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Response to Early Years Quality Fund Special Account Bill 2013

\$300 million over 2 years - paid to some Educators in Long Day Care Sector

The Early Years Quality Fund Special Account Bill 2013 (EYQF) is flawed, lacking in details, and poses more problems than it solves. The \$300 million over 2 years to be paid to a select few Long Day Care Services will result in somewhere between 27-40 % of Early Childhood Educators receiving a wage increase. 60-73% of the Early Childhood Educators will receive nothing. Because of the 'some in, most out' recipients being decided by a written application only, mistakes will be made. Some dedicated, deserving, qualified Educators will miss out. Some not-so-dedicated will 'get lucky'. This 'lucky dip' process, which wholly depends on the Service Provider undertaking a time-consuming application process, is divisive, demoralising and causing serious anxiety amongst families and Educators alike.

Before this Bill proceeds, the following questions need to be considered and answered:

- 1) In presenting the EYQF to the House of Representatives, Minister Garrett states that in order for services to access the EYQF they '*must demonstrate a commitment to improve quality outcomes for children...*' Does this mean that all Services which have already been rated 'Exceeding National Quality Standard' as a result of National Quality Standard Assessment and Rating Report, automatically qualify for this criteria? If not, why not? Do all Services who only achieved a 'Meeting National Quality Standard' qualify? Do all Services which are rated 'Working Towards National Quality Standard' automatically not qualify? Given the Funding will only be sufficient for 27 - 40% of the industry then it is unlikely that any Service which does not attain an 'Exceeding' rating could credibly be considered beyond this first criteria.
- 2) If so, how is this fair and reasonable for Educators of Services who have not yet undertaken their Assessment and Rating Report? Is the EYQF Advisory Board going to decide on a paper application only, sight unseen - Long Day Care Centre (LDC) unseen, Educators unseen, children and families unseen, that some of these 'not yet Assessed and Rated' Services do '*demonstrate a commitment to improve quality outcomes for children*'. If the Advisory Board can confidently and astutely do that, what is the point of the National Quality Framework, Office of Early Childhood Education and Care, the Australian Children's Education & Care Quality Authority, and their National Quality Standard Assessment and Rating Report? How many government departments does the industry need to conduct the same assessment? Obviously the EYQF Advisory Board cannot accurately determine which 'yet to be assessed'

Services do and don't meet 'Exceeding National Quality Standard'. So how are these Services to be considered?

- 3) What happens if the EYQF Advisory Board do decide a Service is eligible to receive the Funding and that Service is later deemed to not '*demonstrate quality outcomes for children*'? Is there a 'going back' clause where the EYQF is withdrawn? How will that play out for the Educators whose spending habits would have adjusted to their new income? If the Funding is not withdrawn if a Service doesn't, during the future 2 year funding period, '*demonstrate a commitment to improve quality outcomes for children*' what is that saying about this whole process of a 'physically removed' EYQF Advisory Board who have no first- hand knowledge of Service and Educator practices, but instead are relying solely on a written application, awarding some Services extra wages but not others? What does it say to the quality Educators who do demonstrate Exceeding National Quality Standard but whose LDC is not a recipient of the Fund?
- 4) What happens to rural and regional areas which, because of isolation and remoteness, are already struggling to meet the required qualification of staff levels? Under the National Quality Framework (NQF) this is part of the requirements to '*demonstrate commitment to quality outcomes for children*'. How can isolated Services be successful in their application process to EYQF if they do not yet meet (ie do not demonstrate commitment) to the required qualification of Educators standard?
- 5) How can Services in remote areas credibly address Minister Garrett's criteria of '*workforce plans to attract and retain qualified staff*'? This requires a whole regional community effort addressing lifestyle, travel and housing issues. The effort and rhetoric of one LDC Service Provider will be ineffective. Does this mean that these regional and rural Services will not qualify for the Fund? If they can't demonstrate Minister Garrett's requirement for '*workforce plans to attract and retain qualified staff*', why should they be recipients of the Fund? But if they aren't, then the already qualified Educators in remote and regional areas, in order to advance their wage earning capacity, will have a further incentive to move to city areas, which in turn places further pressure and bigger discrepancies between city and country areas to '*attract and maintain qualified staff*'. Greater division between city and country standards should not be an outcome of any Government-initiated policy.
- 6) What about the qualified Educators who personally do '*demonstrate a commitment to improve quality outcomes for children*' whose LDC Service Providers don't apply for EYQF? Yes the staff can apply for vacancy positions at the Services where funding has been granted, if and when any occur. But up to 100% of qualified Early Childhood Educators applying for job vacancies at the eligible 27-40% of the Services, will definitely result in many disappointed Educators. What will then happen to these staff? The Early Years Quality Fund Special Account Bill 2013 is supposed to result in a '*skilled and qualified workforce ... by assisting the early childhood services to attract and retain qualified hard-working professionals.*' When job applicants, who prior to the release of EYQF were content in their chosen careers and place of employment, but have now decided to apply for positions at Services which are receiving EYQF, repeatedly apply for job vacancies at the \$300 million

