

## **TRANSCRIPT OF PROCEEDINGS**

**THE HON JULIA GILLARD AC, Commissioner**

**THE ROYAL COMMISSION INTO EARLY CHILD EDUCATION AND CARE**

**FRIDAY, 14 APRIL 2023**

**AT 09.32 AM**

*This transcript is intended as a guide only and as an aide memoire with respect to the audio-visual record, which constitutes the official record of the hearing on 14 April 2023*

**SARAH ATTAR, Counsel Assisting**

## COMMISSIONER

Good morning to all. We're here for another day of public hearings for the Royal commission into Early Childhood Education and Care. So can I start by acknowledging for us here and for those watching online, the traditional owners of the land on which we are all meeting and in a spirit of reconciliation, pay my respects to elders past, present and emerging. And with those opening words, council assisting over to you.

## COUNSEL ASSISTING

Thank you, Commissioner. As one of today's witnesses, Associate Professor Peter Hurley has written "according to the Oxford dictionary, for something to be accessible, it needs to be 'easy to obtain or use ... and easily understood'." He goes on to say "It is widely acknowledged that Australia's childcare system is not well understood by the public or always easy to use. Nor is it universally accessible for all families in terms of affordability, proximity, and availability of places without waiting lists or variable hours of operation."

During today's hearing, we will explore the extent of these accessibility issues within early childhood education in care in south Australia, from a range of perspectives and with a particular focus on access to childcare. Whilst South Australian children are entitled to 15 hours of preschool a week and universal provision of primary and secondary schooling, there is no entitlement to childcare more generally, and for many it's extremely difficult to access. Cost, available places and services within communities, distance to travel - especially for our regional communities - these are all key issues.

And for women in Australia - and many men - the availability and cost of childcare remains a significant impediment to increased workforce participation.

In our first session this morning, we are joined by three remarkable women who have actively campaigned to increase access to childcare in their communities. Kristen Wilks from the Kingston Southeast Early Learning and Childcare Services Working Group, Stephanie Worst, Chairperson of the Parndana Childcare Working Group and Katie Hughes from the Southern York Peninsula Childcare Feasibility Group. These working mothers have worked tirelessly to highlight the impact of the lack of accessible childcare in their respective communities. Quite simply, they are living proof that when it comes to childcare access where you live matters.

In our second to last session today, we will hear from Associate Professor Peter Hurley, the director of the Mitchell Institute. He will speak to the work of the Mitchell Institute on 'childcare deserts', which will help us to put the morning session into a national context. Childcare deserts are populated areas where there are more than three children per childcare place or less than 0.333 places per child aged four or under. This is where childcare access is most scarce. These areas exist all over Australia. Associate professor Hurley will help us to understand how access to childcare in South Australia compares nationally.

After our regional panel this morning, Daniel Wood, the CEO of the Grattan Institute will give evidence to help us understand the extent to which childcare accessibility is preventing increased workforce participation for women in Australia. The Grattan Institute has conducted extensive research and analysis of this issue and Danielle Wood will identify how Australia compares to similar countries internationally when it comes to policy action to improve childcare access and women's participation in the workforce.

Access to out of school hours care, or OSHC, is also a crucial form of childcare for working parents and caregivers. This Royal Commission's terms of reference require consideration as to how families can access out of school hours care at both preschool and primary school ages and in both public and private settings. In our first session after lunch, we will be joined by Kamala Champion, head of the Children's Services at the YMCA and Angela Falkenberg, President of the South Australian Primary Principals Association for a discussion as to how out of school hours care can be made more accessible and the particular challenges that must be met in making it available for preschool-aged children.

After Associate Professor Hurley, we will end the day on a slightly different topic. The final witness will be Kerry Leaver, Chief Executive and Registrar of the Education Standards Board, which is the independent statutory authority that regulates the provision of education and care services to children and young people from birth through to secondary school in south Australia. A properly resourced regulatory authority is crucial to monitoring quality in any sector. Ms Leaver however will acknowledge that many early childhood education and care services in South Australia have not been rated and assessed for some time. She will tell us what the Education Standards Board are doing to improve the assessment and rating cycle. Ms Leaver will also give evidence with respect to how early childhood education and care services are regulated in South Australia. Picking up on evidence that we heard in January, she will provide an insight into how services are currently performing in South Australia as against the national benchmark, the National Quality Standards.

Commissioner, we are ready for our first panel this morning, and we have Ms. Hughes, Ms. Wurst and Ms Wilkes already seated.

**< KATIE HUGHES AFFIRMED**

**< KIRSTIN WILKES AFFIRMED**

**< STEPHANIE WURST AFFIRMED**

**COUNSEL ASSISTING**

I'm going to start by asking each of you to briefly introduce yourselves and the community groups that you're representing today. We should acknowledge that none of you are teachers or early childhood workers, and you're all community advocates. So, if I can just ask you to tell us a little bit about yourselves and then we'll start to unpack the journeys that you've been on in your communities.

**STEPHANIE WORST**

So my name's Stephanie Wurst. I'm a primary producer from western Kangaroo Island. I'm heavily involved in our community. I'm the Chairperson of the Parndana Community Children's Centre Governing Council, Deputy Chair of Agriculture Kangaroo Island, which is the industry body for agriculture on the island, and I'm also a board member of Regional Development Australia, Adelaide Hills, Fleurieu and Kangaroo Island. And I'm a mother to three beautiful young children as well, so I've got a very packed and full life. But I guess my journey into being

the Chair of the Pardana Community Children's Centre commenced about six years ago, when I wanted to return to work and didn't have any accessibility to any childcare or OSHC services within our region. This greatly impacted my capacity to be able to return to the workforce to the point where I was actually, I had to leave my role and that's where I've sort of, I guess, pivoted into working in agriculture, from the corporate sector as to not having any other options for me to pursue from a career perspective. So, I've really dedicated a lot of time voluntarily in the last six years to developing a childcare service for our region, you know, personally and professionally, really affected me and so many others in our region and I'm really passionate about driving some outcomes for our regional communities. So that's my storey. Thank you.

## **COUNSEL ASSISTING**

I'll come back in a moment to what facilities are available in each of your communities, but I'll just let the other two of you introduce yourselves first.

## **KRISTEN WILKES**

Okay, I'll go next. I'm Kristen Wilkes. So, I'm from the community of Kingston, Southeast. I'm one of a small group of really passionate professional women that have been trying really hard since 2017 to improve accessibility to the current service that we have available. We are really looking forward to striving for change. We would like to see something different for greater South Australia, rural South Australia. It wasn't where we began this journey, but as we've progressed and the more we've learnt and the more we've talked with other people, we really would like to see some change. On a professional level I run a small seafood business with my husband. I'm a mother of one child and I also work at the local council and much like Steph, I volunteer in every capacity I can for the community. So, yeah. Thanks for having me today.

## **KATIE HUGHES**

I'm Katie Hughes. I live on the Southern York Peninsula. I'm a social worker and a mother. I work one day a week in a wellbeing role at the local primary school. I do a couple of days a week at the community hub in a social work community development type role. We run holiday accommodation and I also take casual contracts for a university. So that plus a few voluntary committees as all rural women and rural people tend to do, keeps life very busy, with my family and my two children as well. And I'm really passionate about the early years and supporting young families. As a social worker I see time and time again, that if we get it right in the first thousand days, if we get it right at the start the outcomes are just so much better for families, for our wider community, and for the life trajectory of every single young person that we see. So yeah, I'm really, really, really glad to be here today. Thank you.

## **COUNSEL ASSISTING**

Can we set the scene with perhaps just a little bit of a geographical picture for, for those who are cheating into watch today's sessions? So, Katie, you are representing and living in the

York Peninsula. Can you just tell us a little bit about the nature of the York Peninsula and its particular geographical challenges?

**KATIE HUGHES**

Absolutely. So, the York Peninsula, the local government, council area is vast, so it's about 5,800 square kilometres, I believe and we have around 12,000 people living across 42 towns and townships. So it makes it quite difficult in some ways, because of the vastness of the area, to centralise services or have services that are accessible for lots of different people. So from Maitland down to Corny Point, Marion Bay is an hour and a half drive, to give a bit of context there. So our community is quite spread out.

**COUNSEL ASSISTING**

And perhaps before we turn to, to the others on the panel in terms of geography, can you outline for us what services have existed to date in terms of childcare within the York Peninsula area?

**KATIE HUGHES**

Yeah, very minimal. We have a small two worker rural care program at Yorktown that is inundated with people wanting to use the service that cannot access a spot. It's not unheard of to never gain a place before your child starts preschool and the workers there, the educators, work so, so hard to manage those lists. It is a huge amount of extra work trying to keep families updated. We also have a one worker program up at Maitland attached to Maitland Central School. Back in the eighties and nineties apparently, we've heard from local people that there were up to 13 family daycare centres in Minlaton. So that's how the need was addressed back then, I suppose. We do not have, we've got one family daycare worker in Yorktown that's about to retire, who has done incredibly well continuing her service for a very long time. But that is it when it comes to family daycare. There's a handful of nannies, but very, very minimal.

**COUNSEL ASSISTING**

Now when we use the term rural care, we should just clarify by that we are talking about a government care program integrated within a government preschool in rural communities where there are limited options for childcare. Have I got that right?

**KATIE HUGHES**

That's correct. Yes.

## **COUNSEL ASSISTING**

And so in the York Peninsula, you are reliant on those programs that the government is prepared to run within your existing preschools.

## **KATIE HUGHES**

At present that is all that exists in our LGAs.

## **COUNSEL ASSISTING**

And how many spaces per day are we talking?

## **KATIE HUGHES**

It really depends on the ages of the children. If they're under two, obviously there's a higher staffing allocation, but they try to work the two worker program, I believe at 14 enrolment spaces a day and up at Maitland it's four.

## **COUNSEL ASSISTING**

And we'll talk more about rural care and the difficulties you've all had in the limitations with it. But I, I want to also come to Stephanie at next, in terms of a little bit of geography about Parndana, because it is, it is quite unique and it has different challenges to the York Peninsula. And also if you can outline what your current services are.

## **STEPHANIE WURST**

Sure, absolutely. So Parndana is located in Western Kangaroo Island. It's a small township of only 150 people. The Island's quite a vast area as well, it's 160 kilometres in length and we only have a small population of four and a half thousand that's spread quite, you know, around the island, quite dispersedly. Our services, I guess, we have no services in Pardana to serve the whole Western district and families. There are 160 children that attend the Parndana school and we get about 10 to 20 children come through pre-schooling each year. For instance, the distance I have to travel, if I want to access a childcare service, the closest one is in Kingscote and that's 75 kilometres from my home, so not feasible for a round trip to drop off children. And the complexities with the centre in Kingscote is that there's limited spaces. It's a facility that's run in an incorporated association model alongside the Department for Education preschool there, and same with other centres in that the numbers of vacancies for childcare are dependant on the number of preschool children attending each year, and they're at full capacity in that centre. There's a small part-time centre in Penneshaw. I believe they have up to eight places amongst the preschool there.

## **COUNSEL ASSISTING**

And the incorporated association is that the Kangaroo Island Children's Service.

## **STEPHANIE WURST**

Yes

## **COUNSEL ASSISTING**

And in terms of Parndana and we will come back to this, but just so that we've got it clear in our heads from the outset, you have a school that goes from reception three to year 12, but also offer some preschool playgroup. Is that right?

## **STEPHANIE WURST**

They do preschool up to year 11. So from 11 and 12, students commute from the school of Parndana into Kingscote. They offer a really great school program for 160 children up to that age group there. Their preschool is only operated five days a fortnight, so the remainder of the time the building is vacant.

## **COUNSEL ASSISTING**

And Kristen, in terms of Kingston, can you give us some similar or comparable details?

## **KRISTEN WILKS**

Yeah, absolutely. We're located about 300 kilometres from Adelaide and within our council area, it's probably just under two and a half thousand people that, that live in our town. We too have access to a rural care model of service through the Department for Education, and that's the only service that's available currently through long day care. There's no family providers within our township so we're limited to the one service, which currently, whilst it has the capacity to have OSHC, it's not available because the site is at capacity and our site capacity is 45 children. It's shared with the kindergarten in a building that was not originally intended to be for childcare but currently coexists with the kindergarten, separately located away from the school site.

## **COUNSEL ASSISTING**

Now, anecdotally you as mothers knew yourselves that there were challenges within your communities in terms of accessing childcare. You all speak in your written submissions of the common theme of your journeys being, having to start though by proving or establishing this demand through a survey process. I'm interested in having each of you just paint a little bit of a picture for us as to what the survey process indicated as to the extent of the demand in each of your communities. And perhaps if we start with you, Kristen, we'll go the other way around.

