



**Australian Government**

**Department of Education, Employment and Workplace Relations**

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**Submission to the House of Representatives  
Standing Committee on Education and  
Employment Inquiry into the Early Years  
Quality Fund Special Account Bill 2013**

**7 June 2013**

## **INTRODUCTION**

The Department of Education, Employment and Workplace Relations (DEEWR) acknowledges the opportunity to provide a submission to the Senate Education, Employment and Workplace Relations Legislation Committee for this inquiry into the Early Years Quality Fund Special Account Bill 2013.

## **PURPOSE OF THE BILL**

The Early Years Quality Fund Special Account Bill 2013 (the Bill) provides for establishment of the Special Account required to implement the Early Years Quality Fund (the Fund). The Fund will support quality outcomes for children by assisting early childhood services to attract and retain early childhood educators in the sector and reduce the numbers of educators leaving the sector overall.

The Fund, which will operate for two years, will enable grants to be paid to approved long day care services to supplement wage increases for educators. All centre based long day care centres approved for Child Care Benefit under the *New Tax System (Family Assistance) Act 1999* (Family Assistance Act) will be eligible to apply including for-profit and not-for-profit services.

The Early Years Quality Fund will assist with maintaining the affordability of early childhood education through reducing labour market pressure and increasing the pool of labour in the sector overall. This will complement the Government's substantial financial assistance to families through Child Care Benefit and Child Care Rebate ensuring the high quality of education and care for children balanced with affordability for parents.

## **SUPPORTING QUALITY**

The Early Years Quality Fund will support the objectives of the National Quality Framework for Early Childhood Education and Care (ECEC). The NQF is an important reform of the Council of Australian Governments (COAG) supported by the Australian Government and all state and territory governments. The NQF delivers a higher standard of education and care for children in the critical areas of education, health and safety, interaction with children and parents and leadership. It also provides clear and comprehensive information for families so they can make informed choices about which service is best for their child.

In December 2009, all governments in Australia agreed to develop the NQF. On 1 January 2012, the NQF was formally established. The objective of the NQF is that all Australian children get the best possible start in life through high quality early childhood education and care and school age care service.

The NQF has been supported by the vast majority of services as not only improving quality ECEC for children but enhancing recognition of the important and professional work of the sector and importantly, moving from 'child care' to early childhood education and care.

The National Quality Standard improves quality through improved educator-to-child ratios, stronger educator qualification requirements, a greater focus on relationships between educators, children and their families and the community and a new quality rating system. The NQF helps providers improve their services in the areas that impact on a child's development. The NQF includes:

- A national legislative framework that consists of the Education and Care Services National Law Act 2010 and Education and Care Services National Regulations 2011
- A National Quality Standard
- An assessment and rating system
- A Regulatory Authority in each state and territory

- Australian Children’s Education and Care Quality Authority

The policy objective of the Bill is to increase wages for early childhood education and care professionals in order to improve retention of early childhood educators within the sector, supporting the requirements of the NQF. The Fund is a continuation of steps towards greater professionalisation in the early childhood education and care sector and providing a high-quality standard of education care for all Australian children.

### **THE IMPORTANCE OF QUALITY INTERACTIONS WITH EDUCATORS**

Research shows that the quality of early childhood educators in the early learning years has an enormous impact on the quality of outcomes for children in their education and this flows on through their working life. Around 90 per cent of brain development occurs in the first five years of a child’s life and that is why COAG is committed to increasing the quality and professionalism of early childhood educators under the NQF.

Quality early childhood education and care ensures that children are happy, engaged and learning with qualified educators who are nurturing and caring. Improved quality of early childhood education and care will produce long term improved productivity and economic prosperity for Australia.

The Government anticipates that the Early Years Quality Fund will support the implementation of the NQF by assisting providers to offer educators higher wages consistent with changes in staff to child ratios and the increased qualification requirements of the NQF.

A key component of quality education is the opportunity for quality interaction between educator and child. Children develop attachments to their educators which enhances their education and care experience. This requires trust and consistent social interactions to be established between educator and child and recognises that each child is unique with nuanced relationship needs. This occurs when children have the opportunity to interact with the same educator on a regular basis.

