



REPRESENTING A GROWTH INDUSTRY

Legislation Committee – Inquiry and Report - Exposure Draft - Paid Parental Leave Bill

Long Day Child Care Centres - A case for administrative exemption

Childcare Association of WA
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Childcare Association of WA (CAWA) represents the childcare industry in Western Australia. Our members provide care to children aged from 6 weeks to 12 years in both privately owned and government funded child care centres.

Some members have multiple centres and others are owner operated.

Businesses employ on average 12 employees with an age range of 17-50 years of age, being child bearing age.

Child care is a predominately female industry.

Employees on leave are required to be replaced to maintain industry regulations.

Due to a shift in the current Governments focus on child care, and an increase of qualifications required, the age of employment will increase to 19 years of age over the next 2 years.

Any additional administrative duties placed on centre owners will have a negative impact on the ability to continue to provide quality care.

Members centres who are managed by voluntary management committees do not have the skill level to increase the existing administrative duties required in the business.

Current administrative duties are time consuming, and costly with non compliance, to meet Regulatory requirements within the child care industry, inclusive of Local State and Federal adherence.

CAWA DOES support a Paid Parental Leave scheme administered by the Family Assistance Office (FAO).

CAWA identifies the following concerns:

- Due to the means testing of this payment it falls into the category of a welfare generated payment. To require employers to be responsible for administering welfare payments will result in a direct cost to the service offered (child care fees) with an increase in administration of the employee.
CAWA requests all payments of the PPL to continue to be administered by the FAO.
- Additional administration will encroach on managers work time considerably. We know members have had multiple staff off at the same time on unpaid Parental Leave, this will increase with paid parental leave. Larger businesses may have a Payroll division but our members primarily attend to the complete operation of the administrative requirements.
CAWA seeks consideration for small businesses in that the payment continues to be made through the FAO.
- Cost of implementation on services; Throughout Western Australia there are services who are maintaining high occupancy levels but there are also many services that are operating at an unviable level. See government report "Child Care Vacancies Quarterly Snapshot March 2010" wherein 65,780 vacancies are report daily in Australian Child Care Services. Viability will be further threatened in our sector with the introduction of National Standards. The additional time and handling of the administrative requirement of the PPL will increase costs to services.
CAWA requests that FAO continue to make the payments for child care personnel to alleviate additional costs
- Payment by government in advance through FAO. CAWA supports this method of payment in advance however from experience; our concern is that this payment over the years may move to an arrears payment. Initially Fee Relief for families using childcare was paid in advance with assurance from the government that the sector would

never have to carry the government's payments. These payments have now moved to one week in arrears.

CAWA requests assurance from the government that the small business operator will never have to make the initial payment to staff on PPL then reclaim that amount from government.

- Replacement of staff with the necessary qualifications will cause considerable hardship on the child care industry. Child care is not an industry where choice is available to not replace a staff member on leave, due to regulatory requirements all staff are continuously replaced.

CAWA believe the government is further responsible for the assistance in continuing to up skill the industry in particular those that have been supported financially to up skill are required to remain within the industry for a number of years.

- Superannuation payments on PPL. This has been set for review in two years time. Should this cost be imposed on businesses, it would certainly cause severe financial hardship to small business operators.

CAWA requests that government assures small business that the intent of the review of superannuation payments on PPL is not for the employer to be burdened with this payment.