## **KRISTSEN WILKES**

Sure. So originally we didn't really have any concept of what the initial demand was because we weren't privy to that type of information. But as we progressed through our time on this journey, the last survey that we did was in April 2021 with the help of the Kingston District Council and through our Childcare Early Learning Group. We had 88 surveys that were completed. And I guess out of there, it said basically that 86% of people say that the lack of care really impacts on the ability to take up work or study. So it was a really strong number. We're a small community so yeah, 88 people to take the time to do that and give us information was really valuable.

## **COUNSEL ASSISTING**

Now, I believe you gave some evidence to Senate inquiry in October last year, and you were speaking about having at least 48 people on a waiting list at that time. Is that still roundabout the case?

## **KRISTEN WILKES**

Unfortunately, I don't actually know what the current wait list looks like. Again, we are not privy to that information, not being on the governing council and not being a department employee, but throughout the six years we've been work, we have been working on this, it has fluctuated to as high as yeah. 48, 49 children waiting.

## **COUNSEL ASSISTING**

Now, in case I don't get to come back to each to this with each of you, is access to data in terms of waiting lists, is that something that you would like to see made more readily available in regional communities?

## **KRISTEN WILKIES**

I think it would be great to have some transparency around what the number of families and the number of children that are actually waiting for a place. Sometimes like Katie said, you might put a name down when your child's three months old and have absolutely no possibility of receiving any care before they start in the kindergarten system. So yeah, it would be great to have more information sharing and definitely more transparency between regional.

## **COUNSEL ASSISTING**

And in terms of that 2021 survey where you had 88 respondents, if we just highlight another couple of figures, I think 93% of those 88 said they would access OSHC if it was available.



**KRISTIN WILKES**

Yes, that's correct.

**COUNSEL ASSISTING**

And 61% said the current service wasn't meeting their needs.

**KRISTEN WILKES**

Absolutely. They may be receiving a day or no days of care. So yeah, 61% of the 88.

**COUNSEL ASSISTING**

And anecdotally, were you aware that there are many people who just didn't bother putting their names down because of these issues?

**KRISTEN WILKES**

Absolutely. I know from my own personal circumstances that I probably should have been in before my child was born, but I didn't realise that that was how the system operated.

**COUNSEL ASSISTING**

And Stephanie, what are some of the key insights that you gained from the survey process?

**STEPHANIE WURST**

Yeah, well, not having any care service at all or rural care or anything within the Parndana area, we weren't really certain of exactly what numbers of children required childcare within the region or OSHC services. So we did an initial survey in October 2018 and 29 families responded and they, um, preference that they would have 61 children looking for childcare and OSHC services. Then we did a subsequent survey in September 2020 and we had 45 families respond at that point with 75 children needing service. So these children, most of the families, I should say that responded to the survey are currently not able to access any childcare or OSHC services at all. So it was quite stark to see those figures and see that demand and know that there's not really any support out there for those families in our district.

**COUNSEL ASSISTING**

And did you have similar results from the York Peninsula?

## **STEPHANIE WURST**

Yeah, we did. I guess at the start you feel like you're flying blind. Like there is no blueprint of how to do this. And I was on Yorktown Community Children's Centre, governing council, so I was privy to the wait list numbers as my children moved through preschool. But for the rural care service and that coupled with, I guess, lots of anecdotal storeys and seeing families struggle with this issue, when we released our first survey, it was quite broad. We covered the entire Southern Yorke Peninsula, from Curramulka to Port Vincent all the way down to Marion Bay, Corny Point. We had 175 families respond to our first initial survey. 194 children were listed as requiring care, age four and under, and a further 162 children required OSHC service. There are OSHC spaces at Yorktown Community Children's Centre, but for every OSHC placement that they take, it takes away from the rural care under five placements. So it's quite difficult to manage. There are no other existing OSHC services at all in our region. So it's huge, huge numbers of children that family's are really struggling to find a solution for.

## **COUNSEL ASSISTING**

Now the survey process, you've all started from being community volunteers - were any of you given any financial assistance or help to pay for the surveys and or craft the questions? Because as we know from our data hearings, you need to ask the right questions to get good quality data. So I'm interested in the experiences you had in trying to even get that initial survey off the ground.

## **KATIE HUGHES**

No, we paid the subscription for the data platforms ourselves. We developed the questions. We made mistakes as you do because we didn't have any guidance. Simple things like our secondary survey asking for birth year, but also birth month to know when that child was likely to enter into preschool, that would've been a big help. We only asked birth year. So whenever we are contacted by other groups, we try to share those things because there is, yeah, there is no plan. And going back to the data and having, I guess, transparent conversations about wait list data. It was, that was an incredibly frustrating part of writing the grant that our council wrote. We couldn't use the wait list numbers because there're confidential and there's nowhere that there's publicly, that they're publicly available. We knew them, and it was key real time data to show the need in our region, but we couldn't, we couldn't use that information. Yeah.

## **KATIE HUGHES**

From our perspective we did exactly the same. We had no funding or support through the process. We established the survey, all the questions, from the initial survey in 2018. When we did the subsequent one in 2020, we did more detailing and we also asked parents some optional sort of confidential questions, 'are you planning to have more children?' so we could actually get a bit of a gauge of future demand which was really crucial in trying to get funding to support a service going forward in the region, that it wasn't just the current, but it's the future demand. So we did learn from the first survey, from some of the response, what we sort of

needed to get more information on going forward. And we found as well that even though the surveys were just conducted by ourselves in house and not done professionally, that that information and data was required to prove as such that our need in the community, but it was also questioned whether it was authentic and so forth.

**KRISTEN WILKS**

I agree with that statement. You feel like, through the survey process that you are trying to find this burden of proof to show that there really is a need for these services. We were fortunate that we had the assistance of the local council. But we definitely learnt a lot from our first survey to the second survey. So we had 61 surveys the first time around and 88 the next, so yeah, we changed our questions and we refined but we were fortunate to have assistance.

**COUNSEL ASSISTING**

And for any of your respective communities, had there been any at discussions at a local government level about this issue before you started to shine a light on it?

**KATIE HUGES**

Not that I'm aware of. We decided to release the initial survey. We wanted concrete data before we approached local council and different government departments, we just thought that was the best way to go. We needed to prove the need. So it's very chicken and egg. It's hard to know what to do first but yeah, that was the decision that we made.

**KATIE HUGHES**

Our council weren't aware of the demand or the need for our district and region on the island. No.

**COUNSEL ASSISTING**

Did you speak with the Department of Education in initially? And we will come back in a moment in more detail to some of the challenges you've had in terms of trying to roll out existing programs, but at that early stage, was the Department able to help with any information at all about your respective communities?

**KRISTEN WILKES**

It was very limited.

**KATIE HUGHES**

Yeah.

## **STEPHANIE WURST**

Yeah, we approached the Department initially after looking as a working group and investigating all the different and varied options that could potentially work in our community and we analysed them in depth and thought that the desperate need of families with no care that we needed to put something in place that was timely, that was already established, that could fit within the constraints of the facilities we had in the township. So after that initial assessment, we decided that the rural care model by the Department for Education would be the most sensible pathway and practical and cost effective that could be implemented in a timely way in our community. So we did initially deal with them.

## **COUNSEL ASSISTING**

Just before we come to that topic, I just, I don't want to overlook this question. In the absence of any services, as you've all spoken about, I think one of you might be Kristen, you've spoken your submission about people driving up to 650 kilometres round trip, whether that's family or friends helping you to access childcare, anecdotally, is that happening in your other communities as well?

## **KRISTEN WILKES**

Yeah, absolutely. So Kirsty Starling, who is part of the working group and was one of the people that I partnered with early to see what we could do, her mother had to drive from Adelaide to come and care for her children so she could return to work as a nurse. And I know personally myself, I had to drive a hundred kilometres a day sometimes just to be able to go back to work. So yeah, absolutely. It's still happening. We are very creative, resilient women that do our best to come up with these solutions, which is in a way unfortunate.

## **KATIE HUGHES**

And yes, my mum drove five hour round trip weekly for seven years so that I could work. And that takes away from her ability to work and be in her community. So it doesn't just impact young families and women, I think that's the bit that all of us at the start have struggled to get people to see, like it's such, it's a much wider issue than that. And we'll go into that.

## **STEPHANIE WURST**

Can I just add on that unfortunately on the island the barriers to access actually prevent family members from really being able to do that commute because of the expense in flying and getting the ferry. So it actually puts us in a really difficult position where families can't just drive, just drive 600 kilometres to assist you in your childcare needs. So it's really difficult.

## **COUNSEL ASSISTING**

Kristen, you mentioned essentially giving up a more corporate career because of the lack of access. Anecdotally, what insights were you getting from your communities about the numbers of women who were prevented from working at all or as much as they wanted to?

### **KRISTEN WILKS**

I guess, you know, just having those conversations, some people just realised that they didn't have the capacity to retain their jobs if they couldn't find any care. So you kind of get into this anxiety spiral of trying to find solutions to your own problem. But yeah, there's many women that we know of, professional people that have left town because they just did not have access to care from physios to all sorts, to even, you know, even keeping local doctors. So it's a real challenge for our community. So, and I'm sure that girls can say the same.

### **KATIE HUGHES**

Yeah, it's particularly difficult when someone has a permanent position that they want to return to and they simply can't because they can't access care. And the flow on effects for both attracting and retaining staff members in our vital, like hospitals, schools, like things that are vital to our community - and with the housing crisis, we don't actually have spare houses for people to move to our regions. We have the workers sitting right there, but they can't work because they can't access care.

### **STEPHANIE WURST**

I found it really has affected a lot of primary carers, predominantly women, living on Kangaroo Island. In some cases people are able to manage returning to work, but they take much lower capacity professional roles due to being able to not commit time to higher level positions. And I've also found that a lot of predominantly women in our region have stepped away from careers that they were establishing to start their own business, or work in roles that are flexible or based from home that provide more flexibility where they can still retain a foot in the workforces such, but maintain some caring roles for their children.

### **KRISTEN WILKES**

And I think too, it's important to note that sometimes in a small community, there's not the same role. So sometimes if you give up that role, you may never get that role back again. Because there's just no possibility. It's not like being in the city where you can apply at another place. There might only be one place that you could potentially work. So you might have to do what Steph did and pivot to a whole new career and sometimes that's fine, but sometimes that's not what you want to do.

## **COUNSEL ASSISTING**

Now, the starting point for each of you was looking at what you already had and overwhelmingly that was rural care programs within preschools operating in your communities. I'm interested in starting a discussion about what the current limitations and challenges are with rural care and what insights you might be able to give the Royal Commission. Now, first of all, for those watching, rural care must be viable and must be able to operate within an existing government preschool. And there are limitations on staff and numbers. Stephanie, you've now secured some funding to build a new centre and we'll touch upon that in a moment, but you initially approached the Department of Education to see whether they would operate a rural care service within your existing school site at Parndana. What was the response and what were the challenges you faced in that negotiating process?

## **STEPHANIE WURST**

So initially we approached the Department for Education to run the rural care program, thinking that it was feasible with the preschool only operating on a part-time capacity and that it was fit for purpose to actually run a rural care program. We pursued that for, it was about eight months of consultation and regular meetings and we were under the impression that we would be successful in that rural care program being established. And then we received formal notification from the Department that they would not be opening a rural care service at the preschool due to the school needing to focus on the education and care needs of school aged and preschool-aged children. They did however offer that we could get a private provider to come in and use the space at the preschool as an alternate option, which we then pursued.

## **COUNSEL ASSISTING**

And what were the challenges and perhaps for all of you, what are the challenges in attracting private providers to your communities?

## **STEPHANIE WURST**

Yeah, well, I'm happy to jump in as a first response there. Really it's around viability of running a service, a small regional service, that limits the capacity for private providers to come in to rural and remote areas and be able to provide a service. So, it limits what governance models can be in place in rural and remote childcare facilities. And we've identified through a thorough analysis that the rural care program or an incorporated association model are really the only two viable models that we could put in place in our childcare centre that we are currently building.

## **COUNSEL ASSISTING**

Now an incorporated association model would involve a community group to incorporate as a business and assume legal and financial responsibility for running that, is that a nutshell summary?

## **STEPHANIE WURST**

That's correct.

## **COUNSEL ASSISTING**

Can you touch upon the challenges of establishing and maintaining such a group in the communities that you represent?

## **STEPHANIE WURST**

I'm happy to speak to this. You know, we established an incorporated association immediately after we've received federal and state government bushfire recovery funding to build the childcare centre. And I guess naively, we didn't anticipate the level of risk and responsibility that was involved with us assuming that position as a governance model for the centre. Upon further investigation, we've now realised, going through our provider approval process through ACEQUA and through a range of other measures that we've been through to get to this point, that the personal risk and liability that's put on governing council members is extreme and we think unreasonable, an unreasonable risk to be put on people. We've also found that in our small regional and remote community, there's really limited succession for that governing council board, which needs a high level of skill and expertise to run. And then we've got the additional pressure of small regional and remote childcare centres, not being financial financially viable, and that pressure then going back onto the community government council board to manage at that really high level. So they're probably the three main concerns that we've had in relation to an incorporated association model in particular in our community.