As pointed out by the Organisation for Economic Co-operation and Development (OECD)<sup>1</sup>, quality of ECEC is driven by a number of inter-related indicators, particularly:

1. the quality of interactions and relationships between children and ECEC staff
2. the programs or curricula that support children’s learning and development
3. connections with family and community
4. leadership and management
5. the qualifications and training of staff and staff-to-child ratios
6. the physical environment
7. health and safety requirements.

Most research has focused on the structural components of quality, and in general has found that:

- the most significant indicator affecting quality and outcomes for children appears to be caregiver education, specialised qualifications and training;
- lower staff-to-child ratios are associated with better outcomes for children, with the ratio being more significant for very young children and those from disadvantaged backgrounds; and
- stability in care (low staff turnover) is associated with higher quality child care and positive child outcomes<sup>2</sup>

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<sup>1</sup> Organisation for Economic Co-operation and Development (2006), *Starting Strong II: Early Childhood Education and Care*, OECD Publishing: Paris.

The Early Years Quality Fund continues the significant investment by the Australian Government into the early childhood sector. The Government anticipates that the Fund will have an important contribution to achieving quality outcomes for children, encouraging professionalism within the sector and attracting and retaining qualified educators.

### **ATTRACTION AND RETENTION OF EARLY CHILDHOOD EDUCATORS**

It is important to recognise that early childhood educators play an important role in Australian society. As at September 2012 there were 615,630 children attending long day care in Australia and over a million attending across all forms of education and care. These educators provide a critical pillar to the economic growth of Australia now through increased workforce participation for parents, as well as in the future through better education outcomes for children which is a key indicator to success in the labour market.

Early childhood educators have traditionally not been well recognised for the important work they do. The Government has a number of programs in place that are aimed at improving both the quality of the support, care and education our young children receive, and raise the profile and recognition of the sector and people that work in it. The Early Years Quality Fund aims to assist with the retention of early childhood educators by improving wages to reflect the enhanced professionalism of the sector.

Early childhood sector stakeholders have expressed concern regarding turnover rates, and issues around the attraction and retention of qualified staff through various forums including industry roundtables held across regional Australia, Stakeholder Reference Groups and through meetings with department representatives, Ministers and the Prime Minister.

The Government has worked with stakeholders in recent years on meeting workforce requirements whilst maintaining quality and affordability for parents through a number of measures including removing TAFE fees for diploma qualifications, reducing the HELP debt of early childhood teachers, and introducing formal Recognition of Prior Learning which assists early childhood workers to obtain or upgrade their qualifications.

The Early Years Quality Fund further supports these objectives and will have a direct impact on the attraction and retention of educators. Decreasing turnover of educators assists with providing children with the opportunity for consistent interactions. Introducing higher wages to the sector is an important component of attracting and retaining qualified employees in the sector and increasing professionalism overall. Increasing wages also provides a tangible indication of the value that early childhood educators have in Australian society.

DEEWR estimates that current size of the Long Day Care Workforce at approximately 78, 647 educators<sup>3</sup> up from 67,975 at the time of the 2010 ECEC workforce Census.

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<sup>2</sup> Department of Community Services (2008), *Review of the Children's Services Regulations 2004*, pp.11-16; and Department of Community Services (2008), *What determines quality in child care? Research to Practice Note*, September, available at [http://www.community.nsw.gov.au/docswr/assets/main/documents/researchnotes\\_what\\_quality.pdf](http://www.community.nsw.gov.au/docswr/assets/main/documents/researchnotes_what_quality.pdf)

<sup>3</sup> Taken from the 2010 ECEC workforce census and modelled for trend growth taken from the Child Care Update published on the MyChild website: <http://www.mychild.gov.au/pages/ResourcesReports.aspx>

Table 1. Long Day Care Educators 2010 - 2013

	2010(a)	2013(b)
NSW	23,238	26,886
Vic	14,513	16,792
Qld	16,888	19,539
SA	4,540	5,253
WA	5,001	5,786
Tas	1,446	1,673
NT	709	820
ACT	1,640	1,897
Total	67975	78647

The Early Childhood Education and Care National Workforce Census 2010 showed that while there were high levels of job satisfaction among early childhood educators at 88 per cent, only 51 per cent were satisfied with their pay and conditions. Data collated by DEEWR and published on the Job Outlook website also identifies the attrition rate in the sector is 15.2 per cent, which is above the all industry average of 14.2 per cent.

