7 June 2013

Re: Inquiry into the Early Years Fund Special Account Bill 2013

Thank you for the opportunity to provide a submission in response to the Standing Committee on Education and Employment *Inquiry into the Early Years Fund Special Account Bill 2013*.

I am the owner of Bedrock Early Learning Centre long day care centre/s based across Hawkesbury area. I am the proud employer of 10 invaluable staff who shares my passion for demonstrating excellence in childcare. Our centres provide care for 62 children from 60 families across the region. The economic benefit of my centre/s to the broader community is clear, not only in terms of direct employment, but also through providing child care for the growing number of parents seeking to return to the workforce after starting or growing their family.

Whilst the Explanatory Memorandum accompanying the Bill states that “The Fund will provide $300 million over two years to all long day care services, which are approved for Child Care Benefit”, this has not been supported by public commentary on the Fund. The percentage of the eligible workforce expected to receive a wage increase of $3.00 to ecause of the requirement for an Enterprise Bargaining Agreement and the expectation of a ‘first in first served’ approach to the assessment of Fund applications. Even 40% uptake would be substantially less than the 10$5.23 per hour ranges from 27% to 40%, not only because of the relatively small quantum of the Fund, but also b 0% referred to in the Explanatory Memorandum. It should be noted that these estimates were provided *prior* to the Bill making it clear that the Fund will be used for “other employment-related costs and expenses” (such as superannuation contributions, leave entitlements, payroll tax, workers compensation and professional development activities). Surely the Parliament must be provided with an accurate assessment of the likely number of employees expected to receive the Fund and the likely financial exposure of taxpayers over the next two financial years before agreeing to pass legislation enabling it?

Given the expectation that less than half of the industry is going to miss out on a wage increase during this two-year period, it is reasonable to expect that the Fund will create substantial tension and divisions within our sector. It is entirely feasible that staff in one centre could receive the Fund, yet a centre owned by the same operator, or with equally experienced and qualified staff, in the same street, could miss out. We also anticipate that staff who have had their wages supplemented by the Fund will have an expectation that their wages will be maintained or increased following expiry of the grant period. If centres are not in a financial position to meet these expectations, there may be a considerable exit of staff from the industry, which would have sector-wide ramifications, in addition to adverse impacts on the national economy. There is a train wreck coming, yet the Bill and Explanatory Memorandum suggest that no transitional arrangements have been put in place to avoid it.

Lastly, it is important to note that the proposed expiry of the Fund will coincide with significant changes to the operational requirements of child care centres brought about by the introduction of the National Quality Framework, including changes to educator to child ratios. This will also impact upon the operating costs of centres, at the same time as the Fund is set to expire.

I am calling on the Standing Committee on Education and Employment to recommend suspending debate on the Early Years Special Account Bill 2013 until such time that:

- **The Department of Finance and Deregulation and/or Treasury has conducted urgent analysis of the expected financial exposure to the Australian Government and Australian taxpayers of the Early Years Quality Fund should it be provided to "all long day care services";**
- **The Department of Finance and Deregulation and/or Treasury has confirmed how much each employee can expect to receive per hour should "all long day care services" meeting the eligibility criteria have access to the Fund; and**
- **The administration and allocation of the Fund deliver equity across the child care sector.**

Yours sincerely

NAME Sue Wilson
POSITION Director
CENTRE Bedrock Early Learning Centre

6 June 2013

Re: Inquiry into the Early Years Fund Special Account Bill 2013

Thank you for the opportunity to provide a submission in response to the Standing Committee on Education and Employment *Inquiry into the Early Years Fund Special Account Bill 2013*.

I am the owner of a long day care centre in Helensburgh NSW. I am the proud employer of 8 full time staff and numerous casual staff. They share my passion for demonstrating excellence in child care and are fully invested in doing a quality job. Three of them have been with me for 10 years and grown outstandingly as educators through all the recent changes.
We provide care for approximately 110 children from 90 families in our community. The economic benefit of my centre is clear and we believe that we are the centre of choice in the community.

Whilst the Explanatory Memorandum accompanying the Bill states that "The Fund will provide $300 million over two years to all long day care services, which are approved for Child Care Benefit", this has not been supported by public commentary on the Fund. The percentage of the eligible workforce expected to receive a wage increase of $3.00 to $5.23 per hour ranges from 27% to 40%, not only because of the relatively small quantum of the Fund, but also because of the requirement for an Enterprise Bargaining Agreement and the expectation of a 'first in first served' approach to the assessment of Fund applications. Even 40% uptake would be substantially less than the 100% referred to in the Explanatory Memorandum. It should be noted that these estimates were provided *prior* to the Bill making it clear that the Fund will be used for "other employment-related costs and expenses" (such as superannuation contributions, leave entitlements, payroll tax, workers compensation and professional development activities). Surely the Parliament must be provided with an accurate assessment of the likely number of employees expected to receive the Fund and the likely financial exposure of taxpayers over the next two financial years before agreeing to pass legislation enabling it?

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Lastly, it is important to note that the proposed expiry of the Fund will coincide with significant changes to the operational requirements of child care centres brought about by the introduction of the National Quality Framework, including changes to educator to child ratios. This will also impact upon the operating costs of centres, at the same time as the Fund is set to expire.

I would recommend that you increase child care benefit, increase the minimum wage and allow us the dignity of putting our own fees up, not to fleece the community for our own gain, but to remunerate all our valuable educators and retain them.
The eligibility criteria are insulting, restrict our ability to fund any other aspects of child care through fee increases and will add to an already burdensome amount of paperwork.

I am calling on the Standing Committee on Education and Employment to recommend suspending debate on the Early Years Special Account Bill 2013 until such time that:

- **The Department of Finance and Deregulation and/or Treasury has conducted urgent analysis of the expected financial exposure to the Australian Government and Australian taxpayers of the Early Years Quality Fund should it be provided to "all long day care services";**
- **The Department of Finance and Deregulation and/or Treasury has confirmed how much each employee can expect to receive per hour should "all long day care services" meeting the eligibility criteria have access to the Fund; and**
- **The administration and allocation of the Fund deliver equity across the child care sector.**

Yours sincerely

ROBYN COOPER
APPROVED PROVIDER AND OWNER
ROBERTSON STREET KINDY, HELENSBURGH