## **COUNSEL ASSISTING**

We'll come back to your journey. But at this point, can I ask Kristen, you, if we go back to rural care, were on the governing council when your own children were at preschool and you started your advocacy work trying to increase or improve the rural care program at that point before you then formed your working group. And I should add that you've now secured 1.8 million to build a new facility and we'll come to that in a moment. But what were some of the challenges that you faced when you were on the governing council and you looked first at whether rural care could be expanded to help your community?

## **KRISTEN WILKS**

Yeah, in the beginning we really only had a one worker program at the rural care. So that means five days a week, there was one worker to essentially look after about four children. So, I guess we started this journey by just saying, well, how could we possibly get more children in care? It was a really long and difficult process and I guess that we were just repetitive, we just kept coming back and asking the question and we were fortunate, we had a bit a recalculation in the numbers, so therefore we were able to get one more child in care. But it took a really significant amount of time and phone calls and conversations, to really see how we could turn

a one worker program into a two worker program. It was difficult to obtain the information and, and we were quite often told that, really that the Department for Education wasn't in the business of childcare and that rural care met a need for a small community when there was no one else to step into that market. And so we really pushed the boundaries of what a rural care model could be to the point where we're actually at a three worker program currently, but it took a significant amount of time and a lot of advocacy to get where we are today.

## **COUNSEL ASSISTING**

And am I right, that you were able to increase that service from, now you'll correct me if I'm wrong, from four children, five days a week to 18 children, three days a week?

## **KRISTEN WILKS**

It's up to 18. As Katie referenced before, it really depends on the age of the children. So if they're under the age of two, so the numbers fluctuate and because it's on the shared site, at the kindergarten, it's also dependant on the number of children that are currently enrolled in kindergarten. And I mean to the point where we have, as a community, become creative to actually look at taking the kindergarten children offsite for half a day, so that we could free up space at the site to be able to have more children in care.

## **COUNSEL ASSISTING**

Can you flesh that out because that was quite an innovative solution that you came up with to try and navigate some of these limitations within the rural care model. How did you make that work and what were the challenges in working with the Department to achieve that change?

## **KRISTEN WILKS**

Absolutely. I guess that we were asked to potentially go away and find our own solution to be able to see if we could have more children in care. So working together with the Director of the kindergarten and also with the school, we come up with a really innovative, creative solution to take these kindergarten children to the school site for a half a day, every fortnight. So that freed up capacity at the site to be able to do that. But I guess the problem with doing that was it's not a stock standard program for kindergarten kids to be leaving the kindergarten to go. So we had a lot of red tape to work through. And so we did that. We jumped through all hurdles and made it happen, and it was really successful, and was working really well to the point, where all the parents were really happy, the kids were really engaged and really enjoyed being at the school. But unfortunately we then lost that program for a period of time before it was then reinstated again, and it still exists today and it works really well. It's been fantastic for the kids, you know, they've got no anxiety hang ups about starting in reception because they know where everything is. And yeah, you know, they heckle all the older students, it's actually quite nice to see.



## **COUNSEL ASSISTING**

For those tuning in I will come to Katie and hers is something of a slightly different story because you've secured a private provider to come in and operate a service. And before we touch upon that, I'd just like to flesh out some of the issues that are still in existence for Stephanie and Kirsten, what are the key limitations or challenges to rural care? And what ideas do you have, if we were looking at expanding or changing that program?

## **STEPHANIE WURST**

Yeah, I'm happy to talk to that. We obviously don't have a rural care program in place, but we've identified a few limitations in the program. Firstly, I would just like to mention that I think that the rural care program needs a full overhaul and review and the limitations we've found is around that the rural care program must be operated in a preschool building on the DFE site. We're building a childcare centre on Department land but at the moment it doesn't fit under the policy that it could be used as a rural care facility, because it's not within the preschool. Limitations around like the size of the number of children that are able to use the service with the maximum of three educators is very limiting and doesn't fit the needs of many rural communities. I think they're the main points really that we've got.

## **KRISTEN WILKS**

And I guess our limitations are much the same. Our site is at capacity. There's no room to expand. Unfortunately we have staff limitations, with limited educators, we've been told that three is the highest level that we can go, in terms of staff per day. It doesn't actually suit our community. You know, we don't have any after school care and that's something that we would, you know, desperately love to have. We want to have a facility that's purpose built located on the school site so that we have a really fantastic, vibrant educational space for families to utilise. And, and we really like the rural care model, but we want to see it evolve into something, you know, bigger and brighter that can be easily rolled out to communities such as ours. And it's very strategically approached and, you know, suits the needs of the communities and the families that actually use it.

## **COUNSEL ASSISTING**

Now all three of you were in a position where you had to start looking at fundraising for a new facility. Can I come to that now. And in terms of funding, for two of you, I understand it took bushfires to release certain funding grants that you were able to apply for. Katie in terms of options, and you were able to secure a grant and build a facility, and now you have a private provider who will come in and run it. If you hadn't been able to access funding that was made available after the fires, what options were you going to look at?

## **KATIE HUGHES**

So we have been incredibly lucky to have amazing support from the York Peninsula Council. Once we ran our second survey and had a solid business case that there was the numbers in our region requiring care for a private provider, which in itself is difficult, different providers have different minimum numbers of enrolments per day to be viable. So we talked to a number of different providers and it was anywhere from 62 enrolments a day through to 83, 85 enrolments a day. So for communities like Kristen's and Steph's, they do not have that number of children requiring care per day. I don't want to use the word luckily, because it's devastating that we do have those numbers requiring care with no service in place, but we have those numbers. And so we were able to apply for the Black Summer Bushfire Recovery Grants funding. Steph's community and Kristen's community - all three of our communities have been touched by bushfires. We all feel strongly, while we are grateful for funding, it should not take a natural disaster to get these services to our regions. But yeah, our council applied for the Black Summer Bushfire Recovery funding with our support. We had data, we had letters of support from businesses and parents. But they have also looked at other options for grant funding as well. So it certainly wasn't limited to that one grant program, but yes, they did a lot of work to make that happen for our region. And we did receive 2.25 million for the project, but our local council is having to contribute a further 2 million dollars to see this project through.

## **COUNSEL ASSISTING**

Would one, are all of you like to just provide an example of how the bush fires really illustrated the consequences of the lack of access to childcare mm-hmm

## **STEPHANIE WURST**

Yeah, I'm happy to jump in here. Having no access to any care at the Western end of the island, the desperation after the fires was significant for care. Families, so many families were impacted. Personally, we also lost our whole farm business and home so I speak from personal experience here in that having no access to care meant we had to take all our children out to our property throughout the whole bush fire clean-up process. We had ad hoc support from family and friends that was limiting and didn't really fit the needs of what we needed. And so, yeah, it was a really, I guess, distressing period for so many people. We were displaced, didn't have anywhere to live, didn't have any resources. And we were trying to support our children, you know, get our businesses, manage our businesses that had been heavily affected. And at that time, a friend within the community had a nanny that she had employed prior to the fires and recognised this desperate need for so many families for childcare. She ended up setting up just a makeshift childcare centre in a shed at her property with her nanny where we could take our children. So we could go out and start cleaning up our properties. I mean, it was desperate times. Yeah. Really desperate.

## **COUNSEL ASSISTING**

Would the three of you advocate for more childcare specific grants offered by state and or federal government?

## **STEPHANIE WURST**

Yes, absolutely.

## **KRISTEN WILKS**

I guess one of the difficulties though, is that, if you're not the provider in the market currently, so for example, we have the rural care, the provider is the Department for Education. Quite often, these grants are specific to whoever the provider is. So in Steph's case, they've had to go and do all of this work because they didn't have anyone else to step into that position for them. So, you know, they're now applicable to apply for that, but for a community like ours that can learn from the process that Steph's been through, you know, we don't have that capacity to be able to, you know, get that funding and control our own destiny. Our community was not fortunate to receive any funding through the black summer bushfire grant.

## **COUNSEL ASSISTING**

And after that, you then embarked upon some very intense campaigning after not receiving that funding. What effort was required to secure the coalition promise of 1.8 million to assist with building a new facility?

## **KRISTEN WILKS**

What was required?

## **COUNSEL ASSISTING**

What efforts did it take and what challenges did you encounter?

## **KRISTEN WILKS**

Oh, just absolute strong advocacy. You know, just really picking the phone up and talking to people and just saying, you know, like whilst, you know, we were so thankful that other communities benefited greatly, we were just so devastated that I guess, yeah, we're still in the same holding pattern that we had been since 2017. So yeah, it was really frustrating for us.

## **COUNSEL ASSISTING**

And have you got any sense as to when you might actually receive that funding?

## **KRISTEN WILKS**

No. We don't have a specific timeline, but we have been guaranteed that the funding, through the federal government, will be available. It's just a matter of when that might be received, but even when that funding comes through, we're still not any closer to establishing the governance structure and when it might commence. So we've still got a lot of work to do.

## **COUNSEL ASSISTING**

Now, in terms of the governance structure, we've spoken about the difficulties of attracting private providers to communities with your numbers, and it's a little bit different to Katie's, what's the ideal model for you once your service is built? If there were no issues attracting providers let's look at a perfect world.

## **KRISTEN WILKS**

Yeah, I guess if we could have a perfect world, the ideal model for us would be located on our school site, would have a kindergarten and have purpose built childcare. It would be staff sharing, it would be hopefully, our preference would be for it to be run through the Department for Education. We are desperately, we do not want to be in the position of having to take on that risk element for our small community. But we would really like to have the allied health services. It's really critical in our small town, you know, quite often children don't get to see a speech pathologist or whoever, you know, until they're just about to start school. So we would really like to improve in that area and have a really fantastic one stop shop. Rural care, but bigger bolder and brighter.

## **COUNSEL ASSISTING**

And have you managed to make arrangements to secure the location of your facility?

## **KRISTEN WILKS**

Yes. We have been working closely with the Department for Education and we have, they've been fantastic in that in the last 12 months to help move this process forward in terms of helping with some spatial designs, they also helped with a business case as such, which ran through the governance models, which could be available to our, to our community, and to the point where we've recently done a feasibility study. So, we have the site, and everyone is in agreement that that's the right location, it's just about now moving forward to how we can get that done.

## **COUNSEL ASSISTING**

And one other aspect that is still undecided is whether the Department will operate a kindergarten there, is that correct?

## **KRISTEN WILKS**

Yes, that is still undecided. Whilst we've had conversations and everyone is on board that that's the preference, we've not seen anything in writing to confirm that that will happen.

## **COUNSEL ASSISTING**

In terms of your next steps, will you need to secure additional funding?

## **KRISTEN WILKS**

Absolutely. We will be, yeah, we are working hard, we are advocating everywhere we possibly can to secure additional funding, but we actually need assistance in that process and particularly through I guess Department for Education and state government, if we are to bring the kindergarten, we're acutely aware that the 1.8 is not enough to build the facility that we would like. So we are open to suggestions.

## **COUNSEL ASSISTING**

What would you cite as the key challenges that you've encountered throughout your whole journey, whether it's been the funding, or the limitations to rural care, what's been the key stopping points for you?

## **KRISTEN WILKS**

I guess key stopping points have definitely been information and the time lost. And perhaps we were a little bit naive in the beginning too, thinking that we would just ask a request and things would happen. You know, we had no idea that seven years later, we'd still be asking the same questions and still not getting the answers that we're actually looking for. And, you know, we desperately need help. We are not, we are not experts. We don't work in the field of early childhood and education, but we're doing our best to resolve a community issue to move our town forward, you know, move the economic growth, but also look after the kids that actually reside there so that they have the best start in life. So definitely information sharing and the capacity to want to help us find the solutions. We feel like we've been very proactive and responsive and driving a lot of the discussions, but not necessarily moving forward.

## **COUNSEL ASSISTING**

And Stephanie, your lobbying efforts have managed to secure some funding to build a centre. Tell us where you're at in terms of that.

## **STEPHANIE WURST**

Sure. Yeah, so we were fortunate to receive 1.8 million in local economic recovery funding after the black summer fires impacted the island. That in itself was I guess, a very difficult process at the time, as we were all, a lot of the members of our governing council were going through bushfire recovery. So we had to apply for this grant and we just, we didn't have any backing behind it. It was just us. So we just looked around and estimated what figure it would take to build that childcare centre. And, I guess it's unfortunate that it took that event to occur within our community for us to be able to obtain funding for a childcare centre. But I just wanted to comment that if we didn't get that funding, I don't believe we'd be any closer to a solution in our community and that we'd still be advocating in lobbying and trying to get funding from somewhere to get something up and running. So, I just wanted to make note of that.

## **COUNSEL ASSISTING**

And in terms of the grant application, how much sheer hours are we talking and what were the range of topics that you and your group had to go and educate yourselves about? And what help, if any, did you have for the grant application from local or state government?

