



**Standing Committees on Education, Employment  
and Workplace Relations Inquiry  
into**

**EARLY YEARS QUALITY FUND  
SPECIAL ACCOUNT BILL 2013**

**Submission to Senate**



# Submission to Senate

Early Years Quality Fund Special Account Bill 2013

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## Introduction

Childcare Queensland (CQ) is the Peak Body representing the long day care sector with both private and community members. CQ represents over 700 members services and provides training, support, resources and advocacy to members and to the entire sector. CQ works with other sectors, e.g. QCAN (representing before & after school care and vacation care) and also with Family Day Care Queensland. CQ prides itself on being an association that works for the good of the sector as a whole including advocating for and support of families, children and our educators.

Childcare Queensland:

- supports the National Quality Framework and provides training and assistance to the sector to support them with this process;
- respects and values our educators. Educators are welcome to all CQ meetings, workshops and events and an annual conference dedicated to educators learning and;
- established *Early Childhood Educator's Day*, a day when we promote recognition for our educators in the community and with families, children and their colleagues;
- fully funds all activities;
- respects and values the children in our care and the children who are in our community. CQ focused on promoting play based learning when the Early Years Framework was introduced with a series of television commercials titled "*Hands up for play*", which were fully funded by CQ;
- Board consists of "hands on" service operators. We are able to identify issues as they arise, whether they be with trends, implementation of regulations, shortage of educators or oversupply/underutilisation of child care places (through regular demographic surveys). We are diligent about monitoring current research and learning which is shared with our membership and the sector in its entirety. CQ Board members work tirelessly in an unpaid capacity, as do our colleagues in the Australian Childcare Alliance;
- publishes a quarterly magazine "*Early Edition*" and supports members by telephone, email, meetings, workshops and newsletters; and
- is a member of the Australian Childcare Alliance.

We submit this document as we have been urged to do so by our sector colleagues. Queensland is large by demographic and our members throughout have expressed their concerns as to how this Early Years Quality Fund (EYQF) Bill will affect their ability to continue to offer affordable, quality education and care to children in their early years.

Our submission is informed from the input of members, educators and the community. The Federal Government's Early Years Quality Fund Special Account Bill 2013 granting \$300 million to be paid over a two year period to lift the wages of early childhood educators appears to be nothing more than a gift by the government to the United Voice Union. We note from recent Committee inquiries, that DEEWR, the Department responsible for scripting this Bill, is quite confused on various issues rather than being set and determined on the contents, particularly as the Bill has had its second reading in the House of Representatives.

With nothing set in stone, we understand that the grant funding will provide increases in hourly rates of \$3 - \$5 to “up to 40% of the educators in the sector”. The Prime Minister said grant money would be awarded on a “first in first served basis”. Calculations released by Senator Hanson Young reveal that it is more likely that only 27% of the educators will receive the funding.

Our own calculations when on-costs are taken into consideration support this figure. However when DEEWR were questioned on the number of services (that this would apparently apply to) their answer was 14,000. If that were in fact accurate, the percentage would be substantially lower.

Already this announcement has caused outrage and division amongst educators in the early education and care sector. Educators are understandably angry as their colleagues in the long day care centre across the road may receive the grant whilst they receive nothing.

In many regional areas in Queensland, should this Bill be passed, it will have a debilitating affect. Long day care services are struggling with underutilisation at the present time due to economic pressures on families and the fact that the Child Care Benefit has devalued by 20% over the past ten years. The government has now extended the indexation freeze on Child Care Rebate for a further three years. The centre that doesn't receive the grant funding would need to increase fees to families of \$10+ per child per day to pay their educators the same pay rate. This will have a draining effect on families and the economy. We already know from the Productivity Commission report 2011 that families begin to cut work hours or leave the workforce if fees rise even by a small percentage.

The Grant funding is unfair, inequitable and discriminatory. It has proved to be a huge boost to the United Voice Union as they openly state that their membership has grown from 10% to 25% in the two months since this announcement. With an annual fee paid by educators of \$572 per annum this is a huge increase in the United Voice annual income.

In Queensland we have had a particularly difficult time with an onslaught by United Voice representatives. Members have advised us that they have felt intimidated and educators have been distraught when they have been told that if they don't join the union they could stop their colleagues from receiving the funding. Union organisers have been telling members that they must have 60% plus membership to engage with them to submit the Enterprise Agreement.

CQ Members have been made aware of the requirements for applying for funding but still feel pressured by the union representatives. Below are some comments from members. Other members have emailed their comments but do not feel comfortable having them printed for fear of retribution.

