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Australian Childcare Centres Association

Secretary – Ann Young

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**SUBMISSION TO THE SENATE  
EDUCATION, EMPLOYMENT AND  
WORKPLACE RELATIONS  
LEGISLATION COMMITTEE  
RE  
INQUIRY INTO THE EARLY YEARS  
QUALITY FUND SPECIAL ACCOUNT  
BILL 2013**

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Name: Ann Young, Secretary, Australian Childcare Centres Association

Date: 7 June 2013

Standing Committee on Education and Employment

**RE: Early Years Quality Fund Special Account Bill 2013**

The Australian Childcare Centres Association (“ACCA”) is registered as an industrial organisation of employers under the *Fair Work (Registered Organisations) Act 2009 (Cth)* (“the Registered Organisation Act”) and represents the majority of the private sector of the Children’s Services Industry throughout Australia.

The primary focus and activity of ACCA is the industrial representation of its members. ACCA was first registered in 1997.

ACCA has serious concerns regarding the proposed Early Years Quality Fund (“EYQF”), which when announced by the Prime Minister claimed that the fund was designed to “*attract and retain quality professionals*”, and as a result “*increase quality outcomes for children*”.

Section 3 (Objects) of the Early Years Quality Fund Special Account Bill 2013 (“the Bill”) states that the object is 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 to improve attraction and retention of a skilled and professional workforce.

The purpose of the funding (section 7) is to fund wage increases for employees engaged in approved centre based long day care services.

ACCA is of the view that, regrettably, EYQF will not achieve its objectives, nor meet its purpose, given that the increases flowing from the funding will only apply to a relatively small sector of the entire workforce, and create unequal and inequitable outcomes by virtue of its untargeted application. In approximate numbers, the long day care sector of the Children’s services industry employs around 68,000 employees throughout Australia (DEEWR), and a simple calculation of the funding would indicate that, at best, approximately 16,000 employees may benefit from this funding, leaving the remainder without any form of supplemental increase. The outcome in itself is inequitable and discriminatory.

The funding will create divisions within the industry and within the workforce, by the very nature of the untargeted allocation, which, as we understand the situation, to be on a first in – first served basis.

The funding will be further diluted through the application of on-costs (section 7 “*other employment – related costs and expenses*”), which will account for approximately 25% of the actual funding, according to the union, United Voice.

ACCA supports the views expressed by the Australian Childcare Alliance, which has proposed that the funding should be allocated across all early years educators, by providing for a common increase of approximately \$1 per hour for all employees at all levels.

One of the eligibility criteria for this funding is that it is to be facilitated via an enterprise agreement, made under the terms of the *Fair Work Act 2009 (Cth)*.

Whilst understanding the need for legal certainty in terms of pay rates, this requirement simply adds another layer of administrative complexity for both employers and employees in an industry where, typically, there is a low incidence of enterprise bargaining, and a high reliance upon award provisions, given that the vast majority of workplaces are relatively small, with fewer than 20 employees each.

The members of ACCA view the EYQF as being unfair and discriminatory in its nature by providing for pay increases for a minority of educators in the sector, whilst leaving more than 60% of dedicated educators in the long day care sector with no increase at all.

A duplicitous funding requirement also requires a service to show an ongoing commitment to the National Quality Framework, which is being embraced by all service providers as they work towards meeting the 2014 timeframes for staff ratios and qualifications. This requirement already exists in the licencing and accreditation guidelines.

Please don't hesitate to contact the undersigned, should you require any further information.

Yours sincerely,

Ann Young  
Secretary  
Australian Childcare Centres Association