## **STEPHANIE WURST**

So I guess some of the challenges are that we, we haven't received really any support from the federal, state or local government in what we've been doing in this process. We've had difficulties in people hearing our voice and our needs, and I think people underestimate how much this issue affects our regions and our communities and our families. Like, it just felt like people didn't see the importance in early childhood education and care for our community. The application in itself, as it was like an initial round of funding that came out straight after the bush fires, wasn't too lengthy and we'd actually already collated reports and ran like quite a substantial amount of documentation following all of our surveys as advocacy material for a service. So we were able to use that information and we worked with our local Kangaroo Island Bushfire Recovery Coordinator to put the application together and really he helped drive and support it. He saw the need on the ground, which was fantastic. He came out, you know, to our farm properties and he was really involved in the community and that support from him gave us reassurance we were going on the right step and he, I guess, helped guide us through that process.

## **COUNSEL ASSISTING**

And in terms of the money that you've secured now, we've been talking about governance structures and your group has had to establish an incorporated association and a governing council to manage the build. Is that correct?

## **STEPHANIE WURST**

Yes, that's correct.

## **COUNSEL ASSISTING**

In your submission, you mentioned you've had to tackle everything from managing budgets to negotiating insurance, fundraising, developing a constitution and policies and arranging provider approval with ACEQUA. This really highlights, I suppose, your point about it being difficult to find in small communities people who can take this on and then succession planning for when your group may no longer be involved in that space. Is that a fair summary?

## **STEPHANIE WURST**

Yes, absolutely. And the sheer amount of workload that's been put on our governing council, as volunteer community members, and with young families at probably the busiest times in their lives. We are just, we are very passionate about getting an outcome and driving this process for the community. And I think that's driven because we know how difficult it's been for all of us and the experiences we've had. And so there's so much drive for us to get this service operating in the community. However, we didn't understand the complexities and the sheer workload involved at the start. We knew it would be substantial but we didn't know, I guess, that it was going to be this much work.

## **COUNSEL ASSISTING**

Can I ask each of you at this point, just to perhaps give some examples of perhaps the hours per week you think you might have spent on, on your advocacy work since you each started the journey?

## **STEPHANIE WURST**

Look, I think I've put I in my submission, you know, that I do probably a minimum of 15 hours voluntary a week, minimum. Some weeks it's pretty much nearly a full-time job, project managing. In some weeks, it's a bit less. So, you know, 15 to 20 hours average a week is what I've committed to our project over the last two years, really, and since we've received the funding, it's stepped up to the next level.

## **KATIE HUGHES**

Yeah, it fluctuates, when you're in the throes of managing data and surveys and yeah, the sheer amount of time spent advocating to different levels of government or different organisations and just feeling stuck in that hamster wheel of 'everyone's very sympathetic, everyone listens, no one offers solutions, no one actually takes action to help you cut through red tape'; that was incredibly frustrating. So, the time spent laying in bed at night, wondering how you were gonna get to the next step. I don't know if we include that or not. Some weeks it was a full-time job.

## **KRISTEN WILKS**

I guess we've talked about this as a group and we couldn't put a number on it and we kind of got to the point where, would we really want to think about how many hours we have spent trying to research, have meetings, make phone calls, do interviews, do follow ups, do after meeting meetings to talk about what we just talked about. And you know, we don't want to know how much time this is taken away from our own personal lives, and our lost opportunities, because we've just, we are exhausted from, from researching and learning. So yeah, I don't want to put a number on it too many hours.

## **COUNSEL ASSISTING**

And I should clarify too, with respect to all three of you, I believe all of your children now are school aged.

## **STEPHANIE WURST**

That's correct. Yes. Unfortunately, none of our children will even use the services we develop now we've been involved for so long in this process.

## **KATIE HUGHES**

And one day, hopefully our children's children might.

## **STEPHANIE WURST**

And can I just add as well, there's seven people on our governing council and they all contribute significant voluntary hours. So when you take that tally of a group within the community, driving a project like this, it's quite significant

## **COUNSEL ASSISTING**

And Stephanie you, well, you've all touched upon some of the difficulties inherent in adopting that community governance structure, is the door closed in terms of your position, Stephanie, in terms of the new centre, when it is built, having a rural care model, or are you in a position now where you're having to look at that incorporated association model, assuming you can't find a private provider?

## **STEPHANIE WURST**

With the number of children we'll have attending the centre, it's not going to be viable for a private provider. We are in negotiations with the Department for Education currently, trying to get a rural care service established at the new childcare centre. So we are meeting with them in the coming weeks and continuing discussions. The complications around this is that the centre will



be built in the near future. And the demand is enormous for the service so the timeliness in responses from the Department is going to be critical going forward for us to work out the governance model. Our position as the governing council is that the rural care model is the best model of operation for our service.

**COUNSEL ASSISTING**

And I think you are due to finish the build, is it October this year?

**STEPHANIE WURST**

The build will finish in the coming months, but open a service in September, October this year.

**COUNSEL ASSISTING**

So there is a sense of urgency I imagine at this point in terms of landing a governing structure?

**STEPHANIE WURST**

Yeah. We've got very limited funding, that to build the scope of what we're building with the economic climate we've had over the last, you know, two years since we've received the funding, we'll have to attribute a, you know, a, quite a portion of that funding to the set up and operational business development of the childcare centre. So if we can go down the rural care model, we can then put those funds back into resourcing in the centre and the outdoor play environment where we've got very limited funds. So we really are coming to that headway where we need to know what the decision will be.

**COUNSEL ASSISTING**

And Katie, perhaps if we come to you and as we've touched on your journey's been slightly different in that you were able to establish the numbers to attract a provider and their name has escaped me if you can help.

**KATIE HUGHES**

Yorke Peninsula Learning and Care.

**COUNSEL ASSISTING**

You've spoken a little bit about some of the difficulties you had, but what do you think are the key factors that enabled your project to come to fruition as it has in terms of finding a private provider? Was it just that you could establish the numbers?

## **KATIE HUGHES**

We could establish the numbers. Our council was board and worked incredibly hard to drive this project. We had some key council staff that have young families themselves and really intimately understood the need and what it meant for the community and they were really passionate about it and helped us a lot. We were involved, there were obviously panel selection processes, expressions of interest and tender to get to the point of appointing a private provider as well. So we were involved in that and really appreciative to be involved in that process. So yeah, probably very much the dedication of council. And we are, have small local, like LGAs. Our councils are not big councils. Our council area is very vast with a huge road network, huge coastline. There are so many other aspects of the functions of the council that need attention. So for them to put so much energy into this, we're incredibly grateful, but I sit back and go, is it their job? Should we be placing that burden on our local councils? I don't know.

## **COUNSEL ASSISTING**

You had quite an interesting makeup in your local group. Can you tell us who the other the members are and what their qualifications or professions are?

## **KATIE HUGHES**

Yeah. So from the start we have Amy Honner, who's a local speech pathologist, and very skilled in paediatric work; Anna Phasey, Learning Together Educator and also a small business entrepreneur and Nadia Slade, who's also a small business entrepreneur.

## **COUNSEL ASSISTING**

So no doubt the makeup of your voluntary group contributed to the resources you've been able to marshal I imagine. And it might be that different communities can't perhaps marshal such a group of qualifications in one space.

## **KATIE HUGHES**

Mm-hmm, mm-hmm

## **COUNSEL ASSISTING**

What would've made your process easier. Do you have any reflections?

## **KATIE HUGHES**

Let me skip to that page. I think under-fives is really tricky to get key timely data. So when you're relying on things like the ABS where the data can be up to five years old, by which time

those children are off to school, so trying to navigate our way through that was quite difficult. And the data exists, it's just not shared. So that was, I think, something that would've made it easier. For us, country people are used to just getting on with it and getting things done and so we paid for things like Survey Monkey. But for some communities that would be a huge barrier. They would not be able to progress, they'd see \$500 for a year's subscription and with no way forward. We are very mindful that we sit here as three groups or committees that have access to funding, but we know of at least 12 other groups that are still working their way through with no end in sight.

## **KRISTEN WILKS**

And they're at the beginning or they've been toiling away as well. And, you know, we're all working really hard for the same thing. You know, we don't, we don't always connect because we don't know that there's another community, you know, for example, like Cummins, they're exactly like Kingston, but they're like 900 kilometres away. So it's just through fortunate conversations.

## **KATIE HUGHES**

So support with those starting things. So SEED funding, and support to create surveys, to do like a cost benefit analysis, I believe is around \$4,000. And, would, would you like me to discuss the CBA a little more?

## **COUNSEL ASSISTING**

Absolutely.

## **KATIE HUGHES**

So as part of a secondary grant that our council went for, they needed a cost benefit analysis done. So they had a consultant do that, and it was looked over by our original development association as well. A good project they said to me is one in which for every dollar spent \$4 to \$5 is returned to community, that's sort of the benchmark. For our project the parameters were incredibly conservative. They based it on the average yearly wage of \$39,000 on the Peninsula because we have quite an aged population. They base that on only 50% of the families accessing the service working. But the CBA came back at \$50, put back into community for every dollar spent. So to me in a lot of ways, if we could have CBAs done across the state, it it's a no brainer in terms of both economic benefit and benefit to early learning and supporting our children.

## **STEPHANIE WURST**

I've found personally some of the difficulties for us has just been navigating our way through this just as community members with no guidance at all from anyone and trying to just go from step to process to a different process with no guidance, and no, pretty much effectively no

support through that whole process. We've really found that challenging, that we've just had to drive it effectively ourselves to find a solution.

### **COUNSEL ASSISTING**

Can I change tact slightly? I'm conscious of the time, but I know in your submission, Katie, you speak about some of those shortages in the first thousand days. And you point to the, I think you had two CAFHS nurses attempting to cover the whole Yorke Peninsula council area and working 0.7 FTE is right?

### **KATIE HUGHES**

We have one CAFHS nurse working 0.7 covering our entire region.

### **COUNSEL ASSISTING**

And I think you've pointed to wait times this year blowing out to almost three months.

### **KATIE HUGHES**

Yes, that was last year. The wait time went up to three months in August of 2022. So we encouraged everyone to write in and explain how that was impacting them because it needs to be in writing, it needs to be documented. And I did speak to one of the management staff in CAFHS who stated it's very difficult to attract nurses. And my answer to that was, yes, it would be if a position has not been advertised. I have the names and numbers of three local nurses who would love to be CAFHS nurses. But they didn't wish to take that information. So our CAFHS nurse is based up at Maitland and for them to conduct a newborn visit down at the communities of Corny Point or Marion Bay, it's a two hour drive, one hour appointment, two hour drive home, because unfortunately babies do not coordinate their arrivals. You cannot. So that's a huge chunk of time taken out for one visit. So I believe that the amount of time given to CAFHS nurses is based on population data, but it doesn't take into account the vastness of our region. And in the same respect, we can't expect a mum who's just had a C-section with a newborn and a toddler to drive two hours to have their baby weighed and measured. That's unachievable. So that's an area that's really lacking in a community. And we don't have private lactation consultants or any other specialist staff that can support mothers.

### **COUNSEL ASSISTING**

Do you face similar issues?

### **STEPHANIE WURST**

We do face very similar issues. And in addition to that, since they've changed the flight schedule to and from the island, our allied health services have dramatically dropped. So previously specialists would fly over and service the Kangaroo Island community and then fly

back on the same day. And since they've changed the flight schedule and Regional Expressive pulled out from that service, they no longer attend the island at all. So for most appointments, whether it's ENT or orthodontics, every single family has to commute to Adelaide to receive any services.

**COUNSEL ASSISTING**

Any insights, Kristen?

**KRISTEN WILKS**

Yeah, well, we do have a CAFHS service available, but I'm absolutely sure that they are under resourced and, you know, we could really see some great improvements in that area. As I mentioned before, having access to specialist services, you know, sometimes, takes a really long time and unfortunately, children you know, are disadvantage from that. So it would be great to improve.

**COUNSEL ASSISTING**

Katie, have you had, or has anyone in the community had discussions with the provider who will run your centre about what services they might offer in terms of allied health?

**KATIE HUGHES**

Yeah, so that was a really positive part of the provider's application that was successful in tendering to run for the centres. They really want to provide a wraparound service to our region. And so if there are opportunities to bring in lactation consultants, speech pathologists, OTs, parenting programs, they're very, very willing to consider how they can make that happen - and the centre not just be a place where children come for long day-care, but families receive those wraparound supports.

**COUNSEL ASSISTING**

And Stephanie and Kristen, what would you like to be able to see once your centres are built and come to fruition?

**KRISTEN WILKS**

Absolutely the same thing, the wraparound services. So in the spatial plans that we have currently, we've already made that provision for that space, we've included it in our plans. We really want to see a greater outcome in that space. So yeah, we'd love for that to happen.

**COUNSEL ASSISTING**

Your centre will be operational, sorry, I've just lost my place, is that early, later this year, next year sorry?

