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Standing Committee on Education and Employment

RE: Early Years Quality Fund Special Account Bill 2013

As a third generation Long Day Care Childcare Centre Operator involved in the industry for over 17 years, Chartered Accountant and Qualified Teacher, I believe that the current proposal of the Early Years Quality Fund Special Account Bill 2013 will be detrimental to current and future children educated within the sector, employees, parents and centre operators. I make the following submissions in respect of this Bill:

1. The current funding has been limited to a specific limited period of two years and is not on an ongoing continuous basis. The resulting implication would result in Long Day Care Centres failing to be able to continue to pay any increase and thus **retain** qualified hard working professionals after the funding had ceased. The possible implications of this would be **employees being asked to take a reduction in pay and leave the sector, employees being made redundant or an increase in the overall cost of childcare** with parents being asked to contribute more towards the increased wages costs.

2. The current funding applies only to a limited number of employees within the sector and thus centres and the parents and most importantly the children of those centres who are unsuccessful in obtaining the grant will be detrimentally impacted. The impact of this will be a vacuum of the limited quality staff within the sector away from unsuccessful centres **decreasing the quality care** of approximately 60% of approved long day care centres. This decrease in quality would be as a result of either a decrease in the quality and stability of staff, **decreases in spending of capital improvements**, **resources and staff training** as centres seek funds to meet employee wage demands or **higher fees being charged** to parents. In the competitive free market the sector operates the extreme but very real impact will be **the closure of local childcare centres** and the **displacement of those children** who currently attend them, as centres cannot maintain adequate economies of scale or rates of return to ensure ongoing finance.

3. The current proposed model adds yet **another layer of red tape** to the sector. During my 17 years of involvement within the long day care sector, it has been apparent that there has been a significant increase in the amount of "paper work" that is **not associated with the educational outcomes of children**. This model as it stands will result in an increase in paper work due to the

need to complete the application, ongoing reporting and undoubtedly considerable communication with government departments. Over the past seven years we have had to **increase the number of administration staff** from approximately one to every 15 or 7% of full time equivalent staff to one in every 5 or 20% of educators as a result of the increased government regulation. In most cases this work is being completed by qualified childcare educators who would otherwise be working directly with the children.

I sincerely applaud the Government on highlighting the high cost of childcare on parents, the low wage rates faced by employees and the need for continued improvements in quality. However, this Bill in its current form will be counterproductive in achieving improvements in these areas and will result in an increase in childcare fees, lower quality care in a majority of long day care centres and displacement of children and childcare centre failures decreasing the overall supply of childcare places in some cases. In addition to this, the employees and management of centres that are successful will be subjected to increased insecurity about the continuation of employee pay rates, increased administration and insecurity of employment within the sector.