Submission Number: 10
Date Received: 03/6/2013

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NATIONAL QUALITY AGENDA EARLY YEARS QUALITY FUND

For the continued sustainability and future financial viability of the centre, it is the Management's recommendation that our centre NOT apply for the Early Years Quality Fund. There are more questions than answers provided in the fact sheets available at present and it would appear that this is a stop gap measure only. The industry requires a proper overhaul in conjunction with the Fair Work Commission to provide wages parity for **ALL** staff in the child care and education industry and not just the 40% of services who may be selected for the funding.

- **Selection Criteria to be addressed as part of the Centre's application**
  - ***Demonstrated*** *commitment to Quality outcomes for children including a* ***detailed plan*** *to meet NQF requirements –*
    - Who is going to develop, update and maintain this plan?
  - *An agreement to use the funds exclusively for wage increases, including a detailed acquittal of funds –*
    - How much time will be involved in acquitting the funds?
    - What sort of reporting will be required?
    - Are funds going to be acquitted in arrears and how far in arrears?
    - If funds are acquitted in arrears, which is usually how the government works, cash flow management issues for our Centre will be created as a standalone community managed not for profit child care
  - *A commitment to affordability for families through fee restraint limited to actual operating costs and not wages rises*
    - As a not for profit centre, we already limit our fee increases to ensure affordability for families
    - This funding will also not include on costs such as superannuation, leave loadings or overtime. What is the impact then of an increasing superannuation guarantee? Is the centre to meet this?
  - *Increased fee transparency requirements for services, including explaining to Parents the level of financial assistance provided by the Australian Government*
    - The centre already provides this via a Statement to parents on a fortnightly basis containing the following
      - a summary of CCB and CCR costs
      - family percentages and part time percentages,
      - total fees charged by the centre
      - JET payments
      - GAP fees
  - *Meeting specific reporting requirements to the MY Child web site*
    - What does this specific reporting include. There are no examples of what this may entail and how often. Who is going to complete these reports?
  - ***An EBA (Enterprise Bargaining Agreement)*** *will take the place of the award that we currently operate under.*
    - This will be provided **at a cost** by either United Voice or ACSEA and will require negotiations between staff, management and union. Is the centre expected to meet the cost of setting up the EBA? Yes of course the centre will have to meet the cost. Professional advice will be required to ensure that the document is legal and complies with Fair Work Australia practices.

- **UNION ACSEA**
    - An example provided by **ACSEA** on the $300M funding shows that there will not be enough funds to for even one year
        - Approx. 50,000 (Australia wide) equivalent full time **Certificate qualified** staff eligible for the $3.00 increase will be 38 hrs per week x $3.00 per hour x 50,000 = $5.7M per week. **After one year that is $296.4 M. This does not include higher rates for more qualified and senior staff**
- **Outcomes**
    - This figure of $300M is obviously inadequate, but if the employer has signed an EBA for the two year period, they will be bound to continue to pay these increases. This would cause a small centre like ours to possibly close as we would not be able to afford such wages without increasing the parents GAP fees.
    - **What happens after two years? Will the funding be expanded continue or discontinue?** If the funding is discontinued, which is probable considering the current political climate, where will centres, including ours, be in relation to funding their staff costs. This may mean large increases for parents.
    - As Aspen is located in a low socio economic area, our families would not be able to afford such increases (estimated to be around $12.00 per day based on the Centre's current expenditure) and families would withdraw in droves.
- **The centre has already been in this predicament once before when the state government removed operational funding, which at the time in the late 1990's was approximately $50,000.00 per year. The centre relied heavily on this funding and when it was no more, the centre struggled to pay its way including paying staff wages, tax and superannuation. Closure was imminent and it was only through a one off grant by the Australian Government to cover outstanding debts, gradual attraction of new children to the centre and upgrading of facilities that the centre is now a viable business.**
- Also, there has been a recent announcement from the Australian Government that child care rebates are a target in order to assist with making up the national deficit. This may impact on the Centre in any case, as family's child care benefit, child care tax rebate and hours that families may access the service may be reduced or cut.

Conclusion

We understand that child care staff want and should be paid more and agree that the profession is stressed and underpaid, but we need to have more commitment from government both federal and state and not this inadequate funding arrangement that does not benefit the whole industry.

Aspen needs to be financially viable for future families to use long after the present staff and management have moved on. Applying for this short term funding with little certainty on how it may affect the Centre for the future is NOT the right way to ensure that Aspen Community Child Care has a future in this community.

Management Committee
Aspen Community Child Care
30 April 2013