment if we can get it across the line in all aspects.

**Mr Nicholls:** Right, thanks, Miranda. Very timely.

**Ms Cavanaugh:** Miranda just brought up a really important point that highlights the differences between mainstream services and Aboriginal services, and it's about the Aboriginal workforce. And, for example, up in my community, up in northern New South Wales, what we have to do is we have to often head hunt community members and train them from scratch so that our space is culturally accessible, because sometimes the Aboriginal workforce understands their community. They understand the difficulties that families face and what not. So I guess that's one thing that's a bit different, and that probably needs to be looked at a bit more closely by the Government.

**Mr Nicholls:** Right.

**Ms Cope:** Maurita and Miranda just a question for you. And it was something that was suggested in one of the other sessions we had, where people were saying that people that don't work in specialist services could benefit from having placements within specialist services, so that they understand better how to deal with kids that are from different, you know, how to be culturally safe and provide supporting services for children from different backgrounds. Is that a good idea? Or would that just get in the way and make things more difficult for you?

Somebody from a mainstream service which was not a specialist Aboriginal community service who wanted to understand cultural safety more deeply than they do at the moment. It was suggested that having the opportunity of being placed in a service that was serving a particular community, and seeing how they delivered services in their environment would probably work better than sitting down doing a classroom based course. Is that the sort of thing that you think would help more broadly? Or is it just going to get in the way of services that are already stretched?

**Ms Edwards:** Yes and no. It's about the community needs. Each community is different. So for me, personally, running a service in Shepparton, which was about 3 hours from Melbourne. Yeah, I had to really be understanding of the protocols and the community needs to be able to develop programs, people we worked with, services and agencies, to ensure that all children, were in a culturally safe environment.

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I think it would add a little bit more pressure, because our services are underfunded, and we are just battling to just do what's required, under regulations or assessing, and all day to day work, I mean, for example, I was one day the CEO, the kindergarten teacher, the bus driver and the cook all in one day. So you do what you got to do in the services, because this just isn't relief staff, there isn't funding for relief wages in our services. Maybe Maurita might be able to expand on that a bit more. But each community is different. And each town and centres and communities they're all different.

**Ms Cavanaugh:** Yeah, I agree with you too Miranda. It's all about the community and the context, and how each individual service is going, and also the needs of the community. Like sometimes it can be a bit of a hindrance, having lots of different visitors coming in with new faces all the time when you work really hard to build connection and things like that. But I think maybe our training systems might need to have a better look at that.

Maybe there's something that we could do in that space.

**Ms Cope:** Thanks.

**Mr Nicholls:** Okay. We've got about 5 minutes left for Q&A before we need to wrap up. Is there anything that we've missed anything that you wanted to make sure you mentioned today, or something that you want to reflect on.

**Ms Edwards:** I just want to reflect on a situation when Covid happened, and the Government announced free childcare and how much that benefitted a lot of people in a lot of communities. Like I said, I went from a service that had 8 children having to go out and knock on doors. In that period of when that was announced, funding was coming in, so I didn't have to worry about wages working individually with families about their circumstances to understand the childcare subsidy.

So if we're talking about engagement and attendance, I had 100% attendance during Covid for vulnerable families. Because families weren't stressed about, well they were stressed in their situations around Covid, but they trusted us with their children to be able to give them a break, and without that cost. And Covid allowed that to happen. So I think if the Government can look at models of how they supported during the pandemic, we should be able to be able to implement some of that funding into everyday programs or services that we provide to be able to get the kids through the door more than one day a week, which is what the activity test is doing to some of our families.

**Mr Nicholls:** Right thanks Miranda. And Michele.

**Ms Carnegie:** I think this is an incredible opportunity, for IPART, for New South Wales, and we've got the ACCC Review, we've got the Productivity Commission, we've got the South Australian Royal Commission, and we've got IPART, and there's an incredible opportunity here for fundamental change as a nation.

It may be discovered that no additional money is required. It's just a much more efficient use of the money that's already in system because we're taking a national perspective and the objective is to deliver the outcomes that communities need. Children and families within those communities need more place-based solutions rather than pouring more money into a system. We have, I think, through all of these reviews they will be a very good view across the whole system, and how it can be fundamentally changed to be more efficient to meet the needs of children and families within communities.

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**Mr Nicholls:** Fantastic. Thanks, Michele.

It's a great summary statement. We've just about run out of time. I think it's been a terrific conversation. It's been great to get such a range of views, and we've certainly been very appreciative of your time today, and giving up that time to help us get your perspectives and views on the issues that we are working through as we conduct this review. But I might now just hand over to Carmel Donnelly, who'll close the hearing and talk about the next steps.

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## Closing remarks

**Ms Donnelly:** Yes, thanks, Andrew, and thank you to everyone for participating today. It's been very valuable and very helpful and really good to hear your insights and suggestions for improvement to the sector. Very important to hear your views.

As Andrew mentioned, we will put a transcript of the discussion today up on our website, as well as a copy of the slides, that'll be up in a few days, and we are still seeking feedback on our issues paper until the 22nd of May and you can certainly find ways to give us that feedback through the Have your say website, or our website, as little or as much as you like.

We will consider everything's been said today, and in response to the issues paper. We're also having a meetings with organisations offline, and we're happy to do that. And we're just working through where we might have some further workshops and site visits as well, so interested in suggestions on that on that topic.

The next stage for us then will be to release an interim report with our draft findings, recommendations, and have further consultation, including further public hearings, and then a final report to the minister at the end of the year. So, as I said, lots of engagement, and lots more work to be done through the review.

If you would like to get in touch with us, and you most welcome to, we've got some contact details up on the slide with Jennifer Vincent and Jessica Clough. If you'd like to talk to someone about either you've got some questions, or if you've got some examples or some information that would be helpful to us, we'd be very, very grateful. And we're also interested in feedback you might have about the way that we've undertaken the session today. We like to keep on improving and making sure that we give people good opportunity to engage with us and have your views put forward.

And so, if you do have a moment to just complete that on Menti, we'd really appreciate it. So just in closing. Thank you so much for making the time today and for being so candid, and giving us your views and lots of food for thought for us. It's been extremely helpful, and hope it's been helpful for you too. Thank you.