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**Response to**  
***Early Years Quality Fund Special***  
***Account Bill 2013***

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**Contact for this submission:**

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## **Mission Australia**

Mission Australia is a large national, non-denominational Christian community service organisation that has been transforming the lives of Australians in need for more than 150 years. This aim is reflected in the breadth and diversity of our programs – from early learning and youth services, extensive family support and homelessness initiatives, employment and skills development, to provision of affordable housing.

In 2011-12 our 326 Community Services<sup>1</sup> assisted 110,389 individuals and 5,732 families. MA Housing also grew its housing management portfolio to 1,418 dwellings in the same year, substantially increasing the number of people we have been able to support into stable accommodation. Our Employment Solutions division, one of Australia's largest not-for-profit providers of government-funded employment services, offered ten programs that helped 165,000 individuals and assisted 15,850 people move into sustainable employment<sup>2</sup>.

## **MA Early Learning Services**

Early Learning Services was founded in 2009 when Mission Australia bought 29 childcare centres operating predominantly in areas of disadvantage where a high percentage of children are considered to be developmentally vulnerable, according to the Australian Early Development Index. These centres were former ABC Learning centres located in New South Wales, the Northern Territory, Victoria, South Australia and Western Australia. In May 2012 MAELS was chosen to provide 21 Department of Defence long day care and before and after-school services.

In addition to MAELS, we are also part of Goodstart Early Learning, a not-for-profit consortium made up of Mission Australia, The Benevolent Society, The Brotherhood of St Laurence and Social Ventures Australia. The consortium operates more than 660 former ABC centres nationwide<sup>3</sup> although Mission Australia has no role in the direct operation of these centres.

## **Our response**

Our response to the *Early Years Quality Fund Special Account Bill 2013* is informed by our direct experience in the provision of early learning services, our broader experience in delivering children and family services, and our research and advocacy on effective means to improve outcomes through effective early years' engagement.

### **• The Object of the Act**

Mission Australia fully supports the object of the proposed Act "to improve quality outcomes for children in early childhood education and care services by enhancing professionalism in the early childhood education and care sector, including through improved attraction and retention of a skilled and professional workforce". We have previously commented on the need to transform the workforce into one that is "distinguished by high skill levels, decent salaries, job stability, and a correspondingly high status accorded to workers"<sup>4</sup> so are fully supportive of enhancing professionalism in the sector.

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<sup>1</sup> This includes 28 Early Learning Services that were operating during the year

<sup>2</sup> Mission Australia (2012) *Annual Report 2012*. Mission Australia: Sydney.

<sup>3</sup> More information about Goodstart is available at <http://www.goodstart.org.au/>

<sup>4</sup> See our response to the 2011 Productivity Commission's study of Australia's Early Childhood Development Workforce available online at [http://www.pc.gov.au/data/assets/pdf\\_file/0020/105653/sub012.pdf](http://www.pc.gov.au/data/assets/pdf_file/0020/105653/sub012.pdf).

In addition, we also highlighted the impact that funding difficulties have had on the professional development opportunities for all workers in the early childhood development sector. These impacts include a lack of funding for professional development and supervision that can drive specialists (such as occupational therapists, speech pathologists, and so on) out of sector. It also extends to the lack of permanent fulltime positions that can arise from a lack of funding and make the sector an unattractive employment proposition for candidates. Higher calibre candidates will find more appealing, full-time opportunities elsewhere, leaving the early childhood development sector with candidates who are less competitive in terms of experience and skills.

On that basis we would support the notion of an *Early Years Quality Fund Special Account*.

- **Purpose of the Early Years Quality Fund Special Account**

We also support the purpose of the special account to provide funding that is to “be used exclusively for paying remuneration, and other employment-related costs and expenses, in relation to employees in the early childhood education and care sector”. We are however concerned that the funding is capped so the majority of services and educators within the ECEC will not benefit from them. The funds are also time limited so at the end of the two year period ECEC services will have no choice but to increase parent fees to meet these increased salaries as it would be unrealistic to reduce salaries to a pre quality fund amount. In addition, those services that do not benefit from the funds offered in the proposed ‘Special Account’ may have to increase the cost to families during the two years simply to increase their wage offerings as a way to keep their staff in an already difficult retention and recruitment market.

Mission Australia also has grave concerns that the funds are restricted to one area of the sector as per the definition outlined. This will disproportionately benefit larger providers – such as MAELS - who have Enterprise Agreements (EA) and HR personnel in place. We agree with the ECA’s recommendation that there should be a removal of the requirement that organisations have an EA in place, or more support offered to services needing to develop an EA to ensure equity in the application process.

- **Definition**

Under the proposed Act, eligibility for the *Early Years Quality Fund Special Account* eligibility to apply for funding extends to ‘all approved centre based long day care services approved for Child Care Benefit’. The definition includes indicates that an “approved centre based long day care service has the same meaning as in the *A New Tax System (Family Assistance) (Administration) Act 1999*”.

Mission Australia recognises and acknowledges the commitment that the Australian Government has made to the early childhood education and care sector through the introduction of The National Quality Framework and National Quality Standard. We also recognise that the proposed fund could be an ideal way to support the Government’s ongoing investment into early childhood education and care by helping to “support development, professionalism and retention of qualified workers in the sector”. We are however very concerned that the benefits associated with the improvements facilitated by the fund will not be equally shared by the sector or, by default, all children attending early childhood education and care.

For us this is an unacceptable proposition but one we consider readily rectified.

The explanatory memorandum that accompanies the *Bill* indicates that applications for grants will be assessed against criteria. One of these is “a demonstrated commitment at the service to quality outcomes for children under the National Quality Framework (NQF), including a detailed plan to meet NQF qualification requirements”. In our view that provides an opportunity for the funding to be made available to all early childhood education and care centres to which The National Quality Framework and National Quality Standard applies and who employ qualified educators. It should also be made available beyond the two year period to avoid the consequences outlined earlier. Further we consider the amount of funding provided should be sufficient to ensure equity for all eligible services, in line with our concerns about eligibility outlined above.