The Census also showed that among employees in long day care settings who had an intention to leave their position within the next 12 months, 32.9 per cent said it was due to dissatisfaction with pay and conditions. These factors coupled with the increased requirement for qualified educators through the National Quality Framework and strong growth in the sector over the past five years present the next challenge for the Government and the sector in improving quality across all early learning services.

Table 2. Reasons for leaving a job in a long day care service

Main reasons why staff may finish their current job in the next 12 months	%
Seeking other employment outside of sector	25.7
Dissatisfaction with pay / conditions	32.9
Returning to study/ travel / family reasons	25.7
The job is stressful	21.3
Seasonal / temporary job / fixed contract finishing	7.3
Maternity leave	13.0
Workplace culture	11.1
Retiring	3.7
Difficulty in managing children's behaviour	3.8
Employer / business closing down / downsizing	2.9
Unable / Unwilling to complete qualification requirements	1.7
Other	25.4

## **OPERATION OF THE FUND**

The Early Years Quality Fund will be administered by DEEWR in line with Government practice. The Program Guidelines are being developed under the Commonwealth Grants Guidelines as administered by the Department of Finance and Deregulation and approved by the Minister for Finance.

The Government has established the Early Years Quality Fund Advisory Board (the Board) to provide advice to the Department on the content and operation of the Program Guidelines including:

- eligibility criteria
- equitable funding distribution
- conditionality of funding
- application and assessment process
- monitoring and reporting to ensure transparency and compliance
- engagement and communication with the sector.

The Board consists of members from the early childhood education and care sector, employee and employer organisations and were appointed by the Hon Peter Garrett AM MP, Minister for School Education, Early Childhood and Youth to support the implementation of the Fund.

The Advisory Board met for the first time in Canberra on 6 June 2013.

The Program Guidelines and other information for potential applicants will be made available on the DEEWR website and invitations for grants applications will also be published on the governments Grants Link website.

All centre based long day care services approved for Child Care Benefit will be eligible to apply for the funding and will be assessed on an equal footing. Any person who operates or proposes to operate a long day care centre may apply for Child Care Benefit approval through DEEWR by meeting the published criteria including: the suitability of ownership and staff to operate a child care service; approval under local law to operate; at least 48 weeks operation a year; and minimum opening hours of at least 8 continuous hours each day of operation.

Grants will be approved through an application and assessment process using a defined set of assessment criteria to be outlined in a comprehensive set of Program Guidelines developed by DEEWR. Funding will be conditional on services agreeing to use the funding exclusively for the remuneration of employees and other employment-related costs and expenses, in relation to early childhood education and care employees. These may include but are not limited to:

- Superannuation contributions
- Leave entitlements
- Payroll tax
- Workers compensation

Grants will be approved through an application and assessment process using a defined set of assessment criteria including:

- 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
- an agreement to utilise grant funds exclusively for wage increases, or other approved purposes (i.e. on-costs), with a detailed acquittal process

- a commitment to affordability for families through fee restraint limited to actual operating cost increases (and no increases as a result of wages arising from the operation of the Fund)
- increased fee transparency requirements for services, including explaining to parents the level of financial assistance provided by the Australian Government through Child Care Benefit and Child Care Rebate, and meeting specific reporting requirements for MyChild.

The Fund will provide funding directly to eligible services over two years to supplement wage increases of \$3.00 per hour for Certificate III qualified educators, with proportional increases across the classification scale. This will mean, for example, that a higher wages increase will apply to diploma and degree qualified educators. This will provide an incentive for educators to further their careers by attaining higher qualifications.

The Government considers that providing a meaningful wage increase is critical towards achieving recognition of the professional status of early childhood educators and the important work they do in educating and caring for Australian children.

The Government recognises that the Fund will not meet the needs of the entire sector and more needs to be done to ensure the long term sustainability of the early childhood workforce, but considers it a progression towards improving pay and conditions for the sector overall.

When the Government announced the Fund they also announced a new Pay Equity Unit will be established in the Fair Work Commission with a focus on conducting research, and collecting data and specialist pay equity information to inform matters related to pay equity under the Fair Work Act, Modern Award reviews and annual minimum wage decisions. The Pay Equity Unit will examine gender and pay equity issues particularly in female dominated sectors such as early childhood education and care.