funded Services, and repeatedly are unsuccessful (and 60-73% will be unsuccessful), this could very well result in unhappy, disgruntled and fed-up Educators who because of their perceived 'failure' in job application processes, decide to leave the industry altogether. This whole process of awarding only a select minority of the sector a wage increase, '*to attract and retain qualified hard-working professionals*', could arguably drive some of the 60-73% majority of qualified educators out of the industry.

- 7) Minister Garrett's speech states '*core to our values is giving every child an opportunity to succeed*'. How does this Bill achieve this for every child, when only 27-40 % of the sector will benefit from the Bill? Of the '*over 615 000 children in LDC*', 368 900 – 448 950 children will have Educators who are not recognised for their '*professional, hardworking*' qualifications. So how does it give these 400 000 children an opportunity to succeed?
- 8) Minister Garrett's speech states '*this bill acknowledges that commitment by securing for these educators the necessary recognition of their professionalism and to reward them accordingly with higher wages.*' How does it recognise the professionalism of most of the Educators- ie 60-73 % of them? The majority of employees 60-73% will not be rewarded with higher wages. This statement is misleading and inaccurate. What is the Minister saying to the 60-73% of qualified staff who are not recipients of the higher wages? Does the Minister think they are not professional, not hard-working, or does he think they are just unlucky?
- 9) Minister Garrett' speech states '*the fund ...will enable grants to be paid (sic) services to supplement wage increases of all educators and staff assisting in the provision of quality early childhood education and care*'. The Fund will not be sufficient to supplement wage increases of all educators and staff. Minister Garrett knows this. Why did Minister Garrett mislead the House of Representatives?
- 10) In one breath Minister Garrett states the Fund is to '*attract and retain qualified hardworking professionals in the sector*'.... Two paragraphs following he states '*the fund will ensure higher wages across all classification scales*'.... Why will unqualified staff receive higher wages? Isn't that defeating the supposed purpose of the Fund – ie to give an incentive to qualified staff?
- 11) Why does the early childhood education and care sector need EYQF to maintain a '*skilled and qualified workforce*'? Isn't that the role of the Education and Care Services National Regulations 2011, the Education and Care Services National Law Act 2010, the Australian Children's Education and Care Quality Authority, the Office of Early Childhood Education & Care and National Quality Framework? That's five government departments / entities already. It would be difficult to argue the industry needs a sixth government body to address the same issue. All the \$300 million Fund will achieve is that a minority of lucky Educators will receive a pay rise but the majority won't.