**KRISTEN WILKS**

No, we are still waiting. We haven't even got to the architectural plan stage.

**COUNSEL ASSISTING**

I'm sorry, I've just had a blank moment. That's correct.

**STEPHANIE WURST**

And we've designed stage two for, we went for another round of bushfire funding, the Black Summer funding. Stage two of the childcare build was an OSHC with a health consult room. Unfortunately we weren't successful in obtaining funding for that stage two, but it's there and the intent behind that health consult room is that it'll be utilised by the school, 160 school students who are also on campus as well as childcare, children attending childcare. So it really will provide that space for consultants and health practitioners to come over and service our community, which is just in such great need for those services.

**COUNSEL ASSISTING**

Are you now having to look at reapplying for that or looking at alternative funding to make that happen?

**STEPHANIE WURST**

Yeah, at this point we are still just focusing on the childcare and getting that operational in the coming months. Just due to the sheer workload that we are all experiencing as volunteers on the governing council, we've had to put that stage two just on hold at the moment. But it, you know, we'll be revisiting that once the childcare's operational, for additional funding, I should say.

**COUNSEL ASSISTING**

This Royal Commission is also looking at workforce and issues surrounding workforce in the early childhood education and care sector. Do you have concerns about the attraction and retention of quality staff in this area, in your respective communities?

## **KATIE HUGHES**

I think it's an issue state or countrywide in that early learning space, but we are incredibly lucky that the provider that we've got is also an RTO. So he is going to be able to provide onsite training for staff, and that fixes a huge issue in our region. Lots of people live in internet black spots. They actually can't study online. So, to be able to come into the centre to be working and to receive that training in person face to face is invaluable.

## **STEPHANIE WURST**

We're additionally concerned and understand that it's, you know, it's an issue across the whole nation really. And we are concerned that lack of staffing or available to staffing will affect the number of children that will actually be able to attend the centre due to not having enough staff available. I know that can be an issue actually in other current services that are operating. So I guess that's a key concern of ours going forward.

## **KRISTEN WILKS**

Yeah, and we would be the same. In a regional location it's hard to attract and retain staff, particularly when you are looking across industry at the vast wage differential between what these skilled workers are actually doing, taking care of the children. There's such a vast difference if we were to change from the model that we have currently to, to be another type of service, we would potentially have difficulty keeping the staff that we have now. So, you know, if their wage was to be different. So, yeah, it's a real concern.

## **STEPHANIE WURST**

And I guess another thing to note on this is that from my understanding, the rural care service actually provides a higher award rate to early educators as opposed to privately operated centres. So, just another consideration from my understanding

## **COUNSEL ASSISTING**

Commissioner.

## **COMMISSIONER**

Thank you. Well, thank you for all your hard work and advocacy and for talking about it today and for being here today. Of the things that you've talked about that would make it easier, the process that you've been on, I mean, one of the things we've spent a fair bit of time on as a Royal Commission is looking at early, you know, the full breadth of early childhood education and care. And the point is being made to us time after time that there's no glue that connects the system. And in some ways I think you've ended up self-building that, because you didn't have, you know, easy access to data, which, you know, a connected functioning system ought to be able to put in the hands of people who have got reasons to need it and to want to use it.

It wasn't able to provide to you the sort of tools and connections that might have made this easier. So it's a sort of by-product of this very fragmented set of arrangements that we have now. So it's been very interesting to hear about that. I do just want to come from there to you've talked about what would've made it easier in terms of tools and guidance. How localised would that have needed to be, to have made a difference for you? I mean, if the Department of Education here in Adelaide had been able to say, well, you know, we've dealt with 20 community groups that have been on this journey and here's this, this, this, and this that helped them on their way. And here's the connections with the people in those groups. Would that have been enough or would it be more at a regional level that you would need someone, who is perhaps Department of Education connected who would be steeped in the local knowledge and could have been a navigator for you. Out of those two models what would best have worked?

### **KATIE HUGHES**

I think the answer is probably both, in different ways. Especially at the start, we've talked about whether some sort of forum or round table would've been helpful, I feel for our group in the start just to connect, I mean, we've learnt things in the last week from each other that we didn't know, so definitely that would be helpful. But then I think you do need the local context. One size does not fit all. But we think that there is room to develop some sort of scalable model. This can't be rocket science, it exists already. We should be working towards solutions.

### **STEPHANIE WURST**

I feel like both, I agree there could be the context for both of those models to be relevant, but I do also feel that the Department needs to take more of a leadership role in assisting to resolve this. And if we just have assistance, we already, I feel like we have assistance. We do meetings all the time, but there's no outcomes. It's still put back on us to resolve this issue. Finding millions of dollars of funding to build centres and then try and, you know, work through different governance structures for our communities, and the level of work and the burden of that on a community I still don't feel is the right way to go. And the timeliness of trying to achieve these outcomes, as we've all spoken about, you know, six, seven years, and we still don't have a centre and there's a desperate need. So I feel like, yeah, if the Department's able to step in, there's, you know, so many regions experiencing the same complexities and difficulties that they could take charge and take the lead and really form some solutions that are going to be able to be implemented in a timely manner across, you know, South Australia.

### **KRISTEN WILKS**

Yeah, absolutely, what both the girls have said. We know the information is there. And if there's 20 other communities that have all been through this process, they're holding the information. So rather than us all working individually in silos, let's get together to create a whole new system. Let's clear the pathways, make it a lot easier to understand how we can get greater outcomes with less roadblock, roadblocks, and really more family focused outcomes, a scalable model that works for your community can be scaled up scaled down. And, you know,



it took a really long time to even understand what models of care were even available through the Department for Education. So I guess just by breaking it down and simplifying it and making it available so that you can pick the phone up and say, 'hey, what can we do in our community, how does that look and feel', would really be very helpful to move this project forward. The reports have been done. It's just really the action that we really would like to see take place.

## **COMMISSIONER**

And then another key is obviously more systematic access to capital, so not reliant inevitably periodic programs like bushfire recovery

## **KATIE HUGHES**

Or drought recover, I think Lameroo and Pinnaroo were established with drought relief funding.

## **KRISTEN WILKS**

I think prioritising the funding in regional and rural areas where we don't have large rate payer bases. We might come from a council that has a deficit, so there's just not that spare money to invest. So I guess looking at that federal level, really getting that infrastructure capital to build the services that we desperately require would be absolutely helpful.

## **STEPHANIE WURST**

And one of the barriers to currently accessing funding for capital for childcare builds has been that you have to have provider and service, like service approvals, in place already. So when you're looking at small communities like ours, we don't have that in place. So we need to have grant programs that are structured around those considerations of what's actually happening in regional and remote areas and how that would flow through I guess.

## **COMMISSIONER**

So you don't get into a chicken and egg.

## **STEPHANIE WURST**

Yeah, you can't get that because you don't have a building, but then you can't get the grant funding because you don't have the approval. So that's, you know, unless you've got a provider that can come on board and then try and access that funding for you.

## **KATIE HUGES**

But if you have a provider you have a far higher rate of children requiring a service.

## **STEPHANIE WURST**

Exactly, so are they really targeting already established services that already meet the demand and need in certain communities?

## **KRISTEN WILKS**

And getting shovel ready. Sometimes you just can't get shovel ready to apply for something if you don't have access to funding. So, like Katie said, you're stuck on the wheel. Like you can't move forward and you can't, you're not going backwards either. You're just, just remaining in the same status quo.

## **COMMISSIONER**

Well thank you very much. I've enjoyed this session and hearing each of the stories and thank you for your submissions, which I closely read. And it's been interesting to hear the differences that different locations and different patterns of number of kids and all the rest of it can mean to potential solutions. So, we are at the stage at the Royal Commission where next week we are launching our interim report, which is focused on three-year-old preschool. And then in August we'll be delivering the final report where we'll be looking at the other terms of reference of the Royal Commission, the first thousand days, out of school hours and care. We've got work to do on looking at all of the workforce issues and demands, which are clearly a constraint on increased service provision. But all of this evidence is very useful to feed into those processes. So thank you very much. And thank you for travelling today and being here, we don't take that for granted, putting that burden on your time. So thank you.

## **STEPHANIE WURST**

Thank you. I'd just like to thank you on behalf of all of us for this opportunity to tell our story and to be a part of this process. It really means a lot to us to have our voice heard. So thank you.

## **COMMISSIONER**

Thank you. Well, we'll give people a little bit of a break and reconvene at 11.15.

**< RESUMING 11.15AM**

## **COUNSEL ASSISTING**

Thank you Commissioner. I called Danielle Wood.

**< DANIELLE WOOD AFFIRMED**

**COUNSEL ASSISTING**

I'm going to start by asking you some brief questions about your background and then I want to focus our session today on some work that you've done with the Grattan Institute, a paper in August 2020 called Cheaper Childcare.

But first, I believe you have an honours degree in economics from the University of Adelaide.

**DANIELLE WOOD**

Yes I do.

**COUNSEL ASSISTING**

And two master's degrees, one in economics and one in competition law.

**DANIELLE WOOD**

Yes.

**COUNSEL ASSISTING**

And you are currently the CEO of the Grattan Institute?

**DANIELLE WOOD**

Yes.

**COUNSEL ASSISTING**

Previously, I think you've been the Principal Economist and Director of Merger Investigations at the ACCC?

**DANIELLE WOOD**

Yes.

**COUNSEL ASSISTING**

And you've had involvement as a senior research economist at the Productivity Commission.

**DANIELLE WOOD**

Yes.

**COUNSEL ASSISTING**

Are you currently a member of the Australian Government's Women's Economic Equality Taskforce?

**DANIELLE WOOD**

Yes I am.

**COUNSEL ASSISTING**

And various other parliamentary budget advisory groups.

**DANIELLE WOOD**

Yes.

**COUNSEL ASSISTING**

And you've also founded and were the first co-chair of the Women in Economics network.

**DANIELLE WOOD**

Yes. That was the first chair, but I'm no longer on that committee.

**COUNSEL ASSISTING**

Have you published extensively on economic reform priorities, budgets, tax reform, women's workforce participation and intergenerational inequality amongst other issues?

**DANIELLE WOOD**

Yes I have.

**COUNSEL ASSISTING**

As you're aware the, well, I should also say you're part of the Expert Advisory group for this Royal commission. And as you're aware, the Royal Commission has been asked to consider the benefits of increasing workforce participation by parents through improved access to childcare. And it's the paper that you and the Grattan Institute worked on called "Cheaper Childcare: A Practical Plan to Boost Female Workforce Participation" that I'd like to use as a basis for our discussion today. And for those who are tuning in that's available via a link on the Commission's website.

In that report, you and the authors point out that if current patterns continue the average 25-year-old woman today with at least one child can expect to earn \$2 million less over her lifetime than an average 25-year-old man who becomes a father. Now that's a 2020 figure, but it still speaks very powerfully. And in that paper, you show the economic benefits of improving women's workforce participation. In terms of economic security for women, you call it a gap between men and women with children. Can you flesh that out a little bit?

## **DANIELLE WOOD**

Absolutely. So when we look at participation rates, what we see is that women with children are much more likely to work part-time than men with children, and then women without children. And that is true, not just in the sort of age groups when children are young. So we see it obviously with women in their twenties and thirties, but that gap in part-time work for women with children compared to women without persists through women's forties, fifties, and sixties as well. So we end up with this sort of lifetime gap in participation that really applies to women with children. And when we look at that earnings gap that you were talking about before, that lifetime earnings gap, the gap between men and women without children is actually quite small, it really is about the patterns of work that we see opening up after a child is born that drives that gap in lifetime earnings. So it's a gap because women are more likely to leave the workforce after they have a child, it's a gap because they're more likely to go back part-time if they do go back to work and then there's a gap in wages, there's actually a wage penalty because of that more flexible work that they take on, they're less likely to be able to move into high paying roles. So those three things together create that gap.

## **COUNSEL ASSISTING**

And you point out in that report that amongst women with children under four, who were out of the labour force, 82% at the time of publication nominated home duties or childcare is the reason that they are not doing paid work. How does Australia's workforce participation for women compare internationally?

## **DANIELLE WOOD**

So in terms of overall workforce participation, so we look at the participation rate between 15 and 64. We have higher participation for women than the OECD average, although lower than some of the countries we might typically compare ourselves to, places like the UK or Canada or New Zealand. Where we really stand out is when we look at the rates of part-time work for women. We have the fourth highest rate of part-time work for women in the OECD, considerably above the OECD region, again well above some of those countries that we might typically benchmark ourselves against. So that's, you know, something that certainly stands out in the data sitting alongside that, we see that we do have very gendered division of work and care. So if we look at the gap or the sort of increment in unpaid work that women do relative to men, that's higher here than the OECD average and then the flip side of that is that the gap in paid work is also higher than the OECD average.

## **COUNSEL ASSISTING**

So in terms of key barriers preventing more full time work are those key barriers, apart from some of those social norms in terms of the sharing of labour, and I will come to that, is cost still one that hurts most and included in that our tax and transfer system?