### **COMMUNICATION WITH THE SECTOR**

The Early Years Quality Fund was announced by the Australian Government on 19 March 2013. To coincide with the announcement, DEEWR released an 'Early Years Quality Fund Frequently Asked Questions' (FAQ) document, which was made available on a dedicated 'Early Years Quality Fund' page on the DEEWR website. This was accessible to the public on 19 March 2013.

The Frequently Asked Questions were subsequently updated on 9 April 2013 to address the question of majority membership of a registered employee organisation as an eligibility requirement of the Fund. That update also advised potential applicants of the General Protection provisions in the *Fair Work Act 2009* and directed them to the Fair Work Ombudsman website for further information. A copy of the current Frequently Asked Questions published on the DEEWR website is [Attachment A](#) of this Submission.

Additionally, on 11 April 2013 the Department wrote to the National Secretary of United Voice, Ms Louise Tarrant, advising of representations made to DEEWR from potential applicants and clarifying the information on the DEEWR website. The letter attached a copy of the most recent Frequently Asked Questions and asked that they be passed on to Union officials and delegates so they had access to the most up to date and accurate information. A copy of the letter is at [Attachment B](#) of this submission.

To ensure information was being accessed by eligible long day care services, the Department also emailed all CCB-approved long day care centres through DEEWR's Child Care Management System on Friday 19 April 2013. This email advised services that the only source of definitive information regarding the Early Years Quality Fund was the Early Years Quality Fund page on the DEEWR website. A link to the site was provided. The text of some of the most recently updated FAQs was also included in the email, and the email encouraged services and their staff to consult the website

in the case of any queries they had. A copy of the email is available at [Attachment C](#) of this submission.

In addition, DEEWR has established an electronic mailbox in order to provide updates on the Fund and communicate with anyone who has questions about the Fund. As of 6 June 2013, the mailbox had 457 subscribers.

### ***SUMMARY***

The Australian Government has invested significantly in ensuring all Australian parents have access to quality and affordability all early childhood education and care services. This has led to record usage with over 499,000 families and over 615, 000 children using long day care services to the September quarter 2012.

The Early Years Quality Fund is a further progression toward the stable, sustainable and professional workforce required to meet the needs of families now and provide the early learning foundation so crucial for future education and employment outcomes.



# Frequently Asked Questions

## 1. General

### Why is the Australian Government doing this?

- The Australian Government is committed to high-quality, affordable education and care for Australian children.
- A key component of a quality early childhood service is a skilled and qualified workforce. This fund will support quality outcomes for children by assisting the early childhood services to attract and retain qualified hard-working professionals.

### What's the Early Years Quality Fund for?

- The Early Years Quality Fund (the Fund) will enhance Government support to services to boost quality outcomes for children in early education services, including by meeting educator qualification requirements commencing in 2014.
- The Fund will assist child care services to attract and retain the qualified, professional educators they need to continue to provide quality early childhood education and care services to children and families across Australia.
- The Fund will assist with maintaining the affordability of early childhood education, along with the Australian Government's substantial financial assistance to families through the Child Care Benefit and Child Care Rebate, while ensuring the high-quality of education and care for children.
- The Fund will provide funding directly to eligible services over two years to supplement wage increases of \$3.00 per hour for Certificate III qualified educators, with proportional increases across the classification scale. This will mean, for example, that a higher wages increase will apply to diploma and degree qualified educators.

### How will the Fund work?

- The Australian Government will establish a \$300 million Early Years Quality Fund and allow eligible services to apply for grants to improve quality outcomes for children.
- The Australian Government is establishing an Advisory Board to assist in the implementation of the Fund.

### What's the financial commitment? How is it being funded?

- The Australian Government has committed \$300 million over two years to the Early Years Quality Fund.
- As has been the case with new spending since the 2009-10 Budget, this spending will be offset with savings outlined in the May 2013 Budget.

### Will all types of child care services be able to apply?

- All Child Care Benefit approved Long Day Care services will be eligible to apply for funding through the Early Years Quality Fund.
- Funding will be approved through an application and assessment process.

