



7 June 2013

Inquiry into the Early Years Quality Fund Special Account 2013

The IEU welcomes the opportunity make comment and raise the serious concerns of our members regarding the Early Years Quality Fund Special Account, in particular, the restrictive implementation of the Fund and the lack of representation of early childhood education teachers on the Early Years Quality Fund Advisory Board.

The IEU is the federally registered union representing over 70 000 education professionals (teachers and other education staff) in the non-government education sector, many of whom work in community kindergartens, early childhood care centres and community preschools which may be either not for profit or profit corporations.

The IEU, inter alia, represents its members in Enterprise Bargaining Negotiations. The processes and outcomes of these negotiations as well as the experiences of our members have formed the basis for the views expressed within this submission. We have a significant number of enterprise agreements in this sector; the majority with stand alone services employing less than 20 employees.

1 Object of the Bill

The IEU notes that the Object of the Bill is to improve quality outcomes for children in early childhood education and care services. We further note the reference “*this is achieved by enhancing professionalism in the early childhood education and care sector, amongst other things, attracting and retaining a skilled and professional workforce*” (pg 4 Memorandum).

The IEU believes that highest quality early childhood education is provided only through tertiary qualified early childhood education teachers supported by qualified early childhood assistants and childcare workers.

As such, the IEU welcomed the introduction of the NQF ratios for qualified teachers and other qualified staff in the delivery of early childhood education across the range of early childhood education settings.

However, we believe the Bill by restricting the Fund’s implementation to the services defined as follows “*approved centre based long day care services giving it the same meaning as that term has in the A new Tax System (Family Assistance) (Administration) Act 1999*” has failed to meet its own Object.

Quality early childhood education is delivered in a range of settings – preschool and kindergarten as well as long day care services. Community (Not for Profit) Preschools and Kindergartens are captured under the National Quality Reforms and are implementing the various requirements under the NQF and yet are not to be supported by the Early Years Quality Fund.

The IEU questions why long day care services have been considered a priority service for the Early Years Quality Fund Special Account over other equally valuable services.

The IEU believes that the restrictive implementation of the Early Years Quality Fund to long day care services is not only a retrograde step in recognising the broad delivery of quality early childhood education, but also places at financial disadvantage those providers of early childhood education, other than long day care services. We believe that it is divisive in the sector at the time when, with the implementation of the National Quality Framework, all sectors are working towards common goals.

The IEU recommends that, in order to fulfil the intent of the Object of the Bill that the implementation of the fund be open to all early childhood education services; long day care, preschool and kindergarten services; with a priority being given to not for profit services.

2 Addressing teacher remuneration and other employment related issues within the early childhood education sector

IEU notes the intention of the Bill is to increase the quality outcomes for early childhood education and care services by helping approved (*long day care services*) services to attract and retain a skilled and professional workforce.

In particular, it is noted that “*The fund is to be used to increase the remuneration of eligible employees, including those employees’ ongoing costs, thereby promoting just and favourable conditions of work, including fair wages*” (pg5 Memorandum).

When analysing the early childhood education and care sector, it must be noted that there is no true labour market. Staff shortages do not result in a market demand for improved wages and conditions. Not for profit services do not have the funding to increase wages so the market cannot achieve balance.

Pay inequity is one of the major contributing factors to the labour shortage in early childhood education and care sector. Teaching staff will not enter into, nor remain in, services where they are undervalued and underpaid.

Over the past years, the IEU has made numerous submissions on the status of early childhood teacher salaries, highlighting the serious issue regarding the inequity of salaries between early childhood teachers in early childhood services compared to those early childhood teachers within a school setting. Our numerous submissions

provided data and statistics regarding teacher attitudes towards working in the early childhood education and care sector.

The attached graph displays this pay inequity for early childhood education teachers working in community preschools and long day care centres in NSW compared to those early childhood education teachers within NSW Catholic and Independent schools.

Chapter 5 of the Productivity Commission's Early Childhood Development Workforce Report, recognised the importance of these issues and recommended that there is a serious need for early childhood teachers' salaries to be equal to those offered to primary teachers in the school sector.

Despite these recommendations and the numerous approaches and submissions made by the IEU to the Federal Government and to the various early childhood education inquiries regarding the inequity of early childhood education teachers salaries and the need for support; no attempt has been made to recognise this issue as a significant inhibitor to the attraction and retention of qualified early childhood education teachers; nor to seek a means of redress.

We note that the Federal Government has also set up a pay equity unit within the Fair Work Commission to examine the pay equity issues of all early childhood employees. We welcome the opportunity of working with this unit. However, without sustained increased funding, better wages will not be able to be delivered in the not for profit sector.

The IEU calls for the implementation of the Special Fund to be directed towards supporting and addressing wage inequity for early childhood education teachers.

3 Appropriate representation of the Early Childhood Education Professionals

The IEU questions whether the Early Years Special Fund Advisory Board has the capacity to represent all aspects of the early childhood education and care sector.

The IEU has serious concerns about the lack of representation of university qualified Early Childhood Education teachers on the Advisory Board.

This absence of teacher representation through teacher unions on the Advisory Board is starkly contradictory to the numerous statements of the Federal Government regarding the value of university trained qualified early childhood education teachers in the delivery of quality early childhood education.

The IEU questions how the implementation of the Early Years Special Fund could appropriately address the attraction and retention of qualified early

childhood education teachers, without true and proper representation from teacher unions on the Advisory Board.

The IEU calls for representation rights to the Early Years Special Fund Advisory Board.

4 Sustainability of support to the Early Childhood Education and Care Sector

The IEU notes that the Bill provides for \$300 million to be credited for two years.

While we acknowledge the value of additional funding into the sector and support the requirement for centres to have enterprise agreements reflecting the money that they receive from the fund, the IEU questions what further support will be provided for the continuation of remuneration and other employment related costs and expenses after these two years.

The IEU calls for a more sustainable approach towards funding support of wages in order to ensure certainty for the sector.

5 Appropriate governance of the Advisory Board

The IEU notes the potential for conflicts of interest to arise when considering the implementation of the Special Fund into those services being represented by those members of the Board.

The IEU recommends that good governance and sector consultation procedures be put into place to ensure the transparent distribution of funds to services.

We thank you for the opportunity to respond.

Yours sincerely

**CHRISTINE COOPER
ASSISTANT FEDERAL SECRETARY**