## **DANIELLE WOOD**

Yes. So when we look at survey data of parents or mothers who say that they would like to be working more, so some are happy with what they're doing at the moment. Of those who would like to be working more, two thirds say that childcare is the issue, and of that group cost is the biggest single factor. Up to close to 50% nominate costs, cost of childcare. By that I think when they're answering the survey, they're probably talking about out-of-pocket costs of childcare, as opposed to thinking of the whole sort of tax and transfer system but it's, certainly when you analyse the returns that they're making to work, factoring those things in, you can see why they're nominating cost as a concern.

## **COUNSEL ASSISTING**

In terms of the survey, is that a reference to what's called the HILDA survey, the Household, Income and Labour Dynamics survey? Is that the source of information you're talking about?

## **DANIELLE WOOD**

No, it's the ABS survey of income and housing.

## **COUNSEL ASSISTING**

And just to clarify that the Grattan Institute is obviously looked very widely at this issue and has taken data from a whole range of sources in painting a picture of the situation in Australia, and then being able to compare it and look at different models for improvement.

## **DANIELLE WOOD**

That's right. So we also use the Household Income and Labour Dynamic survey for various statistics in the report. And we use various OECD data for those international comparisons that I was pointing to before.

## **COUNSEL ASSISTING**

Can you help us understand some of the tax, or aspects of the tax system that can act as a barrier to preventing more employment by women in Australia?

## DANIELLE WOOD

It's, so it's really, I mean, when I think about the decision that families and individuals are making about work and care, the typical way that it happens, and this is obviously not everyone, but we certainly see in the data is it tends to be, in a heterosexual couple household, dads will continue to work full time. And the vast majority of them continue to work full time after their child is born. Mothers will make decisions on whether to work and then how much to work. And when they're making decisions on those things, they're taking into account, if I work or if I add an extra day, how much tax will I pay, what will be the reduction in any benefits as my income grows. There'll be a claw back of things like family tax benefit, parenting payment, rent assistance payments, and what will be the cost of childcare. And as mothers work more and use more childcare, their income grows, and then you get a claw back of the subsidy because it's means tested. You will lose subsidy, not just on your additional day, but on all the previous days. So when those things combine, what we have is what we refer to in the report as a workforce disincentive rate, how much of my pay for an additional day's work am I going to lose through tax, through clawback of benefits and through childcare loss childcare out of pocket costs of childcare.

## COUNSEL ASSISTING

And I think in the report, you illustrate that, to the extent that by the time we get to the fourth or fifth day, many women with young children basically earn very little because of a combination of those factors.

## DANIELLE WOOD

That's right. So we see, yeah, particularly for that fourth or fifth day, they could be losing 70, 80, 90, 100 hundred percent. Sometimes in some situations, even more than a hundred percent, that is they are paying to work. So when you look at those numbers and bring them together with the point I was making before about the predominance of part-time work, it looks like a very economically rational response to the way that the incentives are sort of pushing people.

## COUNSEL ASSISTING

And in terms of cost, there's a program in Quebec that you highlight as an example that suggests that reducing childcare costs can increase female workforce participation. Can you give us a little bit of information about that program in Quebec?

## DANIELLE WOOD

So Quebec introduced a program which had \$5 a day, at the time when it was introduced, childcare. So it was just a flat fee for everyone. And I know many Australian women would be looking at that enviously, I think it's now a bit over \$8 a day

## **COUNSEL ASSISTING**

Moving to \$10, I think possibly

## **DANIELLE WOOD**

Up to \$10, okay, it was \$8 when we looked at the report, and what we saw when that was introduced and, the rest of Canada sort of kept their policy constant, we saw a big increase in workforce participation of women in Quebec. Whereas the rest of Canada kind of continued at similar levels. So there's been various studies of that program and they have pointed to the fact that it did have a sizeable impact on workforce participation amongst women.

## **COUNSEL ASSISTING**

Is Canada or Quebec comparable in terms of those aspects of the tax system and other barriers that we have in Australia.

## **DANIELLE WOOD**

Look, I think, I mean, culturally, it's fairly similar to Australia, and I think it's a nice experiment because you have the rest of Canada maintaining their policy. So you can look at the difference in the way the workforce participation compared amongst those two regions. But I think it is I think you can extrapolate some things to the Australian context as well.

## **COUNSEL ASSISTING**

In terms of scaling, you do also make the point that there were some quality implications in rolling that out.

## **DANIELLE WOOD**

Yeah, they rolled it out very quick. I mean, obviously when you introduce a program at such a low cost, there was a huge demand and there were some quality concerns that were raised that they sort of expanded so quickly that they saw some deterioration in childhood outcomes. I think they've been trying to address those since the program was initially rolled out.

## **COUNSEL ASSISTING**

I'm interested in looking at the division of unpaid work and flexibility of work and paid parental leave. There's quite a bit in the report that is illuminating on this particularly around the notion that paid parental leave in Australia is gendered and targeted to mothers. Can you explain that for us?



## **DANIELLE WOOD**

Sure. So many countries, well, first the first thing to say is we have relatively ungenerous paid parental leave compared to many other OECD nations and other nations as well in terms of both the length of weeks and the pay. We are very gendered in that the take up of leave is overwhelmingly, I think about 99% of people taking the primary carer leave are women and many countries now have what I'll call 'use it or lose it' leave for dads and partners. So they set aside a component of the leave which is only available to dads and partners. And so what we see is that many of those countries that have that more generous provision that's set aside, have higher take up of dads in taking paid parental leave. Australia at the moment has 18 weeks for primary carers, two weeks dad and partner pay. There is some flexibility in, in sharing that 18 week component, but the vast majority of families don't use it. The government has announced that they will be extending the amount of paid parental leave available to 26 weeks over several years. And they have announced, although the details haven't been specified, yet that some component of that will be set aside for dads and partners.

## **COUNSEL ASSISTING**

And as you've said, that those proposed changes, I think increase, uh, from 90 days or 18 weeks to a hundred days and 20 weeks is, is it also the case that they will combine the income limit?

## **DANIELLE WOOD**

Yeah, there's a change to the income limit. At the moment, the way it has worked is that it was effectively disadvantaged couples where women earned more and it's combining it to address that concern so that you're assessed on the couple income, regardless of who's earning more within the couple.

## **COUNSEL ASSISTING**

And am I right that it combines into one payment, the parental leave pay and the dad and partner pay.

## **DANIELLE WOOD**

I thought they were still separate. I'm not a hundred percent sure on that.

## **COUNSEL ASSISTING**

In any event, the changes that are going to come in, I believe in July. Do you think that they go far enough,

## **DANIELLE WOOD**

To 26 weeks? Look, I mean, international best practise would suggest something closer to a year and you know, obviously when you have a year, then you have more scope to set aside more leave for dads and partners and really sort of supercharge those incentives for dads to get more involved. But I understand, you know, the government has substantial budget challenges as well. So it's weighing up the things. I think the move to 26 weeks is an important change and I think it will make a substantial difference to families and potentially start to shift some of those norms.

## **COUNSEL ASSISTING**

I think we've got the ability to bring up a couple of the charts from the Grattan report. I might just go back one step and bring up figure 4.2, if I can. Underlying this discussion about paid parental leave, obviously is the figures that, or the graph that we can see there that just show the split between paid and non-paid work and its prominence in Australia. And can you just talk us through, obviously we are not comparing as well to Sweden and Canada in that regard in terms of the division in labour.

## **DANIELLE WOOD**

Yeah, that's right. So this is what I was saying before is the kind of gendered division of labour in Australia. So all around the world women do relatively more unpaid work, men do relatively more paid work. But you can see the gap between women and men is bigger in Australia compared to the OECD average. So women are on average are doing two and a bit more hours of unpaid work per day compared to men and the flip side is they're doing just over two hours less paid work on average per day. And you can see places like Japan and South Korea are more gendered but compared to many countries in the OECD we are higher and certainly compared to the average,

## **COUNSEL ASSISTING**

The countries that fare better, are they countries with better paid parental leave schemes, for example, is that a factor that can improve performance in this area?

## **DANIELLE WOOD**

Yes. So many of the countries that do relatively well, particularly the Nordic countries, but many countries in Europe, have much more generous paid parental leave schemes. So they will often have a year sometimes even more than a year. It is generally some fraction of pre-baby earnings, whereas in Australia it's paid at minimum wage. They will have, as we said before, a significant component of leave set aside for dads and partners. And in some of those countries, we even see dads and partners picking up some of the shared leave component, and therefore, and what we see or what the studies have suggested, is that when dads are more involved in those early years, they then tend to stay more involved. So you end up with a

more equal division of care in the couple, you know, not just when the child is born, but when the child is two and five and, and 10, and then that increases the capacity for the woman to participate more in the paid workforce.

### **COUNSEL ASSISTING**

I think we're also able to bring up figure 4.6, which shows a graph comparison of our leave schemes, parental leave schemes in comparison to other OEC countries. It's quite stark when we look at it there. Are there any other insights that you'd like us to take into account when we look at the figures represented on that chart?

### **DANIELLE WOOD**

So we can certainly see, in terms of length, we are much more modest than many of the countries we were just talking about. And the full length, the full rate equivalent is low as well. And that's because of the point I just made that our scheme is paid at minimum wage. whereas many of the other schemes will be paid at some fraction of pre child earnings.

### **COUNSEL ASSISTING**

You make the point that there are few studies at the moment that have been able to link father's parental leave use to employment outcomes for women and you say that that's because a lot of countries have only recently introduced improved schemes, is that right?

### **DANIELLE WOOD**

That is right. We have done some more work on this since this report was released. We did another report, called "Dad Days", specifically looking at designer paid parental leave schemes. There is some good work that has come out of the Quebec example in particular. And again Quebec introduced a scheme, whereas the rest of Canada kept it the same. So again, we had that sort of nice opportunity to study impacts and that was able to identify a positive impact on women's workforce participation. But yeah, generally the evidence is still emerging as these schemes have come into effect.

### **COUNSEL ASSISTING**

And in terms of comparative usage Australia compared internationally, I think we're able to bring up figure 4.7, which gives us some sense as to that. In the report, you discuss the take up of schemes, varying across countries and say that fathers are more likely to use leave when policies offer an individual 'use it or lose it entitlement' - what's meant by that.

## **DANIELLE WOOD**

It means that when there is leave set aside for dads and partners, which basically says if they don't take the leave, nobody gets it, that's the use it or lose it. If it's all a sort of one pot that anyone can use, we see that it's overwhelmingly mothers that that will take the leave.

## **COUNSEL ASSISTING**

And there's an analysis of 35 countries that you refer to in that 2020 report that suggested that extended periods of more than two weeks and with a higher income replacement were more effective in increasing uptake for fathers. Is that right?

## **DANIELLE WOOD**

That's right. So we see higher uptake in places where the leave set aside is longer and where it's more generous. It's complicated. I mean, there is sort of cultural dimensions at play. Korea and Japan have actually extremely generous leave for dads, but low take up. But as a general rule the countries that have had more generous leave for dads have tended to have higher take up.

## **COUNSEL ASSISTING**

And is there anything else in particular that we can learn from countries like Iceland, which we can see are just poles apart from where Australia's tracking?

## **DANIELLE WOOD**

Look, I think it probably reflects, I mean, they have a very, well, they have a bigger size of government, more generous welfare state overall, but, these kind of policies I think are really important at shifting the culture. You know, once you see it become more normalised for dads to take leave, it becomes easier for dads to ask, employers expect it. You know, they will see more dads when they're out at the playground, you know, so policy can shape culture, I think is what I'm getting at there. And, you know, in countries where they have had this in place now for a longer period of time, we're seeing those sort of cultural shifts happening.

## **COUNSEL ASSISTING**

Iceland, I believe has an uptake of about 90% of new fathers, this figure is from your 2020 report. I think it's three months reserved leave for each parent plus three to share between them paid at 80 to a hundred percent of the salary. I think I've got that right from the 2020 report. So it's obviously much more generous than other policies.

## **DANIELLE WOOD**

Yeah, indeed, indeed. And some of the European countries have even higher than that. So yeah.

## **COUNSEL ASSISTING**

Overall, the work that you've done at the Gratton Institute has led to a position where you have advocated that changes to the childcare subsidy is the best way of helping to boost workforce participation. By childcare subsidy, for those tuning in, we're talking about the federal government assistance to help families with childcare fees. We know that there's some changes coming in in the middle of this year. But at the moment, now I always confuse the figures, at the moment - well, perhaps if you can give us an overview of where we're at now.

## **DANIELLE WOOD**

For the childcare subsidy, sure. Yeah, it's nice and confusing.

## **COUNSEL ASSISTING**

Especially for a non economist.