### What are the eligibility criteria?

- Funding will be approved through an application and assessment process using a defined set of eligibility criteria, including:
  - 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
  - an agreement to utilise grant funds exclusively for wage increases, including detailed acquittal of funds
  - a commitment to affordability for families through fee restraint limited to actual operating cost increases (and no increases as a result of wages arising from the operation of the Fund)

- increased fee transparency requirements for services, including explaining to parents the level of financial assistance provided by the Australian Government through the Child Care Benefit and Child Care Rebate, and
- meeting specific reporting requirements for MyChild.
- Funding will be conditional on wage increases being included in an enterprise bargaining agreement.
- The detailed eligibility criteria will be settled following consideration of advice from the Early Years Quality Fund Advisory Board that is being established to assist with the implementation of the Fund.

### **Can Long Day Care services without an Enterprise Bargaining Agreement apply for this grant?**

- Yes, a Long Day Care service without a current enterprise bargaining agreement in place can apply for funding under the Early Years Quality Fund.
- However, payment of funding will be conditional on wage increases being included in an enterprise bargaining agreement.
- Services can amend an existing agreement, or chose to enter into a new agreement to access the funding.
- The Australian Government is seeking to encourage benefits of bargaining, including in smaller enterprises, to drive greater productivity at the workplace through a focus on improved flexibility and enhanced workforce capability.

### **Will there be a notice of application so that child care services without enterprise agreements can put them in place in time to apply under the Fund?**

- There will be an application process for funding. To ensure access to funding is equitable, funding may be awarded conditional on an enterprise bargaining agreement containing the required inclusions being approved by the Fair Work Commission.

### **What does it mean for the Early Childhood Education and Care educators?**

- Educators in services that qualify for a grant under the Fund will receive a pay rise based on their classification – with those at the Certificate III level receiving at least a \$3 per hour increase.
- Proportional increases will apply across the classification scale, with higher wage increases available for diploma and degree qualified educators to maintain wage relativity and create incentives for workers to up-skill.

### **Where do I get more information?**

- More information is available on the Department of Education, Employment and Workplace Relations (DEEWR) website, which will be regularly updated as the Fund rolls out.

### **Is union membership a criteria for funding eligibility under the Fund application process?**

- No. The proportion of employees who are members of a union at a service is not an eligibility or assessment criteria for funding under the Early Years Quality Fund.
- All Child Care Benefit approved Long Day Care services will be eligible to apply for funding through the Early Years Quality Fund.
- Under the Fair Work Act 2009, all employers, employees and independent contractors are free to become, or not to become, members of an industrial association, such as a trade union or employer association. For more information regarding 'General Protections' under the Fair Work act 2009 refer: <http://www.fairwork.gov.au/factsheets/FWO-Fact-sheet-General-Workplace-Protections.pdf>

### **Do all the employees at my service need to be union members in order for my service to apply for funding under the Early Years Quality Fund?**

- No. It is not a requirement for employees of a service to be members of a union in order for a service to be eligible to apply for funding under the Early Years Quality Fund.
- All Child Care Benefit approved Long Day Care services will be eligible to apply for funding through the Early Years Quality Fund. Funding will be approved through an application and assessment process.
- Under the Fair Work Act 2009, all employers, employees and independent contractors are free to become, or not to become, members of an industrial association, such as a trade union or employer association.

- For more information regarding 'General Protections' under the Fair Work act 2009 refer:  
<http://www.fairwork.gov.au/factsheets/FWO-Fact-sheet-General-Workplace-Protections.pdf>

### **Do all the employees at my service need to be union members in order for me to negotiate an enterprise agreement and be eligible for grant funding under the Early Years Quality Fund?**

- No. It is not a requirement for employees of an eligible Long Day Care service to be members of a union in order to negotiate an enterprise agreement. It is not a requirement for services to have an enterprise agreement in place in order to apply for funding under the Early Years Quality Fund.
- Under the Fair Work Act 2009, all employers, employees and independent contractors are free to become, or not to become, members of an industrial association, such as a trade union or employer association.
- For more information regarding 'General Protections' under the Fair Work act 2009 refer:  
<http://www.fairwork.gov.au/factsheets/FWO-Fact-sheet-General-Workplace-Protections.pdf>
- The Fair Work Act 2009 provides a simple, flexible and fair framework that assists employers and employees to bargain in good faith to make an enterprise agreement. Employers, employees and their bargaining representatives are involved in the process of bargaining for a proposed enterprise agreement.
- The Australian Government is seeking to encourage benefits of bargaining, including in smaller enterprises, to drive greater productivity at the workplace through a focus on improved flexibility and enhanced workforce capability.
- For more information regarding enterprise bargaining refer:  
<http://www.fairwork.gov.au/factsheets/FWO-Fact-sheet-Enterprise-Bargaining.pdf>  
<http://www.fairwork.gov.au/BestPracticeGuides/11-Improving-workplace-productivity-in-bargaining.pdf>