## Member Comments

*“Is there any legal recourse for the conditions on the “government” funding in regards to the enterprise agreement that must be entered into and the blackmail tactics for union membership? Staff are being told that the greater the union membership in the Centre the more favorably they will be treated for the granting of the funds”.*

*Jennie Kemp*

*“One of my educators was promised by a United Voice representative that as she was a member and a part of their tele-conference last week that her centre would get first priority in the funding approval process”*

*Mandy 6/06/2013*

*“.....I can't help but reach the conclusion that government is well aware that the community sector and large franchises are better geared to move ahead with this type of convoluted approval process, (with support of paid professionals ready to move quickly), and that a vast majority of the privately owned centres will miss out "on the queue". Suits the Labor government down to the ground, more union membership, more harassing of the private sector.*

*Anonymous – Approved Provider*

## Comments on the Early Years Quality Fund Special Account Bill 2013

### Notes on Clauses:

The intent of the wording in this EYQF Accounts Bill appears misleading as it talks about the rights of the child and the benefit to educators. It fails to point out the magnitude of the discrepancy between those that will be approved and those that will not be approved.

### Overview of the Bill

*The Fund will provide \$300 million over two years to all long day care services, which are approved for Child Care Benefit.*

This sentence standing alone is misleading as it is not for ALL but for somewhere between 27 – 40% of the sector only. E.g. 60 -73% of the sector workforce will be receiving no increase from the Fund.

### Clause 7 – Purposes of the Early Years Quality Fund Special Account

*This clause sets out the purposes of the Fund. The purposes of the Fund is to provide funding to approved centre based long day care services which is to be used to pay remuneration to, or for other employment-related costs and expenses in relation to employees of those services. Additionally, or alternatively, the Fund can be used for providing professional development activities to employees which relate to their employment in the early childhood education and care sector.*

Not only do the educators who are considered eligible receive up to \$10,000+ additional grant money per annum, they can also receive fully paid professional development. In doing this the government is rewarding some educators not on the quality of their provision of care but simply because all of the boxes were ticked including the Enterprise Agreement. Educators with higher qualification and skills will be discriminated against.

### Rights of the child

*Article 18(3) of the CRC also provides for all appropriate measures to be taken to ensure that children of working parents have the right to benefit from child care. To the extent this right is engaged, the measures in the Bill promote the right as the children of working parents will benefit from having access to increased quality of care.*

Again the reading of this infers that all children of working parents will benefit from this Fund when in fact only a small percentage of children of working families will be in services where educators will receive the grant funding. Where is the evidence that determines that paying an additional \$3 - \$6 per hour ensures that educators will provide superior education and care? Educators who will not receive any funding may in many instances provide a higher level of education and care.

CQ's concern is that as so many educators are angry about this inequality at a time when the sector must engage more educators to meet the 2014 regulations, these disenfranchised educators may leave the sector.

In the lead up to this announcement, United Voice was campaigning for the government to pay wages to the sector of \$1.3 billion for the first year, increasing to an outlay of \$15 billion by the 9<sup>th</sup> year. ACA, our federal body, met with Minister Garrett and Minister Ellis many times and they were constantly advised that the government had no money to fund this claim and neither was it the role of government to pay wages to the sector. CQ did not support taxpayer money paying wages and we believe that the government set up the Fair Work Commission to deal with wage claims.

The announcement by the Prime Minister was a complete surprise to CQ but obviously not to others in the sector who were in Parliament House on the day of the announcement.

Educators in the Early Childhood Education and Care sector are devastated that a government could create such an inequity in a sector that is dedicated to implementing the government's National Quality Framework. The government at the same time is setting up the Pay Equity Unit within the Fair Work Commission. The intent of the government is to create the inequity in wages with taxpayer funds, then have the Pay Equity Unit examine the child care sector as its first task. We find this absolutely immoral.

The 27% - 40% of services that are successful in gaining the grant will only receive the funding for a period of two years as there is no provision for this grant funding to be continued past 30/06/2015. It will be extremely difficult for these services to reduce the wages at this time so they will all be forced to increase their fees by \$10+ per child per day.

On 01/01/2016 – six months after the finalisation of the payment from this fund, ratios will change Australia wide which will increase child care fees significantly. Combine this with the fund recipients increasing their fees by \$10+ per day to maintain the pay rates for their educators, and families will be highly impacted.

### **Children and their Families will be the clear losers**

CQ's position is that if the government wishes to make a grant to show educators that they are valued and worthy of reward, that \$1 per hour should be given to each and every educator not just to a chosen few who happen to have their union Enterprise Agreements ready to lodge or already lodged to be amongst the first to get the limited funding.

Our members are constantly told that the money is intended for those services with high union membership. The makeup of the board of the Early Years Quality Fund in most instances represents a group with self-interest – not the interests of a diverse group of approved providers.

On behalf of educators, families and the early childhood sector, we ask that you support us in ensuring that this unprincipled legislation does not proceed.