## **DANIELLE WOOD**

We were advocating for it to get simpler, but unfortunately various things have happened, which have made it slightly more confusing. So it does depend on how many children you have in care. So at the moment, if you have one child in care the base subsidy, so if your family income is less than around \$80,000 your base subsidy is 85%. So you're getting 85% of your costs back below a cap being fees. And then you start to have a taper. So as income grows above that, for every \$3,000 you earn, you will lose 1% percent of the subsidy. There is a different subsidy for two children or more, that is 95% and it has a different taper as well. And there's also various sort of flat periods where it isn't tapered. There are charts which can help make that easier, because it's very difficult to explain in words, it is very complicated. So that's the situation at the moment. The new policy which will come into effect on 1st of July this year is increasing the subsidy for families with one child in care. It will keep the more generous subsidy for two children in care the same, so it will increase the base subsidy to 90%, and it will make the taper less steep. So you only lose 1% of the subsidy for every \$5,000 that the household earns. That's really, that change is really important for participation, because what that means is we're going to bring down those workforce disincentive effects. As the woman chooses to work more, there'll be less aggressive clawback of the subsidy.

## **COUNSEL ASSISTING**

Are you able to paint a picture as to how, what the benefits look like in terms of hours worked or, what that will actually look like based on the modelling that you've done?

## DANIELLE WOOD

We found that it will have a significant impact on workforce participation for a segment of families. We have produced an impact in terms of hours worked, which I cannot remember off the top of my head, I'm sorry. I think it was about 10% or so impact on hours work for the group that we are talking about, which is second earners working part-time. But I can, we've actually got an impact in terms of number of total hours worked in the economy that we've produced. I just can't recall.

## COUNSEL ASSISTING

No, that's okay. We can get the reference from you. The Grattan Institute has long campaigned for the boost to go to 95%. What what's the additional benefit that that would bring? I mean, obviously there's a 5% difference, but for those who of us who aren't economists?

## DANIELLE WOOD

So it will improve affordability for lower income households. The advantage is, you know, you end up with a world where that group is going to be paying, you know, less than \$10 a day, which I think is quite a neat, nice way of thinking about it and you will also reduce the workforce disincentives further up the household income spectrum. So it's, you know, it's not a huge difference, but it's just a further reduction of the workforce incentive rates.

## COUNSEL ASSISTING

Part of the current childcare subsidy is the aspect of eligibility called the activity test. Obviously there's a broad range of criteria that, that are used to determine your eligibility, but in terms of the activity test, I understand it covers a range of activities - paid work, including self-employment, paid leave, including parental leave, unpaid work in a family business. It can include study. Does the activity test act as a disincentive? And if it does, how and what could be done to address those issues?

## DANIELLE WOOD

Yeah, so the activity test can act as a disincentive, which is partly ironic, because the reason it was introduced was trying to create an incentive for people to work. So the activity test, well for low income families, they're able to access 12 hours of subsidised childcare a week before they have to start worrying about the activity test thresholds. The reason I think it is a disincentive for using care and for working is that it is very challenging for people to be able to find work in a world where they don't have childcare locked in. So you have this sort of chicken and egg problem. Parents are not going to be able to afford to put their children in care if they're not getting the subsidy, it's just, you know, prohibitively expensive for many families, but it's very difficult to lock in work, given that we know that it takes time to then find a childcare place. So if you go out looking for work, you get offered a job, but it turns out you can't get your child into care for another three months, then you've missed that window on the job. So even though it is

designed to create an incentive for people to access work, it creates a barrier to work search. There has been some recent modelling done by Dr. Angela Jackson Impact Economics and she found that that second effect that increase in search costs and the barrier that created, more than outweighed the first effect. So overall it's providing a disincentive for families to use care. That means that those kids are missing out on the opportunities and the educational opportunities that they might get at care. And it also means it's a barrier for those women going back to work,

## **COUNSEL ASSISTING**

To qualify for the subsidy, I think most preschools have to operate at least 48 weeks, or offer long day care. Are there other suggestions or policy changes that could be made that you think might alleviate some of the barriers that the current test is causing?

## **DANIELLE WOOD**

So that particular rule is around, for centres to qualify to offer parents subsidised places, they have to operate 48 hours a week and also service children of all ages. I would like to see those restrictions relaxed. And the reason I say that is because I think it is a concern at the moment that we have great high quality preschools in some cases that have hours that just don't suit working parents, and they're not able to offer subsidised wraparound hours. So it would be a great outcome if those centres could be used by parents that were working, that had more flexible hours akin to long day, still provided that kind of high quality educational component in the day. And then the parents were able to get subsidised support for the care wrapping around that. So I would, you know, I think that's an area, commonwealth/ state interface, but I think that that's an area ripe for reform.

## **COUNSEL ASSISTING**

In terms of the family tax benefit would changes to that address some of these economic barriers.

## **DANIELLE WOOD**

Yes. So childcare costs are not alone in contributing to those workforce disincentive effects. So family tax benefit part B can be a disincentive for second earners, mainly women for working at all. It basically cuts out very quickly as soon as the person starts to work, it sort of is really designed to support one income families. So, you know, getting rid of that or using some of the funds to that, to redesign family tax benefit part A, could be a powerful workforce benefit. And when I talk about family tax benefit part A redesign, you could do exactly as the government is doing with the childcare subsidy, reduce the steepness of the taper. So if you reduce the amount of claw back, as people earn more, you are going to limit the impacts on disincentives to work. But certainly both in their way contribute to workforce disincentives.

## **COUNSEL ASSISTANCE**

The point is made in the report that tax deductible care won't work. Can you explain to us why you've reached that conclusion?

### **DANIELLE WOOD**

Yes. And we felt that we had to analyse that because it's one of the suggestions that comes up a lot. The reason that tax deductible care won't work is that a lot of lower income people don't actually pay that much in aggregate tax and so therefore the amount of support they will get is lower under a world of tax deductibility than they get under the current subsidy arrangements. In fact, we, I think we found it was only the sort of top 10% of income earners who would be better off, in a world where you make top childcare tax deductible compared to the status quo. So we would actually be clawing back benefits for the vast bulk of families, increasing these workforce disincentives. So it overall just doesn't really stack up. Some people have proposed, well, you could make it opt in, so you could have this existing set of subsidies, and then you could have this option to opt in. It's horrendously complex. We would be really concerned that families would make wrong decisions and end up in a place they're worse off. And, you know, frankly, I don't think you need to do anything that further adds to the mental load of raising children and negotiating the tax and transfer system.

## **COUNSEL ASSISTING**

In terms of the key barriers, and we've talked a little bit about cost, one of the other key barriers that is highlighted in the report is availability and quality. We've had a session this morning with three women from more regional communities within South Australia and they've highlighted the complete absence in some cases of any childcare in their respective communities. And also they've given very stark examples of giving up work or having to change work because of that. From the work that that you've done and the work that Grattan has done, what advice would you give to the Royal Commission in terms of trying to help regional areas with that whole chicken and egg? You need services in order to have childcare, you need workers to have childcare.

### **DANIELLE WOOD**

Yeah, it's certainly an issue that comes out. I mean, overall kind of availability is, seems to be less of an issue nationally than cost. But it is, for a segment of the population, clearly it's a big issue. It's interesting. So, both Victoria and New South Wales have grappled with this question in their recent policy and they've adopted two quite different approaches to dealing with it. Victoria sort of said, we're going to build and operate new centres, I think, 50 or so new centres in those areas where there was a gap in the market. New South Wales has established a fund and my understanding is it will simply tender out to private and not for profit providers.



## **COUNSEL ASSISTING**

To attract providers?

## **DANIELLE WOOD**

To attract them and essentially offer them additional government support if they set up in those areas. They're both going to the same problem, how do you actually create something? And the bottom line is the government has to support it one way or the other. Personally, I'm a little more attracted to the model where governments just do it directly but you know, both are a ways of trying to get at that problem.

## **COUNSEL ASSISTING**

And we've touched a little bit on that other barrier around division of unpaid work and more societal norms I'm interested in your reflections after COVID how you think that might change flexible working arrangements and how we might sustain those changes.

## **DANIELLE WOOD**

Yeah. It's a really interesting question and it's sort of hard to know yet exactly where things will settle. We have seen extraordinary growth in women's workforce participation in the last couple of years, so participation rates are up overall, but particularly for women, we haven't sort of disentangled to what extent that is just a strong economy and labour market, versus the impact of more flexible arrangements, but certainly a working hypothesis is that it might be supported by greater flexibility. We see that people are now, well, a lot of people where they can are working in a hybrid style of work, so not going into the office every day when they used to. Obviously not all jobs can do that, but there is a large segment of jobs that that does apply to, and that behaviour does seem to have stuck. There is various survey data that suggests that is particularly valued and important to women, more so than men, they particularly value the opportunity to work in a flexible and hybrid way, which I think does come down to the capacity to better manage that kind of work care conflict. The potential risks are if people still reward face time and being visible and present, and women are taking up the opportunity to work from home more, you might actually impede career progression. So in terms of what should happen, it's, I think it's really a role for employers to find models of hybrid that work for them, and then make sure that people that are using those policies are not disadvantaged in their career from using them.

## **COUNSEL ASSISTING**

We've spoken a lot in other hearings in this Commission about the importance of high quality data in order to effectively draft policy and obviously you are well aware of that and are an avid user of data. Are there any insights you would give to the Royal Commission in the early years space about how we might factor in data about workforce participation and try and build it into

modelling the system in terms of achieving improvements? Or do you think that just more services might lend themselves more effectively to improvements?

## **DANIELLE WOOD**

I mean, we certainly know that availability and cost of services will have an impact. And that's really clear from the work that's already been done. I mean it's possible to look at labour and workforce participation at a more granular level. We can use more granular ABS and other data to look at areas where workforce participation is low. You can cut it by income level as well. So, you know, those sort of things can be enlightening to show the groups that would benefit most. And I suspect it will correlate very nicely with the, the groups that are going to benefit most from an educational perspective. So we know that, for example, lower SES families are less likely to be accessing care at the moment. So those are going to be the ones that have the greatest scope, or get, receive the greatest benefit if we make care more available and accessible and affordable.

## **COUNSEL ASSISTING**

Commissioner.

## **COMMISSIONER**

Thank you. Thank you for all of your evidence so far. I just wanted to drill into a few areas, taking you back to the comments that you made about preschool and access to childcare subsidy. I think you'd be aware that South Australia is different to other states in that we've got greater provision of four year old preschool through government funded, government operated preschools, than other states where the mix is much more towards the provision of preschool in long daycare centres. So the sector presents differently here. Can I just draw you out a little bit on the sort of Commonwealth/state consequences, of imagining a world where preschools, whether they, they would be government operated here, but whether they're government operated isn't the essential thing, but where preschools were able to access childcare subsidy. That would seem to be differentially positive for South Australia, given the underlying compliment of the early childhood education and care sector?

## **DANIELLE WOOD**

Yes, that's right. So, I mean, it would be the case given the different structure that South Australia's probably getting less government support. Now, if you've got more families getting their care through the government funded preschools, and to the extent that we expanded the childcare subsidy to enable preschools to access it for wraparound care, then South Australia would stand to gain more than other states. But I think it, I think it's really interesting that so many parents choose that here, and I think they do it because they believe that it's a high quality option for their children. We know that many will also enrol in long day care to support their workforce participation, but you can imagine a world where you did have those wrap

around hours, you're going to enable parents to make the choice to just use that particular system.

## **COMMISSIONER**

And the panel we had before was very much focused on, in that case, regional areas where there was just basically no service provision or so little service provision that it was in no way going to meet need and whilst we know that that's a big problem for, you know, non-metropolitan areas, it can also be a problem for metropolitan areas. And you made reference to the different models that are being used to address the supply constraints in Victoria and New South Wales. Can I just draw you out a little bit, comparing those two models and why you are more attracted to the Victorian sort of build and operate model? So it's a more direct intervention than kind of a priming the market model, which New South Wales appears to be.

## **DANIELLE WOOD**

The reason I'm more attracted on its face to the Victorian model is it does seem to get you there in a way that's a lot faster and cleaner. So, you know, we sort of find these areas where we think they will particularly benefit, there is a gap for whatever reason, the market is not going to get us there, and so we are going to build it and start providing those services. The New South Wales model, they may have released more details recently, but I haven't sort of been able to get to the bottom of exactly what they're proposing. It's some type of tender. The concern might be, you know, how do you put conditions on the price that those providers might charge? The risk is, you know, you underwrite by government subsidy, but they're still going to price very high for those communities. What's the ongoing commitment? You know, you might provide a subsidy to get them there. Are they going to come back in five years time and ask for a top up to that, that subsidy, if it's not a commercial location? So there, I think there's just a lot of complexity to work through in a world where you are trying to do it via subsidy. We know this from, you know, all sorts of times when government offers subsidies for businesses to locate in particular regions as sort of ongoing issues with kind of keeping them there and how they behave when they're there. Whereas if the government rolls it out directly, obviously all of those things are within its control.

