

Dear Standing Committee

I am a Director of a long day care centre and am writing to set out my opposition to the Early Years Quality Fund as it is currently proposed (**the Fund**).

I oppose the Fund on the following grounds:

- It is only sufficient to cover a minority of educators in the sector, which will result in a two tiered system of care. This is arbitrary and inconsistent with the aim of providing an enhanced level of education to everyone.
- It creates an unfair commercial environment. Those who do not receive funding are left with the prospect of either having a dissatisfied workforce or needing to increase salaries to reflect the enhanced rate. Those that take the latter course will see their overall labour costs rising by upwards of 10% with no ability to raise pricing. This will doubtless cause difficulties amongst a number of businesses, resulting in job losses and centre closures, which is not to anyone's benefit.
- It is designed to provide a short term solution without dealing with the issue of long term sustainability. Long day care providers are being corralled into agreeing to terms which have long term consequences that the government is not willing to support. Bait is being held out which it is difficult for providers to refuse for fear of being left behind, despite the lack of clarity as to consequences.
- It is widely thought in the industry that the division of funds has been pre-determined. It is believed that the majority of the Fund will be given to the bigger organisations on the basis of their political and commercial clout. If this is right, it will be at the expense of smaller operators who run at minimal profits or surplus and are in greater need of support.
- The process of establishing the Fund has been divisive for the sector at large. Poor levels of communication and the fundamental issues identified above have provided a breeding ground for union activity which is unlikely to benefit the sector. False promises are being made by United Voice to secure membership and co-operation. They are being believed because of the lack of clarity and consequent insecurity felt by all parties.

Overall, it is unacceptable that such an ill thought plan has gone as far as it has. I ask that the Committee clears up the mess that has been created by either abandoning the Fund or, at very least, making some fundamental changes to promote a fair system for all, not just the few.

Yours faithfully

Lyn Johnston  
Operations Manager