### **I am currently negotiating an enterprise agreement with my employees. Should I stop until after my application has been assessed under the Early Years Quality Fund?**

- The timing for negotiating an enterprise agreement is a decision for individual services and their employees.
- Funding will be approved through an application and assessment process using a defined set of eligibility criteria for the Fund. The criteria will be settled following advice from the Early Years Quality Fund Advisory Board that is being established to assist with the implementation of the Fund.
- Assessment of application for funding will occur following the establishment of the Fund from 1 July 2013.
- While payment of grant funding approved under the Fund will be conditional on wage increases being included in an enterprise bargaining agreement, services can amend an existing agreement, or choose to enter into a new agreement to access the funding.

### **Does it cost anything to lodge an enterprise agreement?**

- There is no lodgement fee when lodging an application for agreement approval.
- An employer may face other costs such as the cost of a workplace consultant/lawyer and the cost of conducting a vote. These costs may vary significantly depending on a range of factors including the size of the workplace, the complexity of the issues involved and the voting method selected.

## **2. Early Years Quality Fund Advisory Board**

### **Who oversees this Fund? Who will be on the Advisory Board? How will representatives be selected?**

- The Australian Government is establishing an Early Years Quality Fund Advisory Board. The Advisory Board will consist of representatives from employer and employee organisations and the early childhood sector to provide advice to the Government on the implementation of the Fund. Officers from the DEEWR will also work with the Board.

- Organisations will be invited to nominate representative to participate on the Advisory Board.
- The Board will provide advice on the implementation of the Fund, including:
  - advice on the content of program guidelines such as the eligibility criteria, funding distribution, application and assessment process, payment process and reporting and monitoring requirements, and
  - communication with the sector regarding these matters.
- The Fund will be administered through DEEWR.

### **3. Pay Equity Unit**

#### **What's the role of the Pay Equity Unit?**

- The primary role of the Pay Equity Unit (the Unit) is to assist the Fair Work Commission (FWC) with data and research collection and specialist pay equity information associated with equal remuneration or related applications, the four yearly modern award review and annual minimum wage decisions under the Fair Work Act.
- Reports will be published and may be accessed by parties to assist in respect to equal remuneration applications or award matters.

#### **How will it work?**

- The Unit will undertake research and prepare reports on equal remuneration matters either on its own initiative, at the request of the President or delegate, or in consultation with other Government office holders/ agencies (such as the Sex Discrimination Commissioner or the Workplace Gender Equality Agency). This could, for example, include assistance in the development of facts to inform the FWC consideration of the equal remuneration order application.
- The functions of the Unit, and any material it produces, would be available to FWC at any time during the course of considering the application.
- The Unit will also undertake research and prepare reports on equal remuneration matters either on its own initiative.



**Australian Government**  
**Department of Education, Employment and Workplace Relations**

Ms Louise Tarrant  
National Secretary  
United Voice  
303 Cleveland Street  
REDFERN NSW 2016

Dear Ms Tarrant

I am writing in relation to the \$300 million Early Years Quality Fund which the Australian Government announced on 19 March 2013 to support quality outcomes for children by assisting early childhood services to attract and retain qualified educators.

As you know, the Australian Government is also establishing an Early Years Quality Fund Advisory Board to assist in the implementation of the Fund. The Board will consist of representatives from employer and employee organisations, the early childhood sector and officers from the Department of Education, Employment and Workplace Relations (DEEWR). A key role of the Advisory Board will be to provide advice on eligibility and assessment criteria to access the Fund.

Over the last two weeks, the DEEWR Hotline and the MyChild website has received a number of queries or representations from providers and educators regarding whether eligibility criteria or assessment criteria for the Fund have been determined. We have advised them that as the Advisory Board is yet to be established, other than what was provided on the DEEWR website at the time of the announcement, eligibility or assessment criteria for the Fund have not been agreed.