## **COMMISSIONER**

And I mean, for this Royal Commission, we're obviously working against a backdrop of changing federal government policy, so we are trying to calibrate as the picture moves. You took us to some of the affordability changes that are coming into operation in July. One of the things we've been endeavouring to do is to think about future patterns of demand and the sort of choices family would make between long daycare or government preschools. Do you have data at your disposal, which helps us think about how much additional demand would be induced by further affordability changes or changes in the activity test?

## DANIELLE WOOD

We've certainly got a model which can spit out additional demand as the subsidy changes. And as I said, I don't have those numbers off the top of my head, but, expectedly, as the subsidy increases, you do increase demand for services. We modelled that at an aggregate level. So it's a simple relationship between price and demand. You've got the added point that you might get some switching on top of that. So it's not just new people putting their children in care or demanding more hours, but there's potentially a switching effect as well that people will move from, you're making long day care relatively more attractive now, compared to government preschool. Preschool is still going to be more affordable, but long day obviously has the advantage of the more friendly hours. So you might get some switching within the system as well. So our model wouldn't allow you to look at that, but it would allow you to look at the impact on aggregate demand. The work that Angela Jackson did that I mentioned before has some modelling of the impact of changes of the activity test on demand. So you could also use that.

## COMMISSIONER

And looking at the international comparisons and particularly the sort of gendered nature of caring work in Australia, you know, and the impact through, into women's labour force participation, apart from, you know, cost affordability questions, there are obviously underlying cultural dispositions. I think you made the point that Japan and Korea actually have pretty highly subsidised arrangements, but it hasn't overcome cultural predispositions about who should be doing what within families. I mean, what do you think the mix is here, I mean, many people would intuitively say, look, families are just making choices around who is, who should best give care for children. Yet the very fact that you could see additional demand when you change affordability means that there's affordability and access points that are weighing on family choices. But what else do you think is driving the patterns of care we are seeing here?

## DANIELLE WOOD

I mean, I think it's unquestionable that that norms play a role and you know, the fact, people will often say they're making, when you talk to people, they'll say we're making decisions based on, you know, the best financial interests of our family. But we look at the data, I think slightly more than a third of women actually earn more than their male partner prior to birth. Yet those families make exactly the same choices as the families where the men earn more. So, you know, if they were purely making a financial decision, the dad would stay home in those families yet we don't see that. So it is unquestionable that norms and culture, and potentially different preferences are playing some role. When I look at those international comparisons though, are we culturally, you know, that different to Canada or New Zealand? That is why used those as the benchmarks, countries where they do have more generous parental leave policies, more affordable childcare, you do start to see a shift in those norms. It's still gendered, it's just less gendered than what we see here. So I'm always interested in, you know, what changes do you get at the margin? And I think all the evidence points to the fact, if you make childcare more affordable and more available, you will get some shifts in

behaviour and induce some people that would otherwise, are being blocked for financial reasons, to use care and to participate more in the workforce.

## **COMMISSIONER**

You were also asked a question about changing patterns of work and the possibility that hybrid work is going to make some difference. Is there any sort of international comparative evidence emerging about rates of hybrid work? I mean, is Australia, obviously Victoria had some very long lockdowns, but other parts of Australia by the standards of the world did not have long COVID lockdowns, so did not have as much work adaptation as perhaps other places had. Have you got any sense about whether we are going to be at the front of the curve, at the back of the curve, in terms of hybrid work uptake?

## **DANIELLE WOOD**

Yeah, interesting. I was following it very closely in the first year and a half of COVID. I actually haven't followed the data more recently. So initially we were pretty normal by international standards in that we actually saw a lot of hybrid work. As you rightly point out, the highest take up was in Victoria, then New South Wales, because what we saw is, you know, because they had experienced that, then it was kind of easier to make that stick as a permanent pattern. I have seen broader data that suggests it is sticking. So there is just a much higher rate of hybrid work now than there was pre COVID, but I don't know how that compares in 2023 to other countries. But from what I saw in the previous iterations of data, we seem to be kind of, it's pretty similar to other countries in the take up.

## **COMMISSIONER**

Looking at the journey from when a child is born. I mean, the data you gave us about, its still up there, I think, of government parental leave in Australia and the male, female distribution of that, obviously there's societal norms that feed into that, but the nature of the entitlement also feeds into that then when people are moving from the, you know, 100% sort of care at home and starting to look for childcare, we've canvassed that. I'm interested in your observations on other pressures that impact on family choices, women's labour force participation. So, for example, we've been talking here at the Royal Commission about things like child development checks and the potential the child might be referred off for some sort of assistance, a speech pathologist or something like that. Often those things are not available at work friendly hours and then when a child enters into school, we are obviously going to come to looking at after school hours care, you know, the flexibility that are needed to build around school hours to help with labour force participation. So do you just to broaden the lens a bit from the childcare arrangements into the rest that impinges?

## **DANIELLE WOOD**

Yeah, well, I think a lot of the world is set up for a single earner family model and hasn't evolved. And I think, you know, school hours are probably the best example of that, you know,

if you are dropping your child at school at nine o'clock and, and picking them up at three thirty and there's 12 weeks of holidays a year, it is very difficult to combine that, in a world where, you know, you are either a single working parent or you're in a household with two working parents, unless there are wraparound supports. So after school hours care, holiday care, all of that is critical to workforce participation, and just like childcare we know there are schools and facilities where that's not available at the moment. So that does have a really big impact on participation decisions. There are a few enlightened employers that I think are, you know, finding ways to offer shifts that fit in with school hours, but for the vast bulk of jobs, that's just not the case. So if you do not have access to those supports, particularly when children are in primary school, it basically excludes people from being able to participate in the workforce.

## **COMMISSIONER**

Alongside the government parental leave entitlement is there international evidence about employer sponsored additional entitlements that compares Australia? What I'm wondering is whether the comparatively low government parental leave entitlement has meant that there is more employer support than in other places where the government leave entitlement is generous and consequently may cover all of the family's needs.

## **DANIELLE WOOD**

This is something we're actually getting some more research done on for the Women's Equality Task force. So I don't have the answer for you yet. We do know that, I can't remember the figure off the top of my head, it's close to half of Australians will get access to some employer supported leave. That does seem high. So I suspect you're right, that in the absence of a more generous government scheme, employers have stepped up to the table. We are seeing that in at least certain sectors of the economy, particularly professional services, this has become a bit of a way in which employers are trying to make themselves attractive to employees by offering more generous parental leave, including for dads. But, you know, my view has always been, that's great for those people that get that, but we know that there are a whole lot of Australians that are working for employees that don't offer any at the moment. And particularly if you're working for a small business or for yourself, you know, those supports aren't there. So the government scheme is really important to provide that sort of minimum threshold even though we do have a reasonable segment that does get access to some support through their employers.

## **COMMISSIONER**

One of the things we're focusing on in this Royal Commission is, we are obviously looking at things like universal three year old preschool, but we've been trying to bring the perspective about what needs to be layered in to meet the needs of more disadvantaged families. So I just want to take you now to the questions you opened up around the activity test. I mean, a lot of your work inherently is about working families and the impact of decisions on participation, but looking at the activity test and, more disadvantaged, potentially jobless families, what are your observations about what the activity test may be holding us up from? You made some

observations about its inconvenience for work search but are there other things that you would want to draw out there?

## **DANIELLE WOOD**

Yes, there are. I mean, so I think at the moment, if you are from a low income family, you only get access, as I said, 12 hours a week, which is essentially in long daycare - that means one day. Many centres won't offer a day. You can only get access if you have two days. So those families are entirely excluded from care. One day, you know, probably not enough and I'm not in any way a childhood development expert, but in terms of, you know, building the child's exposure, getting them familiar with the carers, all of those things, I think that is a limit to the benefit that the child might get from care. And the other thing we know is that if you're working casually, your hours are fluctuating. There is a real and very understandable fear that, you know, if you take on more hours of care to support your casual work, but your hours drop in any given week, you breach the activity test, and then you are paying the full out of pocket cost for that childcare spot and you know, that's \$130 a day. That's more than they would be earning for that day of work in many cases. So it has a very real impact on capacity to access care, on the psychology of entering the system, and the fear of what that might mean if your hours move around, and in the capacity to search for work. So I think all three of those are downsides of the current activity tests. And I would really like to see those restrictions relaxed. So Angela was advocating for the opportunity to access care for three days a week without activity requirements. I think that feels to me like a fair balancing of, you know, not giving people unlimited care if they're not participating in the workforce, but giving them that certainty, that opportunity, and giving the children access for the development benefits.

## **COMMISSIONER**

I was struck, I mean, I've had cause to work through these issues before, but when you lay it all out, it's striking how complicated the calculations families need to make. I had a mental image of around the kitchen table, out with the calculator trying to work out, what's the difference for our, you know, tax arrangements, our benefit arrangements, what we're going to have to pay in childcare, you know, it's complicated.

## **DANIELLE WOOD**

I mean that, those workforces incentive rates was this mammoth linked spreadsheet, you know, it was huge. I mean, it actually astounds me how people are across it. You know, when people say, oh, you know, it's not worth it for me to work, you know, they might not have done it perfectly, but they've done some kind of back of the envelope calculation, which is pretty close to it. But yeah, I mean, the system is complicated and, you know, even the fact that you have to, you know, go and sign up for Centrelink and, you know, which is why we think a lot of the men aren't using the dad and partner pay - its only two weeks, it's probably just not worth getting in the system. There's just so many barriers for families along the way. And I think, you know, that is one of the beautiful components if we move to universal free care or low cost care would be to take it out of that system and just, you know, massively simplify it for families.

And I think we know that, you know, it's not just money, that's a barrier it's that mental load of working out how to navigate it, fear of different rules and how they might change, you know, all of that is actually a barrier to a lot of families getting in.

## **COMMISSIONER**

And so, I mean, circling back to what you said about Quebec and the \$5 a day, I mean, would, would the thesis then be, it wasn't just the shift in affordability, it was the universalism and the simplicity that people could just go 'oh I get that, I get that five bucks a day'?

## **DANIELLE WOOD**

Correct. Yeah,. Whereas at the moment, I need my link spreadsheet to know exactly how much I'm going pay. And if I increase my hours, I need to rerun those numbers again. So I think there is something beautiful in the simplicity of it.

## **COMMISSIONER**

And I mean, part of the complexity in Australia, obviously we've had a history of targeted entitlements generally, including targeted entitlements in childcare, and hence you get the taper rates and all of the other things that you've spoken about. But another complexity is the commonwealth/state intersections. Have you or your Institute done any work on what might clarify roles and responsibilities in this area?

## **DANIELLE WOOD**

No, I stayed away from it, purely self serving sense, in the fact that it is so complicated. Look, it is absolutely an area ripe to be cleaned up. I mean, it is just, you know, I've worked in a lot of areas where there's a Commonwealth/state interface, but this is extremely messy. The fact that you have even, you know, the same service with the state government funding a component, which is the kind of preschool component, and then you've got the childcare subsidy for the other hours. You know, questions around who's responsible for new centres and thinking about that, you know, just all of it is incredibly messy, so no, I haven't done the policy heavy lifting, I'm afraid to say, on how you would clean it up. I think it would be nice if the work was done to make it much clearer, cleaner, and clearer.

## **COMMISSIONER**

And how, given the deeper dive you have done into so many aspects of this, I mean, looking forward, how good are our information sources enabling us to predict and respond to demand? One of the things the Commission's trying to work out, as we think about the future is, you know, what changing patterns of family choices might mean, what spatial changes might mean about where new communities are being built? I guess the question I'm asking you is how good is the data that would enable us to predict where we need to catalyse new services, whether that's done through a government build and operate model, or whether it's done



through a market inducing model, or just allowing the market to respond so that we don't have the childcare access problems that we've heard about earlier today?

**DANIELLE WOOD**

I mean, so I think a lot of the data would be in the hands of the Commonwealth, typically for sort of spatial stuff we're very reliant on census data, which is done every four years, but it does give us very granular data about where people are living and how things are changing. There are issues with sometimes, access to administrative, Commonwealth data in terms of timeliness of access. But I know that for when they're thinking about school locations and things, that's the data that they're using. Just trying to think if there's anything else you would want to have to overlay that. So we use ABS data for understanding labour force participation decisions, which would be the other component that you would want to be thinking about when you are trying to project demand. And then the third thing is obviously the understanding of how price impacts decisions. And then you're relying on things like, you know, the sort of modelling that we've done to try and understand that component. So that's probably the kind of the weakest link in those series of pieces of information.

**COMMISSIONER**

That that's all very helpful. Thank you. Thank you very much. So I don't have any further questions. Is there anything additional you wanted to say?

**DANIELLE WOOD**

No.

**COMMISSIONER**

Good. Thank you. Thank you.

**COUNSEL ASSISTING**

We will reconvene at 1.15 pm.

**COMMISSIONER**

Thank you very much. Great.

**< HEARING ADJOURNED UNTIL 1.15 PM**