- 12) What happens after the two years when the \$300 million is depleted and the higher paid Educators have to revert to a lesser pay level? Or is it envisaged that Services drastically increase their fees to families by \$10+ per day per child (the estimated extra amount that the Service Provider would need to charge to cover any on-going higher staff wages)? Minister Garrett highlights that *'quality early childhood education and care remains affordable and accessible for all Australian families'*. This won't be achieved if fees rise \$10+ per day per child.
- 13) What happens if Services which are not allocated access to the \$300 million Fund, choose to retain their quality staff by matching the pay increases resulting from EYQF? This could only be achieved by increasing parents' fee structure by \$10+ per child per day. The government's goal of ensuring *'that quality early childhood education and care remains affordable and accessible for all Australian families'* will be abandoned if this EYQF proceeds. Families cannot afford an increase in their fees. But the 60-73% of the sector also cannot afford to have a high turnover of staff because disgruntled employees are applying for positions at any centres who do receive EYQF moneys. Children need stability of staff to feel secure. Their families desire long-term permanent staff who know, understand and nurture the children. The focus of NQF is to support families and children. The focus of the EYQF will result in staff constantly applying to work at Services in receipt of extra wages moneys. If this Fund proceeds, the stability of staff at centres will be seriously affected which will in turn result in lower, not higher, quality of education and care for children.
- 14) Early Years Quality Fund Special Account Bill 2013 Explanatory Memorandum makes reference to the Human Rights Act 2011, Rights to Work, Rights of the Child and Rights to Education. These rights already exist in Australia. By not proceeding with this Bill the aforementioned Rights are not extinguished.
- 15) Who/which sector of the industry does the \$300 million Fund seek to support?
- not the children who will experience insecurities from a higher turnover of staff, as educators leave an otherwise happy working environment in search of 'lucky dip' successful centres;
 - not the families of children who are not the recipients of the Fund, but which may be subject to higher fees, as those centres try to stabilise their workforce by matching the EYQF pay scale;
 - not the families of those centres who do receive the Fund but which have to increase their fees after the 2 year Fund period expires because Educators have adjusted their lifestyle based on the increased pay scale;
 - not the Educators themselves who are angry, restless, unsettled and already jealous of anyone who may receive the increased pay scale if they do not. Team disunity serves no purpose to any of the stakeholders.
- 16) Why is the Federal Government awarding some early childhood Educators with extra wages? Isn't that the role of Fair Work Commission?

17) The Prime Minister announced that Fund moneys would be awarded on a 'first in first served basis' This sound more like a 'pigs to the trough' exercise rather than the results of a creditable, well-intentioned government which is trying to increase pay conditions for lower paid employees. Has our country resorted to 'lucky dip' policies where a few do and most don't benefit from pay scale increases? Should this be the essence of sound National Government decisions? Why not create unity and harmony in the sector by giving every Educator a \$1 per hour pay rise?

18) There is growing disquiet amongst the early childhood education and care industry that EYQF will be awarded to union members only. Minister Garrett makes reference to 'demonstrated commitment to quality outcomes', '*recognition of professionalism and qualifications*', '*workforce plans to attract and retain staff*' and '*affordability to families*'. Prime Minister Gillard advises a '*first in first served*' application process. Neither the relevant Minister nor the Prime Minister mentions union membership criteria. DEEWR fact sheets state '*it is not a requirement for employees of a service to be members of a union in order to be eligible for EYQF*'. The Fair Work Act 2009 states '*all employees.....are free to become, or not to become, members of an industrial association, such as a trade union*'. If the allocation of the EYQF is awarded based on union membership of the Services' employees, won't that allocation be regarded as illegal and therefore able to be challenged in a Court of Law?

The establishment and implementation of the EYQF is not linked to any further growth of qualified Educators in the early childhood education and care sector. If the \$300 million were used to provide a financial incentive to further study in the related fields there would be a growing pool of qualified Educators as employees sought to upgrade their qualifications. But as the Early Years Quality Fund Special Account Bill 2013 stands in its current form, only some qualified Educators receive a benefit, most qualified Educators will not, and tomorrow's pool of qualified Educators remain static or under threat of shrinking because of the intense and extensive disharmony and anger amongst those 60 - 73 % qualified Educators who are not lucky enough to be chosen.

Please do not allow this inequitable, randomly-selected, unfair, divisive, immoral and unethical legislation to proceed.

Sincere Regards

Cheryl Finlayson