A number of the queries claimed that a representative from United Voice had advised them that access to grants under the Fund will only be provided to services with a majority of employees who are members of United Voice. Similarly, that if a majority of employees were members of United Voice that this would be taken to demonstrate commitment at the service to quality outcomes for children under the National Quality Framework.

We have not investigated the veracity of each of these claims, but to ensure that the sector has accurate information regarding eligibility to, and assessment under the Fund, DEEWR recently updated the Frequently Asked Questions (FAQs) regarding these issues. For your convenience, I have attached a copy of the FAQs as at 10 April 2013.

I would appreciate it if you would forward the FAQs to United Voice officials and delegates to ensure that everyone has the same information.

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The Department will also be circulating written advice to all Long Day Care Services about the Fund and providing a direct link to the FAQs.

Yours sincerely

David De Silva  
Group Manager  
Early Childhood Initiatives

// April 2013

## Email to all Long Day Care services

Hello

### **Early Years Quality Fund**

On 19 March 2013 the Australian Government announced funding of \$300 million over two years for the Early Years Quality Fund. The Fund will enhance Government support to services to boost quality outcomes for children in early education services, including by meeting educator qualifications requirements commencing in 2014.

The Fund will provide funding over two years to supplement wage increases for qualified educators. All Child Care Benefit approved Long Day Care services will be able to apply for funding.

The Australian Government is establishing an Advisory Board made up of representatives from employer and employee groups and early childhood education and care sector to provide advice on the implementation of the Fund. The Board will provide advice regarding eligibility and assessment criteria and this will be provided to the Sector as soon as possible.

The only source of definitive information regarding the operation of Fund is the Department of Education, Employment and Workplace Relations (DEEWR) website at [www.deewr.gov.au/early-years-quality-fund](http://www.deewr.gov.au/early-years-quality-fund). On the website you will find a Fact Sheet as well as Frequently Asked Questions (FaQs). The FaQs cover a range of information such as:

- What are the eligibility criteria?
- Who oversees the fund?
- Can I apply for a grant without an Enterprise Agreement?

I encourage you to visit the website to assist with queries you or your staff may have. Information on the website is being updated regularly. If you have a specific question, please email [eyqf@deewr.gov.au](mailto:eyqf@deewr.gov.au) and you will be provided with a response within 48 hours.

Most recently updated FAQs include:

- **Do all the employees at my service need to be union members in order for my service to apply for funding under the Early Years Quality Fund?**
  - No. It is not a requirement for employees of a service to be members of a union in order for a service to be eligible to apply for funding under the Early Years Quality Fund.
  - All Child Care Benefit approved Long Day Care services will be eligible to apply for funding through the Early Years Quality Fund. Funding will be approved through an application and assessment process.
  - Under the Fair Work Act 2009, all employers, employees and independent contractors are free to become, or not to become, members of an industrial association, such as a trade union or employer association.
  - For more information regarding 'General Protections' under the Fair Work act 2009 refer: <http://www.fairwork.gov.au/factsheets/FWO-Fact-sheet-General-Workplace-Protections.pdf>
- **How much is the grant amount?**
  - The Fund will provide funding directly to approved services over two years to supplement wage increases of \$3.00 per hour for Certificate III qualified educators. There will be proportional increases across the classification scale with higher increases for diploma and degree qualified educators providing an incentive for educators to further their careers by attaining higher

qualifications. To ensure the funding flows directly to workers' wages, the grants will be conditional on wage increases being included in an enterprise agreement.

- **Is union membership a criteria for funding eligibility under the Fund application process?**

- No. The proportion of employees who are members of a union at a service is not an eligibility or assessment criteria for funding under the Early Years Quality Fund.
- All Child Care Benefit approved Long Day Care services will be eligible to apply for funding through the Early Years Quality Fund.
- Under the Fair Work Act 2009, all employers, employees and independent contractors are free to become, or not to become, members of an industrial association, such as a trade union or employer association. For more information regarding 'General Protections' under the Fair Work act 2009 refer: <http://www.fairwork.gov.au/factsheets/FWO-Fact-sheet-General-Workplace-Protections.pdf>

If you are interested in being notified when the website is updated please send an email with the title "subscribe" to [eyqf@deewr.gov.au](mailto:eyqf@deewr.gov.au)

Kind regards

CCMS Helpdesk