

Early Years Quality Fund Special Account Bill 2013

Senate Inquiry Submission from KU Children's Services

June 2013

About KU Children's Services

KU Children's Services (KU) is proudly a not for profit organisation. Since opening Australia's first kindergarten in 1895, KU has been committed to providing early childhood educational programs, with a focus on quality, inclusion and affordability.

Today KU remains a leading provider of high quality early childhood education and care, providing both community and work based services.

KU currently provides education and care to over 15,000 children annually and operates 153 services and programs throughout NSW, Victoria, Queensland and the ACT. This includes long day care, preschool, occasional care, before and after school care, vacation care, early intervention and a range of specialist family programs.

KU has two Enterprise Agreements in place covering all centre based staff and is recognised as an employer who values and supports their staff. Over the years we have developed strong and positive working relationships with all unions represented in our workplace. We are very proud to be the first organisation in the early childhood education sector to formally recognise the role of the Responsible Person under the Education and Care Services National Regulations (2011) via the introduction of the Responsible Person allowance in both new Enterprise Agreements.

KU offers other sector leading conditions in wages and benefits including:

- Pay parity Australia wide
- Closing the pay gap with early childhood teachers and school based teachers by 2015
- Access to salary packaging & staff benefits program
- Increased programming time
- Personal leave 15 days per year (pro-rate for part time staff)
- Allowing KU childcare educators to progress through steps early according to KU's assessment of competency
- Access to KU Professional Learning and Development Program at no cost
- Support for further education

Introduction

KU welcomes the opportunity to provide comment on the Early Years Quality Fund (EYQF) based on the importance that KU places on the employment of qualified early childhood educators and support for increases in remuneration that recognise the value of the early childhood professionals.

Support for wage increases

KU supports the introduction of a system that recognises and responds to the need for an increase in wages for early childhood educators working in the early childhood sector. It is widely recognised that low wages in the sector is an ongoing issue, and a contributing factor in the ability to recruit and retain qualified and professional educators.

KU has recognised the importance of valuing early childhood professionals and the significant contribution that they make in the education of our children. This is evidenced by KU's long term commitment to above award wages and conditions. In 2012 the new Teachers Enterprise Agreement for KU Children's Services has embedded into the Agreement; that Teachers will have pay parity with teaching staff in schools by 2015. KU is committed to the provision of high quality early childhood programs delivered by 3 and 4 year university qualified teachers and would recommend a system that was linked to funding qualified teachers in all early childhood services across Australia. Funding teachers aligns with the principals of the NQF and Universal Access.

In addition to the support for increased wages, KU also sees the introduction of the EYQF as further commitment to the National Quality Framework (NQF).

Equity and Access

As a large employer operating across a diverse range of early childhood programs, KU is placed in a precarious situation whereby a section of the early childhood workforce is able to access the EYQF; however a significant proportion of the workforce is unable to. As an example, KU currently operates 91 preschools compared with 39 long day care services. Implementation of the EYQF and a comparison across these two program types, would result in approximately 60 % of our workforce being disadvantaged.

KU is concerned that the introduction of this fund to a portion of the sector will result in a division within the organisation. KU's current Vision and Strategic Plan does not align with a system that could create inequity and an underlying implication that early childhood educators are valued differently when working in different service types.

Of equal concern for KU is the potential inequity of the allocation of funding across the sector. It is widely acknowledged that the \$300 million allocation of funding is insufficient to cover the complete workforce, and been estimated to only cover between 30 % - 40 %, therefore creating further divide in the sector. Since the increase in the provision of long day care in the 1980's in Australia, the sector has worked tirelessly to break down the barriers between long day care and preschool. With the introduction of the NQF, the sector welcomed a system that united the early childhood profession by acknowledging the importance of the early years and the importance of qualified early childhood professionals in all early childhood settings. Unfortunately, the limitation of the EYQF seems contradictory to the principles of the NQF.

The requirement for organisations/services to have an EBA in place has the potential to limit small, community based services that tend not to operate with an EBA. KU would support the fund being accessible for all, therefore either removing the requirement for the EBA or assist services to develop these (perhaps by the removal of the Better Off Overall Test (BOOT) and as a result allowing EAs to match the applicable Modern Award only).

Application and Implementation

KU has a number of questions and points for clarification regarding the application and implementation of the EYQF. For KU to be able to make informed decisions about the application of the funding, it would be beneficial to be able to have a full understanding of the guidelines for the application process. This would also assist in being able to alleviate the questions being asked from our workforce as they try to understand the relevance of the funding to their position within KU.

Application and cost of implementation

As a large organisation with expertise in human resources and people management KU is able to utilise the skills and expertise to look at the 'bigger' picture, however consideration should be given to supporting smaller services that may not have the infrastructure in place to understand what implications there may be from an organisational perspective. As an example, being able to understand whether there are implications to workers compensation premiums, leave entitlements, payroll systems, or who will be responsible for the on costs due to higher salaries?

Long term impact:

The other key element that requires further consideration is the timeframe for the funding and the potential ramification for KU and employees once the funding has ceased. Will there be an expectation that salaries will be decreased, how does an organisation continue to fund the higher wages in a climate where affordability for families is of paramount concern? It is a moral dilemma, having a higher earning capacity for 2 years then a reduction in that earning capacity. KU believes this will be very demotivating for educators and many may leave the sector. Further KU is concerned that providers may be required to maintain the increase beyond the life of the funding and be forced through Enterprise Agreement renegotiations to apply the inflated rates to staff in all service types. KU doesn't disagree that wages must be increased however KU is concerned about creating a sustainable future for all staff in the longer term.

Conclusion

KU values the opportunity to provide comment on the EYQF and supports a system that includes mechanisms to attract potential graduates to the sector, and assist in the recruitment and retention of qualified early childhood professionals working in the early childhood sector.

Based on numerous research studies indicating that it is the teacher qualified staff who have the highest impact on the quality of the ECE experience KU has placed a high value on the employment of university qualified early childhood teachers working in early childhood services, therefore to maximise the benefit of the available funds to Australian children KU would recommend:

That the EYQF be reinvested into a system that funds the provision of 3 and 4 year qualified early childhood teachers who are responsible for the delivery of high quality early childhood education programs in all service types.

Should there be further consultation with the sector, KU would welcome the opportunity to participate and provide further feedback.

Christine Legg
Chief Executive Officer